Employee-centric discussions and economic context: Evidence from Chairman speeches [version 1; peer review: awaiting peer review]

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Abstract

Background: This paper offers a thematic interpretation of patterns of employee-centric discussions (ECD) in chairman speeches during the period of 2004-2008 and 2010-2014 wherein the former is considered the pre-recession period and the latter the post-recession period. A situation like recession calls for focus on employee relations and development. In the economic context of recession, the paper suggests that the attitudinal approach of top echelons towards employees can in part be explained by the themes of ECDs through the comparative analysis of pre- and post-recession periods.

Methods: This paper adopts a qualitative content analysis approach to study the themes of ECDs present in the chairman's speech, in the view of two economic contexts i.e., pre- and post-recession. Companies were identified from the CNX 2016 Nifty 50-stock index, then chairman's statements were downloaded using each company's official website which met the inclusion criteria. Data collection was from November 2020-March 2021. Thematic analysis was conducted using Atlas.ti, all ECD excerpts were extracted from the speeches based on the referring terms used for employees. Keywords were identified using Atlas.ti software. Preliminary coding of the ECD excerpts was carried out at the sentence level adopting the summative approach. Tagged codes were then used as keywords to extract excerpts concerning employees which did not have referring terms in it.

Results: The finding suggests that the ECDs have four dominant themes - acknowledgment and appreciation, confidence, employee relations, and employee value. It also indicates an increase in ECDs in the post-recession period.
Keywords
Chairman Speech, Employee-Centric Discussions, Pre-recession, Post-recession, Qualitative Content Analysis

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Introduction

This paper studies the focus of employee-centric discussions (ECDs) in chairman’s speeches over the period of 2004-2014, in view of economic recession. Specifically, it identifies the underlying themes of ECDs in these speeches. The employee-centric approach considers ‘employees as the crucial core for organizational success’ (Hoogervorst, Koopman, and van de Flier, 2005). Hence, any discussion targeted to employees in chairman speeches can be considered as the reflection of employee-centric approach of the higher echelons. Second, it understands the HR focus considering economic context of 2008-09 and 2009-10 based on the identified themes. The time period before 2009 i.e., 2004-2008 is labelled as pre-recession and the time period after 2010 i.e., 2011-2014 is labelled as post-recession. The rationale for this categorization is provided in succeeding paragraph.

According to the International Monetary Fund (IMF) Report 2009, the global economy was witnessing a huge financial crisis in 2009 and a consequent severe depression. In 2010, the global economy appeared to be emerging from the recession (IMF, 2010). This suggests that 2009 and 2010 is the transition period wherein the global economy moved from a crisis to normalcy. Therefore, the year of 2009 and 2010 serves as basis for categorizing the period into two distinct time periods. i.e., pre-recession (2004-2008) and post-recession (2010-2014). This economic downturn led to organizational restructuring, workforce reduction or downsizing. The Workplace Employee Relations Study 2009 suggests that during recession, the attention is on laying-off of employees, but it is equally important to lay emphasis on the employees who have survived the layoffs. Though they survive, they go through a psychological state termed as ‘Workplace Survivors’ Syndrome’ (Appelbaum and Donia, 2001a, 2001b). Organizational psychologists coined this term to explain the psychological state of employees who continue in the organization after surviving downsizing. Researchers pertaining to organizational psychology scholarship speak of many conditions that may be a characteristic of lay-off survivors. These may include low morale and motivation, absenteeism, lack of organizational commitment and engagement, risk avoidance, loss of decision making, a decline in productivity, and increased level of workplace stress. Consequently, such a situation demands for emphasis on Human Resource (HR) function which involves activities that concern maintaining employers-employee relationships contributing to adequate output, motivation and morale. This can only be attained through constant support from the top echelon. The higher echelon does believe that the HR has a significant role to play in firm performance. But, despite these beliefs, sometimes it may not be reflected in the attitudes of the top echelons.

Aforesaid, the aim of the paper is to identify the themes of ECDs in the chairman speeches and eventually understand the HR focus in the economic context of economic recession, based on identified themes. The economic context of 2009 and 2010 provides a unique opportunity to explore the attitudinal approach of the top echelons towards HR and how employment relations practices have been affected. For this study, we consider chairman’s speech as the reflection of the higher echelons’ attitudes towards HR. The chairman’s speech (also known as the chairman’s address or the chairman’s statement) has wide readership in order to assess the company and its prospects. It provides an unquantified and unaudited terms on the performance of the company during the past years and on future developments. There is no customary or suggested format and content. It also provides remark on efforts of employees and other management teams (Pendlebury and Groves, 2004). Hence, it can provide insightful results and interpretation concerning the objective of the paper.

This paper makes use of qualitative content analysis as the research technique. Whereas there is an extensive literature on the use of content analysis in analysing organizational narratives, little work has been done on the content of the chairman’s speech. Content analysis is a methodology of social science which helps in making inferences by systematic identification of the indicated characteristics of large amounts of textual information in narratives; and detecting patterns and structures of the content (Krippendorff, 2012). Overall, there are two general approaches to content analysis: meaning-oriented analysis, which concentrates on analysing the underlying themes in the texts under inquiry, and form-oriented analysis, which regularly counts words or concrete allusions. In this study, approaches of analysis that are both form-oriented (based on word occurrences) and meaning-oriented (based on theme content) are employed. The initial coding is done using the first method, while theme generation is done using the second.

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The paper discusses the prior scholarship on importance of HR focus followed by works on content analysis of chairman speeches and other organizational narratives. It further outlines the methodology before putting forth the findings. In presenting the findings, the paper offers an interpretation of patterns of ECD in chairman speeches, in the view of the economic contexts of pre- and post-recession.

This study builds upon the communication scholarship and speaks of generation of motivation through language. Steele (1977) found that listening to speeches by Winston Churchill and others bring about higher power motivation and general activation. The stimulus occurrence of the speeches exhibits two functions; it both arouses and provides signals for arousal. The individuals listening to the speeches are influenced by the signals in the speeches eventually becoming more receptive towards the speech. The linguistic choices in the speeches signals the listener or reader. The primary means by which a source can convey message strength, commonly referred to as assertion intensity is by linguistic choice (Hamilton, Hunter, and Burgoon, 1990).

Language characteristically is the medium through which subjects’ responses are educed and in which they respond by playing a role in the human cognitive and perceptual process (Krauss and Chiu, 1998). It is a tool for rebuilding perception and beliefs. Framing or wording a narrative in a manner influences human cognition (Conger, 1991). Effective framing will ensure emotional impact particularly in terms of building a sense of confidence and excitement among the targets. The activity of reading a narrative is essentially an individual cognitive process (Yekini, Wisniewski, and Millo, 2016). After that, we apply cognitive psychology theories that claim that the tone of a chairman’s remarks affects the development of attitudes (Ajzen and Fishbein, 2000; Crano and Prislin, 2006; Perloff, 2010). Psychology typically views the persuasive power of texts as informational influence, which is cognitive reactions to persuasive messages (Petty, Cacioppo and Schumann, 1983). According to Petty et al. (1986) Elaboration Likelihood Model (ELM), when actors are exposed to potentially persuasive information and when they pay attention to this message, their cognitive structures alter. This process ensures the development of new cognitions that may later be adopted and retained in memory, making various reactions more pertinent than they were before (Wagner and Petty, 2011; Sussman and Siegal, 2003). Influence is conceptualized as a “cumulative series of signals in the text that, when read by the actor, gradually brings about cognitive structure change in attitude” (Yekini, Wisniewski, and Millo, 2016). According to ELM, this study’s hypothesis is that readers of the narratives who are considering whether to invest in or withdraw their holdings in the questioned companies are engaging in the process of changing their cognitive structures. the ELM’s emphasis on the link between repetition and attitude change encourages us to think carefully about frequency as we assess the influence of the narratives. In other words, the more frequently lexicons with strong motivating power are used in the text, the more likely it is that they will have an impact.

Literature review

The existing scholarship on role of human resource has strengthened the notion that a firm’s employees can provide a distinctive ‘source of competitive advantage’ that is challenging for its competitors to replicate (Huselid, 1995). Wright and McMahan (1992), conducing to Barney’s (1991) resource-based theory of the firm, postulated that human resources can provide a source of ‘sustained competitive advantage’ indicating the importance of human resource in the formation of firm’s competitive advantage. The proliferating economic distress and competition coerces the companies to match with the global necessities. In such a situation, the companies are required to create an efficient and committed workforce that would be able to handle and internalize the transformation in the company and convert it into sustainable competitive advantage (Budhwar, 2003). Human resources (HR) is also considered as a ‘strategic asset’ for the company. Strategic assets are the set of resources which are rare, specialized and difficult to emulate contributing to the firm’s ‘competitive advantage’ (Amit and Schoemaker, 1993). Rapid globalization has led to focused emphasis on staffing and development of an international team of employees (Kelly, 2001). Similarly, dealing with innovation, the transformation of traditional human resource management into Strategic Human Resource Management enables a firm is able to maintain and boost growth (Chang and Huang, 2005). Preceding works have found out that effective human resource management (HRM) enriches firm performance, Cutcher-Gershenfeld (1991) found that organizations implementing “transformational labour relations” have higher productivity and performance vis-à-vis the organizations using ‘traditional adversarial labour relations’ practices. Katz et al. (1987) proved a positive relation between innovative work practices and productivity. Bartel (1994) established an association between the implementation of training programs and productivity, and Holzer (1987) showed that extensive recruiting efforts improved productivity. Many researchers have examined the relation between individual HRM practices and firms’ financial performance. Russell, Terborg, and Powers (1985) showed a connection between the implementation of employee training programs and financial performance. HR plays a role in creating and sustaining superior firm performance (Wright, Dunford, and Snell, 2001). Buller and McEvoy (2012) explore the linkage between the firm strategy and human resource through a multi-level model illustrating the relationship. Focussing on HRM also affects the organisation’s environment and employee citizenship behaviour (Pailié et al., 2014).
In regard to content analysis of organizational narratives, the scholarship examines the existence of an association between the content of the chairman’s statement and firm failure. These statements have an association with financial performance, strengthening the proposition that such unaudited disclosures cover significant information (Smith and Taffler, 2000). Clatworthy and Jones (2006) assess the effect of financial performance on the textual features of the chairman’s statement given the intentions of low performing businesses to employ impression management through organizational narratives. Bettman and Weitz (1983), Staw et al. (1983), Salancik and Meindl (1984), Clapham and Schwenk (1991), and Abrahamson and Park (1994) employed a content analysis technique to study the casual attribution made by organizations in their letters to shareholders to explain company performance. The president’s letter’s frequent use of the word ‘new’ was used by Bowman (1984) as a sign of managerial risk, McConnell et al. (1986), Swales (1988), and Yoon and Swales (1991) investigated whether qualitative data from an organization’s annual report might be used to predict stock price performance. D’Aveni and McMillan (1990) employed content analysis of shareholder letters to examine the various ways top management responded strategically to demand crises. In order to gauge the management response to disclosure requirements, Kelly-Newton (1980) used a content analysis to identify themes in the general comments portion of a sample of replacement cost footnotes. A content analysis of business environmental disclosures linking them to firm performance was carried out by Ingram and Frazier in 1980. The WORDS package was investigated by Frazier et al. (1984) for use in the analysis of accounting narrative.

Furthermore, language analysis in the communication and leadership research scholarship mainly examines the communicative techniques and rhetoric of the discourse, respectively. According to Den Hartog and Verburg (1997), charismatic rhetoric’s motivational and affective impacts are influenced by the message’s structure, delivery style, and manner. It has been demonstrated that a number of rhetorical tactics are successful at getting the audience to respond (Atkinson, 1984; Heritage and Greathach, 1986).

Textual analysis goes by multiple labels in other academic fields; words like content analysis, natural language processing, information retrieval, or computational linguistics all refer to similar text-based techniques. Textual analysis is used by many different academic fields, including as psychology, anthropology, linguistics, political science, journalism, and computer science. In the early 1600s, textual analysis was used to investigate hymns for word choices that might have harmed a particular religious community, according to Dowring (1954). Starting in the 1950s, textual analysis grew more popular as computers became more widely available. New interest in the subject was sparked by the advent of the internet and the growth of search engines, which led to the creation of more advanced techniques that generally fall under the category of information retrieval.

The literature clearly has a gap where no study has been done on content analysis of chairman speeches taking ECD into account. The existing literature does study the organization’s focus towards human resources and also conducts content analysis of chairman speeches and other organizational narratives such as letters to shareholders, president’s letters, and annual reports but not in conjunction. Hence, this paper extends the literature by filling the gap, contextually and methodologically.

Methods
This paper is concerned with the information content of the chairman’s statement; the task domain employed is that of employee-centric discussion. This paper adopts a qualitative content analysis approach to study the themes of ECDs present in chairman’s speeches, in the view of two economic contexts i.e., pre- and post-recession. Qualitative content analysis is different from quantitative content analysis in that the latter is concerned with the word occurrences unlike the former which is concerned with the thematic interpretation of textual data. The study is done with the help of Atlas.ti 8 software. Atlas.ti 8 is a qualitative data analysis (QDA) software package that can code number of different media types including text, images, videos, and audio. The software enables the researcher to identify, code, and interpret findings, and also to explore the relation between them. The same analysis can also be done by various freely accessible softwares such as RQDA (https://rqda.r-forge.r-project.org/).

Sample selection
All the companies from the CNX Nifty 50-stock index were selected as the sample for the study. CNX Nifty is a 50-stock index accounting for 13 sectors of the economy. This index was used for sampling because this is for a variety of purposes such as ‘benchmarking fund portfolios’, ‘index-based derivatives, and index funds. Chairman speeches of 38 out of 50 companies were finalized for the analysis. The rest of the companies from the sample were eliminated from the study owing to the unavailability of chairman speeches for entire time period of the two specified economic contexts; pre-recession (2004-2008) and post-recession (2010-2014). The speeches were collected from each companies’ official website. Data were collated based on availability of the speech in particular year, name of the company, and time periods (pre- and post-recession). The speeches were in the English language and did not require any translation. The sample of
38 companies belonged to 13 sectors: namely, automobile, cement and cement products, construction, consumer goods, energy, financial services, health care services, industrial manufacturing, information technology, media and entertainment, metals, pharmaceuticals, and telecom.

**Content analysis technique**

Contemporary applications suggest three methodologies to code data that operate with different approach – emergent coding, *a priori* coding, and summative. With emergent coding, categories are established during the process of examination of data whereas, the categories are established before the analysis deriving from the related theory. The summative approach to content analysis begins with regular counting of word occurrences followed by generation of latent themes. We employed the summative approach of content analysis in this study.

The preliminary coding of the ECD excerpts were carried out at the sentence level adopting the summative approach. Subsequent to this, the tagged codes were used as keywords to extract excerpts concerning employees which did not have referring terms in it. After the coding, the themes were generated based on the coherence of the intention of codes. The analysis involved making sense of the themes or categories found and their characteristics. The conclusions were drawn and the reconstructions of the meanings were provided by investigating the characteristics and dimensions of categories, figuring out how they relate to one another, finding patterns, and putting categories.

**Results**

This study compared the themes of ECDs by top echelons during two distinct time periods, i.e., pre-recession (2004-2008) and post-recession (2010-2014). It was done by conducting the thematic analysis of 304 chairman speeches from 38 companies (from CNX 2016 Nifty 50-stock index). For each company, we analysed 8 chairman speeches during the period of 2004-2008 (pre-recession) and 2010-2014 (post-recession), forming two sets of 152 speeches. The unit of comparison in the study is the time period (pre-recession and post-recession), and not the company itself.

The analysis was based on the referring terms used for employees in the speech (Vagisha, 2023). These keywords were identified using word cruncher tool in Atlas.ti 8 software. The preliminary tagging of the ECD excerpts yielded 26 codes – co-operation, commitment, contribution, dedication, determination, enthusiasm, effort, hard work, passion, performance, perseverance, reliability, service, support, confidence, awards and recognitions, talent management, well-being, HR initiative, employee engagement, employee diversity, occupational health safety, work environment, asset, strength, and pride.

The codes were themed based on coherence of intentions as listed below:

**Theme 1: Acknowledgment and appreciation:** This theme is generated based on the explanation that codes under ‘acknowledgement and appreciation’ implies employees’ amenity and commitment towards organization.

This theme comprises of 14 codes namely, co-operation, commitment, contribution, dedication, determination, effort, enthusiasm, hard work, passion, performance, perseverance, reliability, service, and support.

**Theme 2 – Confidence:** This theme implies the higher echelons confidence and faith in their employees. This theme comprises of one code of the same name.

**Theme 3 – Employee relations:** This theme is generated based on the explanation that codes under ‘employee relations’ implies higher echelons’ focus on human resources. This theme comprises of eight codes namely, awards and recognitions, employee diversity, employee engagement, HR initiative, occupational health and safety, talent management, well-being, and work environment.

**Theme 4 – Employee value:** The codes under this theme imply the value that employees hold for their organizations. This theme comprises of three codes namely, asset, strength, and pride.

A few example excerpts from the Chairman Speeches for each theme is provided in Tables 1, 2, 3, and 4.

The comparative analysis between the two economic contexts with respect to the frequency of ECDs, suggested an increased frequency of ECDs in the post-recession period. ECDs under the themes of acknowledgement and appreciation, employee relations activities, expectation, and employee value were more prevalent in the post-recession period.
The findings imply that throughout the post-recession period, Chairman Speeches featured employee-centric discussions more frequently. The study’s findings are consistent with the study’s premise, which emphasizes the importance of raising staff morale and motivation during a recession. The rise in the frequency of all the derived themes—acknowledgment and appreciation, employee relations activities, expectation, and employee value—from pre- to post-recession indicates a targeted approach on the part of top management towards their staff, implying an attitude change as a result of the global economic downturn.

**Discussion**

The top echelons have adhered to the idea that the HR function plays an essential role in organizational performance. Contrarily, it may not be reflected in their attitudes. In order to study the attitudinal approach of the top echelons, this paper offers an interpretation of patterns of employee centric discussions in chairman speeches, in light of economic context – pre- and post-recession. The economic context of 2009 and 2010 provides a unique opportunity to explore the

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### Table 1. Example excerpts from the Chairman Speech – Theme 1 (Acknowledgement and appreciation) (Vagisha, 2023).

<table>
<thead>
<tr>
<th>Theme</th>
<th>Code(s)</th>
<th>Example(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgement and appreciation</td>
<td>Co-operation</td>
<td>“... my sincere thanks to ... employees ... for their relentless co-operation”</td>
</tr>
<tr>
<td>Commitment</td>
<td></td>
<td>“This impressive performance was largely due to our people’s unflagging commitment”</td>
</tr>
<tr>
<td>Contribution</td>
<td></td>
<td>“I would like to thank my fellow Directors, our employees and associates for their contribution towards your Company’s progress.”</td>
</tr>
<tr>
<td>Dedication</td>
<td></td>
<td>“This was made possible by the dedication of our workforce”</td>
</tr>
<tr>
<td>Determination</td>
<td></td>
<td>“Their unrelenting determination to succeed, even in a tough and fiercely competitive market environment enabled us to build and sustain the financial stability of the company”</td>
</tr>
<tr>
<td>Enthusiasm</td>
<td></td>
<td>“I am grateful to ... our employees ... for their enthusiasm”</td>
</tr>
<tr>
<td>Effort</td>
<td></td>
<td>“I am particularly pleased with the efforts our people have put in to improve the quality of life in neighboring communities.”</td>
</tr>
<tr>
<td>Hard Work</td>
<td></td>
<td>“I would like to reiterate that your Company’s employees are its greatest asset and it is entirely due to their hard work, perseverance, commitment and dedication that your Company has been able to deliver superior growth and value creation with every passing year”</td>
</tr>
<tr>
<td>Passion</td>
<td></td>
<td>“I also want to thank our people for their passion”</td>
</tr>
<tr>
<td>Performance</td>
<td></td>
<td>“Friends, I also invite you, to join me and the Board of Directors, in thanking all the employees, led by its management team, for their performance this year.”</td>
</tr>
<tr>
<td>Perseverance</td>
<td></td>
<td>“I would like to reiterate that your Company’s employees are its greatest asset and it is entirely due to their hard work, perseverance, commitment and dedication that your Company has been able to deliver superior growth and value creation with every passing year”</td>
</tr>
<tr>
<td>Reliability</td>
<td></td>
<td>“The reliability, dedication and service of our employees translate into quantifiable improvements.”</td>
</tr>
<tr>
<td>Service</td>
<td></td>
<td>“The reliability, dedication and service of our employees translate into quantifiable improvements.”</td>
</tr>
<tr>
<td>Support</td>
<td></td>
<td>“My thanks to all employees of ... for their support”</td>
</tr>
</tbody>
</table>

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### Table 2. Example excerpts from the Chairman Speech – Theme 2 (Confidence) (Vagisha, 2023).

<table>
<thead>
<tr>
<th>Theme</th>
<th>Code(s)</th>
<th>Example(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confidence</td>
<td>Confidence</td>
<td>“I am confident they will excel in the year to come. We will continue to turn every challenge into an opportunity.”</td>
</tr>
</tbody>
</table>

The findings imply that throughout the post-recession period, Chairman Speeches featured employee-centric discussions more frequently. The study’s findings are consistent with the study’s premise, which emphasizes the importance of raising staff morale and motivation during a recession. The rise in the frequency of all the derived themes—acknowledgment and appreciation, employee relations activities, expectation, and employee value—from pre- to post-recession indicates a targeted approach on the part of top management towards their staff, implying an attitude change as a result of the global economic downturn.
An increased frequency of Employee-Centric Discussions in the Chairman Speeches during the post-recession period suggests an attitudinal change in the top echelons towards their employees. This change is evidenced by increased acknowledgment and appreciation, employee relation activities, and employee education and well-being. The top echelons are now focused on creating a work environment that is safe and healthy, and on promoting visible and invisible employee diversity.

The study's findings are in sync with the rationale of emphasizing employees' motivation and morale in a recessionary situation. The increase in the prevalence of all derived themes, including employee diversity and occupational health and safety, signifies a focussed approach of top echelons towards their employees, implying an attitudinal change due to the global economic recession.

In terms of the choice of sample (narratives), this study can be extended to other organisational disclosures. Additional insights regarding the communicative patterns and themes of ECDs might be gained by conducting an industry-wise comparative analysis of chairman speeches.

### Data availability

**Underlying data**

This project contains the following underlying data:

- CS Pre (1) – (152).pdf (Full copies of Chairmans speeches in the pre-recession time period).
- CS Post (1) – (152).pdf (Full copies of Chairman speeches in the post-recession time period).
- Coding Co-occurrence Index prior.xlsx. (Semantic Relation between codes – Pre-recession speeches).
- Coding Co-occurrence index post.xls. (Semantic Relation between codes – post-recession speeches).

Data are available under the terms of the Creative Commons Zero “No rights reserved” data waiver (CC0 1.0 Public domain dedication).

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