

## The Use of Optimistic Tone by Ethical Firms' Leaders

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### ABSTRACT

This study analyzes the annual letter to shareholders of firms that have been recognized for their ethical practices to reveal a verbal tone that can characterize their leaders. This study identifies 63 Chairs/CEOs, representing 63 firms that had been listed among the world's most ethical companies for three consecutive years (or more). Using DICTION software, their letters were analyzed for five general tones (certainty, activity, optimism, realism and commonality). The comparisons between the whole-sample tone and DICTION's 'normal range' of tones shows consistently that their letters to shareholders exhibit a strong tone of optimism, compared to their peers from Fortune 500 companies, social activists, religious leaders and political campaigners.

**Keywords:** Optimism tone, Letter to shareholders, Leadership, DICTION.

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## استخدام نغمة التفاؤل من قبل قادة الشركات الأخلاقية

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### ملخص

تهدف هذه الدراسة إلى تحليل الرسائل السنوية الموجهة إلى مساهمي الشركات التي نالت الاعتراف بممارساتها الأخلاقية، وذلك للكشف عن النغمة التي يمكن أن يتميز بها قادتها. شملت هذه الدراسة 63 رئيس مجلس إدارة أو مديراً تنفيذياً يمثلون 63 شركة عالمية مسجلة ضمن أكثر الشركات العالمية من حيث سجلها الأخلاقي لمدة ثلاثة أعوام متتالية (أو أكثر). تم استخدام برمجية (DICTION) لتحليل هذه الرسائل باستخدام خمس نغمات لغوية (التأكد، والنشاط، والتفاؤل، والواقعية، والعوامل المشتركة). وقد أظهرت المقارنة بين نغمة العينة وبين المعدل الطبيعي للنغمات (normal range) حسب برمجية (DICTION) أن رسائلهم إلى المساهمين تميزت بنغمة عالية من التفاؤل (أعلى من المعدل الطبيعي) بالمقارنة مع نظرائهم من الشركات العالمية ضمن تصنيف (Fortune 500)، والنشطاء الاجتماعيين، والزعماء الدينيين، والنشطاء السياسيين.

الكلمات الدالة: نغمة التفاؤل، الرسالة الموجهة إلى المساهمين، القيادة، برمجية (DICTION).

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## INTRODUCTION

Corporate leaders have the obligation to set an ethical/right tone through their actions and words, as models for employees to follow (tone at the top). Thus, the actions and words of firms' top leaders matter. This study aims to analyze the verbal tone of firms—as portrayed in the chairs'/CEOs' letters to shareholders, that are named in the world's most ethical companies' list from the Ethisphere Institute. The importance of tone and language of leaders at the top, as a medium by which they communicate ethics as a priority, has motivated our interest in this topic. Chairs and CEOs increasingly reveal their firms' core values and principles in their letters to shareholders (Thornton, 2019). The language of corporate leaders plays a significant role in setting a proper tone at the top (Amernic, Craig & Tourish, 2010).

In this study, we examine the verbal tone in the corpus of 63 letters to shareholders for 63 firms that have earned recognition and reputation for their ethical standards and strong adherence to their core values. Our sample includes firms that have been listed among the most ethical companies for three consecutive years (from 2017 through 2019) or more. Using DICTION software, we find that the language of Chairs/CEOs of ethical firms is far more optimistic than those of their peers (Fortune 500 companies), social activists, religious leaders and political campaigners. We conclude that this higher level of optimism may have implications for ethical leadership and/or “ethical optimism” as described by Hunt, Chonko and Wilcox (1984). In relation to ethical leadership, Yuthas, Rogers and Dillard (2002, p. 151) refer to optimism—as measured by DICTION—in regard to the sincerity of discourse, which requires the authors to 'be authentic in their representations, so that other participants can develop an understanding of their views.' In the case of 'ethical optimism', the leaders of ethical firms are optimistic about a direct association between their firms' success and ethical behaviour. The implication is that, while the

analysis of Chair/CEO tone is an at-a-distance (Craig & Amernic, 2011) means of analyzing the Chair/CEO character, the strong tone of optimism could be viewed as a distinctive marker of ethical leadership.

To the best of our knowledge, our study is the first to analyze the verbal tone in a sample of firms that are characterised as strong ethical performers. Previous studies in the same context use a sample of assumed hubristic and non-hubristic leaders (Craig & Amernic, 2014: 2016) or a sample of companies that have negative or positive earnings' surprises (Yuthas et al., 2002). Our sampled firms have met five criteria: the quality of their ethics and compliance programme; organizational culture; corporate citizenship and responsibility; governance; and leadership and reputation (Ethisphere, 2020). These criteria are assumed to produce a more comprehensive measure of firm ethics, compared to the 100 Best Corporate Citizens or the Dow Jones Sustainability World Index (Karim, Suh & Tang, 2016).

The study is in five sections. The first discusses the importance of ethics for leaders. Section Two presents a review of literature. Section Three presents the data and methods used in the study, while Section Four presents analyses of the data. A discussion of the findings follows in Section Five.

### Literature Review

The tone set by the board of directors and top executives – commonly referred to as “tone at the top” – has been addressed in the accounting literature to link to the internal control that occurs over accounting numbers (Committee of Sponsoring Organizations of the Treadway Commission (COSO), 2013). According to the ethical leadership literature, tone reflects the ethical culture that flows from the most senior executives in the firm (Brown and Treviño, 2006; Treviño & Brown, 2005; Treviño, Brown & Wall, 2004). In both respects (i.e., the

accounting and ethical perspectives), poor “tone at the top” is cited as a “red-flag” indicator of poor earnings’ quality (Abbadı & Al-Zyoud, 2012; Dikolli, Mayew & Steffen, 2012; Lail, MacGregor Stuebs & Thomasson, 2013; Monsif Azzoz & Khamees, 2016; Patelli & Pedrini, 2015; Soltani, 2014; Trompeter, Carpenter, Jones & Riley Jr, 2014).

The ethical literature views “tone at the top” as a reflection of the firm’s ethical culture, with an emphasis on the top executives who set the ethical tone throughout the firm (Treviño & Brown, 2005). Top executives, through implementing and communicating ethics as a priority, can set the ethical tone (Ethics Resource Center (ERC), 2014). Cunningham (2005, p. 6) describes ‘tone at the top’ as ‘the shared set of values that an organization has emanating from the most senior executives.’ Top executives have authority and power to cultivate an ethical environment throughout an organization. “The impulse for ethical business has to come from the top; it cannot be instigated from the bottom in a democratic manner” (Schroeder, 2002, p. 265).

Managers’ actions and words can emphasize that ‘dishonest, questionable or unethical behavior will not be tolerated’ (Albrecht, Albrecht, Albrecht & Zimbelman, 2012, p. 71). Honesty, integrity, fairness, responsibility (Schwartz, Dunfee, & Kline, 2005) or being perceived as a moral person and manager (Treviño et al., 2004) are among other qualities or values that characterize ethical leaders. For example, Dikolli et al. (2012) showed that a CEO who exhibits integrity is less likely to manipulate earnings. Similarly, in a qualitative analysis of six corporate accounting scandals (i.e., Enron, WorldCom and HealthSouth from the USA and Parmalat, Royal Ahold and Vivendi Universal from Europe), Soltani (2014) found that these corporations are characterised by poor ethical tone at the top.

As tone at the top is fundamental to the whole ethical environment of an organization, different procedures have been suggested to reinforce an ethical tone from the top. These includes establishing a code of ethics, providing ethics training and leading by example on matters of

integrity and ethics (Schroeder, 2002; Schwartz et al., 2005). These definitions suggest that tone at the top is important in creating an ethical corporate culture throughout an organization, with an emphasis on corporate leaders setting an ethical/right tone.

For example, setting up unrealistic budget numbers (Castellano & Lightle, 2005) or targeting aggressive benchmarks (Young, 2014) are management policies that could contribute to cultivating an unhealthy organization and a poor financial reporting environment. The message by the former chief executive of Enron, Jeffery Skilling, to his employees was ‘to boost Enron’s profit at any cost’ (Sims & Brinkmann, 2003). This type of unhealthy culture may signal a tone marked by fear and pressure to manipulate accounting numbers (Castellano & Lightle, 2005). D’Aquila and Bean (2003) supported this argument; their experiment comprising 78 business students found that students tended to misrepresent financial statements when ‘tone at the top’ encouraged unethical behaviour.

The importance of Chairs’/CEOs’ communications assumes greater capacity to define firm policies and decisions. Of all different forms of corporate communications, the letter to shareholders is particularly important. The words that Chairs/CEOs use in their letters to shareholders tend to reflect their “ethical predisposition” or “ethical emphasis” (Saxton, 2015) and set the tone at the top (Amernic et al., 2010). Chair/CEO tone is articulated in terms of five general tones (certainty, activity, optimism, realism and commonality). The rationale behind choosing these five tones is that they provide the most general and robust depiction of Chair/CEO tone in letters to shareholders (Hart, 2001). Consequently, these tones are likely to provide insights into the ethical emphasis of leaders of firms that are recognized for their solid commitment to ethical business practices.

Certainty in tone is ‘language indicating resoluteness, inflexibility, completeness and a tendency to speak "ex cathedra"’ (Hart, 2000, p. 97). Surroca, Prior and Tribó (2016) found that the letters to shareholders of CEOs who had a positive attitude towards risk taking exhibited a high level of firmness and rigidity in terms of certainty (high level of certainty tone). During the peak of the Global Financial Crisis (2008–2009), Patelli and Pedrini (2015) argued that high certainty in the CEO’s letter was inconsistent with the high uncertainty that characterized 2008–2009. In addition, they made a case for certainty as an indicator of transactional leaders possessing an inflexibility trait. They advanced the idea that transactional leaders are more inclined to make unethical decisions, because they are profit-oriented. Consistent with their assumptions, they found a positive and significant relationship between certainty in the CEO’s letter and a composite measure of the likelihood of misstatements. We expect Chairs/CEOs of ethical firms to score distinctly low in this verbal tone characteristic.

An “active” tone refers to language featuring movement, change, the implementation of ideas and avoidance of inertia (Hart, 2000, pp. 97-98). Activity is viewed in this study as reflecting the tendency towards innovation: a Chair/CEO who is featuring movement, implementing new ideas and avoiding resistance to change (inertia). Innovators have two common tendencies: (1) their desire to depart from the *status quo* and implement new ideas; this desire is driven fundamentally by their “active bias” (i.e., their biased thinking against the current state of affairs); and (2) their active willingness to take greater risks to implement their ideas (Dyer, Gregersen & Christensen, 2009). Thus, innovative thoughts lead to more innovation activities and risk-taking propensity. Consequently, several researchers find a positive association between managerial risk-taking and a firm’s innovation performance (García-Granero, Llopis, Fernández-Mesa & Alegre, 2015; Ling, Simsek, Lubatkin & Veiga, 2008). Because ethical leaders are likely to undertake incremental innovation activities

(Lei, Ha & Le, 2019) rather than highly uncertain and risky activities, we expect Chairs/CEOs of ethical firms to score moderately in this verbal tone characteristic.

Optimism is defined as language endorsing some person, group, concept or event or highlighting their positive entailments (Hart, 2000, p. 97). Research reflecting a tone of optimism is inspired by the work of Barber (1992) on American presidents. The positive-negative baseline suggested by Barber (1992) reflects a president’s orientation towards life or what he has done. The positive-negative baseline reflects whether a president appears to be optimistic or pessimistic, hopeful or hopeless, happy or sad (Barber, 1992). Optimism is likely the most important characteristic of discourse ethics (Yuthas et al., 2002). According to Yuthas et al. (2002), optimism reflects the sincerity principle of Habermas’s discourse ethics, where authors authentically represent their motives. Optimism is considered a key characteristic of authentic leadership (Luthans & Avolio, 2003). Bouckennooghe, Zafar and Raja (2015) found that ethical leadership has a positive impact on employee performance, with psychological capital traits (i.e., efficacy, hope, optimism and resilience) mediating this relationship. That is, ethical leadership tends to instil optimism among employees, leading to a greater job performance. Therefore, we expect Chairs/CEOs of ethical firms to score distinctly high in this verbal tone characteristic.

A “realistic” tone connotes ‘language describing tangible, immediate and recognizable matters that affect people’s everyday lives’ (Hart, 2000, p. 97). A tone of realism reflects a pragmatic approach which is common in Western society. This is originally discussed by Dewey (1954) in the public and its problems (Hart, 2014, p. xix). As leaders’ cognitive skills focus on analyzing, solving and developing viable solutions, pragmatic leaders are probably more

able to manipulate situations to obtain pragmatic outcomes (Mumford, 2006). Moreover, Ligon, Hunter and Mumford (2008) analyzed the profile of 120 outstanding leaders to identify how early life events and careers may influence a leader's style (charismatic, ideological or pragmatic) and his/her orientations (personalized *versus* socialized). They found that pragmatic leaders are characterized by analytical problem solving, focusing on the self, often at the expense of others. In contrast, Yuthas et al. (2002) argued that a tone of realism attends to the comprehensibility's principle of discourse ethics. Thus, a tone of high realism is an indication of that Chairs/CEOs place emphasis on immediate, recognizable and day-to-day matters, in order to make their letters more understandable.

Moreover, Craig and Amernic (2018) compared a tone of realism of hubristic leaders with that of non-hubristic leaders. Presumed hubristic leaders were such as John Browne (Group CEO, British Petroleum), Fred Goodwin (CEO, Royal Bank of Scotland) and Rupert Murdoch, while non-hubristic leaders included Rick Wagoner (CEO, General Motors), Haruka Nishimatsu (Chair and CEO of Japan Airlines) and Jack Welch (CEO, General Electric). The results showed that both groups have highly significant "out-of-range" scores for realism. From a communication perspective, they concluded that a tone of high realism 'is a generic feature of language used in letters to shareholders of CEOs of major companies.' While all these arguments are plausible, we make no prediction concerning the tone of realism.

Commonality in language connotes the "agreed-upon!" values of a group, rejecting idiosyncratic modes of engagement (Hart, 2000, p. 98). Common language endorses group norms and values and undermines independence. Moss, Short, Payne and Lumpkin (2011) referred to the tone of commonality as representative of the normative social identity of an organization. Patelli and Pedrini (2015) found that commonality as a measure of the ethical atmosphere of an organization and its leaders is associated negatively with aggressive financial reporting.

Evidence of commonality connotes that the Chair/CEO possesses a concept of a "good society" as suggested by the communitarians (e.g. Etzioni, 2002) or has a socialized orientation as suggested by leadership researchers (e.g. Ligon et al., 2008). Through reflecting a commonality orientation towards all stakeholders (we are one), a Chair's/CEO's letter can emphasize that the corporation and stakeholders are members of a single community and that they share the same values, norms and goals. Thus, it is reasonable to assume that Chairs/CEOs of ethical firms would score distinctly high in this verbal tone characteristic.

### **Method**

We examine the verbal tone of ethical firms with a research design that identifies 63 firms that have earned global recognition for their ethics for three consecutive years (2017, 2018 and 2019) or more. The study sample is drawn from the population of firms listed among the world's most ethical companies for the year 2019, released by Ethisphere Institute. The list includes 128 companies, representing 21 countries and 50 industries. The companies on the list have been assessed and scored for the quality of their ethics and compliance programme (35 per cent), organisational culture (20 per cent), corporate citizenship and responsibility (20 per cent), governance (15 per cent) and leadership and reputation (10 per cent) (Ethisphere, 2020). We exclude from the sample firms with no letter to shareholders (14 firms) or not-for-profit firms (9 firms) or firms who have not been named on the world's most ethical companies list for three consecutive years (2017 through 2019) (32 firms). The last criterion is necessary to ensure and emphasize that the sampled firms have committed to a culture of ethics. It might take between five to ten years for a firm to shift and sustain its new culture

(Leigh, 2013). We argue, therefore, that gaining recognition as one of the world's most ethical companies for three consecutive years is an indication of that a firm has successfully established and maintained an ethical culture.

The final sample comprises 63 firms. Table 1 presents the distribution of firms in this sample, categorized by the number of times a firm has been named as one of the world's most ethical companies. The sample contains six firms (about 10 per cent) that had been named among the world's most ethical companies for 13 years in a row (since the award's commencement in 2007), such as Aflac Incorporated, Ecolab, Inc., Kao Corporation and Fluor

Corporation (see Appendix A for the list of firms in the final sample). These are the leading firms in this field. Almost 13 per cent of the sample had earned this award eight times in a row. The final sample, however, is skewed towards USA-based firms. The distribution by country (un-tabulated results) shows that about 81 per cent of the sample are US-based firms (see Appendix A). However, this is not surprising, as about 75 per cent of the firms listed among the world's most ethical companies are from the U.S.

**Table (1)**  
**Distribution of the sample according to the number of times a firm had been named as one of the world's most ethical companies**

<b>No. of times a firm had been named as one of the world's most ethical companies</b>	<b>No. of firms</b>	<b>Percent</b>
3	5	7.9
4	6	9.5
5	6	9.5
6	7	11.1
7	4	6.3
8	8	12.7
9	5	7.9
10	6	9.5
11	6	9.5
12	4	6.3
13	6	9.5
Total	63	100

For each firm in the final sample, we downloaded and extracted the letter to shareholders from the firm's annual reports. We checked the letters carefully to ensure that they are free from repetition, as well as spelling, grammatical and typographical errors. To measure the verbal tone of ethical firms, we performed a quantitative content analysis of letters to shareholders using the DICTION software. The resulting analysis provides general information about

language features and sub-features used in the letters to shareholders and various features of the letters, such as the total number of words and characters analyzed, the number of different words and high-frequency words (Hart and Carroll, 2012, p. 15). The output of the DICTION software was written into numeric values to make further statistical analysis more convenient. These features provide insights into

the values, sentiments, intentions and ideologies of corporate leaders (Morris, 1994, p. 903). DICTION has been widely used and well-documented in accounting, finance and management literature (Patelli & Pedrini, 2015; Short & Palmer, 2008; Surroca et al., 2016).

DICTION searches any given text for five variables. These are: (1) certainty of tone: i.e., language indicating resoluteness, inflexibility, completeness and a tendency to speak “ex cathedra”; (2) activity: language featuring movement, change, the implementation of ideas and avoidance of inertia; (3) optimism: language endorsing some person, group, concept or event or highlighting their positive entailments; (4) realism: language describing tangible, immediate and recognizable matters that affect people’s everyday lives; (5) commonality: language highlighting the agreed-on values of a group and rejecting idiosyncratic modes of engagement. These five variables provide the most robust understanding of any given text. The five variables are composite measures, constructed by concatenating the 35 sub-variables (comprising 31 individual dictionaries with 10,000 words) (Hart, 2001). At the individual level, each variable provides a distinctive insight into the underlying text.

DICTION compares the results of any given text with its built-in “norms”. DICTION “norms” consist of 50,000 previously analyzed texts, all of which were produced in the USA between 1945 and 2013 (Hart & Carroll, 2012). These norms are categorized into 36 sub-categories, including a sub-category for corporate financial reports. We compared the outcomes of the processed letters to shareholders with the norm for corporate financial reports. The “normal” range of a corporate financial report’s scores of the master variable is determined by default in DICTION and a variable’s scores lying outside the “normal range of scores” is labelled (Hart & Carroll, 2012). As suggested by Amernic et al. (2010), this comparison should be made with some care, as these reports are entirely produced for large corporations in the USA. Nonetheless, they provide a useful benchmark against which the results derived from

the letters of the leaders to shareholders of the 63 ethical firms are to be compared.

### **Analysis**

Table 2, panels A and B, compare the DICTION “norm” for corporate financial reports and the means found in this study in terms of DICTION’s five general variables (activity, optimism, certainty, realism and commonality) and its four calculated variables (insistence, embellishment, variety and complexity).

The results of Table 2, panel A, show that the optimism score of the letters to shareholders in this study, at 56.72, is higher than the upper bound of DICTION’s norm, which is 52.50. Optimism in language reflects positive descriptions or expectations towards future outcomes or an endorsement of someone or something. In fact, the ethical firms’ score of optimism are ranked more than two standard deviations above the “normal” range (SD = 2.29). Too much optimism produces a utopian impression (Hart, 2000). This variable is constructed by combining measures of praise, satisfaction and inspiration while minimizing measures of blame, hardship and denial. A further analysis/explanation of what drives the higher score of optimism is presented in Table 3. Ethical firms score higher than the upper bound of DICTION’s norm on the three sub-variables that contribute to optimism: praise, satisfaction and inspiration. High scores on these sub-variables are attributed to language that affirms some person or group or reflects positive affective states (e.g. passion and happiness) or language that uses virtue-related terms, such as faith, honesty, self-sacrifice and virtue.

Compared to DICTION’s norms, the realism score (54.85) for ethical firms in this study is high and lies higher than the normal upper bound of 46.85. This is more than three standard deviations from corporate financial report norm (SD = 2.9). The realism variable



discusses immediate, recognizable and day-to-day matters. Initially, the realism tone consists of eight sub-variables, combined *via* addition and subtraction, which are:

([familiarity + spatial terms + temporal terms + present concern + human interest + concreteness] – [past concern + complexity]).

**Table (2)**  
**DICTION scores for master and calculated variables in the corpus of 63 letters to shareholders for 63 firms of the world's most ethical companies**

Panel A: Description of shareholder letters (n = 63)					
	Min.	Max.	Mean		
Total Words	212	3728	1241.17		
Total Characters	1365	23594	7846.65		
Average Word Size	4.51	5.65	5.20		
No. of Different Words	117	1911	640.21		
Panel B: Scores across Master Variables					
Master Variables	Min.	Max.	Sample Mean	Corporate Financial Reports' 'Normal' Range <sup>+</sup>	
				Low	High
Certainty	30.46	56.00	48.54	38.62	50.26
Optimism	47.65	67.10	56.72 <sup>**</sup>	47.92	52.50
Activity	42.53	54.93	49.36	46.26	53.97
Realism	48.31	64.95	54.85 <sup>*</sup>	41.14	46.85
Commonality	32.64	55.19	49.50	47.94	55.30
Panel C: Scores across Calculated Variables					
Calculated Variables	Min.	Max.	Sample Mean	Corporate Financial Reports' 'Normal' Range	
				Low	High
Insistence	10.18	198.48	67.53 <sup>*</sup>	111.4	341.91
Embellishment	0.22	11.44	1.12	-0.69	2.60
Variety	0.41	0.75	0.56 <sup>*</sup>	0.29	0.52
Complexity	4.51	5.65	5.16	4.71	5.42

**Notes:** Total character counts are all alphabetic and orthographic characters; word characters sum the number of characters of all words. Insistence is a measure of code-restriction, reflecting the text's dependence on a limited number of often-repeated words. Embellishment is a selective ratio of adjectives to verbs. Variety is a measure of linguistic dispersion (number of different words in a passage by the passage's total words). Complexity is the average number of characters-per-word (word size).

<sup>+</sup> Corporate financial reports' results are based on a sample of annual financial reports from a variety of fortune 500 companies, including 3M, Ford, Merk, Dynatech, ... etc. Reports were collected electronically from such internet sites as Annual Reports Library, Index: Annual Report Gallery and Barron's Annual Report and Earnings' Service.

<sup>\*\*</sup> (\*) highlights variable scores lying outside the ranges of DICTION norms. Low / high score is represented by -1/+1 standard deviation from the mean of Corporate Financial Report norm.

**Table (3)**  
**DICTION scores for 31 sub-variables and four calculated variables in the corpus of**  
**63 letters to shareholders for 63 firms of the world's most ethical companies**

		Sample			Corporate Financial Reports' 'Normal' Range <sup>+</sup>	
		Min.	Max.	Mean	Low	High
Certainty	Tenacity	6.04	32.06	17.42	5.47	18.86
	Leveling Terms	0.50	21.21	6.24	0.42	7.17
	Collectives	4.17	26.87	10.55	2.05	13.7
	Insistence	10.18	198.48	67.53*	111.4	341.91
	Numerical Terms	2.75	48.43	16.79*	40.62	112.24
	Ambivalence	0.00	14.29	3.48	-0.46	6.16
	Self-reference	0.00	18.18	2.03*	-0.64	1.02
Optimism	Variety	0.41	0.75	0.56*	0.29	0.52
	Praise	1.75	23.35	7.97*	-0.37	5.13
	Satisfaction	0.00	16.62	4.32*	-0.72	1.99
	Inspiration	2.22	23.53	9.39*	-0.16	7.14
	Blame	0.00	5.32	0.44	-0.82	2.36
	Hardship	0.00	7.72	1.35	-1.00	3.78
	Denial	0.00	11.11	1.13	-2.86	6.18
Activity	Aggression	0.00	15.71	3.27	0.07	5.36
	Accomplishment	12.12	56.92	34.91	18.72	43.11
	Communication	0.00	20.51	1.99	-0.75	6.24
	Motion	0.00	6.92	2.45	-1.36	3.29
	Cognition	1.11	20.02	8.21	2.03	10.26
	Passivity	1.00	17.62	7.23	0.23	7.23
	Embellishment	0.22	11.44	1.12	-0.69	2.60
Realism	Aggression	0.00	15.71	3.27	0.07	5.36
	Familiarity	57	150.07	112.99	106.54	137.49
	Spatial Terms	1.50	17.22	8.62	0.44	9.82
	Temporal Terms	4.5	96.83	14.46	5.81	20.69
	Present Concern	1.82	25.19	10.01*	1.06	8.54
	Human Interest	9.00	89.16	39.48*	-4.99	12.10
	Concreteness	4.72	35.76	14.35	10.03	30.92
Commonality	Past Concern	0.00	5.66	2.00	-0.88	3.85
	Complexity	4.51	5.65	5.16	4.71	5.42
	Centrality	1.00	16.29	4.92	1.32	11.39
	Rapport	0.00	7.14	1.84	-0.55	2.27
	Cooperation	1.72	32.83	9.79	4.74	18.12
	Diversity	0.00	11.14	2.70	-0.39	3.53
	Exclusion	0.00	5.32	1.75	0.06	7.90
	Liberation	0.00	10.89	1.06	-0.61	1.39

**Notes:** + Corporate financial reports' results are based on a sample of annual financial reports from a variety of fortune 500 companies, including 3M, Ford, Merck, Dynatech, ... etc.

++ (\*) highlights variable scores lying outside the ranges of DICTION norms. Low / high score is represented by -1/+1 standard deviation from the mean of Corporate Financial Reports norm.

The results of Table 3 show that both human interest (referring to language describing people and their activities) and present concern (a list of general and present tense verbs) stand out as being higher than the upper bound of their respective normal range. High scores on these variables might show language that focuses on the humanity of the corporation and the care which is felt towards all its employees (Amernic et al., 2010). The other key variables: certainty, activity and commonality are all within the normal ranges of corporate financial reports.

Table 2, panel B, shows that the language of ethical firms—compared to the normal ranges of DICTION—is frequently lower in terms of insistence (mean = 67.53, low range = 111.4) and is higher in terms of variety (mean = 0.56, high range = 0.52). Both measures are related to word repetition and diversity. Insistence is a measure of code restriction and agenda maintenance, assuming that the repetition of keywords in a given text reflects a limited scope for discussion of issues (Hart, Childers & Lind, 2013). The result of insistence is consistent with and linked to variety, which measures the diversity of language. A low

score on insistence and a high score on variety indicate greater language diversity, flexibility and credibility (Sherblom & Sherblom, 1987).

To validate our results—in relation to optimism and realism—across DICTION's norms, we chose to compare our results with DICTION's norms for social activists, religious leaders, political campaigners and all processed texts. By looking at our sample of ethical firms from different standpoints (e.g. the vantage point of a social activist), we can see whether our results for optimism and realism hold across the normative grouping that we chose. We chose these norms deliberately; in particular, we chose the norms of social activists and religious leaders because both are assumed to promote more ethical practices. Hart (1984) found that modern presidents of the US speak with far more optimism and realism compared to CEOs. We think that comparing our sample's scores with DICTION's norm of politicians will provide further evidence of the validity of our results.

**Table (4)**  
**DICTION scores for master variables in the corpus of 63 letters to shareholders for 63 firms of the world's most ethical companies across DICTION norms of social movement speeches, campaign speeches, religious sermons and all cases**

Sample	Corporate Financial Reports	Social Movement Speeches	Campaign Speeches	Religious Sermons	All Cases
Activity	49.36	49.67	50.21	54.32*	49.30
Optimism	56.72*	56.35*	54.40*	54.56*	54.70*
Certainty	48.54	48.53	48.34	46.86*	47.09
Realism	54.85*	46.81*	43.74*	45.65*	46.51
Commonality	49.50	52.38*	52.53*	52.56*	51.44

**DICTION's normal range of scores**

	Low	High	Low	High	Low	High	Low	High
Activity	47.93	52.37	48.03	52.99	46.38	51.96	46.74	55.48
Optimism	45.49	51.28	47.56	53.68	46.80	53.12	46.37	52.25
Certainty	47.68	51.89	47.38	51.80	47.74	51.8	46.90	51.96
Realism	47.10	52.26	49.51	54.74	47.76	52.64	46.10	52.62
Commonality	47.38	52.05	47.59	51.78	47.02	51.98	46.86	52.28

**Notes:**

+ **Corporate financial reports** (n = 48). A sampling of annual financial reports from a variety of fortune 500 companies, including 3M, Ford, Merck, Dynatech, ... etc. **Social movement speeches** (n = 129). Addresses delivered to marginalized as well as mainstream groups about pressing social matters. Included are speeches by Malcolm X, Andrea Dworkin, Ralph Nader, Paul Ehrlich, ... etc. **Campaign speeches** (n = 2357). Speeches delivered by democratic, republican and third-party presidential candidates between 1948 and 1996. **Religious sermons** (n = 198). Sermons delivered by a wide variety of denominational representatives in the United States between 1935 and 1996. Topics include biblical exegesis, doctrinal disputes, ritualistic remembrances and general moral and social discussions. Mainline denominations (e.g. episcopalians, catholics and methodists) as well as an assortment of cults and sects are represented. **All cases** (n = 22,027) consist of all texts processed thus far by the author. These overall norms are divided into six classes: business, daily life, entertainment, journalism, literature, politics and scholarship.

++ (\*) highlights variable scores lying outside the ranges of DICTION's norms of corporate financial reports, social movement speeches, campaign speeches, religious sermons and all cases.

Table 4 presents the results of reprocessing our sample using DICTION's norms for social activists, religious leaders, political campaigners and all cases. Table 4 shows that the score of optimism stands out as being higher than the upper bound of DICTION's norms for social activists, religious leaders, political campaigners and all cases. The analysis of optimism shows a consistent pattern of being higher than the benchmarks set by DICTION. Ethical firms' speech, on the evidence of these letters, shows much more optimism than even political campaigners. The result of realism doesn't hold when we move away from DICTION's norm of corporate financial reporting; the realism score is lower than the lower bounds of DICTION's norms for social activists, religious leaders and political campaigners and within the normal range of DICTION's norm of all cases. Seemingly, ethical firms are more pragmatic/practical compared to their peers in general, but they lag far behind the practicality of political campaigners.

**Discussion**

This study has investigated an important, yet under-

researched topic, which is the verbal tone of ethical firms as portrayed in letters to shareholders, using hitherto unexplored data from the world's most ethical companies. Our interest in this topic emanates from the importance of the ethical climate to firms' survival and growth. The egregious accounting scandals of Enron and WorldCom show a poor ethical tone (Sims & Brinkmann, 2003). Firms listed among the world's most ethical companies, on the other hand, enjoy a 15-per cent advantage in their financial performance compared to their peers (Ethisphere, 2020); this is referred to as "the ethics premium". We analyze the verbal tone of 63 firms that have been listed among the world's most ethical companies for indications of certainty, activity, optimism, realism and commonality, using the DICTION software package. We compare the whole-sample tone with a DICTION-generated average tone for corporate financial reports, social activists, religious leaders, political campaigners and all texts processed by DICTION so far.

The results of our analysis consistently show that ethical firms display a higher level of optimism than their peers, social activists, religious leaders and political campaigners. A further analysis on optimism tone shows that praise, satisfaction and inspiration stand out as being higher than the upper bound of their respected normal ranges. High scores on these sub-features result from the use of virtuous terms (e.g. faith, honesty), terms that express positive affective states (e.g. happiness) or terms that affirm desirable qualities (e.g. faithful, good). A high optimistic tone is linked to the sincerity principle of discourse ethics, as suggested by Yuthas et al. (2002). Ethical firms are likely to instil virtuous attributes among their employees, including hope, optimism and honesty that enable them to overcome adversity (Bright, Cameron & Caza, 2006; Cameron, Bright & Caza, 2004).

Moreover, when employees believe that acting ethically would lead to their firms' success, they would act accordingly (Deshpande, Joseph & Prasad, 2006; Kincaid, Baloglu & Corsun, 2008; Simha & Stachowicz-Stanusch, 2013). This is referred to as "ethical optimism". Our results for "optimism" are also linked to ethical/authentic leadership. Researchers in leadership found a direct relation between optimism and authentic leaders (Gardner, Avolio, Luthans, May & Walumbwa, 2005; Luthans & Avolio, 2003). The authentic leader is 'confident, hopeful, optimistic, resilient, transparent, moral/ethical and future-

oriented' (Luthans & Avolio, 2003, p. 243). Authentic leaders are found to evoke optimism among their followers (Bouckenooghe et al., 2015), which, in turn, contributes positively to their firms' performance.

Our results for optimism are also consistent with extant literature in accounting and finance, showing that optimism is used to convey informative and relevant events. For example, optimism is found to contribute positively to a firm's welfare (Hilary, Hsu, Segal & Wang, 2016), market valuation (Alshorman & Shanahan, 2021) and performance (Davis, Ge, Matsumoto & Zhang, 2015; Patelli & Pedrini, 2014).

However, we acknowledge that our approach has critics. It has been argued that the letter to shareholders may constitute an attempt to manage the impression of stakeholders (Clatworthy & Jones, 2006) or it is likely to be subject to a genre effect that is common in letters to shareholders (Craig & Amernic, 2016). DICTION *per se* has also been criticized, like any computerized content analysis program, as being incapable of recognizing context, irony or sarcasm (Pennebaker, Mehl & Niederhoffer, 2003). Despite these limitations, DICTION serves the purpose of this study by allowing the results of our sample to be compared to the DICTION norms that we had selected.

## Appendix A: Definitions of DICTION Variables

This appendix provides detailed definitions and explanations of DICTION's five master variables, along with 31 dictionary variables. All these definitions, formulae and explanations are sourced from DICTION's 6.0 manual (Hart & Carroll, 2012, pp. 5-10).

### Certainty

Language indicating resoluteness, inflexibility and completeness and a tendency to speak *ex cathedra*.

Formula: [tenacity + levelling + collectives + insistence] – [numerical terms + ambivalence + self-reference + variety].

**Tenacity:** All uses of the verb to be (*is, am, will, shall*), three definitive verb forms (*has, must, do*) and their variants, as well as all associated contraction's (he'll, they've, ain't). These verbs connote confidence and totality.

**Levelling:** Words used to ignore individual differences and to build a sense of completeness and assurance. Included are

totalizing terms (*everybody, anyone, each, fully*), adverbs of permanence (*always, completely, inevitably, consistently*) and resolute adjectives (*unconditional, consummate, absolute, open-and-shut*).

**Collectives:** Singular nouns connoting plurality that function to decrease specificity. These words reflect a dependence on categorical modes of thought. Included are social groupings (*crowd, choir, team, humanity*), task groups (*army, congress, legislature, staff*) and geographical entities (*county, world, kingdom, republic*).

**Insistence:** This is a measure of code-restriction and semantic contentedness. The assumption is that repetition of key terms indicates a preference for a limited, ordered world. In calculating the measure, all words occurring three or more times that function as nouns or noun-derived adjectives are identified (either cybernetically or with the user's assistance) and the following calculation is performed: [number of eligible words x sum of their occurrences] ÷ 10. (For small input files, high frequency terms used two or more times are used in the calculation).

**Numerical Terms:** Any sum, date or product specifying the facts in a given case. This dictionary treats each isolated integer as a single word and each separate group of integers as a single word. In addition, the dictionary contains common numbers in lexical format (*one, tenfold, hundred, zero*), as well as terms indicating numerical operations (*subtract, divide, multiply, percentage*) and quantitative topics (*digitize, tally, mathematics*). The presumption is that numerical terms hyper-specify a claim, thus detracting from its universality.

**Ambivalence:** Words expressing hesitation or uncertainty, implying a speaker's inability or unwillingness to commit to the verbalization being made. Included are hedges (*allegedly, perhaps, might*), statements of inexactness (*almost, approximate, vague, somewhere*) and confusion (*baffled, puzzling, hesitate*). Also, included are words of restrained possibility (*could, would, he'd*) and mystery (*dilemma, guess, suppose, seems*).

**Self-reference:** All first-person references, including *I, I'd, I'll, I'm, I've, me, mine, my, myself*. Self-references are treated as acts of indexing, whereby the locus of action appears to reside in the speaker and not in the world at large (thereby implicitly acknowledging the speaker's limited vision).

**Variety:** This measure conforms to Wendell Johnson's (1946) type-token ratio which divides the number of different words in a passage by the passage's total words. A high score indicates a speaker's avoidance of overstatement and a preference for precise, molecular statements.

### **Optimism**

Language endorsing some person, group, concept or event or highlighting their positive entailments.

Formula: [praise + satisfaction + inspiration] – [blame + hardship + denial].

**Praise:** Affirmations of some person, group or abstract entity. Included are terms isolating important social qualities (*dear, delightful, witty*), physical qualities (*mighty, handsome, beautiful*), intellectual qualities (*shrewd, bright, vigilant, reasonable*), entrepreneurial qualities (*successful, conscientious, renowned*) and moral qualities (*faithful, good, noble*). All terms in this dictionary are adjectives.

**Satisfaction:** Terms associated with positive affective states (*cheerful, passionate, happiness*), with moments of undiminished joy (*thanks, smile, welcome*) and pleasurable diversion (*excited, fun, lucky*) or with moments of triumph (*celebrating, pride, auspicious*). Also, included are words of nurturance (*healing, encourage, secure, relieved*).

**Inspiration:** Abstract virtues deserving of universal respect. Most of the terms in this dictionary are nouns isolating desirable moral qualities (*faith, honesty, self-sacrifice, virtue*), as well as attractive personal qualities (*courage, dedication, wisdom, mercy*). Social and political ideals are also included (*patriotism, success, education, justice*).

**Blame:** Terms designating social inappropriateness (*mean, naive, sloppy, stupid*), as well as downright evil (*fascist, blood-*

thirsty, repugnant, malicious), compose this dictionary. In addition, adjectives describing unfortunate circumstances (bankrupt, rash, morbid, embarrassing) or unplanned vicissitudes (weary, nervous, painful and detrimental) are included. The dictionary also contains outright denigrations (cruel, illegitimate, offensive, miserly).

**Hardship:** This dictionary contains natural disasters (earthquake, starvation, tornado, pollution), hostile actions (killers, bankruptcy, enemies, vices) and censurable human behaviour (infidelity, despots, betrayal). It also includes unsavoury political outcomes (injustice, slavery, exploitation, rebellion), as well as normal human fears (grief, unemployment, died, apprehension) and incapacities (error, cop-outs, weakness).

**Denial:** A dictionary consisting of standard negative contractions (aren't, shouldn't, don't), negative function words (nor, not, nay) and terms designating null sets (nothing, nobody, none).

### **Activity**

Language featuring movement, change, the implementation of ideas and the avoidance of inertia. Formula: [aggression + accomplishment + communication + motion] – [cognitive terms + passivity + embellishment].

**Aggression:** A dictionary embracing human competition and forceful action. Its terms connote physical energy (blast, crash, explode, collide), social domination (conquest, attacking, dictatorships, violation) and goal-directedness (crusade, commanded, challenging, overcome). In addition, words associated with personal triumph (mastered, rambunctious, pushy), excess human energy (prod, poke, pound, shove), disassembly (dismantle, demolish, overturn, veto) and resistance (prevent, reduce, defend, curbed) are included.

**Accomplishment:** A dictionary that includes words expressing task-completion (establish, finish, influence, proceed) and organized human behaviour (motivated, influence, leader, manage). It also includes capitalistic terms (buy, produce, employees, sell), modes of expansion (grow, increase, generate, construction) and general functionality (handling, strengthen, succeed, outputs). Also included is programmatic language (agenda, enacted, working, leadership).

**Communication:** Terms referring to social interaction, both face-to-face (listen, interview, read, speak) and mediated (film, videotape, telephone, e-mail). The dictionary includes both modes of intercourse (translate, quote, scripts, broadcast) and moods of intercourse (chat, declare, flatter, demand). Other terms refer to social actors (reporter, spokesperson, advocate, preacher) and a variety of social purposes (hint, rebuke, respond, persuade).

**Motion:** Terms connoting human movement (bustle, job, lurch, leap), physical processes (circulate, momentum, revolve, twist), journeys (barnstorm, jaunt, wandering, travels), speed (lickety-split, nimble, zip, whistle-stop) and modes of transit (ride, fly, glide, swim).

**Cognitive Terms:** Words referring to cerebral processes, both functional and imaginative. Included are modes of discovery (learn, deliberate, consider, compare) and domains of study (biology, psychology, logic, economics). The dictionary includes mental challenges (question, forget, re-examine, paradoxes), institutional learning practices (graduation, teaching, classrooms), as well as three forms of intellection: intuitional (invent, perceive, speculate, interpret), rationalistic (estimate, examine, reasonable, strategies) and calculative (diagnose, analyze, software, fact-finding).

**Passivity:** Words ranging from neutrality to inactivity. It includes terms of compliance (allow, tame, appeasement), docility (submit, contented, sluggish) and cessation (arrested, capitulate, refrain, yielding). It also contains tokens of inertness (backward, immobile, silence, inhibit) and disinterest (unconcerned, nonchalant, stoic), as well as tranquillity (quietly, sleepy, vacation).

**Embellishment:** A selective ratio of adjectives to verbs based on David Boder's (1940) conception that heavy modification slows down a verbal passage by de-emphasising human and material action. Embellishment is calculated

according to the following formula: [praise + blame +1] ÷ [present concern + past concern +1].

### **Realism**

Language describing tangible, immediate and recognizable matters that affect people's everyday lives.

Formula: [familiarity + spatial awareness + temporal awareness + present concern + human interest + concreteness] – [past concern + complexity].

**Familiarity:** Consists of a selected number of C. K. Ogden's (1968) operation words which he calculates to be the most common words in the English language. Included are common prepositions (across, over, through), demonstrative pronouns (this, that) and interrogative pronouns (who, what), as well as a variety of particles, conjunctions and connectives (a, for, so).

**Spatial Awareness:** Terms referring to geographical entities, physical distances and modes of measurement. Included are general geographical terms (abroad, elbow-room, locale, outdoors), as well as specific ones (Ceylon, Kuwait, Poland). Also included are politically defined locations (county, fatherland, municipality, ward), points on the compass (east, southwest) and the globe (latitude, coastal, border, snowbelt), as well as terms of scale (kilometre, map, spacious), quality (vacant, out-of-the-way, disoriented) and change (pilgrimage, migrated, frontier).

**Temporal Awareness:** Terms that fix a person, idea or event within a specific time-interval, thereby signalling a concern for concrete and practical matters. The dictionary designates literal time (century, instant, mid-morning), as well as metaphorical designations (lingering, seniority, nowadays). Also included are calendrical terms (autumn, year-round, weekend), elliptical terms (spontaneously, postpone, transitional) and judgmental terms (premature, obsolete, punctual).

**Present Concern:** A selective list of present-tense verbs extrapolated from C. K. Ogden's list of general and picturable terms, all of which occur with great frequency in standard American English. The dictionary is not topic-specific, but points instead to general physical activity (cough, taste, sing, take), social operations (canvass, touch, govern, meet) and task-performance (make, cook, print, paint).

**Human Interest:** An adaptation of Rudolf Flesch's notion that concentrating on people and their activities gives discourse a life-like quality. Included are standard personal pronouns (he, his, ourselves, them), family members and relations (cousin, wife, grandchild, uncle) and generic terms (friend, baby, human, persons).

**Concreteness:** A large dictionary possessing no thematic unity other than tangibility and materiality. Included are sociological units (peasants, African-Americans, catholics), occupational groups (carpenter, manufacturer, policewoman) and political alignments (communists, congressman, Europeans). Also incorporated are physical structures (courthouse, temple, store), forms of diversion (television, football, CD-ROM), terms of accountancy (mortgage, wages, finances) and modes of transportation (airplane, ship, bicycle). In addition, the dictionary includes body parts (stomach, eyes, lips), articles of clothing (slacks, pants, shirt), household animals (cat, insects, horse) and foodstuffs (wine, grain, sugar), as well as general elements of nature (oil, silk, sand).

**Past Concern:** The past-tense forms of the verbs contained in the present-concern dictionary.

**Complexity:** A simple measure of the average number of characters-per-word in a given input file. It borrows Rudolph Flesch's (1951) notion that convoluted phrasings make a text's ideas abstract and its implications unclear.

### **Commonality**

Language highlighting the agreed-upon values of a group and rejecting idiosyncratic modes of engagement.

Formula: [centrality + cooperation + rapport] – [diversity + exclusion + liberation].



**Centrality:** Terms denoting institutional regularities and/or substantive agreement on core values. Included are indigenous terms (native, basic, innate) and designations of legitimacy (orthodox, decorum, constitutional, ratified), systematicity (paradigm, bureaucratic, ritualistic) and typicality (standardized, matter-of-fact, regularity). Also included are terms of congruence (conformity, mandate, unanimous), predictability (expected, continuity, reliable) and universality (womankind, perennial, landmarks).

**Cooperation:** Terms designating behavioural interactions among people that often result in a group product. Included are designations of formal work relations (unions, schoolmates, caucus) and informal associations (chum, partner, cronies) to more intimate interactions (sisterhood, friendship, comrade). Also, included are neutral interactions (consolidate, mediate, alignment), job-related tasks (network, detente, exchange), personal involvement (teamwork, sharing, contribute) and self-denial (public-spirited, care-taking, self-sacrifice).

**Report:** This dictionary describes attitudinal similarities among groups of people. Included are terms of affinity (congenial, camaraderie, companion), assent (approve, vouched, warrants), deference (tolerant, willing, permission) and identity (equivalent, resemble, consensus).

**Diversity:** Words describing individuals or groups of individuals differing from the norm. Such distinctiveness may be comparatively neutral (inconsistent, contrasting, non-conformist), but it can also be positive (exceptional, unique, individualistic) and negative (illegitimate, rabble-rouser, extremist). Functionally, heterogeneity may be an asset (far-flung, dispersed, diffuse) or a liability (factionalism, deviancy, quirky) as can its characterizations: rare *vs.* queer, variety *vs.* jumble, distinctive *vs.* disobedient.

**Exclusion:** A dictionary describing the sources and effects of social isolation. Such seclusion can be phrased passively (displaced, sequestered) as well as positively (self-contained, self-sufficient) and negatively (outlaws, repudiated). Moreover, it can result from voluntary forces (secede, privacy) and involuntary forces (ostracize, forsake, discriminate) and from both personality factors (small mindedness, loneliness) and political factors (right-wingers, nihilism). Exclusion is often a dialectical concept (hermit *vs.* derelict, refugee *vs.* pariah, discard *vs.* spurn).

**Liberation:** Terms describing the maximizing of individual choice (autonomous, open-minded, options) and the rejection of social conventions (unencumbered, radical, released). Liberation is motivated by both personality factors (eccentric, impetuous, flighty) and political forces (suffrage, liberty, freedom, emancipation) and may produce dramatic outcomes (exodus, riotous, deliverance) or subdued effects (loosen, disentangle, outpouring). Liberatory terms also admit to rival characterizations (exemption *vs.* loophole, elope *vs.* abscond, uninhibited *vs.* outlandish).

## Appendix B: The Study Sample

No.	Company Name	Industry	Country
1	3M Company	Industrial Manufacturing	USA
2	Accenture, LLC	Consulting Services	Ireland
3	Aflac, Incorporated	Accident & Life Insurance	USA
4	Allstate Insurance Company	Property & Casualty Insurance	USA
5	Capgemini	Consulting Services	France
6	CA Technologies	Software & Services	USA
7	CBRE Group, Inc.	Real Estate	USA
8	Colgate-Palmolive Company	Consumer Products	USA

9	Cummins, Inc.	Automotive	USA
10	DCC	Conglomerate	Ireland
11	Dell, Inc.	Technology	USA
12	Dun & Bradstreet	Business Services	USA
13	Eastman	Chemicals	USA
14	Ecolab Inc	Chemicals	USA
15	EDP Energias de Portugal, SA	Energy & Utilities	Portugal
16	Edwards Lifesciences	Medical Devices	USA
17	Eli Lilly and Company	Pharmaceuticals	USA
18	Fluor Corporation	Engineering & Design Services	USA
19	Granite Construction, Incorporated	Construction & Building Materials	USA
20	HASBRO, Inc.	Consumer Products	USA
21	Henry Schein, Inc.	Healthcare Products	USA
22	IBERDROLA	Energy & Utilities	Spain
23	Ingredion, Incorporated	Food, Beverage & Agriculture	USA
24	Intel Corporation (2019)	Electronics & Semiconductors	USA
25	International Paper Company	Forestry, Paper & Packaging	USA
26	Jones Lang LaSalle, Incorporated	Real Estate	USA
27	Kao Corporation	Health & Beauty	Japan
28	Kellogg Company	Food, Beverage & Agriculture	USA
29	LinkedIn (2016)	Technology	USA
30	L'ORÉAL	Health & Beauty	France
31	ManpowerGroup	Staffing & Outsourcing Services	USA
32	Mastercard	Payment Services	USA
33	Microsoft	Technology	USA
34	Natura Cosméticos	Health & Beauty	Brazil
35	NextEra Energy, Inc.	Energy & Utilities	USA
36	Old National Bancorp	Banks: Regional	USA
37	ON Semiconductor (2016)	Electronics & Semiconductors	USA
38	Paychex, Inc. (2018)	Staffing & Outsourcing Services	USA
39	Pearsons	Engineering & Design Services	USA
40	PepsiCo	Food, Beverage & Agriculture	USA
41	PKN ORLEN S.A.	Oil & Gas, Renewables	Poland
42	Premier, Inc.	Health Information Services	USA
43	Principal Financial Group	Financial Services	USA
44	Prudential Financial, Inc.	Financial Services	USA
45	Realogy Holdings Corp.	Real Estate	USA
46	Republic Services, Inc.	Environmental Services	USA
47	Rockwell Automation	Diversified Machinery	USA

48	Royal Caribbean Cruises, Ltd.	Leisure & Recreation	USA
49	Schneider Electric	Diversified Machinery	France
50	Schnitzer Steel Industries, Inc.	Metals, Minerals & Mining	USA
51	Tata Steel, Limited	Metals, Minerals & Mining	India
52	Teachers Mutual Bank	Banks: National	Australia
53	Teradata Corporation	Software & Services	USA
54	The Hartford	Property & Casualty Insurance	USA
55	The Timken Company	Industrial Manufacturing	USA
56	Thrivent Financial	Financial Services	USA
57	U.S. Bank	Banking	USA
58	VF Corporation	Apparel	USA
59	Visa, Inc.	Payment Services	USA
60	Volvo Car Group	Automotive	USA
61	Voya Financial, Inc.	Financial Services	USA
62	Weyerhaeuser Company	Forestry, Paper & Packaging	USA
63	Wipro, Limited	Information Technology Services	India

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