

# **Autobiographical Vignettes in Annual Report CEO Letters as a Lens to Understand How Leadership is Conceived and Enacted**

## **Introduction**

For Chief Executive Officers (CEOs) of large corporations, language is an essential device for enacting leadership and discharging accountability. Despite this importance, the content of a CEO's annual report letter to shareholders (henceforth simply "CEO letter") is a relatively underappreciated communication medium especially in terms of its capacity to assess, at-a-distance, how CEOs conceive their roles and fulfil them. The CEO's letter should be recognized for providing valuable storytelling opportunities within a highly public, ritualised annual text — one that is largely unconstrained by law, regulation, and financial reporting standards. CEO letters offer a CEO the opportunity to construct narrative elements of his/her own choosing, largely unfettered (Amernic and Craig, 2000).

Below, we analyse short autobiographical narratives that are included in some annual report letters of CEOs. These are what we term "autobiographical vignettes." Our general aim is to show how they can generate fresh insights to the personality and leadership of CEOs and leader/follower relations. We have three specific purposes in the analysis we conduct. First, to demonstrate the potential for an autobiographical vignette to self-construct the image by which a CEO wants to be known by followers and other stakeholders. Second, to reveal how the language CEOs use can help them attain legitimacy with stakeholders. Third, to explore how CEOs can establish a common ground with followers by appealing emotionally to them. We add to the body of research on CEO letters that appears in diverse literatures such as strategy (Barr *et al.*, 1992), business communication (Conaway and Wardrope, 2010), business ethics (Craig and Amernic, 2018), organizational structuring (Fiol, 1989), corporate social responsibility (Grantham and Vieira Jr., 2018), and accounting (Brennan and Conroy, 2013; Hooghiemstra, 2010).

We use the term "vignette" in preference to "anecdote" because vignette best captures our intended meaning of "a brief evocative description, account, or episode."<sup>1</sup> Autobiographical vignettes are under-explored in the literature on leadership, management and communication. They have not been explored hitherto in the literature in accounting, auditing and accountability. This is despite the observation of Rinehart (2006, pp.1058-1059) that "the phenomenon of life stories as told in the present time is an age-old tradition ... [and]... the starting point for a story that fits the present circumstances ..." Some CEO letters feature an embedded micro-discourse — an autobiographical vignette of the CEO. We reveal here that by giving closer attention to autobiographical vignettes of CEOs, fresh and valuable insights can be offered to how CEO's conceive and enact leadership, perceive and manage followers, and exert management control. Autobiographical vignettes in CEO letters are not "merely a means to inform ... [but]... one of the mechanisms by which management attempts to exert control" (Amernic, 1992, p.1).

The three autobiographical vignettes we examine in depth were embedded in CEO letters of a major North American company, Canadian National Railway (CN), during the tenure of E. Hunter Harrison as CEO from 1 January 2003 until 31 December 2009. We also briefly discuss an autobiographical vignette of Bob Dudley, CEO of BP in 2010. In the Appendix, we provide three additional annotated examples of autobiographical vignettes in CEO letters to shareholders: Coca-Cola (Muhtar Kent, 2017), Wal-Mart (Michael Duke, 2008), and Berkshire Hathaway (Warren Buffett, 2016).

Skillful use of words and language by leaders (including through their autobiographical vignettes) provides an opportunity to control the behavior of other persons (Morris, 1946). Such control can occur through the capacity of leaders to "... shape and reinforce shared values, promote a common organizational identity, and frame issues in particular ways as relevant to

various stakeholders ... [and to] build legitimacy...or accomplish change...” (Heracleous and Klaering, 2017, p.31).

CEOs often strive to fashion accountability by using language to construct a corporate culture. The CEO-leader’s role is central in this because, as Schein (2004, p.225) observes: “... it is the leader who initiates this process [of culture building] by imposing his or her beliefs, values, and assumptions...” Such “imposing” of beliefs is largely performed by the use of words and narrative. Here we show how this can be achieved through autobiographical vignettes embedded in annual report CEO letters. The story in an autobiographical vignette in a CEO letter, and the annual report within which that story is embedded, must cohere rhetorically. An autobiographical vignette will be more salient if it is consistent with the CEO’s communication in other parts of an annual report, and elsewhere in other mediums.

The following three research questions (RQ) are explored. Each pertains specifically to autobiographical vignettes in CEO letters:

*RQ 1: What insights can they provide to how leadership is conceived and enacted by CEOs?*

*RQ 2: How can they reveal how followers are perceived and managed?*

*RQ 3: How do they assist management in attempting to exert control?*

In the following section, the analysis is framed from literature that highlights the phenomenon of autobiographical vignettes, the importance of rhetorical context, the privileged micro-discourse of the CEO letter, and the potential for autobiographical vignettes to self-construct leader identity. We then describe the close reading method used and profile the CEO whose autobiographical vignettes are analyzed. Thereafter, we present and discuss results, enter conclusions and offer some suggestions for future research.

## **Literature Review**

This literature review has two major parts. First, we review literature to explain the role and significance of the CEO letter and any autobiographical vignette contained therein. Then we review literature that outlines three factors that influence whether an autobiographical vignette is included in a CEO letter. These factors are strategic communication, self-legitimation, and leadership style.

### *The CEO letter and autobiographical vignettes*

*Discourse levels:* CEO letters are rich textual manifestations of CEO micro-discourse (Alvesson and Kärreman, 2000). An autobiographical vignette in a CEO letter is an important part of this micro-discourse. However, a CEO’s autobiographical vignette and the CEO’s letter itself are, integrally, parts of a more capacious web of discourse comprising meso-discourse, grand-discourse and mega-discourse (see Llewellyn, 1999).

Meso-discourse involves being sensitive to language use in context, but with a view to finding broader patterns. The intent is to go beyond the details of the text and to generalize to similar local contexts. We pursue this perspective later when we link two vignettes of the CEO of CN. Grand-discourse involves understanding that there is an assembly of discourses that can be ordered and presented as an integral frame. A “grand discourse” refers to (or constitutes) organizational reality and dominates language about corporate culture or ideology. Mega-discourse involves accepting there is a universal connection of discourse material that typically adopts standardized ways of referring to a type of phenomenon (e.g., business re-engineering or globalization).

The micro discourse of an autobiographical vignette in a CEO's letter is notionally embedded hierarchically within meso, grand, and mega discourses. Thus, it is important to emphasize *context* in analysing micro-discourse because micro-discourse is informed by, and in turn helps constitute, the meso-discourse. The latter is informed by, and in turn helps constitute, the grand-discourse, and so on. Our analysis is alert to these "grander discourse strategies."

*Personal accountability:* The CEO letter should be acknowledged as a recurring social ritual, and as a public document, signed by the CEO and associated closely with the audited financial statements or other formal company reports. The CEO letter is a personal accountability narrative that makes liberal use of personal pronouns, "I" and "we." CEO letters provide a year-by-year history, or "social account" (Scott and Lyman, 1968) of the corporation, from the CEO's privileged perspective. CEOs exert narrative dominance over their letter by deciding what to tell and how to do so.<sup>2</sup> Their "entitlement to narrate" a story in the CEO letter is largely unfettered (Ochs and Capps, 1996, p.34).

CEO letters offer a rhetorical means for CEOs to identify with the corporations they lead. Lyons (2011, p.100) explains that the assumption that "corporate personhood" is embodied in a CEO lends the company "a human face that is frequently enlisted in public relations materials to counter the perceptions of corporations as impersonal and inhumane ..." Thus, a CEO letter can rhetorically constitute a CEO metonymically as the embodiment of the corporation. Amernic and Craig (2006, p.44) use the example of Bill Gates and the Microsoft Corporation to show the subtle conditioning effects of metonymy.

*Leadership:* CEO letters are important sources of information about top management leadership, as Kendall (1993), Fiol (1989), Hyland (1998), Prasad and Mir (2002), Palmer, King, and Kellaher (2004), and Amernic and Craig (2006), have explained. CEO letters have been instrumental in exploring a CEO's approach to leadership. Amernic *et al.* (2007) analysed the metaphors used by Jack Welch in his CEO letters over twenty years as leader of General Electric, 1981-2000. They concluded that Welch's language self-constructed his leadership identity as the metaphoric equivalent of a pedagogue, physician, architect, commander and saint. CEO letters have also been explored to ascertain a corporation's "tone at the top" (Amernic *et al.*, 2010) and the ways in which a company reacts to important external events, such as the 2007 global financial crisis, and the 2010 *Deepwater Horizon* oil spill in the Gulf of Mexico (Grantham and Vieira Jr., 2018).

The potential for CEO letters to provide insights to leadership and accountability is not surprising in view of findings that these letters are the most widely read part of company annual reports (Fanelli and Grasselli, 2005). CEO letters have been found also to reflect managerial attributions (Staw *et al.*, 1983), indicate framing strategies (Westphal and Zajac, 1998), and act as a device for "communicat[ing] implicit beliefs about the organization and its relationship with the surrounding world" (Fiol, 1989, p.278). CEOs place negative and positive words in CEO letters strategically to elicit a more positive perception of them and the ways they (Boudt and Thewissen, 2019).

*Psychology of life stories:* In using the personal narratives of leaders to understand leadership, McAdams (2001, p.101) argues that "the psychology of life stories ... play[s] an important integrative role in the scientific study of human behaviour and experience." Shamir and Eilam (2005, p.414) claim there is a "central role of leaders' life-stories in the development of authentic leaders" and that narrative coherence and the believability of leaders' life stories is crucial for followers. However, Rinehart (2006, p.1059, italics applied) disagrees on the point of believability by claiming that

... the accuracy of *information* is nearly irrelevant, whereas accuracy of *feeling and experience* – the gist of the story, the affective layers of how it felt to be there while these concrete things were actually happening, [without] explanation – is critical to the storyteller.

Rinehart's view seems consistent with post-truth thinking that condones "cherry-pick[ing] data to come to whatever conclusion you desire."<sup>3</sup>

The identities projected by CEOs, and by which followers know them, can be bound intimately with their life stories. Heracleous and Klaering's (2017) analysis of highly influential commencement speech at Stanford University Steve Jobs in 2005, assert that "[b]y reflecting on personal life stories, leaders develop unique perspectives and values that support their authentic leadership." Heracleous and Klaering (2017, p.32) also claim that CEOs' "[s]tories are most compelling when they invoke meanings with 'deep cultural roots ... (Conger, 1991, p.41)' and course over 'common ground (Cheney (1983)).'"

*Motives:* Maclean *et al.* (2011, pp.31-6) explain the motivation for business leaders to engage in life-story narratives as "an ongoing search for [personal] legitimacy." They discuss four modes of legitimacy seeking:

- *defying the odds* (being heroic): a leader demonstrates s/he has courage, fortitude and tenacity, and can triumph in adversity.
- *staying the course* (being steadfast): a leader is resilient and committed. Thus, s/he can be regarded as trustworthy, loyal and possessing the determination to be successful.
- *succeeding through talent* (being meritorious): a leader makes it clear s/he is successful through his/her own efforts. This inspires confidence and support among followers and other stakeholders.
- *giving back to society* (being altruistic): a leader highlights his/her accumulated material success and reputation while conveying the impression of being a compassionate individual who places societal well-being above self-interest.

Telling a "good [CEO life story] tale" is a means of capturing attention (Lanham, 1993). Such tales can be influential because of their "... constitutive power ... in configuring the past and in anticipating the future" (Llewellyn, 1999, p.223). Reading or hearing a story told by a CEO (especially a story in which s/he is the central character or hero) can be very persuasive, especially if, like many stories, "the problem is solved and everything works out well ..." (Guerin, 2003, p.264).

Life stories that invoke or reify a revered company founder, such as Walt Disney of The Walt Disney Company (Amernic and Craig, 2000), can be particularly effective. They can highlight a "friendly ghost image" of a founder (Boje and Rosile, 2008, p.164); "utopian images of family, community, and work life" (p.170); and a "benign patriarch" (p.171). Such highlighting can occur (as with Wal-Mart's founder, Sam Walton) while ignoring predatory business practices, an aggressively anti-union stance, and the adoption of a core business model featuring low wages, products made in sweatshops, and brutal exercise of market dominance (Boje and Rosile, 2008).

*Elements:* Good corporate tales (including autobiographical vignettes of CEOs) possess most of the following explicit or implied elements: narrator, narrative medium, hero, villain, audience, plot, crisis, and means of expression (Bruner, 1991; Franzosi, 1998; Llewellyn, 1999). Craig and Amernic (2008) elaborated briefly on these elements in the context of the privatization of Canadian National Railway [CN] in 1995. They focused on the attempts of successive CEOs Tellier (1992 to 2002) and Harrison (2003 to 2009) to construct a narrative tale of accomplishment regarding CN's privatization (p.1091). The heroes of the "good tale"

of privatization were regarded to be “market forces” and the CEOs and senior managers and politicians who made the decision to privatize. At the macro level, the villains were the bureaucracy and mis-guided economic policies of government. At the micro level, the villains were “entrenched and inefficient work practices, employees who have a poor work ethic, and ineffective operating systems” (p.1091).

CEOs recount tales of many types to help them in one of their main duties — articulating the company’s story effectively (Cuno, 2005). According to Cuno (2005, p.210), leaders of institutions should:

... know that what we say will be heard as the embodiment of our institutions. Our words are never incidental. They always contribute to the larger narrative that tells our institution’s story ... [and should]... have [audiences], if only in a small way, identify with that story and become a part of it.

Effectiveness in telling a company’s story can be enhanced if the CEO is the central character in a heroic life story vignette.

The benefits arising from analyzing autobiographical vignettes can be inferred too from Schoenberger’s (2001, p.282) classification of autobiographies as reminiscent of a “confessional” and a “romance ([in which] the hero overcomes daunting obstacles to attain the object of his affection); [and] epic (the hero overcomes daunting obstacles to realize his own and his people’s destiny).” In similar vein, Maclean *et al.* (2011, p.35) point to the important role epic stories (with the CEO as hero) have “in preserving a place [for the CEO] within the elite, demonstrating fitness to lead, warding off potential challengers and safeguarding control.”

### *Three factors influencing whether an autobiographical vignette is included in a CEO letter*

*Strategic communications:* In examining the discourse of “trust repair” employed by BP after the *Deepwater Horizon* disaster in 2010, Fuoli and Paradis (2014) analyzed BP’s 2010 CEO letter from a wide variety of perspectives, including by focusing on a short autobiographical vignette. They contended that one way for BP to overcome distrust and negative impressions held by the American public was for the recently appointed CEO, Bob Dudley, to “put to the fore his American identity and strive to show that he personally care[d] for the areas and people hit by the spill” (pp.64-65). Dudley did so in the following autobiographical vignette located near the beginning of his 2010 CEO letter.

... it all started in a part of the world that’s very close to my heart. I grew up in Mississippi, and spent summers with my family swimming and fishing in the Gulf. I know those beaches and waters well. When I heard about the accident I could immediately picture how it might affect the people who live and work along that coast.

According to Fuoli and Paradis (2014, p.65), this vignette shows “the CEO’s sense of belonging and emotional attachment (as in ‘very close to my heart’).” They conclude that this text “foregrounds” the areas affected by the spill and that this:

... promot[es] a positive perception of his -- and by extension, the company’s -- benevolence toward the inhabitants of the Gulf and ... toward Americans. By stressing his American roots and portraying himself as a member of the community (he could immediately picture the impact the spill would have on the local people’s lives), the CEO also seeks to establish his credibility as a trustworthy interlocutor, a task that his predecessor failed at (p.65).

Thus, Fuoli and Paradis (2014) illustrate the rich interpretive possibilities that reside in autobiographical vignettes in CEO letters. Dudley’s vignette serves an evocative framing

purpose that helps to personalize him and to signal how intimate the tragedy was to him as BP's new CEO.

A telling aspect of this vignette is that no other autobiographical vignette appears in Dudley's subsequent seven post-*Deepwater Horizon* CEO letters in BP's annual reports for 2011 to 2017. In this regard, his 2010 letter stands alone. The autobiographical vignette served a *strategic* communication purpose in the 2010 letter by appearing in the first such letter published after the *Deepwater Horizon* tragedy. Apparently, no such strategic communication purpose was felt needed in subsequent years. Although autobiographical vignettes are not routine inclusions in CEO letters, their occasional use makes their impact, when they are used, strategic and more potent. An autobiographical vignette does not need to be used frequently to have impact.

*Self-legitimization:* Based on "life-history" interviews with members of the British business elite, Maclean, Harvey, and Chia (2011) theorized that "business leaders use their storytelling as a vehicle for self-legitimization" (p.17). They called for more attention to be given to "the storytelling, sense-making and self-legitimizing practices of elite business actors" (p.36). We respond to their call by analysing three autobiographical vignettes of the CEO of a corporate member of the North American business elite (CN) — at "the micro level of storytelling... [and on]... the words used to tell a story" (Näslund and Perner, 2012, p.91).

*Leadership style:* Autobiographical narratives are potential indicators of leadership style. For example, in the context of political leadership, two weeks before Barack Obama's inauguration as President of the USA, Raban (2009) reviewed Obama's 1995 autobiography *Dreams From My Father*. Based on his review, Raban was [we believe] prescient and cannily accurate in predicting Obama's leadership style as President. Raban (2009, p.W2) concluded that Obama's presidency was likely to feature a

... watchful eye and patiently attentive ear; a proper humility in the face of the multiplex character of human society; and, most of all, a belief in the power of [Obama's] imagination to comprehend and ultimately reconcile the manifold contradictions in his teeming world.

CEOs are "persons with complex lived histories, social status, emotions and psyches" (Schoenberger, 2001, p.279). These factors meld to construct the CEO's identity, leadership style, and attitudes to accountability. Thus, it is reasonable to propose that an autobiographical vignette in a CEO letter will reflect these factors and hold clues to the CEO's character, behaviour, world-view and ideological stance.

## Method

We chose CN, in the period 2003 to 2009, as the location of our study of autobiographical vignettes. We did so for three major reasons. First, because the strategic importance of such vignettes is well illustrated at CN. The company was struggling to cope fully with life as a privatized company and was experiencing significant labour unrest. The years in question are chosen because they are the only years during Harrison's tenure as CEO that he used autobiographical vignettes. Second, because of the opportunity to assess the autobiographical vignettes of a publically-acclaimed exemplary leader. Third, because we wanted to add further insights to the three analyses that had been published previously in this journal about the role(s) of accounting and accountability information *before*, *during* and *after* the privatization of CN in 1995 (Craig and Amernic, 2004; 2006; 2008). The latter of these three studies examined how CN used language to sustain a rhetoric of post-privatization success and as "a potent means of gaining 'acceptance, approval, and adoption' of strategy" (Barry and Elmes, 1997, p.433). In the present paper, we build on this prior work by exploring the rhetorical features of three

autobiographical vignettes that were included in the letters of CN's CEO in the post-privatization period.

E. Hunter Harrison was CEO of CN from 2003 until 2009. Three of his autobiographical vignettes are analysed — one each from the annual reports for 2004 (129 words), 2005 (167 words) and 2007 (203 words) — using a close reading approach. This involved both authors separately reading each vignette by slowing down the reading process to understand the “inner workings” of text, in a fashion similar to that described by Slagell (1991). For Amernic and Craig (2017) such a close reading approach involves:

... a search for implicit assumptions, ideology, silences, techniques of argumentation, and important cognitive features, such as metaphor ... carefully re-reading sentences ... mark[ing] passages where appropriate, investigat[ing] the meaning of individual words, look[ing] for apt and inapt juxtapositions, and [seeking] insights to authorial intent (p.68).

Close reading iterations of each vignette were conducted until a consensus was reached between the authors. However, the limitations of this method, highlighted by Amernic and Craig (2017, p. 68) should be acknowledged. There is no guarantee that “close readers will contextualize and interpret ‘words on a page’ in an unbiased fashion.” Furthermore, although the interpretive process involved can produce many useful insights, it can also lead to contestable conclusions because of a “plurality of plausible explanations” (Ron, 2008, p.29). The views we present are an interpretation and, as such, are subject to social controls, criticism by peers, and social (re)-negotiation (Blaikie, 2007).

In the following sub-section we provide a brief biographical profile of Harrison and an outline of CN.

#### *Canadian National Railway Company (CN) and E. Hunter Harrison*

CN has been an important social and economic institution in Canada since it was established in 1918 as a Crown corporation. In 1995, in what was [then] the largest privatization in Canadian history, the government sold shares in CN. The privatization was a very significant event in Canada because it converted CN into a shareholder-owned and stock exchange-listed corporation. After 1995, the company expanded considerably, especially in the U.S. CN now operates a rail network from the Gulf of Mexico to the Atlantic and Pacific coasts of Canada.<sup>4</sup>

Ewing Hunter Harrison (b. November 7, 1944 – d. December 16, 2017) was an American-born career railway executive who served variously as the CEO of Illinois Central Railroad, Canadian National Railway, Canadian Pacific Railway, and CSX Corporation. During his tenure at CN, Harrison was named Railroader of the Year for 2002 by industry trade journal *Railway Age*. In 2007, he was named and as CEO of the Year by the Canadian newspaper *Globe and Mail*.

Harrison was known as a “hard-nosed” “hard-core red meat man”, possessing “testicular fortitude.”<sup>5</sup> He was characterized as a “crusty”, “relentless”, “impatient” and “no-nonsense” person but was also a “polarizing figure, admired and loathed in seemingly equal parts.” His leadership is described as that of an “innovator”, “mind changer”, and “brass-knuckle fixer.” Harrison had a reputation for being a “cut to the chase thinker” and was respected for his “ability to inculcate culture change” and to preach the need for “continuous improvement,” cost cutting, and streamlining. His five guiding principles as CEO were “service, cost control, asset utilization, safety, and people.”

The autobiographical vignettes in Harrison's 2004, 2005, and 2007 CEO letters appear as scenes within a long running grander discourse of CN's alleged success post-privatization (Craig and Amernic, 2008). The vignettes can be viewed, plausibly, as part of the array of management control devices CN marshalled to help win support for the privatization strategy and the ensuing reforms to management control practices.

### *The labour relations context of CN*<sup>6</sup>

Three vignettes (one each from CN's 2004, 2005 and 2007 annual reports) are explored in the context of CN's [then] labour relations environment. Of major note is that in early 2004, CN experienced its first major strike since privatization in 1995. A principal cause of the strike was the resentment of employees to CN's adoption of American business practices aimed at cutting costs and boosting profits. The pervading work environment in many parts of CN was alleged to be hostile and intimidating. This was attributed to an "American-style" management that featured a pervading attitude of aggression to workers. American managers employed by CN were claimed to be "ruthless by Canadian standards." They were alleged to have instituted "some eyebrow-raising labour changes for [CN] workers"; "increased [employee] workload[s]"; and treated CN's Canadian employees in a derisory manner, including through the use of such slurs as "snow niggers" and "overpaid Mexicans" (Warwaruk, 2004, pp.5-8). Thus, many CN workers felt humiliated and disrespected by CN management. Speaking in early 2004, Doug Olszewski, a national representative of CN's main union, the Canadian Auto Workers Union, stated that "a real big issue" was "... the lack of dignity shown to the workers ..." (Warwaruk, 2004, p.8).

In the *Globe and Mail* in 2004, Harrison acknowledged that:

... the strike was mostly a result of management's failure to do a better job at communicating the need for change ... to workers [and that] the real issue was the management of change [and that] a key challenge for the company now is to try to repair the relations with the CAW [so that] we don't go through this experience again. (Partridge, 2004).

Thus, there is strong prospect that the three vignettes analysed were deployed in an image repair exercise to improve CN's labour relations environment and help the management of CN to be regarded as more respectful, less aggressive, more inclusive, and more understanding of the workplaces and employees.

### **Analysis**

In each the three vignettes discussed below, Harrison recounts a tale from his life-time experience of working in railroading — not from his life beyond railroading. This helps him to garner legitimacy as the CEO of a railroad company such as CN. His railroader experience is emphasised to reinforce his right to speak authoritatively about CN's strategy, performance and future operation. The vignettes leave little room for ambiguity on this point.

Vignette #1 is a recollection of Harrison's time, early in his career, working in the Memphis railyard of his then-employer and meeting a "great railroader", W. F. Thompson. In the preamble to Vignette #2, Harrison mentions his "40 years in [the railroad] business." Vignette #3 is a tale of Harrison's time "as a young railroader coming up in the business" and being taught how to inspect rail ties. Thus, what the three vignettes do collectively is to "lend consistency to otherwise fragmented experiences ... [in a way] ... that is community building" (Ochs and Capps, 1996, p.32). The vignettes subtly encourage readers to subscribe to a mild form of epic tale in which Harrison is a hero whose railroading career progressed through hard work, commitment and listening to the advice of "wiser heads."

Harrison emphasises that he is a CEO who "knows what he is talking about." He constructs an image of himself as a legitimate leader because of his common work experience with employees. He demonstrates his believability and fitness to lead. He is not an outsider or a novice in the industry. Rather, he is a legitimate railroader who has inspected rail ties, walked rail yards, and met great railroaders. This is the image by which he wants to be known to stakeholders, especially employees. The narrative implies he attained the position of CEO by working hard and listening to the advice of more experienced railroaders. His intent seems to



be to motivate employees to do the same — to comply with *his* [as a now great railroader] policies and management direction. Harrison's implicit message to employees is "you can improve yourself too by doing the same" and "become a better railroader" by being more accommodating of the changed workplace environment policies CN has adopted.

Because the following three vignettes course over "common ground" to employees they are likely to be compelling to them (Cheney, 1983). The subtle conditioning rhetoric of Harrison is "work hard and listen to me, even if it goes against the grain of your current work attitudes." Thus, Harrison's personal story becomes a totem, a symbol of what can be achieved by employees in a company, such as CN, that is committed to transformation. This symbolism is exploited to help exert management control: to change the attitude of employees so that they commit (if they have not already) to the management control changes (such as labour "downsizing" and changed work practices) that were instituted at CN in the post-privatization era.

The picture that emerges of Harrison is of a hard-working, committed, and determined leader-by-example — and one who is seeking followers (employees) to do as he has done.

#### *Vignette #1: 2004 CEO letter*

This autobiographical vignette is drawn from the first two paragraphs of Harrison's CEO letter for 2004:

I remember one of the turning points of my career. I was a young man, in my first management job at BN's [Burlington Northern's] Memphis yard. W.F. Thompson, a great railroader who would eventually become a mentor of mine, was visiting the facility. He looked out at a rail yard packed with cars and asked me, 'Son, what do you see out there?' I was young, and he was a big, intimidating man. I wanted to say the right thing. My answer was, 'Sir, that's a lot of business out there in the yard.'

Mr. Thompson's answer changed forever my view of railroading. He said, 'You know, that's the problem. You look at a crowded yard and see a lot of business. I see a lot of delayed trains.'

Two paragraphs later, Harrison writes: "Since that moment in the Memphis yard long ago, getting the absolute maximum out of rail assets has been a major focus of mine." This autobiographical vignette is reinforced vividly elsewhere in CN's 2004 annual report. The front cover of the report presents a simple stark photograph of an empty railyard with the words "This is excellence." Inside the report, in a large highlighted side bar box on page 1, the following text appears: "To CN, an empty rail yard represents excellence because it means our assets are out on the network — moving product, earning revenue and helping customers compete."

The autobiographical vignette is a confessional tale. It is a parable that recounts a seemingly small, but highly memorable, episode in the life of the CEO. Importantly, it reveals the way Harrison conceives and enacts leadership, or at least intends the audience of the CEO letter to regard his leadership. The vignette is framed as an epiphany or "confessional" or what Schoenberger (2001, p.277) refers to as a "narrative of self-realization." Harrison, as a now-mature and renowned CEO himself, recalls his (presumably) chance meeting many years ago (as "a young man") with "a great railroader" (W.F. Thompson) who communicated vividly to him (the future CEO) the importance of an empty rail yard. Both the future CEO and the "great railroader" saw the same "railyard packed with cars." However, their respective interpretations were very different, prompting the future CEO's epiphany. Harrison basks in the glow of Thompson's aura. He pays homage to the "great railroader" and acknowledges him clearly as his mentor.

This vignette, and the epiphany it embodies, is a vivid way for the CEO to self-construct an identity by which he can enact leadership as he tries to make sense of his world of corporate leadership (Weick, 1995). Harrison reveres Thompson, who he acknowledges was an "intimidating man." An implicit metaphor is GREAT RAILROADERS ARE

INTIMIDATING. Harrison seems comfortable in endorsing a view that leadership can be enacted through being intimidating. This view is reinforced by his intimidation of an employee (discussed below in Vignette #2).

Vignette #1 and its implicit message was especially timely for CN in a period when CN was anxious to convince the world of the merits of its privatization in 1995, was seeking to resolve its post-privatization identity, and was trying to calm labour unrest and placate employee concerns about the lack of respect they were being shown by CN's managers. Harrison's vignette is saying, in effect, that when he was new to the industry "my view of the railroading business world was wrong. I changed – and you [especially CN employees with entrenched pre-privatization 'public servant' work attitudes and practices] can change too." Thus, we see Guerin's (2003, p.253) "use of language to get people to do things" — to change their attitude and behaviour.

Vignette #1 helps Harrison to self-construct his identity with CN stakeholders, especially employees. Harrison identifies with his audience because almost all of them are likely to have similarly embarked on a first relatively important job, feeling uncertain and harbouring a desire to impress a high-profile superior. Most (if not all) can probably identify with Harrison as a young man in that situation. In addition, since Harrison apparently learned an important lesson from this episode, CN employees and stakeholders can further identify with him as a "learning being" and as someone open to development and change. This all seems plausible and helps Harrison to construct an image of a legitimate leader.

However, Harrison's perspective on leadership has a curious twist. There is an ominous punchline in his assertion that "getting the absolute maximum out of rail assets has been a major focus of mine." Harrison seems to endorse a Tayloristic ideology of management control as a leadership manifesto. Followers ought to be interested keenly in how such extreme declarations will be implemented, especially because elsewhere Harrison makes it clear that he regards "rail assets" to include human assets (that is, employees). Clearly, employees would want to know what performance measures were to be relied on to effect such implementation. Our interpretation of this punchline is consistent with Ford and Harding's (2011, p. 475) observation that an authentic leader will seek "to ensure followers are themselves no more than objects, with all claims to subjectivity reshaped and subsumed into the service of the collective of both the leader and the organization's values."

#### *Vignette #2: 2005 CEO letter*

Harrison's 2005 letter began with five sentences laden with hyperbole, euphemism and self-acclaim:

What a great run. The accomplishments and results that CN has been able to achieve in its first 10 years as a public company are nothing short of spectacular. Some of the things we have done are beyond anything I have seen in my 40 years in this business. While our culture is never to be satisfied, there's a certain amount of pride among all of us at CN. Because it has been anything but easy.

Throughout CN's 2005 annual report (and not just in the CEO letter), CN used self-eulogistic accounting-language and vivid graphics to celebrate the company's (alleged) "spectacular" "accomplishments and results" since privatization.

The fourth and fifth paragraph of the 2005 CEO letter included the following autobiographical vignette:

And as we entered a new period of rapid, profound change, people sometimes became emotional. I remember a meeting I had with the CN account manager for one of our largest customers. He was upset with some rightsizing and bureaucracy reductions we had made in our marketing group. He said, 'You've taken away my analyst here, you've taken away my sales person there, you've taken away this, you've taken away that. And you expect me to still manage this account?' This was the only account he managed.

I got a little excited myself, and I might have raised my voice a little – I said, ‘Excuse me. Let me ask you a question. Exactly what is it that *you* do?’

Long story short: that account manager became a believer. And we got one small step closer to the culture of precision and execution we were trying to build. Six months later, he was proud of how significantly the service he was able to offer his customer had improved.

This reveals a powerful leader who is adopting an aggressive attitude. Harrison exercises uni-directional influence on a follower who is seemingly in need of enlightenment – a follower who eventually became enlightened and compliant. This mildly romantic vignette shows the CEO’s determination to be steadfast and “stay the course” in spite of opposition from staff. We see language used to “create worlds of understanding”, to show the “exercise of power”, and to “get people to do things” (Silberstein, 2002; Hart *et al.*, 2005; Guerin, 2003).

However, there is a touch of disingenuousness and a tone of evangelicalism in this leader’s tale. The CEO denigrates the account manager by implying he is not pulling his weight as an employee. This is an intimidating exercise of coercive power. But such behaviour is consistent with Harrison’s characterization as a person who “prod[ded] a moribund work force with a canny mix of fear and inspiration” (McNish, 2012). Harrison’s actions are consistent too with those of his mentor, Thompson, who was known to be intimidating. So, it is unsurprising that we observe a case of mimetic isomorphism with this form of behaviour: “as the master does, so does the apprentice.”

We read that the account manager has lost two hitherto valued support staff through “rightsizing” (a euphemism for sackings). He has the emotion and bravery to remonstrate with the CEO. Yet, readers are informed that within six months, the account manager experiences an epiphany too – he becomes a “believer” in CN’s ideology and re-structuring and is proud of the improved service he is now offering. There is no hint of verisimilitude – something Näslund and Pemer (2012, p.106) conclude is required for successful sensegiving.

In contrast to the situation in the anecdote in Harrison’s 2004 letter, he has now “graduated” to become the (seemingly) “great railroader.” He sees it to be his place to act as a sagacious business teacher to educate *his* student, the CN account manager, about the (allegedly) proper way to manage business within the sought after “culture of precision and execution.” Indeed, Vignette #1 (2004) and Vignette #2 (2005) work together. The 2004 vignette casts Harrison as a student, who has learned an apparently profound business lesson. In the 2005 vignette, Harrison is now the “teacher as a great railroader”, providing a “tough-love” education to a recalcitrant subordinate who nonetheless “became a believer.” Thus, the two biographical vignettes fit together in a complementary, rhetorically persuasive way to justify the wisdom of CN’s strategy of privatization and its resort to tighter and less amenable workplace practices.

Vignette #2 portrays the leadership identity likely to be desired by Harrison as CEO. But, disconcertingly, the picture of leadership that is constructed has strong unedifying vestiges of bullying and an absence of apparent regard for followers. This lends support to employee claims that they were being treated with a lack of respect by managers.

The emerging picture is of a leader who classifies stakeholders using a binary matrix based on whether he deems them to be a “believer” or “non-believer” in the company’s broad strategic direction and management control systems. Some stakeholders might identify readily with the image of leadership advanced, but many, including many employees, would recoil from it. Such employees might (and did) engage in various resistance strategies, including strike action (as detailed earlier).

### *Vignette #3: 2007 CEO letter*

In the preamble to Vignette #3, Harrison mentions his “40 years in [the railroad] business.” He states:

... of our five fundamentals, there is none more critical than people. When people ask me how we've achieved what we've achieved thus far, I tell them that there's no silver bullet. It's just highly committed people working hard together on shared goals.

We have plenty of room for progress in the people area, and progress is never permanent. It requires constant work to remove the 'mud' from an organization and keep it from coming back.

What do I mean by mud?

He then goes on to relate the following autobiographical vignette:

When I was a young railroader coming up in the business, my supervisor was teaching me how to inspect rail ties and mark bad ones for replacement. We were moving along, and I was marking bad ties when I saw them, when the supervisor stopped me and asked me why I hadn't marked a particular tie. I told him that it looked good to me, and he said that I was right, it looked good. Then he had someone come and pull the spikes. We pulled the tie up from the ballast and turned it over. More than half the underside of the tie was gone. The middle, the most critical part of the tie, was rotted to the point that it was just a few inches thick.

The cause? Mud. The tie looked fine on the surface, but the ballast underneath was not draining properly. That day I learned how to spot poor drainage, and I've since learned that the same principle applies to management. Problems under the surface – hidden 'mud' – exist even in the best organizations. It's bureaucracy. It's resistance to change. It's lack of understanding or commitment. It's mud, and while it's not always visible, it always slows you down.

Harrison presents himself as a leader who has learnt from experience and who can identify impediments to business success (bureaucracy and resistance to change). The implicit message is that all railroaders can learn from Harrison and resist being "slowed down" by such impediments. A striking metaphor system is evoked for reinforcement:

ORGANIZATIONAL BUREAUCRACY IS HIDDEN MUD

RESISTANCE TO CHANGE IS HIDDEN MUD

LACK OF UNDERSTANDING OR COMMITMENT IS HIDDEN MUD

These surface metaphors are complemented by two physical features of "mud" that Harrison points out: mud is "not always visible" and mud "always slows you down."

There is little question that mud is a harshly negative word.<sup>7</sup> Harrison's evocation of the word metaphorically in connection with bureaucracy, resistance to change, and lack of understanding or commitment, is deeply pejorative. The message that Harrison is conveying is an important aspect of his attempt to symbolically use language as a means of management control. Thus, given the strategic direction of CN since privatization, if any employee is not hostile to bureaucracy, resists change, lacks understanding or commitment, then that employee is making mud, which is "not always visible" (and so perhaps surreptitious) and "always slows [CN] down." The implied message is demeaning of many employees: those who engage in such behavior are indulging in unintended sabotage as "mud-creating" employees.

## **Discussion and Conclusions**

Autobiographical vignettes embedded in the privileged medium of annual report CEO letters have potential to be rhetorically-potent parts of the paraphernalia of corporate control. They can be a response to exigencies of the corporate context of which they are a part (for example, BP's need to redeem its reputation after the *Deepwater Horizon* tragedy). Autobiographical vignettes in CEO letters offer important means of strategic communication, a way to legitimize leadership, reveal key aspects of leadership style, and fashion the beliefs of followers and other stakeholders. Consistent with Dalpiaz and Di Stefano (2018), we have observed the use of autobiographical vignettes by CN as a mechanism to help fashion the landscape within which it sought to develop and transform.

The three vignettes we focus on have strong religious overtones – of a leader “knowing the way,” seeing work force members as “believers” and “non-believers”, and drawing on a personal epiphany to transform followers’ belief systems. The vignettes provide insight to CEO Harrison as a person and to how he conceived and enacted his leadership. Similar purposes are served by the autobiographical vignette in the letter of BP’s CEO for 2010 (mentioned earlier), as well as the three further examples in the Appendix.

In respect of Research Question 1, we reveal CEO Harrison to be promoting the idea that corporate leaders should respect, and openly endorse, the wisdom of their predecessors. Nonetheless, Harrison’s 2004 autobiographical vignette (#1) points to him seeing merit in leaders and followers being capable of periodically changing their view of corporate endeavor. In enacting his leadership at CN (Research Question 2), we see that Harrison seemingly condones intimidation as an acceptable way of transforming human behavior. With regard to Research Question 3, Harrison’s three vignettes are used strategically, but none-too-subtly, to exercise management control. They are a call for followers to be more receptive to apparently “obvious” tough policies that endorse workforce reduction, reduce costs, and prioritize policies that will maximize financial returns on equity capital.

An important aspiration of control is the construction of an (alleged) legitimate leader in a way that will be conducive for others to identify with that leader. Such identification is at least partly influenced by the rhetoric of an autobiographical vignette embedded in a CEO letter. The capacity to influence control in this way is becoming increasingly important, because “...organizations are supplanting structural control with newer means of control – the control of ideas” (Cobb *et al.*, 2001, p.1123).

*Overview:* One way CEOs can subtly infuse and reinforce management control is through ideas housed within the micro discourse of the CEO’s autobiographical vignette. Such vignettes should be recognized more widely as part of a pervasive “battery of belief-forming institutions” (Tinker, 1985) available to corporate leaders to influence the formation of beliefs by those who are negatively affected by companies (whether directly or indirectly).

. An autobiographical vignette in a CEO letter has strong capacity to be rhetorically potent and to serve an important role in framing attitudes and perceptions. If such vignettes are used infrequently and strategically, as our initial exploration suggests, this adds to their potency. Our interpretation of a CEO’s autobiographical vignettes occurs within a discourse in which capital is privileged over labour, and corporate leadership is privileged over followership. Thus, a caveat to the approach we adopt is that apparently *natural* assumptions at the micro-discourse level can only be identified and critically interrogated through comprehension of the larger discourses within which the specific micro-discourse itself is embedded

Future research might beneficially explore the frequency with which CEOs resort to autobiographical vignettes in their written communications<sup>8</sup>; the nature and pattern of autobiographical vignettes in CEO letters; and the motivations and settings that influencing their inclusion. We do not suggest that autobiographical vignettes are routine inclusions in CEO letters. Rather, their use, in general, seems likely to be occasional, with strategic factors prompting their use. Nonetheless, some CEOs (such as Warren Buffett, Berkshire-Hathaway) have developed a reputation for using them frequently. Future research could also explore whether autobiographical vignettes are more likely to be used by CEOs of successful companies or struggling companies; by novice or experienced CEOs; during upswings or downswings in the economic cycle, or by CEOs with particular personality profiles.

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## **Appendix**

### **Examples of Autobiographical Vignettes in CEO Letters**

#### **1. Muhtar Kent (Coca Cola, CEO letter 2017)**

This letter began:

In 1978, I started my Coca-Cola career riding on bright red trucks and learning this extraordinary business from the ground up as a management trainee.

For months, I made deliveries, stocked shelves and set up displays. It was tough but invaluable work that helped me understand how we create value and refresh the world—one store, one cooler, one bottle at a time.

This very short vignette was used by Kent as a “teachable moment” by which he (seemingly innocuously) educates employees and others through idea control.

#### **2. Michael Duke (Wal-Mart, CEO letter, 2008)**

The [then] new CEO of Wal-Mart, Michael Duke wrote the following life story vignette in his first letter as the company’s Chair and CEO in the 2008 annual report:

My first day in the new job fell on the first Sunday in February. So my wife Susan and I took a few hours to move some boxes and belongings into my new office. But we didn’t replace the carpet, furniture, or even Sam Walton’s old wood paneling. With the exception of a couple of pictures on the wall, we kept it as the same office in which Sam Walton, David Glass and Lee Scott made the decisions that built our great Company. I could not be more honored or more humbled to sit at their desk now.

This story is located near the end of the CEO letter, just before the following sentence: “Although there will continue to be many changes at Wal-Mart, there is one thing that will never change – our culture.” In this vignette, Duke does not disturb the physical setting in which prior generations of Wal-Mart leaders “made the decisions that built our great company.” Thereby, Duke strongly signals his respect for Wal-Mart’s history and culture – he is sitting “at their desk”, not his desk.

Duke lets us know that his “first day in the new job” was a Sunday, and he and his wife (and presumably not hired movers) “took a few hours to move some boxes and belongings into my new office.” Working on a Sunday, and engaging one’s spouse to assist, offers a lesson in commitment, teamwork and cost savings. Thus, a strong work ethic, and respect for tradition and culture, are the vivid images conveyed by Duke’s story. These are images that he and his top management team intend employees to emulate, and shareholders to regard approvingly. This seems to be a (symbolic) means of attempting to exert control over Wal-Mart employees and gain approval of providers of capital at the same time, with one short story.

#### **3. Warren Buffett (Berkshire-Hathaway, CEO letter, 2016)**

Buffett’s annual report CEO letters enjoy a significant degree of fame in the business community. His letters have been the subject of much academic interest (e.g., by Cunningham, 2013). The four paragraph vignette below (from p.4 of his 2016 letter) recounts a personal story of error, folly, imperfect learning, and ultimate redemption (Ricoeur, 1984). The vignette “highlight[s] the role of narrative as recapitulation of past experience” (Franzosi, 1998, p. 528).

I earlier described our gradual shift from a company obtaining most of its gains from investment activities to one that grows in value by owning businesses. Launching that transition, we took baby steps – making small acquisitions whose impact on Berkshire’s profits was dwarfed by our gains from marketable securities. Despite that cautious approach, I made one particularly egregious error, acquiring Dexter Shoe for \$434 million in 1993. Dexter’s value promptly went to zero. The story gets worse: I used stock for the purchase, giving the sellers 25,203 shares of Berkshire that at year end 2016 were worth more than \$6 billion.

That wreck was followed by three key happenings – two positive, one negative – that set us firmly on our present course. At the beginning of 1996, we acquired the half of GEICO we didn't already own, a cash transaction that changed our holding from a portfolio investment into a wholly-owned operating business. GEICO, with its almost unlimited potential, quickly became the centerpiece around which we built what I believe is now the world's premier property/casualty business.

Unfortunately, I followed the GEICO purchase by foolishly using Berkshire stock – a boatload of stock – to buy General Reinsurance in late 1998. After some early problems, General Re has become a fine insurance operation that we prize. It was, nevertheless, a terrible mistake on my part to issue 272,200 shares of Berkshire in buying General Re, an act that increased our outstanding shares by a whopping 21.8%. My error caused Berkshire shareholders to give far more than they received (a practice that – despite the Biblical endorsement – is far from blessed when you are buying businesses).

Early in 2000, I atoned for that folly by buying 76% (since grown to 90%) of MidAmerican Energy, a brilliantly-managed utility business that has delivered us many large opportunities to make profitable and socially-useful investments. The MidAmerican cash purchase – I was learning – firmly launched us on our present course of (1) continuing to build our insurance operation; (2) energetically acquiring large and diversified non-insurance businesses and (3) largely making our deals from internally-generated cash. (Today, I would rather prep for a colonoscopy than issue Berkshire shares.)

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## Notes

<sup>1</sup> *English Oxford Dictionary*, <https://en.oxforddictionaries.com/definition/vignette>

<sup>2</sup> An important consideration is whether CEOs personally compose the entire letter. Amernic *et al.* (2007, p. 1845) argue that

...many prominent CEOs, such as Jack Welch...and Warren Buffett... have acknowledged publicly their strong personal role in drafting CEO letters to stockholders. Some CEOs brief professional letter writers and investor relations staff about the tone and content they want reflected in their letters to stockholders. However, few CEOs delegate responsibility to others for determining the thoughts and issues that will comprise their completed letters ... the letters [are] indicative of the CEO's mindset – irrespective of whether or not [they] are crafted in their entirety personally by the CEO or by a 'ghost writer.'

<sup>3</sup> *English Oxford Dictionary Online*, <https://en.oxforddictionaries.com/definition/post-truth>.

<sup>4</sup> The preceding profile of CN is an edited version of the entry 'Canadian National Railway Company (CN)' in *Encyclopædia Britannica Online*. <https://www.britannica.com/topic/Canadian-National-Railway-Company>

<sup>5</sup> The following profile of Harrison is compiled from Foran (2009), McNish (2012) and Kelly (2017).

<sup>6</sup> Unless otherwise specified, the information sources for this sub-section are contemporary news reports by the Canadian Broadcasting Commission, together with Canadian Autoworkers Union newsletters, and magazines circulating in the Canadian transport industry.

<sup>7</sup> The Merriam-Webster dictionary online (<https://www.merriam-webster.com/dictionary/mud>) defines mud as "a slimy sticky mixture of solid material with a liquid and especially water"; and as "abusive and malicious remarks or charges."

<sup>8</sup> One way of identifying autobiographical vignettes is by means of word search of databases of CEO communications for likely common phrases (for example, "I remember..." and "When I ...").