Speech Acts as Means of Argumentation in Bank's Annual Reports

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Abstract
Argumentation is the process of changing others point of view and convincing them to do something or to think in a certain way. Different rhetoricians, like Toulmin (1958) and Aristotle (1984), define argumentation as merits of persuading or an attempt to give justifications. Giving that arguing can convince others to do or think in a certain way puts argumentation within the domain of the speech act theory. The current work aims at shedding light on argumentation from a speech act perspective, particularly in professional genre as banks annual reports. Precisely, the paper attempts to answer the question: “How are speech acts used in banks annual reports to convince clients, shareholders, and companies to collaborate with the bank?” A model of analysis is developed to identify the pragmatic techniques of arguing used by ARs (Annual Reports) writers to convince their readers. The data used in this paper consist of four bank’s ARs for the financial years of 2014 and 2015.

Keywords: argumentation, argumentative texts, bank’s annual reports, persuasion, speech acts

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1. Annual Reports (ARs)

In writing, a report is defined as a document characterized by information or other content reflective of inquiry or investigation tailored to the context of a given situation and audience (Verma, 2014, p.268). Within the field of business communication, annual reports (ARs) are comprehensive reports on a company's activities throughout the preceding year. ARs are distributed to shareholders, employees, investors and analysts, describing the company’s operations, its balance sheet, future prospects and other relevant information.

In ARs two types of information are presented: (1) verbal section provided as a letter from chairman, describing the past year achievements and discussing the new development as well as the future planning (2) the second section includes the basic financial statements. This section includes: the balanced sheet, Statement of retained earnings, Income statement and the like. Both the verbal and the quantitative sections are of equal importance; the verbal section provides explanations why things went the way they did, what are the future strategies and aims, whereas financial statements assert what has actually happened (Brigham & Ehrhardt, 2008, p. 80).

Ditlevsen (2012, p.379) (as cited in Bhatia & Bremner, 2014, pp.239-240) describes ARs as "an equity story" to stakeholder, both potential and current. This story is reported through both narrative and numerical. The numerical part is presented by balanced sheet, cash flow statement, whereas the narrative part precedes the financial statement and provides information about what businesses are successful, and how can the company help investors. Bhatia (1993) classifies ARs as "professional genre" which indicates that they are recognized conventionally by their communicative purpose.

The main purpose of reports is usually to inform, i.e. to give information about the company's activities and financial performance. Ditlevsen (2012, p.97) asserts that ARs are complex genre because they perform two communicative purposes: to give the truth about the company’s financial position, and to provide a positive image of the company.

2. Argumentation and Speech Acts

Argumentation is a verbal human activity where there is an exchange of arguments in order to reach a specific conclusion. It is related to the aim of persuading and convincing, i.e. to alter and direct the actions of others. Among argumentation theorists, there is a general consensus that "argumentation" refers to processes and "argument" to the product of these processes of argumentations. In his work "The Uses of Argument", Toulmin (1958, as cited in van Eemeren, 2001,p.12) views argumentation as a kind of "procedural form" where there are steps to produce valid and strong argument. Eemeren (2003, p.12) asserts that an argumentation consists of many arguments. Blair & Johnson (1987, p.45, as cited in Walton, 2013, p. 88) explain that argument is a product of a set of process of argumentation and such a product can be understood only against the background of the process of argumentation. Defined as "verbal, social and rational activity" by van Eemeren et al. (1996), argumentation is classified as a process of reasoning, in which such process is performed via stages to reach the aim of convincing the listeners or readers.

van Eemeren and Grootendorst's (1983, pp. 85-7, as cited in Al- Hindawy & Mirza, 2017,p. 92) model of critical discussion includes four stages over which certain speech acts are distributed.
to resolve the differences of opinions. These stages are confrontation, opening, argumentation and concluding. Generally speaking, in the confrontation stage a participant puts forward a standpoint which another participant might not accept or express doubts about it. In the opening stage, the participants implicitly identify their common ground and accept their role as proponents or opponents, or as "protagonist" and "antagonist" of the standpoint. The protagonist advances an argument in the argumentation stage to defend the standpoint. At this stage, reasons and evidence are developed to support standpoint and when these advanced arguments are accepted by the antagonist in the concluding stage, the differences of opinion are resolved (van Eemeren, 2001, pp.15-16).

The concluding stage is an evaluation phase; where the results of argumentation are evaluated on the merits and it might lead to another confrontation stage. According to Al-Hindawy & Mirza's (2017, p.95) model of analyzing argumentation in novels, for instance, the concluding stage can be ended either positively or negatively. Positively when the antagonist accepts the protagonist's standpoint; negatively when the point has not been resolved, at this phase, the disagreement can be expressed by verbal aggression like quarrel, or physical disengagement like silence.

In his model of argumentation, Toulmin (1958) indicates three basic parts of argument; the step of expressing a standpoint, opinion or preference is called the claim. It is synonymous with a conclusion, which the arguer would have the recipient to accept or do. Toulmin (1958, 98) uses the term data to describe the evidence and reasons needed to support the claim. Warrants are "general, hypothetical statements which act as a bridge connecting datum and claim, and authorize the sort of step to which our particular argument commits us" (as cited in Bermejo-Luque, 2011, p.105). To distinguish warrants from data, Toulmin (1958, p.100) adds implicitness and generality as the key features; where data "are appealed to explicitly, warrants implicitly". Data, at least one datum, must be explicitly stated to support claims. Whereas warrants can be implicit in argument; such statements are "hypothetical, bridge-like" and include values, beliefs and assumptions.

Since argumentation is seen as doing actions with words, it falls with the scope of the speech act theory which was presented by Austin (1962) and developed by Searle (1969); where "saying is part of doing". As such, producing an utterance means that the interlocutors are engaging in: (1) A locutionary act; producing sounds or words with their referential meaning. (2) An illocutionary act; the meaning one wish to communicate, (3) perlocution acts are the effect on the hearer. (Austin, 1962, as cited in Al-Hindawi and Naji, 2017:11).

van Eemeren and Grootendorst (1983, 34) treat argumentation as an illocutionary act. However, they think that (ibid), the illocutionary act of argumentation is not like any other illocutionary act, because argumentation involves a complex type of speech act. They (1991) criticize the Searlean standard speech act theory and they show that:

1. Speech acts such as asserting and requesting consist of one sentence, whereas argumentation always consists of at least two sentences. This can be illustrated, for example, by Toulmin's (1958) model of argumentation which presents: data, warrant, and claim as three obligatory parts of arguing.
2. There are two illocutionary forces in argumentative utterances. Individually they are assertives, but together they form an argumentation.

3. The speech act is regarded as argumentation only if it is linked to another speech act which expresses a standpoint (P.154).

Thus, from the above points, van Eemeren and Grootendorst distinguish between the sentence level- illocutionary forces and textual level- illocutionary forces. At the sentence level, argumentation is composed of assertive speech acts (elementary illocutions). At the textual level, argumentation is composed constellation of complex speech act of argumentation (illocutionary act complex).

From the above discussion, we can summarize argumentation as a speech act as follows:

<table>
<thead>
<tr>
<th>(Locutionary)</th>
<th>(Illocutionary)</th>
<th>(Perlocutionary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arguing</td>
<td>Understanding the argumentation</td>
<td>convincing</td>
</tr>
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</table>

Viewing argumentation as a speech act, van Eemeren and Grootendorst (1984, 1992) presented the following felicity conditions for the analysis of the speech act argumentation: The starting point is the situation where the speaker has performed another speech act advanced with respect to a proposition p. Then the speaker addresses the listener with a set of utterances which are considered as a performance of the complex speech act of argumentation, if two conditions have been met, these conditions are called “identity conditions”. These conditions can be introduced as follows:

**Identify Conditions**

1. **Propositional content condition:**
   Utterances 1, 2, ..., n constitute the elementary speech acts 1, 2, ..., n, in which a commitment is undertaken to the propositions expressed.

2. **Essential condition:**
   The performance of the constellation of speech acts that consists of the elementary speech acts 1, 2, ..., n counts as an attempt by the speaker to justify p; that is, to convince the listener of the acceptability of his standpoint with respect to p. (Henkemans, 2014, p. 44).
   In addition to these identity conditions, a number of conditions must be fulfilled in order for the performance of the illocutionary act of argumentation to be correct:

**Correctness Conditions**

3. **Preparatory conditions:**
   a. The speaker believes that the listener does not wholly accept his standpoint with respect to p.
   b. The speaker believes that the listener is prepared to accept the propositions expressed in the elementary speech acts 1, 2, ..., n.
   c. The speaker believes that the listener is prepared to accept the constellation of elementary speech acts as an acceptable justification of p.
4. Responsibility conditions:
   a. The speaker believes that his standpoint is acceptable.
   b. The speaker believes that the propositions expressed in the elementary speech acts 1, 2, ..., n are acceptable.
   c. The speaker believes that the constellation of elementary speech acts is acceptable justification of p.

3. Data and Analysis
   3.1 Data Description and Collection
   The data of the present paper consist of four bank’s annual reports. Two annual reports are of the year 2015 and two annual reports of the year 2014. Chronologically these reports are: (a) Bank of America / 2014 (b) Deutsche Bank/2014 (c) Bank of England/ 2015 and (d) Chiba bank/2015.

   The language used in these reports is English; it includes certain jargons and special words or expressions within the field of economy, investments and banking. Concerning the general structure of ARs; they start with a letter from the chairman or CEO, followed by the basic financial statements including: balance sheet overview, credit risk reports, statistical tables or figures, and then they end up with supplementary and contact information.

   3.2 Method of Analysis
   To analyze the data under scrutiny, an analytical apparatus is developed for the analysis of SAs in ARs. This apparatus is represented by Toulmin's (1958) model of argumentative writing and the use of locutionary, Illocutionary and Perlocutionary speech acts. The model is schematized in Figure 1.
Bank's ARs are produced to convince shareholders, employees and investors to collaborate with the bank. According to the model of analysis developed by this study and schematized in Figure (1), such an aim is achieved through stages of reasoning and convincing.

These stages are presented by means of three levels; the macro, micro, and sub-micro levels.

At the first stage, confrontation, bank's ARs present claims about the bank's financial performance and provide a positive image of the bank. These claims are produced at this stage by means of macro-level illocutionary acts, i.e. producing statements with their various meaning. These claims take the forms of assertive, commissive, and expressive SAs (an alternative term for macro-level illocutionary acts).

In the opening stage, the roles are set up. As professional genre, the roles involved in ARs are: (a) the writers of ARs (advocators) who aim at convincing their shareholders and investors to collaborate with or invest in the bank, and (b) the readers, such as investors, who might be in doubt and need to be assured that their collaboration with the bank is successful. Warrants are implicitly produced at this stage, thus arguers authorize their commitment to a particular sort of argument. Warrants are produced by means of micro-level illocutionary acts as stating, promising, offering, planning and showing gratitude.

The argument is explicitly supported by data in the developing stage of arguing. ARs strengthen their position through statistics (providing facts evidences), making offers or deals and providing well-studied plans. The pragmatic realizations of illocutionary acts are captured at this stage; through offers or plans and promises. Finally, at the conclusion stage, the perlocutionary effects are expected through believing and convincing or accepting the offer.

3.3 Pragmatic Analysis

At the confrontation stage, bank's ARs start by providing their readers with statements (i.e. claims which represent the standpoint of the ARs) about the current state of the bank and its achievements. Such statements must provide information about the success and the achievements of the bank. As in:

To our shareholders, during 2014, your investment increased in value by 15 percent. This follows gains of 34 percent in 2013 and 109 percent in 2012. (Bank of America / 2014)
The past year has been one of transition and change for the Bank as it seeks to be at the forefront of international best practice in all that it does. (Bank of England/ 2015)

Such claims are used highly by managers, CEO, and chairmen, i.e. those who are in position to state facts formally and commit themselves and their banks to the truth of these statements. Thus, pragmatically they are felicitous. For examples:

We serve people (individuals) companies (large and small) and institutional investors…in the U.S. we serve all three costumer groups, and outside the U.S. we have simplified and reduced our risk profile. (Bank of America / 2014)
In these statements, Moynihan asserts the commitment of his bank in providing services for different kinds of investors. His position as a Chairman and CEO allows him to make such statements and therefore the perlocutionary affect is that the readers (investors or shareholders) will believe them as being true and thus convinced to adopt further cooperation with the bank to achieve benefits.

In the opening stage, the micro-level of illocutionary act is activated by the use of: commissive speech acts occur which when the writer commits himself to a future course of action. In banks' annual reports the commissive SAs that are used are promising, offering and planning. Implicitly, warrants are produced in the opening stage of arguing; where the ARs' commit themselves to a particular sort of argument, for example:

2014 was a year of continuing to transform…For instance, we are adapting to the mobile revolution and increasing our sales force, especially in our financial centers.

Warrants are also produced by means of illocutionary acts of promising. Bank's ARs often make promises to their stakeholders about future achievements. Upon the analysis, the speech act of promising is highly used in annual reports because these reports, besides providing the truth about the company’s financial position, aims at capturing the attention of investors and shareholders and making them keep their cooperation with the bank. Promising Speech act is seen in:

We will fulfill our purpose of helping our clients and customers live their financial lives…we will continue to do so…we will keep simplifying our operations and reducing cost. (Bank of America/ 2014)

Here, promising is fulfilled in an indirect speech act, somehow to avoid the one hundred percent commitment to a future event. Promising speech act is also seen in Chiba's bank annual reports in:

We will assertively make investments for the future. We are expanding our locations in the center of Tokyo…we will open a new Ebisu Corporate Banking Office…in addition to moving into new buildings and making improvements, we will further expand channels and reform our business. (Chiba bank/ 2015)

Where the bank illustrate its future strategies and assures its shareholders witnessing expanding in profits, such assurance is affirmed further by evidence like "moving into new buildings and making improvements". To emphasize the strength of promising, a number of illocutionary indicators are used such as:" assertively… further". Thus, by using the speech act of promising, the bank assures the investors that they are in good and safe hand and convince them further by numerical evidence like statistical tables and charts.

Another strategy that ARs use in the opening phase is expressing thanks. Such expressive speech act clarifies the psychological state of the writer to the readers. Chairmen and CEO usually
start their letters to shareholders and directors by thanking them for investing and being part of the bank as in the following examples:

Thank you for investing in our company" (bank of America/2014), "I thank our board of directors, our management team, and our teammates around the globe for their hard work. (Bank of America/2014)
I am grateful to HM treasury for its continuing support of the work of the bank and its mission. (Bank of England/ 2015)
We thank Ms. Labarge for her dedicated work and constructive assistance to the company over the years. (Deutsche Bank / 2014)

Such explicit speech act of thanking gives the image of recognition and appreciation of the hard work, to reach the perlocutionary affect that both investors and employees are valued. The SA of thanking gives readers a sense of belonging to this institution, i.e. the bank, and therefore a sense of being involved with the bank's activities, future plans and success.

In the developing stage, these claims of “serving” are supported by numbers and percentages as in:

Produced revenue of $48 billion in 2014, about 57 percent of our total, and net income of $10 billion.

Offer speech act is utilized explicitly in the developing stage within different ARs as in the following Chiba bank's and bank of America's reports:

As a group, we will create and continue to offer next-generation financial services and new value to our customer. For example, we offer ABL (Asset-Based Lending) and loans for intellectual property, and strengthen initiatives for corporate profitability assessments. (Chiba bank/ 2015)
we are offering more opportunities to help these consumers transact, borrow and save… continue to simplify our consumer business…This includes fewer but better offerings; overdraft policies … clients by offering the best means of managing their capital and making.( Bank of America/ 2014)

Explicit offering is recognized in different ARs because one of the aims of ARs is to present positive view of the bank's operations, and these positive images help the bank to offer financial services to customers. The Chiba bank (2015) above provides examples to supports its offer to say that the offer of ABL actually helps creating financial services to customers. The use of: "…firmly endeavor to make proposals that will increase customers’ sales and reduce their expenses" is a further support to the offer.

Planning speech act is also used to show how robust the bank's future strategies and plans and thus convince clients keep coordination with the bank:
We are planning to start online trading as well. We will continue to provide high-quality consulting services combining banking and securities (p. 11)…We plan to increase customer convenience in such ways as using direct channels to provide expanded services(p.14)… We plan to pay an annual dividend of ¥14 per share (p.19) (Chiba bank/2015)

We are currently ahead of our plan (p.49)… we had planned to grow income before income taxes to a range from € 1.6 billion to € 1.8 billion by 2015 (p. 54)…We conduct an annual strategic planning process which lays out the development of our future strategic direction as a group and for our business areas/units.(p.74) (Deutsche Bank/2014 )

On March 11 we announced plans to return additional capital to our shareholders…We offer the banking, planning and investment services people want with the convenience and efficiency of an integrated platform…We have developed and maintain contingency plans that are designed to prepare us in advance to respond in the event of potential adverse outcomes and scenarios. (bank of America/ 2014).

Announcing future plans makes the bank committed to execute them. ARs are formal and authoritative documents and mentioning future plans is a kind of legal obligation to fulfill them. These well-studied plans enforce the claims presented by the bank. Since planning achieves the illocutionary act of understanding the plan and ultimately the perlocutionary effect of persuading, they are presented in the developing stage of arguing that coordination with the bank is the best decision.

Explanations are also used by the bank of England (2015) as a strategy of supporting its statement:

The bank has announced a series of transparency and accountability initiatives… monetary policy (page 20), as well as improvements in the transparency of Court. The archive procedures for Court’s historical minutes have been brought in line with Whitehall best practice (page 51). (Bank of England/ 2015)

Again, since ARs are official and authoritative documents, their stating are taken to be expressing true proposition, hence they convince the readers, whether shareholders, companies or businessmen, to keep working with the bank. For quick and fixable clarification, the number of the page that provides details is mentioned by the statement of the Chairman of Court Anthony Habgood.

Finally, the concluding stage, Chairmen or Chief Executive Officers ends their letter to shareholders by highlighting the main strong points of success, as in:

We strengthened an already strong and liquid balance sheet in 2014, ending the year with record capital and liquidity levels. Last year we increased our common stock dividend for the first time since 2007 and
on March 11 we announced plans to return additional capital to our shareholders… We continued to reduce expenses in our mortgage servicing unit… We completed the industry’s largest cost-savings program, achieving $8 billion of annualized savings… We know we have more work ahead… We have built a company with leading market positions across every core customer segment served by our eight lines of business… we are guided by the principles of simplicity, transparency and fairness in our business practices. This focus on business-driven corporate social responsibility helps to maintain the trust of our communities and customers. (Bank of America/ 2014)

The use of personal diesis "we" and verbs like "strengthened, continued, completed" gives the sense of team-work and influencing the readers of ARs to perlocutionary effect of being involved. As such, the perlocutionary effect of the previous stage, i.e. developing will be achieved when businessmen or shareholders accept the offer, promise and be persuaded.

The concluding stage also focuses on the influence of thanking speech act.
"On behalf of my more than 220,000 teammates here at Bank of America, thank you for your investment in our company. I look forward to reporting our progress to you throughout the year". (Bank of America/ 2014)

Assuming that the investment already happened, or surely will happen, because of the well- state of the bank is a strategy used to convince the investors unconsciously because of the perlocutionary effect of thank, i.e. consent, makes them feel appreciated and welcomed. Thus, at this stage of persuading the readers, ARs aim at achieving the perlocutionary effect of arguing that is convincing (whether shareholders, companies, or investors) to cooperate with the bank and through the illocutionary act of understanding the information, accepting the offer, the consecutive perlocutionary consequence of enrolling in partnership with the bank or abandoning the intention to stop working with the bank and accepting the bank's offer is achieved.

4. Conclusions
On the basis of analysis, the following concluding points have been reached:
1) ARs can be considered as argumentative texts. As they involve, besides reporting facts, arguing in favor of the bank and convincing others of the strong position of the bank.
2) There are three main levels of illocutionary acts through which ARs can be analyzed. These are the Macro-level Illocutionary Acts, Micro-level Illocutionary Acts and Pragmatic Realizations of Micro-Level Illocutionary Acts.
3) The speech acts of Locutionary, Illocutionary, and Perlocutionary effect in argumentation can be re-visualized as Claim, Data and Warrant respectively. In argument claiming is expressing a standpoint or view (expressing this view is achieved by "saying" it = (Locutionary act). Data are evidence, facts, or statistical supporting the claim thus they have illocutionary acts of asserting, announcing or making a point. Warrants are used to link claims and data by reasoning, thus they have the perlocution effect of persuading.
4) The perlocutionary effects of arguing in bank's ARs are intended by the bank. As such, they are distinguished from the accidental prelocutions or "sequel" which is introduced by Austin (1962, p. 118).

5) There are three kinds of SAs used in argumentative texts like bank's ARs; Assertive SAs which make an assessment, or claims that the bank attempts to reinforce; Commissive SAs where the bank commit itself with future achievements, offers and plans; and Expressive SAs to express the psychological state of the speaker. Using these SAs, different topics are arranged in bank's ARs to reinforce the contact between the bank and its stakeholders.

6) Assertive speech act is highly used in bank's ARs to convince shareholders and companies to collaborate with the bank. In principle, stating SA occurs in argumentation to express the standpoint. In bank's ARs, this standpoint is supported by means of the basic financial statements such as: the balanced sheet, Statement of retained earnings and Income statement.

7) Thanking speech act plays a small role in arguing. It doesn’t support a claim and hence help to persuade the readers of ARs to work or dealing with the bank in question. Psychologically, however, thanking helps creating a sense of appreciation and admitting gratitude therefore it encourages investors, companies, and individuals dealing with an institution that values even the little efforts.

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