



THE 13TH EDITION OF THE INTERNATIONAL CONFERENCE
EUROPEAN INTEGRATION
REALITIES AND PERSPECTIVES

Interdisciplinary Dimensions of Communication Science

Private Companies in Romania - A Strategic Organizational Communication Outlook

Roxana Șeitan¹

Abstract: The objective of this study is to examine the strategic organizational communication performed by the private companies from Romania in their annual reports published in 2014, 2015 and 2016. Following the studies performed by Rutherford (2005), Beattie, Dhanani, Jones (2008), Ditlevsen (2010), Breeze (2013), Stanton (2017), we are analysing the structure as well as the content of the annual reports. Findings of the study show the total and average number of pages per annual report, the total and average numbers of words per annual report, the most frequently used words in the twelve published annual reports by the four considered companies. Through content analysis, the communication related to the diversity of employees' nationalities as well as the employees' gender have been assessed, concluding that the four private companies make known in their annual reports this type of information. Study of strategic organizational communication provide significant information to the academics as well as to the organizations.

Keywords: organizational communication; strategic communication; annual reports

1. Introduction and Theoretical Framework

Organizational communication, in the opinion of Pace (1983), is an understanding of both the organizing process and the products that issue from an organization. The structure, the rules, the expectations, and the meanings govern some of the communication activities that occur in an organization; at the same time the communication activities produce, create, and affect the organization. Hence, organizational communication is at the heart of the organization; it both affects and is affected by the organization. (Pace, 1983, pp. 37 - 38)

Papa, Daniels, Spiker (2008) illustrated that strategic communication is the fundamental subject matter for the significant perspective of organizational communication. Strategic communication in organizations is a complex process concerned about the transmission of messages in order to influence various publics and with the ways in which publics seek out and use information. (Papa, Daniels, Spiker, 2008, pp. 376-377)

Organizations reputation, image, and brand are connected, linked and all three are underpinned, supported, reinforced by effective strategic communication. (Stanton, 2017, p. 45) Organizations invest directly and indirectly in the sustainability of reputation, image and brand. Direct investment

¹ University of Bucharest, Faculty of Journalism and Communication Sciences, Doctoral School in Communication Sciences, Romania, Address: Bd. Iuliu Maniu 1-3, Complex Leu, Building A, Floor 6, Bucharest 061071, Romania, E-mail: rseitan@yahoo.com.

includes a hierarchy of published and broadcast matter with the glossy annual report at the top. Organizations tend to invest more in controlled collateral because they are able to manage the message and the medium. Controlled collateral is everything an organization publishes, broadcasts, disseminates using internal and external mechanisms and all communicative matter emanating from the organization is framed in accordance with a core narrative. (Stanton, 2017, p. 50)

Continuing to speak about the organizations investment, Kohut and Sergars (1992, p 7) mentioned as well that annual reports are documents which represent a substantial investment for corporations. Annual reports release management's obligation to report to stockholders and the investing public on its stewardship of the business and make available meaningful information for appraising past performance and projecting future opportunities. (Kohut & Sergars, 1992, p. 7)

Stanton (2017) defines the annual report as being a controlled public relations tactic, a category of organizational media, a comprehensive publication (review), an information tool to advise community and business of activities and results, a record of highlights and challenges, a document required by law of public companies. (Stanton, 2017, p. 51)

Strategic communication performed by various organizations from different countries through the published annual reports is investigated and analysed by numerous researchers, academics from diverse points of view, such as structure of annual reports, content of annual reports, counting the total number of pages, total number of words, frequencies of certain words.

Beattie, Dhanani, Jones (2008) as well as Ditlevsen (2010) examined in their studies the total page count per annual report or the total volume of the annual report.

Beattie, Dhanani, Jones (2008) performed a content analysis on the United Kingdom annual reports issued between 1965-2004 and commented in the main findings relating to structure and format over three decades that the corporate annual reports of large listed UK companies continued to increase in size, length: from 26 pages in 1965 to 75 pages in 2004.

Ditlevsen (2010, p 170) showed through genre analysis of five German annual reports, five Danish annual reports and five English annual reports that the annual reports are on average of 119 pages long. There is also a wide range from the modest 44 pages annual report of the English company Aricom to the impressive 223 pages annual report of the German company Bayer that has a length of more than five times.

Additionally, Ditlevsen (2010, p. 170) emphasized that "there seems to be the tendency that the German annual reports are longer than the Danish and English ones: the length of all the German annual reports is above average and the only other annual report above average in this respect is the annual report of the English company Rolls Royce". Ditlevsen (2010, p. 170) stated that the Danish annual reports appear to be slightly longer than the English annual reports. The longest German annual report is therefore 1.7 times longer than the shortest one (223 pages versus 130 pages), the longest Danish annual report is 1.6 times longer than the shortest one (116 pages versus 72 pages), and lastly the longest English annual report is 2.8 times longer than the shortest one (124 pages versus 44 pages).

These studies completed by Beattie, Dhanani, Jones (2008) as well as Ditlevsen (2010) are helpful for our research because in this paper we will evaluate the annual reports issued by the private companies included in the corpus taking into account the total number of pages per annual report.

Moving forward, we have noticed that using the genre analysis, Rutherford (2005, pp. 358 - 360) examined the annual reports of 44 companies from United Kingdom and highlighted the total number of words for the:

- loss making companies - 30972 total number of words;
- least profitable companies - 29518 total number of words;
- most profitable companies - 48563 total number of words;
- largest companies - 66625 total number of words;
- smallest companies -18577 total number of words;
- highest geared (leveraged) companies - 57927 total number of words;
- lowest geared (leveraged) companies - 20850 total number of words.

This information, related to the total number of words in annual reports, is useful because further down we will also analyze the number of words from the annual reports of the organizations comprised in the corpus of the current research.

Continuing with the words incorporated in the annual reports, we observed that Rutherford (2005), Breeze (2013) and Stanton (2017) analyzed the word frequencies from the annual reports for determining the most frequent, recurrent keywords used by the organizations in their strategic communication.

Rutherford (2005) determined the 50 most frequently used words by each group of companies listed above and concluded that the most practiced words are: “year, group, business, sales, profit, new, increased, market, interest, operating, rate, costs, UK, per, increase, growth, share, cash, net, not, financial, during, end, all, over, capital, exchange, systems, rates, operations, group, program, investment, tax, cost, than, businesses, currency, US, profits, before, due, compared, significant, up, debt, result, years, customers, last”. Rutherford (2005, p. 361)

In comparison with Rutherford (2005), Breeze (2013) displayed a different top that consisted of 20 keywords extracted from studied annual reports. These 20 most used keywords presented by Breeze (2013) are: “financial, group, million, assets, statements, directors, share, value, shares, annual, remuneration, cash, year, liabilities, governance, our, profit, risk, income, impairment”. (Breeze, 2013, p. 93)

In addition, Stanton (2017) also referred in his study to the most frequent, repeated words used in the annual reports and underlined the following keywords from the Toyota annual report narrative: “environment, global, technologies, growth, society, future, profit, investment, competitive, innovation, sustainable, brand, resources, communities, image, expectations, culture, strategy, ownership, adversity, reputation, leadership”. (Stanton, 2017, p. 55)

Following the studies completed by Rutherford (2005), Breeze (2013) and Stanton (2017), in the present research, we will also focus our content analysis on retrieving this type of data, most frequent words used in the strategic organizational communication, from the available corpus.

Moving into more details, we are interested to evaluate the strategic communication performed by the organizations in regards to their employees. In this sense, we remarked that Branswijck and Everaert (2012, p. 55) performed a content analysis on annual reports issued by 55 firms from Belgium and Netherlands and outlined that companies report human resources data in their annual reports comprising information related to: staff breakdown by age, seniority, equality, nationality, staff breakdown by department, staff breakdown by function, education. Alike, Cahaya, Porter, Tower and Brown (2012, p. 121) make known, using a statistical analysis of 223 annual reports from Indonesia, that the second most revealed item in annual reports is composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity. Furthermore, Ruigrok, Peck and Tacheva (2007) analyzed as well the nationality and gender diversity in 210 Swiss companies based on the data obtained from companies’

annual reports and websites. Their findings demonstrate the diversity of members' nationalities and gender that are part of the Swiss companies. Based on these studies, in the present paper we will analyze the information communicated by the companies included in the corpus in regards to employees' nationalities as well as employees' gender.

Following the reviewed literature related to strategic organizational communication, we are continuing further down to discuss about the corpus and methodology of this study as well as about the findings, the outcomes of the current research.

2. Corpus and Methodology of the Study

This research is prepared considering the 2016 National Top of the Private Companies from Romania (Edition XXV) issued by the National Council of Private Small and Medium Enterprises in Romania (Consiliul Național al Întreprinderilor Private Mici și Mijlocii din România, CNIPMMR, <http://cniipmmr.ro>).

The 2016 National Top of the Private Companies from Romania issued by CNIPMMR comprises a general classification of the big, medium, small, micro and newly created enterprises depending on the fiscal value, gross income, productivity, and global performance.

Based on the 2016 National Top of Private Companies in Romania, we have selected using the value criterion of gross income the first six organizations that pertain to different industry sectors.

Table 1. The 2016 National Top of the Private Companies from Romania.

No.	Company	Town	Gross Income (RON)
1	OMV Petrom SA	Bucharest	1 051 712 321
2	Continental Automotive Products SRL	Timis	903 533 038
3	Dedeman SRL	Bacau	818 537 317
4	British American Tobacco (Romania) Trading SRL	Bucharest	807 824 030
5	Kaufland Romania SCS	Bucharest	751 923 130
6	Automobile Dacia SA	Arges	505 904 389

From the six companies listed above, only for four companies the annual reports issued in 2014, 2015 and 2016 were found on the companies' websites and downloaded¹:

- OMV Petrom, oil and gas industry, with headquarter in Romania,
- Continental Automotive, automotive industry, with headquarter in Germany,
- British American Tobacco, tobacco industry, with headquarter in United Kingdom,
- Group Renault (Automobile Dacia), automotive industry, with headquarter in France.

For executing the content analysis of the annual reports published in 2014, 2015 and 2016 by the four private companies, we have used the NVivo qualitative data software tool, which supports qualitative and mixed methods of research. NVivo qualitative data software tool allowed us to determine the information presented in the findings of this study, including as well the words frequencies.

3. Findings of the Study

By analyzing the annual reports issued in 2014, 2015 and 2016 by OMV Petrom, Continental Automotive, British American Tobacco, and Group Renault, we identified that the overall average in

¹ For the companies Dedeman and Kaufland the annual report were not found, therefore were not included in this research study.

terms of the number of pages per annual report is 177 pages and in 2016 compared to 2014 the number of pages per annual report decreased with 3% as presented in the below table.

Moreover, based on the annual reports from 2014, 2015 and 2016, we acknowledged that the average number of pages of the German annual reports is the highest (233 pages), followed by the United Kingdom annual reports (average of 207 pages), Romania annual reports (average of 178 pages) and France annual reports (average of 90 pages). Seeing the overall average of 177 pages per annual report, we are able to notice that the German and United Kingdom annual reports are above this overall average.

Table 2. Number of pages per annual report.

Company	2014	2015	2016	Average number of pages/annual report	Variation 2016 versus 2014
OMV Petrom	172	164	198	178	15%
Continental Automotive	246	226	226	233	-8%
British American Tobacco	222	226	172	207	-23%
Group Renault	74	100	96	90	30%
Total number of pages	714	716	692		-3%

Taking into account the annual reports published between 2014 - 2016, we determined that the average in terms of number of words (with 3 letters or more than 3 letters) is 46662 words per annual report. British American Tobacco registers the highest average in terms of number of words per annual report with an average of 69324 words, followed by Continental Automotive with an average of 64669 words, OMV Petrom with an average of 39016 words and Group Renault with an average of 13637 words per annual report. As shown in the below table, in 2016 compared to 2014, the number of words per annual report decreased with 7%.

Table 3. Number of words per annual report (words with 3 letters or more than 3 letters).

Company	2014	2015	2016	Average number of words/annual report	Variation 2016 versus 2014
OMV Petrom	37061	37233	42755	39016	15%
Continental Automotive	65902	64288	63816	64669	-3%
British American Tobacco	71237	72966	63769	69324	-10%
Group Renault	15530	18401	6981	13637	-55%
Total	189730	192888	177321	186646	-7%

Speaking about the most frequent words (with 3 letters or more than 3 letters) used in the annual reports, in the table listed further down we are emphasizing the top 50 words most frequently utilized by the companies included in our study OMV Petrom, Continental Automotive, British American Tobacco, Group Renault in their 2014, 2015 and 2016 annual reports.

Table 4. Top 50 words in annual reports.

Word	Word length	References	Weighted Percentage (%)
Million	7	6053	0.85
Financial	9	5452	0.77
Group	5	5139	0.73
2015	4	4954	0.70
2014	4	4773	0.67
Report	6	4523	0.64
Year	4	3961	0.56

Company	7	3391	0.48
Continental	11	3383	0.48
Board	5	3326	0.47
2016	4	3276	0.46
Assets	6	3119	0.44
Annual	6	2922	0.41
Statements	10	2750	0.39
Share	5	2438	0.34
Business	8	2435	0.34
Omv	3	2315	0.33
December	8	2201	0.31
Cash	4	2122	0.30
Petrom	6	2086	0.29
Tobacco	7	2040	0.29
Executive	9	2038	0.29
Value	5	2031	0.29
Management	10	2002	0.28
Total	5	1973	0.28
Also	4	1869	0.26
2013	4	1851	0.26
Consolidated	12	1821	0.26
Sales	5	1817	0.26
Income	6	1794	0.25
Shares	6	1770	0.25
Interest	8	1750	0.25
Net	3	1741	0.25
Tax	3	1665	0.23
Liabilities	11	1662	0.23
Market	6	1628	0.23
Term	4	1571	0.22
American	8	1557	0.22
Performance	11	1536	0.22
New	3	1524	0.22
Non	3	1435	0.20
Committee	9	1429	0.20
Corporate	9	1396	0.20
British	7	1375	0.19
Renault	7	1358	0.19
Risk	4	1318	0.19
Governance	10	1315	0.19
Rate	4	1240	0.18
Production	10	1231	0.17
Remuneration	12	1206	0.17

The words million, financial, group, report, year, company, board, assets, statements, share, business are one of most used terms in the yearly documents issued between 2014 - 2016 by the four private companies comprised in our research.

The first word - million - registers 6053 references, out of which Continental Automotive recorded 3726 references for the word million, followed by British American Tobacco with 1562 references, OMV Petrom with 555 instances and Groupe Renault with 210 counts. Therefore, the German organization records the highest usage for the word million, followed by the United Kingdom company, Romania organization and France company.

Looking at the last word - remuneration - from the top 50 most used words we can observe that this registered 1206 frequencies, out of which British American Tobacco recorded 739 references,

followed by Continental Automotive with 377 references, OMV Petrom with 60 instances and Group Renault with 30 counts. We are able to observe that the United Kingdom organization lists the biggest usage of the remuneration word, this being followed by German, Romania and France companies.

Moving forward, we noticed that all private companies involved in this study illustrate and communicate in their annual reports various data related to their employees as well as the total number of employees. In December 2016, the figures presented by the four organizations comprised in our research are:

- OMV Petrom 14,769 employees;
- Continental Automotive 220,137 employees;
- British American Tobacco 49,817 employees;
- Group Renault 124,849 employees.

Organizational communication related to employees nationalities

Speaking about the nationality, nationalities, internationality words frequencies - in total these words have been used by 116 times in the annual reports from 2014, 2015, 2016 by the four examined companies. In average, based on the annual reports included in this research, the terms nationality, nationalities, internationality were used by 10 times per annual report.

From the strategic communication performed through the annual reports published between 2014-2016, we observed that in regards to the words nationality, nationalities, and internationality - British American Tobacco from United Kingdom recorded the highest usage, 98 instances, followed by Group Renault from France with 8 counts, Continental Automotive from Germany with 6 references and OMV Petrom from Romania with 4 references.

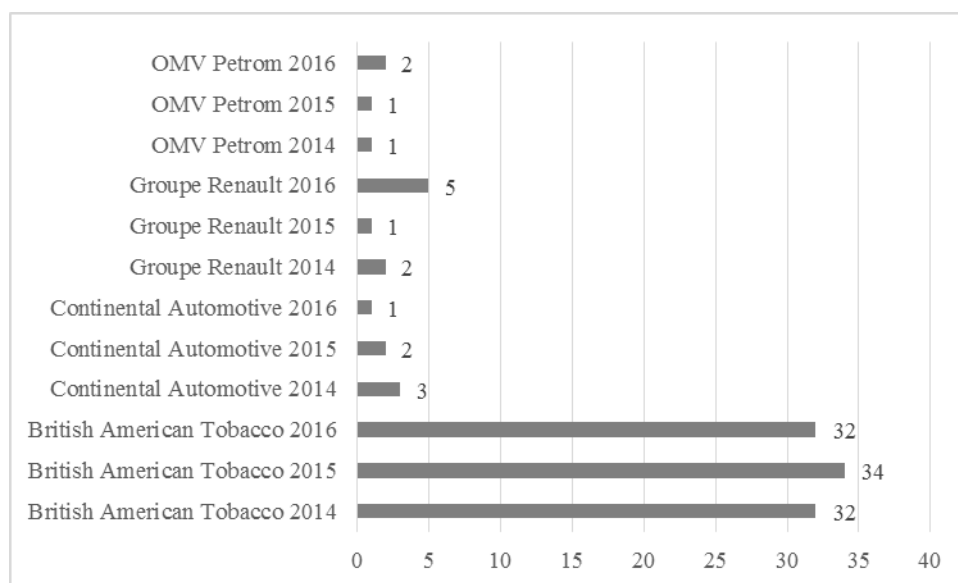


Figure 1. Nationality, nationalities, internationality words frequencies

The companies OMV Petrom, Continental Automotive, British American Tobacco and Group Renault exposed in their strategic organizational communication performed through the annual reports issued in 2014, 2015, and 2016 information related to the employees nationalities. For exemplifying, in the 2016 annual report (p 24), OMV Petrom organization mentioned that the “workforce is made up of more than 36 different nationalities and diversity, inclusion and equal opportunities are high on the agenda at all organizational levels”. Continental Automotive pointed out as well the workforce internationality and in the 2016 annual report (p 63) mentioned that “45% of our management team

does not come from Germany". Moreover, British American Tobacco in the 2016 annual report (p 3) specified that "the international nature of our business is reflected in the nationalities of our people - in 2016, 74 nationalities were represented at our London head office". In comparison with the companies from Romania, Germany and United Kingdom, Group Renault from France mentioned in the 2016 annual report (p. 65) that "110 nationalities work together on a regular basis at the Group".

From this analysis we can deduct that all four organizations involved into this study communicated in their annual reports from 2014, 2015 and 2016 information related to the employees' nationalities and this is also visible in the above graphic (Figure 1: Nationality, nationalities, internationality words frequencies).

Organizational communication related to employees gender

All four companies included in this study communicate information related to the gender of employees in their annual reports published between 2014 - 2016 and this is also visible in the words frequencies. The words occurrences for woman, women, female, feminine are visible in the below graphics.

Based on the annual reports published in 2014, 2015 and 2016 by OMV Petrom, Continental Automotive, British American Tobacco and Group Renault, the total count for the words woman and women is 147. Speaking about the words female and feminine, the total count for these words is 57.

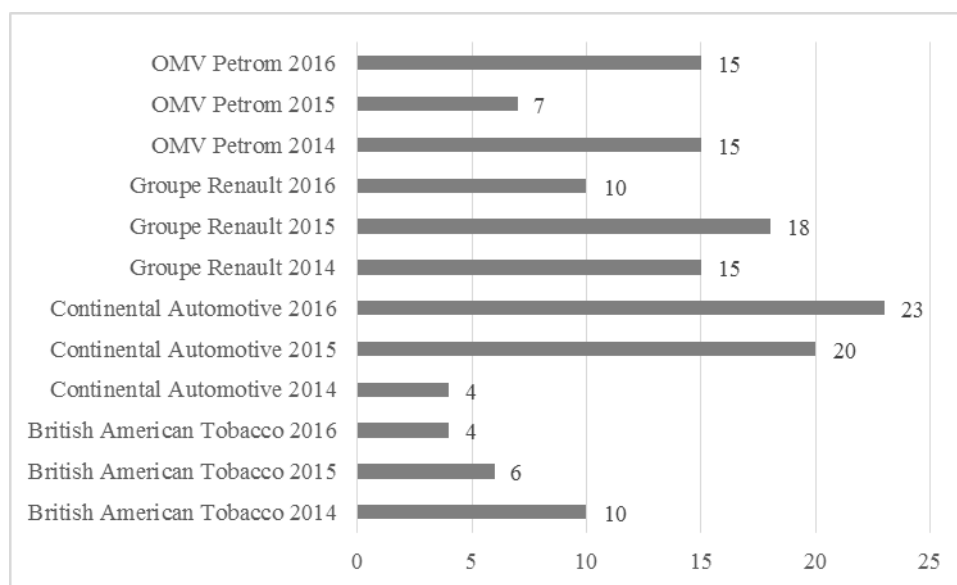


Figure 2. Woman/women word frequencies

By analyzing the annual reports of the four companies from 2014 - 2016, we can conclude that the women/woman were referred in average of 12 times per annual report, while the words female / feminine were referred in average of 5 times per annual report.

Continental Automotive from Germany registered the highest woman and women words frequencies in the examined annual reports counting 47 woman and women words, followed by Group Renault from France with 43 counts, OMV Petrom from Romania with 37 counts and British American Tobacco from United Kingdom with 20 counts of woman and women terms.

Regarding the words female and feminine, British American Tobacco recorded the highest frequency, 38 counts, in using the words female and feminine, followed by Group Renault with 9 counts, Continental Automotive with 7 counts and OMV Petrom with 3 references of female and feminine

terms utilization in the examined annual reports.

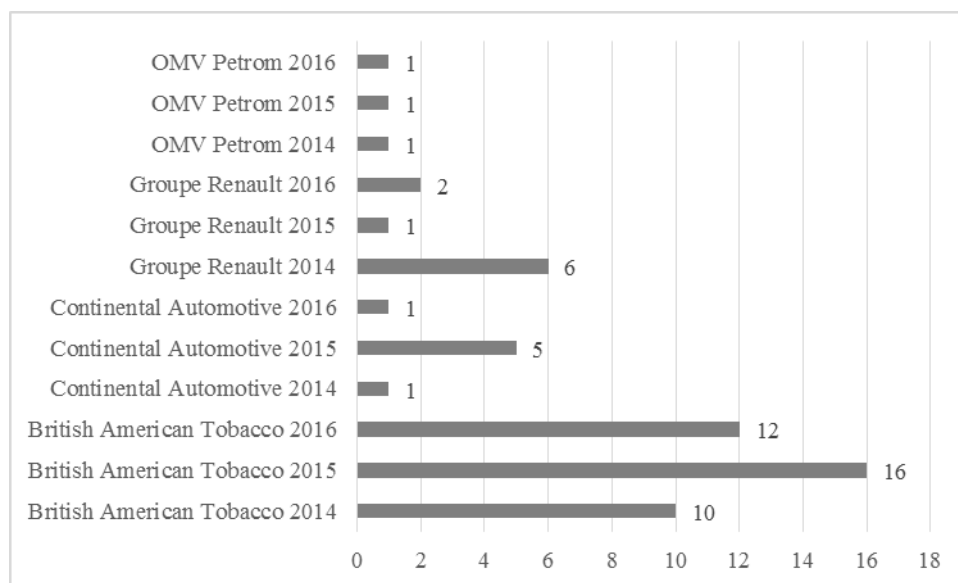


Figure 3. Female/feminine word frequencies

We observed that all four companies comprised in this research communicated in the analyzed annual reports from the three years (2014, 2015 and 2016) information about employees' gender. In order to exemplify, OMV Petrom mentioned in the 2016 annual report (p 24) that "by the end of 2016, the proportion of women across the OMV Petrom Group increased above 25% (thereof 31% in management positions), which is better than the industry benchmarks". Continental Automotive organization displayed in the 2016 annual report (p 62) that in December 2016 the women employees counted 27%. British American Tobacco communicated too in the published annual reports information related to the percentages of women and man in the total group employees as well as the proportion of women in all management roles across the organization. For instance, in 2016 annual report (p 13) British American Tobacco showed that total group employees comprised 22% women and 78% man; Main Board included 27% women and 73% man; and from the Senior Managers viewpoint this consisted of 12% women and 88% man. Compared with the companies from Romania, Germany and United Kingdom, the organization Group Renault from France illustrated in the 2016 annual report (p 27) that from 124,849 employees: 19% are women and 81% are man.

4. Conclusions

The aim of this paper is to improve our understanding and knowledge regarding the strategic organizational communication performed by the private companies in Romania through their published annual reports. Following the reviewed literature, the annual reports issued by four major private companies in Romania have been examined for determining the total and the average number of pages per annual report as well as the total and the average numbers of words per annual report. Moreover, the most frequent words used in the 2014, 2015, 2016 annual reports by the studied companies have been revealed in this research. Through content analysis, the employees' nationalities as well as the employees' gender diversity have been assessed, concluding that all four private companies present, communicate in their annual reports this type of information.

5. References

- Beattie, V.; Dhanani, A. & Jones, M. (2008). Investigating presentational change in UK annual reports: a longitudinal perspective. *Journal of business communication*, 45(2), pp. 181-222. Retrieved from http://eprints.gla.ac.uk/4207/1/beattiedhananijones_2008.pdf.
- Branswijck, D. & Everaert, P. (2012). Intellectual capital disclosure commitment: myth or reality? *Journal of intellectual capital*, 13 (1), pp. 39-56. Retrieved from <http://www.emeraldinsight.com.am.e-nformation.ro/doi/pdfplus/10.1108/14691931211196204>.
- Breeze, R. (2013). *Corporate discourse*. London: Bloomsbury Publishing Ltd.
- Cahaya, R.; Porter, S.; Tower, G. & Brown, A. (2012). Indonesia's low concern for labor issues. *Social responsibility journal*, 8 (1), pp. 114-132. Retrieved from <http://www.emeraldinsight.com.am.e-nformation.ro/doi/pdfplus/10.1108/17471111211196610>.
- Ditlevsen, M.G. (2010). The diversity of the annual report in an international context. *International journal of specialized communication*, 32, pp. 163-178. Retrieved from http://www.fachsprache.net/upload/Articles/Ditlevsen_The_Diversity_of_the_Annual_Report_3-4_2010.pdf.
- Kohut, G. & Segars, A. (1992). The President's letter to stockholders: an examination of corporate communication strategy. *Journal of business communication*, 29 (7), pp. 7-21. Retrieved from https://www.researchgate.net/profile/Albert_Segars2/publication/237940844_The_President's_Letter_to_Stockholders_An_Examination_of_Corporate_Communication_Strategy/links/55d76aa808aeb38e8a85ab05/The-Presidents-Letter-to-Stockholders-An-Examination-of-Corporate-Communication-Strategy.pdf.
- Pace, W. (1983). *Organizational communication, foundations for human resource development*. New Jersey: Prentice-Hall, Inc.
- Papa, M.; Daniels, T. & Spiker, B. (2008). *Organizational communication perspectives and trends*. London: Sage Publications Ltd.
- Ruigrok, W.; Peck, S. & Tacheva, S. (2007). Nationality and gender diversity on Swiss corporate boards. *Corporate governance: an international review*, 15 (4), pp. 546 - 557. Retrieved from <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.1017.1608&rep=rep1&type=pdf>
- Rutherford, B. (2005). Genre analysis of corporate annual report narratives. *Journal of business communication*, 42 (4), pp. 349-378. Retrieved from http://sullivanfiles.net/WID/assignments/discourse_field/rutherford_genre_anal_corp_annual_rpts.pdf.
- Stanton, R. (2017). *Corporate strategic communication: a general social and economic theory*. London: Palgrave.