Designing an investor focused communication strategy framework based on dialogic theory: An interpretive qualitative study of publicly listed companies in South Africa

By

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I declare that the above thesis is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

31 August 2020

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Date

Dedicated to the triad at the centre of my earthly existence;

my husband; ***Gert****,*

my father; ***Pye****, and*

my mother; ***Daleen***

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- *My Heavenly Father, every day You granted my just enough grace, not too much as to overwhelm me and never too little as to discourage me. You carried me every step of the way and faithfully kept Your promise; "For I know the plans I have for you" declares the Lord, "plans to prosper you and not to harm you, plans to give you hope and a future" – Jeremiah 29:11. Soli Deo Gloria.*

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ABSTRACT

Considering the recent corporate scandals faced by the South African capital market, stakeholders are understandably more sceptical about the accuracy and transparency of information being communicated to them. An integral stakeholder group which forms part in the success of an organisation is its investors. Since investors have increasing demands and specific information needs, it is essential that organisations communicate relevant and useful information by means of investor relations. However, despite its importance, academic research in the field of investor relations, specifically in terms of communication, is lacking and does not correlate with the importance of the function in corporate practice. The aim of this study was to propose an investor focused communication strategy framework based on dialogic theory, for South Africa organisations listed on the Johannesburg Stock Exchange. This was done by investigating investor relations theory within the broader context of dialogic theory and crystallising the most critical constructs to include in a communication strategy. The research design employed in this study was an interpretive multiple case study qualitative inquiry which included an investigation of current investor relations regulations that publicly listed organisations have to adhere to and engage in. The proposed framework is the culmination and outcome of a synthesis of an in-depth literature review, a content analysis of communicative products- and semi-structured interviews with the investor relations officers of the case organisation. Propositions informing the proposed framework is put forth and the proposed framework serves as the original contribution of this study.

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List of Acronyms

IR	-	Investor Relations
IRO	-	Investor Relations Officer
JSE	-	Johannesburg Stock Exchange
SENS	-	Stock Exchange News Service
IIRC	-	International Integrated Reporting Council
IIRF	-	International Integrated Reporting Framework
ICB	-	Industry Classification Benchmark
SAICA	-	South African Institute of Chartered Accountants
CEO	-	Chief Executive Officer
CFO	-	Chief Financial Officer
AGM	-	Annual General Meeting
B-BBEE	-	Broad-based Black Economic Empowerment
REIT	-	Real Estate Investment Trust
IFRS	-	International Financial Reporting Standards
IAS	-	International Accounting Standard
IoDSA	-	Institute of Directors South Africa
FSCA	-	Financial Sector Conduct Authority

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1. BACKGROUND AND ORIENTATION

1.1 INTRODUCTION

In recent times the South African capital market has been plagued by regular corporate scandals, such as the likes of Steinhoff, Tongaat Hulett, and EOH being amongst the latest transgressors. Understandably, stakeholders are thus increasingly sceptical about the accuracy and transparency of information being communicated to them by publicly listed organisations.

These corporate scandals served as a reminder that all too many organisations take a myopic view of their business, considering financial bottom lines as the be-all and the end-all. As was the case with Enron and other scandal-ridden corporations over the years, Steinhoff, Tongaat Hulett, and EOH appeared to comply with all the legal, as well as the listing requirements, in its various jurisdictions; this resulted in a false sense of security for stakeholders.

As a result, stakeholders have realised that annual reports and balance sheets considered in isolation are no longer sufficient. Both organisation and stakeholders alike recognise the need for a more holistic approach to engaging (communicating with) stakeholder groups, as an integral part of rebuilding trust in the organisation.

However, as more methods of directly communicating with organisational stakeholders are developing at a rapid pace, organisations are finding it difficult to ensure that all stakeholder groups are being communicated with professionally, thoroughly and strategically (Mulder & Niemann-Struweg, 2015, p. 6; Swart, Hairbottle, Scheun, Erasmus-Krizinger & Mona, 2019, p. 8). Therefore, the focal point of corporate communication management is on building relationships with organisational stakeholders, through dialogue, to improve the quality of organisational decision-making by listening to stakeholders' expectations (Falconi, 2010; Falconi, Grunig, Zugaro & Duarte, 2014, p. 5).

One such stakeholder group which forms an integral part in the success of an organisation is its investors. Investors are one of the principal stakeholder groups of any publicly listed organisation as these investors provide the base capital for the expansion of the organisation (Hoffmann & Fieseler, 2018, p. 405; Laskin, 2018a, p. 75). It is essential that organisations provide investors with relevant and useful information (i.e. IR, hereafter referred to as IR), as these investors have increasing demands and specific information needs.

Considering that investors control the resources that enable an organisation to exist, Dolphin (2003, p. 31) defines IR as the link between the organisation and its investors; the communication of information relating to the organisation, to the investors. Laskin (2018a, p. 4) and Schoonraad, Grobler, and Gouws (2005, p. 274) concur with the definition of IR as formulated by the National Institute of Investor Relations; defining IR as “the establishing and preservation of mutually beneficial relationships between an organisation and its investors, by exchanging information needed to facilitate optimal decisions regarding the allocation of scarce resources” (NIRI, 2020). Related to the aforementioned, Bechan (2011, p. 138) and Laskin (2011, p. 307) believe that besides providing information, IR also entails developing and maintaining good long-term relationships with these investors. Building relationships with investors increase confidence and trust in the organisation; information communicated about the organisation is then interpreted through these relational lenses (Laskin, 2011, p. 307).

IR is often considered as a subset of an organisations’ corporate communication management function (Laskin, 2018a, p. 77), hence corporate communication can be considered as the basis of IR. Corporate communication management can be defined as the set of activities involved in managing and orchestrating all internal and external communication aimed at creating and maintaining favourable relations with stakeholders on whom the company depends (van Riel & Fombrun, 2010, p. 25). Corporate communication management consists of the dissemination of information by an organisation, with the common goal of enhancing the organisations ability to retain its license to operate (Slabbert & Barker, 2014, p. 71; van Riel & Fombrun, 2010, p. 25). Slabbert and Barker (2014, p. 72), point out that the terms corporate communication management and public relations are often used synonymously, particularly when referring to public relations management. Cornelissen, van Bekkum, and van Ruler (2006, p. 115) allude to the notion that in various cases corporate communication management is regarded as the evolution of public relations or conversely that it includes public relations. Therefore, for the purpose of this study corporate communication management is used as the preferred term when referring to all internal and external communication practiced by the organisation.

From the above accounts of corporate communication management, it can be gathered that the term corporate communication management is also closely related to the term strategic communication management. Broadly defined, "strategic communication management is the purposeful use of communication by an organisation to fulfil its mission" (Hallahan, Holtzhausen, van Ruler, Verčič & Sriramesh, 2007). For the purpose of this study corporate communication management is considered as being conducted strategically, hence aligned to and aimed at fulfilling an organisations' mission. A detailed discussion of these related term will be provided in the literature review of this study.

Similarly, there are numerous terms related to the concept of IR, most notably financial communication and financial public relations. Within the study, the term IR is used as an umbrella term to encapsulate all related terms. However, in the literature review of this study, the related terms are expanded on and used to describe specific components of IR. Thus, the term IR is used throughout this study and should be interpreted in the broader sense.

Hoffmann, Tietz, and Hammann (2018, p. 294) are of the opinion that IR, originally emerging as a reporting and disclosure function embedded in corporate governance requirements, has quickly evolved into a strategic communication function charged with ensuring two-way symmetrical communication and relationship management with investors. Organisations have to engage with, and be accountable to their investors by engaging in a continuous dialogue with them (Hoffmann & Fieseler, 2012, p. 184; Laskin, 2018a, p. 76). This entails that organisations have to manage their communication behaviour. Chandler (2018, p. 200) adds to this notion by stating that building and maintaining relationships are integral to IR, and that failing to comprehend the importance of ensuring relationships with investors that are characterised by mutual respect and a demonstrated commitment to two-way communication can jeopardise an organisation's appeal to investors.

As investors settle into a more active stance toward their investments, IR is faced with the need to evolve, to actively engage and influence investors (Hoffmann & Fieseler, 2018, p. 180). Rensburg and Botha (2014, p. 144) reiterates that organisations are being forced to critically re-evaluate how they communicate with investors. To respond to these challenges, organisations have to devise two-way symmetrical programmes to facilitate dialogue between an organisation and the financial community (i.e. investors) to enhance mutual understanding. It requires the organisation to extend the scope of interaction from the mere publication of obligatory annual and interim reports to more frequent and proactive two-way interaction and communication (Laskin, 2018a, p. 76).

Adding an extra dimension of complexity to IR is the element that regulations governing the behaviour (i.e. communication) of publicly listed entities are context specific and could vary significantly depending on the specific country and stock (securities) exchange. Each country has its own distinct laws with regards to public companies, and similarly each stock (securities) exchange has its own unique set of rules and regulations applicable to entities listed on it. Hence, it is, and never will be possible to generalise every aspect of IR globally, there will always be an element of uniqueness depending on the specific context.

As such, once an organisation has conformed to all of the regulations of the regulatory body for listing, such as the Johannesburg Stock Exchange (hereafter referred to as JSE) (the sampling frame of this study), it is then in a positions to trade its shares with the public (Bechan, 2011, p. 138). The JSE listing requirements contain the rules and procedures governing new applications, all corporate actions and continuing obligations applicable to issuers and issuers of specialist securities (Johannesburg Stock Exchange, 2019, p. 2).

The JSE (public) listing requirements contain specific rules and procedure governing all communication between a listed company and its investors; this is essential to ensure that all investors have simultaneous access to the same information. Failure by a company to comply may result in the JSE taking steps against them (Johannesburg Stock Exchange, 2019, p. 24). The regulations regarding communication by JSE listed companies will be reviewed and explored in-depth at a later stage of this study.

The researcher acknowledges that the complexities associated with IR are global, and not limited to South Africa. As such, to make the most significant contribution, one would ideally like to conduct the research with a broad, global focus in order to be able to consider and provide a comprehensive account of IR; and propose a globally generalisable solution. However, as highlighted earlier regulations governing publicly listed entities are context specific and could vary significantly depending on the specific country and stock (securities) exchange. Hence, it is, and never will be possible to generalise every aspect of IR globally, there will always be an element of uniqueness depending on the specific context.

In light of this, this study aims to critically evaluate the current IR practices of JSE listed organisations. Further, it seeks to propose an investor focused communication strategy framework based on dialogic theory, for publicly listed companies in South Africa.

1.2 PROBLEM STATEMENT

As stated in the introduction above, recently the South African capital market has been plagued by regular corporate scandals. As a result, stakeholders are understandably, ever more sceptical about the accuracy and transparency of information being communicated to them by publicly listed organisations. One specific stakeholder group which forms an integral part in the success of an organisation is its investors. Since investors have increasing demands and specific information needs, it is essential that organisations provide investors with relevant and useful information by means of IR (Hoffmann & Fieseler, 2018, p. 405; Laskin, 2018a, p. 75). Bechan (2011, p. 138) and Laskin (2011, p. 307) highlight that beside providing information, IR also entails developing and maintaining good long-term relationships with investors. Building relationships with investors increases confidence and trust in the organisation; information communicated about the organisation is then interpreted through these relational lenses (Laskin, 2011, p. 307). Rensburg and Botha (2014, p. 144) reiterate that organisations are being forced to critically re-evaluate how they communicate with investors, requiring of the organisation to extend the scope of interaction from the mere publication of obligatory annual and interim reports to more frequent and proactive two-way interaction and communication (Laskin, 2018a, p. 76).

In the context of the above, it is palpable that IR is a practice of vital importance for organisations. However, despite its importance, IR has not been thoroughly researched; especially in terms of the communication aspect thereof. Laskin (2008, p.

14) reaffirms this by elucidating that academic research in the field of IR is insufficient and does not correlate with the high importance of the function in corporate practice. Studies of IR from a strategic communication standpoint are almost non-existent. At the same time, IR is currently undergoing a major shift from financial reporting to building and maintaining relationships with shareholders (Laskin, 2008, p. 13; Laskin, 2009, p. 209).

Academic interest in the research of IR steadily increased between 1998 and 2007 with a notable upswing in the following years. This upswing coincides with the 2008 global financial crisis, which further intensified attention to challenges of IR (Hoffmann *et al.*, 2018, p. 295). However, there is still a notable lack of corporate communication research, both academic and practical, focusing on IR (Hoffmann *et al.*, 2018, p. 299).

Laskin (2014a) promulgates that IR has not received the scholarly attention necessary to fully contribute to the body of knowledge in corporate communication – limited attention has been given to the development and testing of frameworks and models of IR. Laskin (2018b, p. 339), as well as Argenti (2007, p. 170), further propose that IR is never a mere disclosure. Instead, it is a complex strategic function of managing expectations. Despite the critical importance of investors to organisations, the academic world does not pay much attention to it, research about IR is limited and has only recently begun to develop a body of knowledge (van Riel & Fombrun, 2010, p. 183; Whitehouse, Palmieri & Perrin, 2018).

Taking into account the aforementioned, the researcher regards it not only as being high time, but also essential to conduct academic research about IR and thus attempt to contribute to the limited, yet expanding the academic body of knowledge, through the development of a framework. Ultimately, this could then, in turn, translate into more effective execution of IR in practice.

1.3 RESEARCH AIM

The aim of this study is to propose an investor focused communication strategy framework based on dialogic theory, for publicly listed companies in South Africa. This will be done by investigating IR theory within the broader context of dialogic theory and crystallising the most critical constructs to include in a communication strategy.

1.4 RESEARCH OBJECTIVES

Venter, van Zyl, Joubert, Pellissier, and Stack (2017, p. 48), define research objectives as being “specific, goal-directed statements of the research intent”. The authors go on to suggest that the overall research aim of the study can be achieved by means of the research objectives (Venter *et al.*, 2017, p. 41). For the purpose of this study, the researcher made the explicit decision not to formulate research questions, but to instead only formulate research objectives. The researcher is of the opinion that these “specific, goal-directed statements of research intent”, better suit the research aim and intended outcome of this study.

The research objectives of the study are stated in Table 1.1 below.

Table 1.1: Research Objectives	
Ro1:	To describe the origin, history and development of IR
Ro2:	To explain the relevance and applicability of the dialogic theory of communication management to IR
Ro3:	To identify and assess the current IR regulations (i.e. rules of conduct) that publicly listed organisations have to adhere to
Ro4:	To identify and assess the current IR practices that publicly listed organisations engage in
Ro5:	To determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory)
Ro6:	To compare the IR practices of multiple publicly listed organisations
Ro7:	To propose an investor focused communication strategy framework based on dialogic theory, for publicly listed companies in South Africa

Each of the above listed research objectives will be focused on and investigated through various research phases within the study. This is explained in more detail in Table 5.2 which can be found in Chapter 5 (i.e. Research Design and Methodology).

1.5 META-THEORETICAL AND CONCEPTUAL POSITION

All research studies are based on philosophical assumptions about the nature of the world and how knowledge about the world can be attained (Myers, 2011, p. 23). According to Wagner, Kawulich, and Garner (2012) a research study is informed by certain philosophical assumption about the nature of social reality (ontology), ways of knowing (epistemology) and ethics and value systems (axiology). These philosophical assumptions can be considered as the worldview within which the researcher positions the research. All research is underpinned by a set of implicit or explicit philosophical assumptions, which shape the practice of research and the theoretical conclusions drawn from the research (Bell, Bryman & Harley, 2019, p. 25). If these philosophical assumptions are not consistent with each other, it is likely that less valuable knowledge about reality will be generated; meaning that practical application of the research findings is unlikely to be effective (Bell *et al.*, 2019, p. 26). Table 1.2 below provides a brief overview of the meta-theoretical and conceptual position which underpins this study.

Table 1.2: Meta-theoretical and Conceptual Position	
Research aim:	The aim of this study is to propose an investor focused communication strategy framework based on dialogic theory, for publicly listed companies in South Africa – by investigating IR theory within the broader context of dialogic theory and crystallising the most critical constructs to include in a communication strategy.
Academic discipline:	Communication management
Academic fields:	• Corporate communication management

Table 1.2: Meta-theoretical and Conceptual Position	
	• Investor Relations
Paradigm:	Interpretivist
Grand theory:	Dialogic theory of communication management
Theories:	• Stakeholder theory • Relationship management theory • Two-way symmetrical communication
Concepts:	• Corporate communication management • Dialogue • Stakeholders • Investors • Investor Relations • Johannesburg Stock Exchange • Communication strategy

1.5.1 Interpretivist Paradigm

Wagner *et al.* (2012, p. 126) describe paradigms as enabling one to tell a coherent story by depicting a world that is meaningful and functional, as well as culturally subjective. This suggests that paradigms also serve as the organising principles by which reality is interpreted. A paradigm leads one to ask certain questions and use appropriate approaches to systematic enquiry – this is the research methodology. A paradigm is informed by philosophical assumptions about the ontology, epistemology and axiology (Venter *et al.*, 2017, p. 6; Wagner *et al.*, 2012, p. 51).

Specific paradigms may be associated with certain methodologies; the paradigm guides the methodology – how the research will proceed. The research process, therefore, is directed by philosophical beliefs about the nature of reality, knowledge, and values, as well as by the theoretical framework which informs understanding, interpretation, choice of literature, and research practice for a certain topic of study.

Methodology is where assumptions about the nature of reality, knowledge, and value, as well as theory and practice on a given topic, intersect (Bryman & Bell, 2014, p. 20; Henning, Van Rensburg & Smit, 2004, p. 19; Wagner *et al.*, 2012, p. 52). This study is situated within the *interpretivist paradigm*.

According to Venter *et al.* (2017, p. 127) and Wagner *et al.* (2012, p. 56), interpretivism addresses understanding the world as others experience it. Interpretivists believe that reality is socially constructed and that there are numerous intangible realities. Reality depends on the individual mind and can, therefore, be considered as a personal or social construct (Henning *et al.*, 2004, p. 19). The purpose of interpretative research is to better understand people's experiences and ascribe meaning to it. The research is conducted in a natural setting where the participants make their living (Wagner *et al.*, 2012, p. 56). Considering that this study ultimately aims to provide understanding and ascribe meaning, it is firmly positioned in the interpretivist paradigm.

1.5.2 Grand Theory

Grand theory attempts to explain a broadly generalised phenomenon (Bryman & Bell, 2014, p. 6). The grand theory employed for the purpose of this study is the dialogic theory of communication management, as conceptualised by Kent and Taylor (2002, p. 21).

1.5.2.1 Dialogic theory of communication management

For many years, Excellence theory was the foremost paradigm guiding corporate communication management research. Yet, over time many other theories emerged as alternatives for explaining the intricacy of communication and relationships (Taylor & Kent, 2014, p. 384), most prominent amongst these; organisation-public relations, contingency, and dialogue (Kent & Taylor, 2002; Theunissen & Wan Noordin, 2012).

The concept of dialogue has its roots in various disciplines; philosophy, rhetoric, psychology, as well as relational communication. The emergence of the theory and research on dialogue stems back to the seminal work of theologian Martin Buber; '*I and thou*'. Buber was one of the first relational philosophers to privilege the relationship over the individual (Kent & Lane, 2017, p. 569). Buber suggested that dialogue comprises an effort to recognise the value of the other party involved – to see the other party as an end and not merely as a means to achieving the desired goal (Kent & Taylor, 2002, p. 22). Following Buber's lead, many scholars in various domains have weighed in on the value of dialogic communication management. During the first quarter of 2016, twenty-two (22) articles containing the word 'dialogue' were published in *Public Relations Review*, this proves how prevalent the dialogic approach to communication management (public relations) has become (Kent & Lane, 2017, p. 571). The first and arguably most influential public relations scholar to write about dialogue was Ron Pearson, who proposed a dialogic framework for public relations as part of his doctoral dissertation in 1989. It has been argued that Pearson's work was well ahead of his time (Kent & Lane, 2017, p. 571). Around a decade later, Kent and Taylor (1998) went on to extend Pearson's work, laying the groundwork for much of the current scholarship (Kent, Taylor & White, 2003).

Lane (2020, pp. 1-2) reiterates that the term dialogue is a term that everyone thinks they understand; a term that is so self-evident that it seems to need no definition. This has however proven not be the case. Dialogue is a complex construct, with many nuances, in need of clarification. For centuries, dialogue has been a topic of philosophical discussion, with evidence leading back all the way to Socrates. A possibly oversimplified account of Socratic dialogue explains the term as, "a series of enquires and responses between two participants, through which one participant encourages the other participant to develop their knowledge and understanding of a subject by explaining it" (Kahn, 1998; Lane, 2020, p. 2). By means of these aforementioned enquiries and responses, the participants become knowledgeable regarding the topic discussed, and furthermore come to share a deeper appreciation of each other (Paul & Elder, 2007). In an updated definition, Chen, Hung-Baesecke, and Chen (2020, p. 2) defines organisation-public dialogue in corporate communication as, "a conversation between an organisation and its stakeholder(s) that leads to positive relationships through mutual understanding, mutual respect, and mutual acceptance".

During the 20th century there was a noticeable renaissance of interest in both the philosophy of dialogue, as well as its application in practice. A prominent sub-theme identified in the 20th century literature on dialogue is the process of the two-way communication on which it is based (Lane, 2020, p. 2). The relationships between two-way communication and dialogue is discussed below in section 1.5.3.3.1. Bakhtin

(1981), articulates what he believes to be at the heart of dialogue; “the utterance”. In “the utterance”, the initiator of the communication is considered as both a sender and a receiver, while the other participant is considered as both a receiver and a sender. This demonstrates the two-way flow of communication. Contemporary dialogue theorists concur with this yet continue building on the classic Greek ancestry of the concept to categories dialogue as having normative and deficit forms. On the one end of the spectrum, the most basic form of dialogue simply involves two-way communication between as sender and a receiver. On the other end of the spectrum, the so-called normative form of dialogue, features repeated use of the sender and receiver roles in an inclusive approach to co-create meaning and understanding. Between these two extreme ends of the dialogue spectrum there are many variation (Lane, 2020, p. 2).

The relevance of dialogue to corporate communication management became evident with the rise of the relational paradigm (Ledingham & Bruning, 1998). Once organisational studies took a relational turn it forced a re-evaluation of the subjective views of stakeholders. Stakeholders were repositioned as being vital in determining the organisation’s future. The relational paradigm proposed that an organisation and its stakeholders are inextricably entangled in relationships based on mutual dependency (Post, Preston & Sauter-Sachs, 2002). This relational turn furthermore, generated increased interest in the type of communication needed to build and maintain mutually-beneficial relationships between an organisation and its stakeholders (Lane, 2020, p. 3). Pieczka (2011, p. 110) aptly states that even though relationships with stakeholders are not only built from communication, but also other organisational actions, that communication occupies a privileged position in the process of relationship-building. Ledingham and Bruning (1998), highlight that dialogue is positioned within the relational paradigm as the communication method of choice. Lane (2020, p. 3), furthermore, asserts that the two concepts, namely; (i) dialogue, and (ii) relationships, are overtly and explicitly connected; “Dialogic communication is relational” (McAllister-Spooner & Kent, 2009, p. 223).

The researcher believes that the aforementioned elucidates their choice of theories which comprises the theoretical framework, namely; (i) stakeholder theory, (ii) relationship management theory, and (iii) two-way symmetrical communication. These theories are considered collectively within the broader context of the grand theory; the dialogic theory communication management.

The dialogic theory of communication management has fundamentally altered how both scholars and professionals think about corporate communication management (Kent, 2017, p. 2). Dialogic engagement is about the relationship that develops and emerges through communication. The dialogic approach to corporate communication management essentially represents a shift from the mass communication orientation of traditional corporate communication, to a more relational approach, in line with the notion of stakeholder engagement (Taylor & Kent, 2014, p. 384).

It has been more than two decades since Kent and Taylor (1998) proposed the dialogic principles, which later evolved into the dialogic theory of communication management. The aforementioned authors put forth an online dialogic communication blueprint for refining relational outcomes between publics by means of the internet (Chen *et al.*, 2020, p. 1). Through tapping into the potential of the internet, which allows individuals to easily connect and exchange information, Kent and Taylor (1998) were able to successfully advocate a dialogic communication emphasis in corporate communication. In the decades that followed, advance information and communication technology, as well as social media have significantly shaped every aspect of society, as a result organisation-public dialogue has become a major focus area in corporate communicate research and practice (Chen *et al.*, 2020, p. 1).

A major differentiating factor between the dialogic theory of communication management and other theoretical approaches to communication management is that dialogic engagement places the communicative emphasis on the needs of stakeholders, thus attempting to build genuine relationships with stakeholders, rather than using communication primarily to serve organisational goals (Kent, 2017, p. 2). Based on the conceptualisation provided by Kent and Taylor (2002), organisation-public dialogue is a specific two-way conversation between an organisation and its stakeholders, whereby the two interacting parties adhere to the following tenets; (i) mutuality, (ii) empathy, (iii) propinquity, (iv) risk, and (v) commitment (Heath, 2013, p. 257). Thus, the organisation-public dialogue is not merely viewed as a communication activity, but instead as an ethical communication orientation that recognises stakeholders and which values co-creation of meaning and joint decision-making efforts, which in turn nurtures the relationship between the organisation and its stakeholders (Chen *et al.*, 2020, pp. 1-2; Kent & Taylor, 2002). The aforementioned conceptualisation of organisation-public dialogue is widely accepted by scholars who adopt the dialogic theory of communication management in their research (Chen *et al.*, 2020, pp. 1-2), this study is no exception.

The dialogic theory of communication management is considered appropriate for this study as it emphasises relationship-building efforts and the co-creation of meaning. These are central concepts associated with corporate communication and IR.

Grunig (1992) points out that organisations should engage in dialogue with investors since these investors provide the organisation with the capital necessary to operate. The notion of engagement with stakeholders is directly related to the Excellence Theory and particularly to two-way symmetrical communication practices (Strauss, 2018, p. 11). Organisations must therefore maintain a constant, open and transparent dialogue with investors. Dialogue has increasingly become part of IR (Uysal, 2018, pp. 101-102). Traditional approaches to IR have simply focused on then dissemination of accurate and necessary information required by the various regulators to investors to enable the evaluation of companies (Rao & Sivakumar, 1999). However, as mentioned earlier, the scope of IR has evolved in recent years due to financial scandals (Hockerts & Moir, 2004). Laskin (2011) appropriately states that the role of IR has expanded to include building trust and maintaining relationships with investors (Penning, 2011, p. 615), as well as facilitating engagement to meet expectations (Uysal, 2014, p. 215).

Escobar (2009, p. 51) delineates three main traditions within dialogue studies. The first tradition takes a formalist approach viewing dialogue as a social deliberation by rational argument through a process embracing the five aforementioned principles put forth by Kent and Taylor (2002). This tradition is consistent with the perspective of the dialogic theory of communication management. The second tradition follows a hermeneutic approach that conceptualises dialogue as a social reflection by cultural and social inquiry through mutual exploration, which could result in creativity. The third tradition follows a pragmatic approach that perceives dialogue as social action by solving problems by collective intelligence through constant interaction among individuals and communities.

A critical issue associated with the scholarship of dialogue in corporate communication management lies in how dialogue is measured. Most previous studies have adopted the five principles for dialogic potential as stated by Kent and Taylor (1998) to measure an organisation's dialogic communication (Ao & Huang, 2020, p. 2). These five principles are not to be confused with the five tenets of dialogic communication proposed by the same authors and mentioned earlier. The five principles for dialogic potential include; (i) dialogic loop, (ii) usefulness of information, (iii) ease of interface, (iv) generation of return visits, and (v) conservation of visitors. This is problematic because these studies actually measure the digital medium's affordances (properties) for dialogue rather than the dialogue conducted in the medium (Chen *et al.*, 2020, p. 3).

Some scholars assess organisation-public dialogue by considering the publics' responsiveness to an organisations message (i.e. the number of comments and replies) in social media. The measurements lack validity because not every two-way communication interaction is true dialogue (Chen *et al.*, 2020, p. 3). Other scholars have used the five dialogic tenets posed by Kent and Taylor (2002) to measure an organisation's dialogic communication (Chen *et al.*, 2020, p. 3) – as priorly indicated this is the approach that this study employs. The researcher believes that using these tenets will allow them to assess the organisation-public dialogue as a communication act, rather than a mere communication orientation or a communication channel's affordances.

As aptly stated by Chen *et al.* (2020, p. 4), research regarding the stakeholder (public) perspectives in organisation-public dialogue is lacking, this is also indicated by the researcher in the delimitations section of this study.

1.5.3 Theoretical Framework

The theoretical framework of a study informs and provides specific direction to the study (Wagner *et al.*, 2012, p. 52). The theoretical framework positions the research within the specific discipline in which it is being conducted, it helps the researcher to make explicit their assumptions about the interconnectedness of certain concepts. A complementing aspect of the theoretical framework is that it anchors a research study in the literature (Henning *et al.*, 2004, p. 25). For the purpose of this study the theoretical framework includes (i) stakeholder theory, (ii) relationship management theory, and (iii) two-way symmetrical communication, within the broader context of the grand theory, dialogic communication. The components of the theoretical framework will be elaborated on below.

1.5.3.1 Stakeholder theory

Organisational wealth and success can be created and sustained through relationships with stakeholders of all kinds. Therefore, effective stakeholder management (that is managing relationships with stakeholders for mutual benefit) is essential for all organisations (Botan & Hazleton, 2009, p. 33). Freeman (1984) defined the term stakeholder as follows; "any group or individual that can affect or is affected by the achievements of the organisation" (van Riel & Fombrun, 2010, p. 162).

Stakeholder theory as proposed by Edward Freeman, stands in direct contrast to Milton Friedman's conviction that organisations should act in the best interest, and to the benefit of its shareholders (investors), reiterating that organisations are not moral agents with moral responsibilities (Duhè, 2018, p. 61; Rossouw & van Vuuren, 2010, p. 91). Succeeding paternalism and industrialism, prevalent during the mid-90's, was the formation of the modern corporation (Steenkamp, 2015, p. 71). In 1970, Friedman proposed that the only social responsibility that an organisation had, was to make profit for its shareholders (investors) (Duhè, 2018, p. 61; Rossouw & van Vuuren, 2010, p. 82).

Subsequently, in 1993 Evan and Freeman proposed that organisations should act in the interest of all its stakeholders for two main reasons. The first being that various stakeholders have various legal rights that are enforceable by law (i.e. employees and the labour law). The second being that the standing of so-called 'free-market capitalism' came under scrutiny after the industrial revolution, giving rise to society's increasing awareness of an organisation's impact on society as a whole (Rossouw & van Vuuren, 2010, p. 91). As a result, it was proposed by Freeman, Martin, and Parmar (2007, p. 303) that organisations move away from shareholder (investor) capitalism to stakeholder capitalism.

The theory of stakeholder capitalism articulated by Freeman *et al.* (2007, p. 311) includes six principles. (i) Firstly, it suggests that there must be co-operation between stakeholders and highlights that value creation is a social phenomenon that results from organisations that co-construct value with stakeholders to satisfy both parties' needs. (ii) Secondly, it is maintained that there must be stakeholder engagement. Organisations need to consult and engage with their multiple stakeholders (i.e. employees, suppliers, investors) to create and sustain value. (iii) Thirdly, stakeholder responsibility dictates that organisations should act responsibly and be accountable for their actions since the organisations are regarded as moral agents with morality at its centre (Freeman *et al.*, 2007, p. 312). (iv) The fourth principle, complexity, recognises that individuals are complex entities with differing needs and expectations, as such, it is suggested that organisations should take all its various stakeholders' unique social context into account in doing this, organisations move away from the notion of conducting business for mere self-interest to operating as moral agents. (v) The fifth principle, that of continuous value creation assumes that new forms of value can be created when organisations engage with its stakeholders. (vi) Lastly, the principle of emergent competition arises from the notion that stakeholders are free moral agents who can exercise free choices. Thus, stakeholders have the opportunity to execute choices based on their interactions with the organisation, which will result in competition between organisations (Freeman *et al.*, 2007, p. 312).

Ultimately, stakeholder theory attempts to describe what an organisation's management actually does with regards to the stakeholder relationships of the organisation, the resulting consequences of these actions, and how these relationships are best managed (Meintjes, 2012, p. 100).

Jahansoozi (2006, p. 942) suggests that organisations should build mutually beneficial relationships with key stakeholders; those who have an impact on the organisation's licence to operate. This is, however, difficult for many organisations as organisations have a multitude of stakeholders; too many to target them all with the same intensity and focus. Effective stakeholder management and communication thus begin by identifying a priority ordering of stakeholders, and primarily targeting those that are most crucial to the implementing of organisational strategies (van Riel & Fombrun, 2010, p. 162). In the context of this study, a priority stakeholder group for JSE listed companies is its investors.

Another approach to prioritising stakeholders, as suggested by van Riel and Fombrun (2010, p. 164), involves characterising stakeholders based on their relative power, legitimacy, and urgency. Relative power refers to the power of the stakeholder to influence the organisation; legitimacy refers to the legitimacy of the relationship between the stakeholder and the organisation; and urgency refers to the urgency of the stakeholder's claim on the organisation (Heath, 2013, pp. 873-874; van Riel & Fombrun, 2010, p. 165). Investors are considered to have relative power, legitimacy and urgency.

Although IR may have originated in an era of investor (i.e. shareholder) primacy, the efficacy of investor primacy as a means of increasing investor value is currently subject to rigorous debate. Organisations find themselves not only needing to consider investor interest but also the interests of multiple other stakeholders (Duhè, 2018, p. 67).

Managing relationships with stakeholders will hold both tangible and intangible long-term rewards for organisations. Organisations must understand that stakeholders have rising expectations; organisations need to adapt their mind-sets from seeing stakeholders as risks to seeing them as a source of opportunity (Chodokufa & Cronje, 2016, p. 207). Investors constitute one of the most important stakeholder groups – due to their power, the legal substance of their stake and the strategic significance of capital access (Hoffmann *et al.*, 2018, p. 294).

1.5.3.2 Relationship management theory

As mentioned above managing the relationships with stakeholders will hold long-term benefits for organisations. It is argued that stakeholder relationships are the modern organisation's most valuable asset (Tomorrow's Company, 2014, p. 6; Schoonraad *et al.*, 2005, p. 285). The question which is raised then is; what motivates an organisation and its stakeholders to engage in relationships with each other? The resource dependency theory states that organisations and stakeholders enter into relationships to exchange resources (Schoonraad *et al.*, 2005, p. 285). This notion has specific significance in this study as IR facilitate decisions regarding the allocation of scarce resources.

The foundation of the relationship management theory is its focus on managing organisation-stakeholder relationships to generate benefit for both the organisation and the stakeholder alike (Ledingham, 2009, p. 466). Relationship management is conceptualised as a management function that utilises communication strategically (Ledingham & Bruning, 1998, p. 56). Relationship management is rooted in communication and, the maintenance of symmetrical communication between organisations and publics (Sisson, 2017, p. 790). Considering that stakeholders have increased access to significantly more information than in any previous phase of economic development, it understandably increases their expectations of open communication and information sharing with organisations (Niemann-Struweg & Meintjes, 2008, p. 57).

Grunig (1992) suggests that for corporate communication to serve an organisation, it must be focused on developing long-term behavioural relationships between the organisation and its key stakeholders, rather than simply focusing on symbolic activities designed to enhance the organisational image (Ledingham & Bruning, 1998, p. 57). Ledingham (2003, p. 182) concurs on this notion and points out that the importance of the relational concept to corporate communication cannot be overstated as the purpose and direction of an organisation is affected by relationships with key stakeholders in the organisation’s environment.

Within the relational perspective, communication serves a strategic role in the building and maintaining of organisation-stakeholder relationships. Organisational-stakeholder relationships are transactional and dynamic, involving constant communication (Jiménez-Castillo, 2016, p. 269). Ledingham (2003, p. 187) suggests that the end goal of communication is to establish and maintain successful relationships and that the notion of relationship management is consistent with Grunig and Hunt’s two-way symmetrical communication model (Ledingham, 2009, p. 466).

According to Kent and Taylor (2002, p. 21), it is necessary to establish and maintain communication relationships with all stakeholders affected by organisational action. The key to successfully managing these relationships is an understanding of what must be done to initiate, develop and maintain them (Ledingham, 2003, p. 185). The outcome of relationship management is, therefore, mutual understanding and benefit (Jahansoozi, 2006, p. 942; Ledingham, 2003, p. 192; Sloan, 2009, p. 27).

Laskin (2011, p. 307) finds that IR contributes to the corporate value of an organisation by building relationships with stakeholders, more specifically, having a strong relationship with investors leads to more confidence and trust in the organisation (Strauss, 2018, p. 10). The relationship between investors and organisations is an agency relation, meaning that the investor is a principal who contracts the organisation as an agent to act in their interest (Crane & Matten, 2016, p. 207).

1.5.3.3 Two-way symmetrical communication

The Excellence Theory (Grunig, 1992) suggests that excellent organisations will design their communication programs on the two-way symmetrical communication model rather than the press agentry, public information, or two-way asymmetrical communication models. Symmetrical communication models are generally more ethical than asymmetrical communication models, and thus produce effects that balance the interests of organisations and stakeholders (Botan & Hazleton, 2009, p. 47; Grunig, Grunig & Dozier, 2002, p. 10).

The two-way symmetrical communication model is a major component of excellence in corporate communication management theory and practice (Grunig, 2013, p. 320). In this regard, the term model is used to describe a set of values and a pattern of behaviour that characterise the approach to corporate communication taken by an organisation (Grunig, 2013, p. 286). Two-way symmetrical corporate communication attempts to balance the interests of the organisation and its stakeholders. As a result two-way symmetrical communication produces enhanced long-term relationships with stakeholders (Botan & Hazleton, 2009, p. 47).

Grunig and Hunt (1984) were the first to delineate the four typical ways in which corporate communication is practiced. These are known as the four models of corporate communication (Grunig, 2013, p. 285).

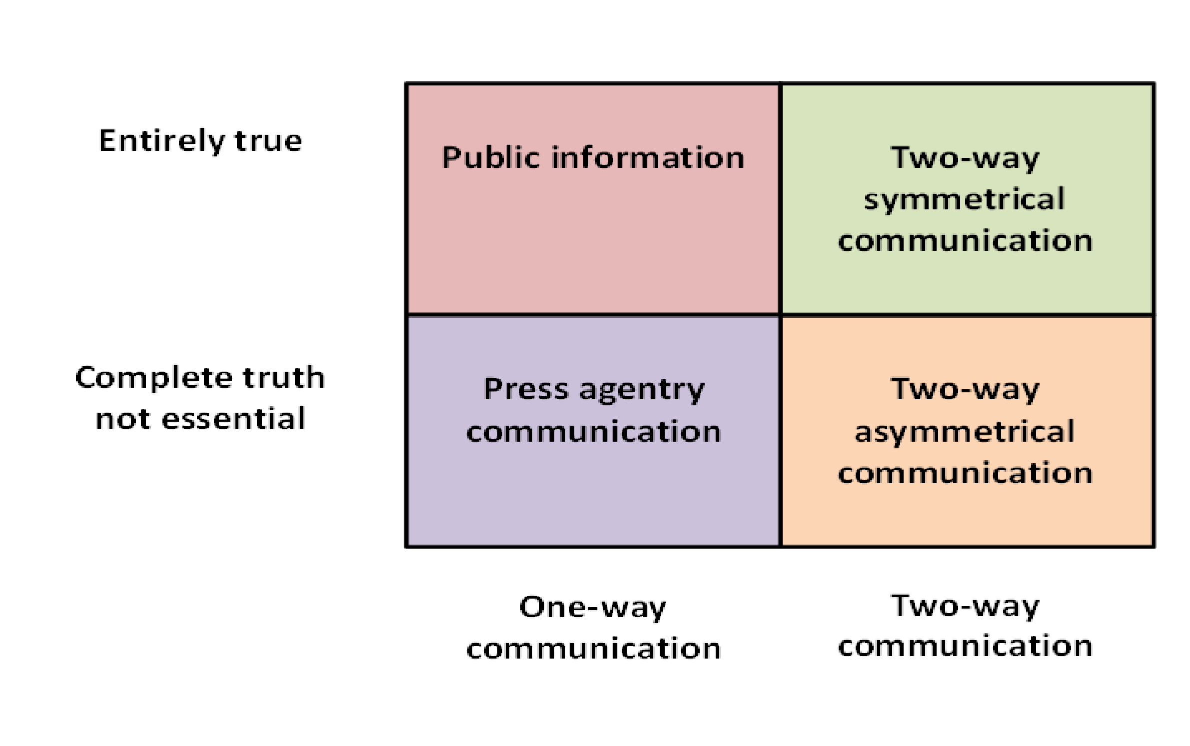
These four models of corporate communication as explained by Doorley and Garcia (2015, p. 99) include;

i) Press agentry model; the guiding principle of the press agentry model is to get favourable publicity, not to ensure accuracy and truthful reporting,
ii) Public information model; the focus of the public information model is on the communication of objective information, generally without regard to the self-interests of the organisation,
iii) Two-way asymmetric model; research is conducted by the organisation to determine the view of a particular stakeholder group, the findings are used to help achieve the organisations’ objectives, and

iv) Two-way symmetric model; research is conducted by the organisation to determine the view of a particular stakeholder group; the findings are used to help achieve the objectives of both the organisation and the stakeholder group.

Figure 1.1 below provides a visual representation of these four aforementioned models of communication.

Figure 1.1: The Four Models of Communication



Source: van Riel and Fombrun (2010, p. 33)

The two-way symmetrical communication model makes organisations more effective. Research has shown that the two-way symmetrical communication model is the most ethical approach to corporate communication and that in turn, ethical corporate communication is the most effective in meeting organisational goals (Grunig, 2013, p. 308). According to research conducted by Grunig (1992), the most effective approach to corporate communication is the two-way symmetrical communication model. When applying the two-way symmetrical communication model, organisations acknowledge the legitimacy and concerns of stakeholders and communicate openly and transparently with these stakeholders (Chandler, 2018, p. 200).

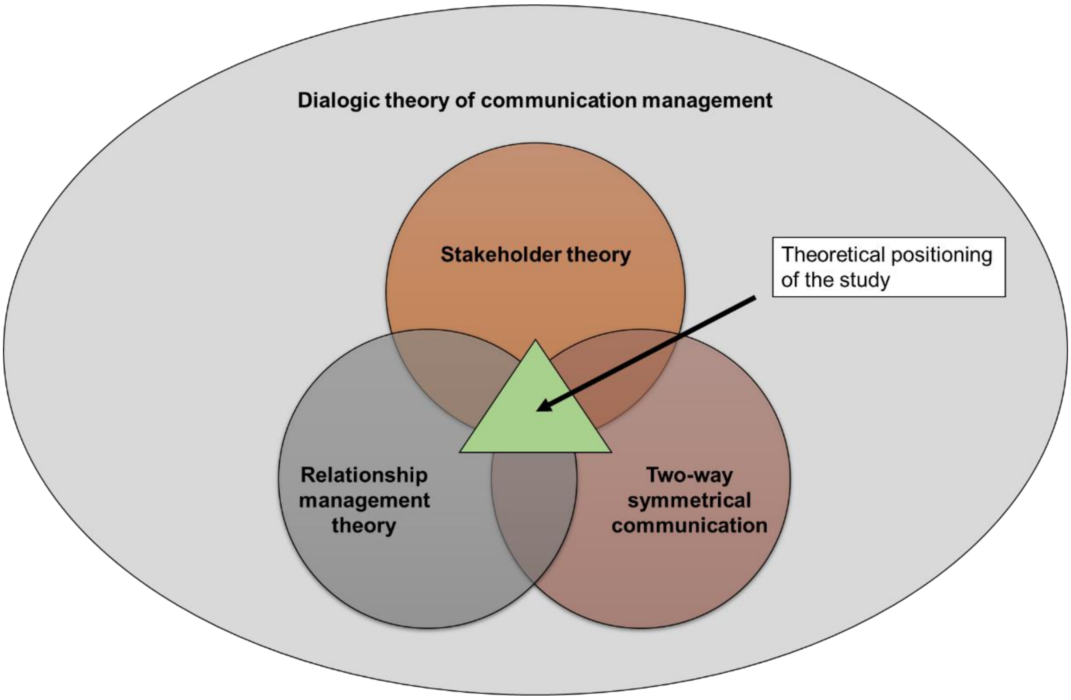
1.5.3.3.1 Relationship between communication and dialogue

Despite the complexities of dialogue uncovered throughout the concept's century long history, most scholars in public relations tend to ignore the complexities of the theory and instead focus on dialogue as being synonymous with two-way symmetrical communication (Theunissen & Wan Noordin, 2012). In this study the researcher employs the understanding that dialogue and two-way symmetrical communication is not synonymous; however, the researcher does argue that two-way symmetrical communication acts as a basis principle of the theory of dialogic communication management. Theunissen and Wan Noordin (2012) offer one of the few points of critique of dialogue as dialogue being uncritically equated to two-way symmetrical communication as if these two concepts were two sides of the same coin, and in some instances where dialogue is mentioned, the focus remains on two-way communication rather than dialogue per se (Kent & Lane, 2017, p. 572). Due to this critique the researcher pays special attention to not equate dialogue to two-way symmetrical communication, especially through the employment of the dialogic tenets.

Dialogue can be imagined along a continuum, with propaganda or monologue at one end, and dialogue at the other hand. Propaganda is a one-way communication model, or a two-way asymmetrical model, wherein the sender of the message controls the channel and content of the information. Dialogue, at the other end of the continuum, values interpersonal interaction and place emphasis on creating meaning, understanding, co-creation of reality, and empathetic interactions. There are stark differences in the orientations at the opposite ends of the continuum, whereas propaganda and asymmetrical communication are dedicated to achieving only the goal of the sender, often sacrificing the integrity of the message, dialogic communication is dedicated to truth and mutual understanding (Taylor & Kent, 2014, pp. 388-390).

Hence, two-way symmetrical communication is arguably the most effective engagement strategy, enhancing the organisation's relationships with its investors. Laskin (2006, p. 69) further argues that fostering relationships with investors through two-way symmetrical communication provides direct financial benefit for publicly listed organisations. Figure 1.2 illustrates the theoretical positioning of the study.

Figure 1.2: Theoretical Positioning of the Study

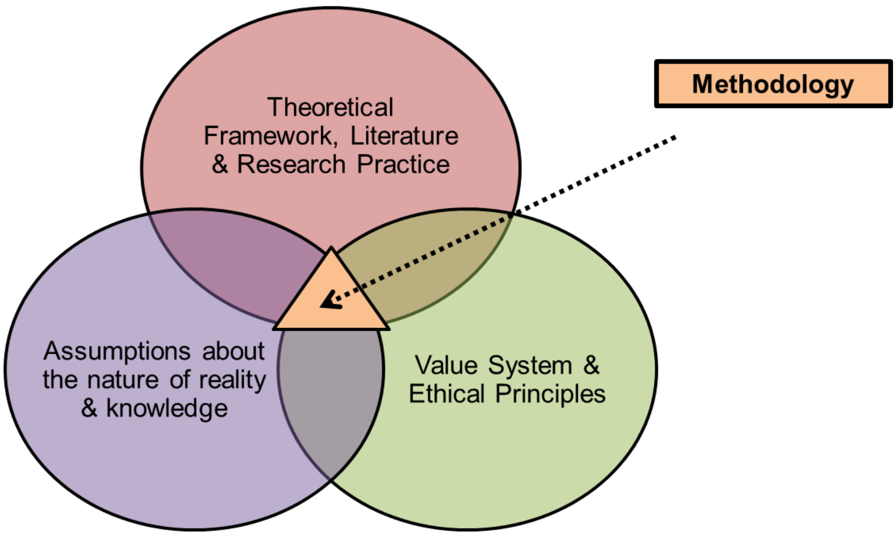


As illustrated in Figure 1.2 above, the three theories, namely; (i) stakeholder theory, (ii) relationship management theory, and (iii) two-way symmetrical communication, are positioned in the study and fall within the broader context of the grand theory; the dialogic theory of communication management.

1.6 SYNOPSIS OF THE RESEARCH DESIGN AND METHODOLOGY

According to Mouton (1998, p. 35) and Venter *et al.* (2017, p. 74), research comprises the application of a variety of standardised methods and techniques in the pursuit of valid knowledge. The choices made with regards to the research design and methodology are influenced by the nature of the research purpose, the research goal and research objectives (Wagner *et al.*, 2012, p. 52). Figure 1.3 illustrates how a specific research methodology is the convergence of three parts, namely the; (i) theoretical framework, literature, and research practice, (ii) assumptions about the nature of reality and knowledge, and (iii) value system and ethical principles.

Figure 1.3: Methodology as Convergence of Three Parts



Source: Wagner *et al.* (2012, p. 52)

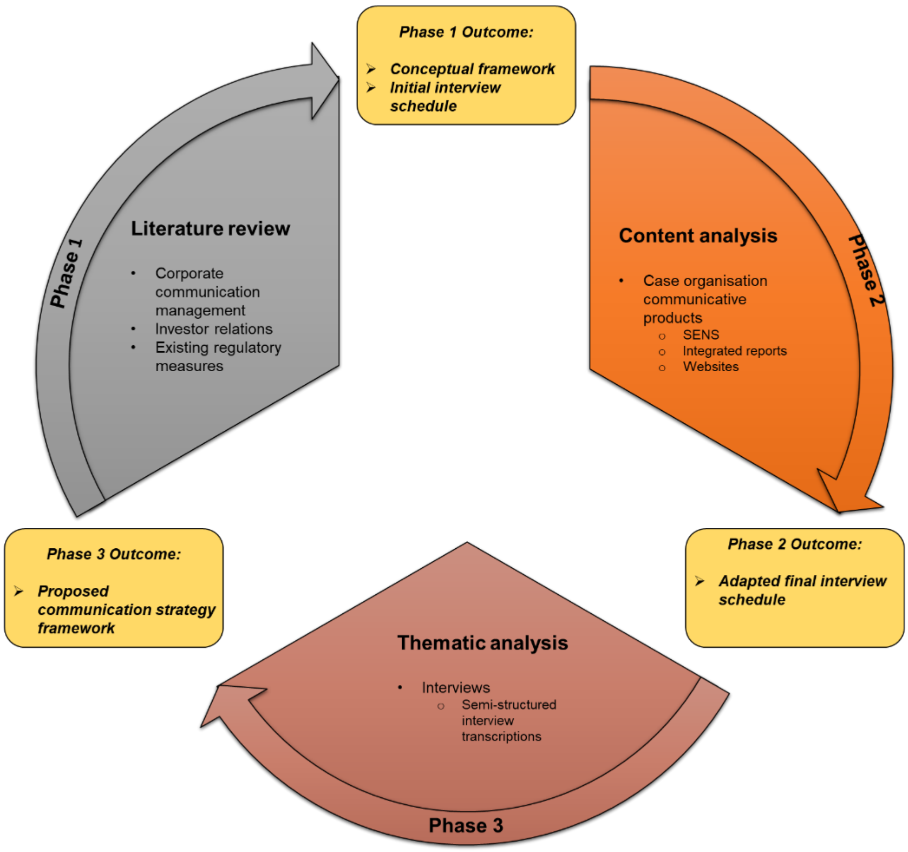
1.6.1 Research Design

The research design of a study can be defined as a structured framework of how the research process will be conducted to solve the research problem or, as is the case in this study, achieve the research objectives (Babbie, 2014, p. 89; Babbie & Mouton, 2001, p. 647). The research design for this study can be classified as an interpretive multiple case study qualitative inquiry into the phenomenon of IR by JSE (publicly) listed companies. The research took place in three phases, consisting of both an empirical and non-empirical component.

The three phases of the research conducted in this study were as follows; research phase one, the non-empirical component, consisted of an extensive literature review of the key concepts of this research, showcasing various conceptualisations and relationships. Ultimately the literature review crystallised the conceptual framework for this study, against which communicative products were assessed, and which assisted in the development of the initial interview schedule utilised in research phase three of the research.

The empirical component consisted of two parts; research phase two, a qualitative content analysis of the Case Organisation's communicative products; including SENS announcements, annual integrated reports, and websites. The aim of this analysis was to assess the status of the communicative products against the conceptual framework put forth in research phase one, and hence assist in the refining of the interview schedule developed in research phase one. During the second part of the empirical component of the research, research phase three, in-depth semi-structured interviews were conducted with the IR officers of each of the Case Organisations whose communicative products were analysed. These interviews were mainly confirmatory, the results of these interviews were used to substantiate, and where necessary adapt the final framework put forth. The figure below depicts these phases in action.

Figure 1.4: Phases of Research



Considering that there are three phases of research within this study, it is important to highlight the methodology employed within each of these phases.

1.6.1.1 Qualitative research

The research objectives stated previously, require an in-depth, qualitative study of the IR practices by multiple JSE (publicly) listed companies. In order to gather the data necessary for analysis, this study followed a qualitative method of inquiry.

A central aspect of a qualitative study, as opposed to a purely conceptual study, is that it is an empirical investigation. Empirical data from the natural or social world is collected and interpreted. The empirical investigation seeks to contribute to the body of knowledge in a particular field (Myers, 2011, p. 12). Considering the aforementioned, empirical data will be collected and interpreted in an attempt to make a contribution to the body of knowledge of IR.

1.6.1.2 Multiple case study research design

A multiple case study research design was deemed appropriate for this study. The multiple case study design fits the interpretivist qualitative research orientation. The potential of case studies to allow the researcher to gain a rich understanding of the context of the research and the processes being enacted (Yin, 2017, pp. 10-11 & 14) were critical considerations in this study.

Depending on the nature and purpose of a study, the researcher may choose to use either a single or multiple case study design. As stated above, this study employed a multiple case study research design. Multiple cases are investigated for comparison, generalisation, or theory building; this is aligned with the purpose of this study. The six organisations compared in this study are publicly listed companies; listed on the JSE.

1.6.2 Case Selection

The logic underlying the use of multiple case studies is similar to that of using multiple experiments. Each case must be carefully selected so that it either (i) predicts similar results, referred to as literal replication or (ii) predicts contrasting results for anticipatable reasons, referred to as theoretical replication (Yin, 2017, p. 57). The replication strategy applied in this study was literal replication.

The population of this study comprised of all the companies listed on the JSE, as at the end of 2019. As at the end of 2019, there were 375 companies listed on the JSE (Johannesburg Stock Exchange, 2020). All listed entities are classified into one of three broad sectors; (i) Resources, (ii) Financials, and (iii) Industrials. The sector classification is derived from the Industry Classification Benchmark (ICB) (Johannesburg Stock Exchange, 2020). The ICB is a globally utilised standard for the categorisation and comparison of companies by industry and sector.

Although the aim of case study research is not generalisation, the researcher wanted the Case Organisations to be as representative as possible. Therefore, the Case Organisations were selected to be representative of these three sectors; two organisations from each sector form part of the Case Organisations. The researcher considered all companies listed on the JSE according to their sector classification.

1.6.3 Data Collection

Following the case selection, the researcher began with the data collection process, pertaining to research phase two, and research phase three of the research process. The data collection process was planned and executed in accordance with the four principles suggested by Yin (2017, pp. 118-129); (i) using multiple sources of evidence, (ii) creating a case study database, (iii) maintaining a chain of evidence, and (iv) exercising care when using data from electronic sources.

Credibility of the research was increased by means of data triangulation, this suggests the use of more than one data source by the researcher to investigate the same phenomenon (Venter *et al.*, 2017, p. 77). Myers (2011, pp. 10-11), suggests that in the event where case study research is employed, as was the case in this study, the researcher might triangulate interview data with data from published or unpublished documents. In order to achieve triangulation, this study focused on; (i) sources of evidence in each Case Organisation, (ii) organisational documents (i.e. organisational communicative products), and (iii) semi-structured interviews with the IROs within each Case Organisation.

1.6.3.1 Sources of evidence within each case study

Bell *et al.* (2019, p. 68) state that a comparative case study research design embodies the logic of comparisons by studying two or more cases, using more or less identical methods. Considering this, the same sources of evidence were utilised within each case study, as listed in the table below.

Table 1.3: Sources of Evidence

	(i) Phase 1			(ii) Phase 2
	SENS Announcements	Annual Integrated Reports	Website	Interview
Organisation A	✓	✓	✓	✓
Organisation B	✓	✓	✓	✓
Organisation C	✓	✓	✓	✓
Organisation D	✓	✓	✓	✓
Organisation E	✓	✓	✓	✓
Organisation F	✓	✓	✓	✓

1.6.3.2 Organisational documents

For each respective Case Organisation, the following organisational documents were collected for analysis (i) SENS announcements, (ii) annual integrated reports, and (iii) websites. The rational for selecting these organisational documents is discussed in section 5.6.3.2 of Chapter 5.

1.6.3.3 Semi-structured interviews

The participant interviewed in each Case Organisation was the dedicated investor relations officer (IRO). Semi-structured, open-ended questions were employed in the individual interviews conducted in this study. With the permission of each participant, the interviews were recorded for later transcription. The researcher utilised a research journal to take notes during the interviews, as well as to reflect on the observations made.

The interview schedule was rigorously developed and refined during research phase one and research phase two. The complete interview schedule can be found in Annexure B.

1.6.4 Data Analysis

Data analysis in research phase two, and research phase three took on two distinctive data analysis methods, considered most suitable to each data set; (a) qualitative content analysis, and (b) thematic analysis. A detailed discussion of how these data analysis methods were employed is presented in section 5.6.4.1 and section 5.6.4.2 of Chapter 5.

1.6.5 Scientific Soundness

Bryman and Bell (2014, p. 44), are of the opinion that qualitative research should be measured against alternative criteria for scientific soundness. Applying quantitative criteria such as reliability and validity to qualitative research presupposes that one single account is feasible and that the researcher is able to reveal absolute truths about the social world. Founded on the argument that there can be multiple accounts of reality, two primary criteria for assessing qualitative research have been proposed; namely (i) authenticity and (ii) trustworthiness.

Wagner et al. (2012, p. 268) refer to authenticity as “whether the data is genuine and of unquestionable origin”. According to Bryman and Bell (2014, p. 44), the authenticity criteria are thought-provoking but not influential, the emphasis of the criteria on the wider impact of research is controversial and thus it will not be considered in this study. However, more essential for consideration is the trustworthiness criteria. The trustworthiness criteria are made up of four measures, each of which has an equivalent measure in quantitative research: (i) credibility, which parallels internal validity, (ii) transferability, which parallels external validity, (iii) dependability, which parallels reliability, and (iv) confirmability, which parallels objectivity (Bryman & Bell, 2014, p. 44). Each of these measures, and the application to the study are elaborated on in detail in section 5.6.5 in chapter 5.

i) Credibility; in an attempt to achieve credibility, the researcher ensured that the research was conducted according to good practice, amongst others by employing well-established data collection methods and establishing triangulation. Further, the researcher also sought respondent validation.
ii) Transferability; in an attempt to achieve transferability, the researcher attempted to provide a rich account of the specific context and dataset, in order to allow other researchers to make judgements regarding the transferability to other contexts and datasets.
iii) Dependability; in an attempt to achieve dependability in this study, the researcher kept a detailed and complete record of the research process. Dependability was realised by discussing and providing a clear description of the entire research process if any researcher may wish to replicate it.
iv) Confirmability; in an attempt to achieve confirmability, the researcher aimed to conduct the research without the interference of personal values or theoretical inclinations.

1.7 KEY CONCEPTS

The key terms that are evident and utilised throughout the study include; (i) corporate communication management, (ii) dialogue (iii) stakeholder, (iv) investors, (v) IR, (vi) Johannesburg Stock Exchange, and (vii) communication strategy.

These terms are expanded on and discussed in-depth within the literature review of this study. It is important to note that these terms are not all purely theoretical concepts, but rather general concepts central to the study.

1.7.1 Corporate Communication Management

Corporate communication is defined as the set of activities involved in managing and orchestrating all internal and external communication aimed at creating favourable relations with stakeholders on whom the company depends. Corporate communication consists of the dissemination of information by an organisation, with the common goal of enhancing the organisations ability to retain its license to operate (Slabbert & Barker, 2014, p. 7; van Riel & Fombrun, 2010, p. 25).

1.7.2 Dialogue

For the purpose of this study, dialogue (organisation-public dialogue in corporate communication) is considered as, "a conversation between an organisation and its stakeholders that leads to positive relationships through mutual understanding, mutual respect, and mutual acceptance" (Chen *et al.*, 2020, p. 2)

1.7.3 Stakeholder

The term stakeholder is defined as any individual or group that can affect or is affected by the achievements of the organisation (Freeman, 1984, p. 25; van Riel & Fombrun, 2010, p. 162).

1.7.4 Investors

Investors are considered to be individuals, companies, institutions, or similar entities that commit money to investment products with the expectation of receiving a financial return, investors provide the organisation with the capital necessary to operate (Grunig, 1992; Whitehouse, 2018, p. 121). Investors are considered as one of an organisation's imperative stakeholder groups, considering their influence, the legal substance of their stake and the strategic significance of access to capital (Hoffmann *et al.*, 2018, p. 294).

It is important to note that investors can be categorised into two groups, namely; (i) institutional investors, and (ii) private investors. For the purpose of this study, when reference is made to investors, it comprises the entire investor body, thus including both these aforementioned categories of investors.

1.7.4.1 Institutional investors

An institutional investor is an organisation which invests on behalf of other people, its clients. Broadly speaking, there are six types of institutional investors; (i) commercial banks, (ii) endowment funds, (iii) hedge funds, (iv) mutual funds, (v) insurance companies, and (vi) hedge funds. These institutional investors tend to trade “blocks” of shares, meaning that they trade large amounts of share, as opposed to the smaller trades that private investors make. For this reason, the majority investor group (i.e. investors owning more the five percent of a company’s shares) of publicly listed companies are comprised of institutional investors.

Strauss (2018, p. 6), is of the opinion that institutional investors encounter a more unique and personalised information exchange with the organisation (i.e. regular and personal information meetings). This statement is addressed further at a later point in the study.

1.7.4.2 Private investors

Private investors, as opposed to institutional investors, tend to receive most communication from the organisation by means of public communication channels (Strauss, 2018, p. 6). Similar to the statement regarding institutional investors, this statement is addressed further at a later point in the study.

1.7.5 Investor Relations

Laskin (2018a, p. 4) and Schoonraad *et al.* (2005, p. 274) concur the definition of IR as formulated by the National Institute of Investor Relations; “IR is a strategic management responsibility that integrates finance, communication, marketing and legal compliance in order to enable the most effective two-way communication between an organisation, the financial community, and other stakeholders”.

Schoonraad (2003, p. 8) highlights that it is important to note that the phrase ‘exchanging information’ is used to emphasise the two-way nature of IR, reiterating the notion that information is not merely provided or disclosed by one party to another.

Laskin further suggests that IR is the strategic communication process that builds mutually beneficial relationships between organisations and their investors (Laskin, 2018a, p. 4). IR improve the availability and quality of information, assisting investors to develop more reliable expectations (Ragas, Laskin & Brusch, 2014, p. 186). Often, IR is considered a function of managing expectations. Organisations manage the expectations of investors about their past and future performance (Laskin, 2018a, p. 4).

1.7.6 Johannesburg Stock Exchange

The Johannesburg Stock Exchange (JSE) is South Africa's only full service, multi-asset class securities exchange. The JSE was formed in 1887 during the first South African gold rush. Following the first legislation covering financial markets in 1947, the JSE joined the World Federation of Exchanges in 1963 and upgraded to an electronic trading system in the early 1990's. The bourse demutualised and listed on its own exchange in 2005. The JSE is South Africa's largest securities exchange (Exchange, 2020)

1.7.7 Communication Strategy

Communication is a process through which people, interact, create, sustain, and manage meanings through the use of verbal and non-verbal signs and symbols within a particular context (Conrad & Poole, 2012, p. 5; Shober, 2019, p. 2; Swart *et al.*, 2019, p. 7).

Strategy is a rationale for all the actions aimed at achieving the organisation's goals, providing a framework to guide and to explain all activities (Steyn & Puth, 2000, p. 30; Thompson, Peteraf, Gamble & Strickland, 2019, p. 4).

For the purpose of this study the two above definitions are combined in order to define communication strategy as follows; 'a framework for guiding the process of creating, sustaining and managing meaning between an organisation and its stakeholders'.

The above definition is in accordance to the account of a communication strategy as provided by Steyn and Bütschi (2003, p. 4); "A communication strategy provides the focus and direction for an organisation's communication with its stakeholders. In turn, determining what should be communicated to stakeholders in order to assist in achieving the organisational goals". Accordingly, Steyn and Puth (2000, p. 53), emphasises that the communication strategy of an organisation should be aligned with and reflect its corporate strategy.

1.8 CONTEXTUALISING THE STUDY IN THE FIELD OF CORPORATE COMMUNICATION MANAGEMENT

IR is often considered as a subset of an organisations' corporate communication management function (Laskin, 2018a, p. 77), hence corporate communication can be considered as the basis of IR. The IR function provides the investors with crucial input on the state and development of an organisation (Hoffmann & Fieseler, 2018, p. 182). Instead of being limited to a mere reporting function, IR pursues the objective of actively engaging, influencing, and forming the shareholder base (Hoffmann, Tietz, & Hammann, 2018, p. 63).

Investors are increasingly demanding; thus, organisations have had to significantly increase their communication efforts in order to convince investors of their strategic goals (Hoffmann & Fieseler, 2018, p. 184). In order to be accountable to their shareholders, organisations have to engage them in a continuous dialogue. Investors continue to need accurate and reliable information about an organisation (Chandler, 2014, p. 165) and according to Rensburg and Botha (2014, p. 144), organisations are being forced to critically re-evaluate how they communicate information to their investors.

1.9 IMPORTANCE OF THE STUDY

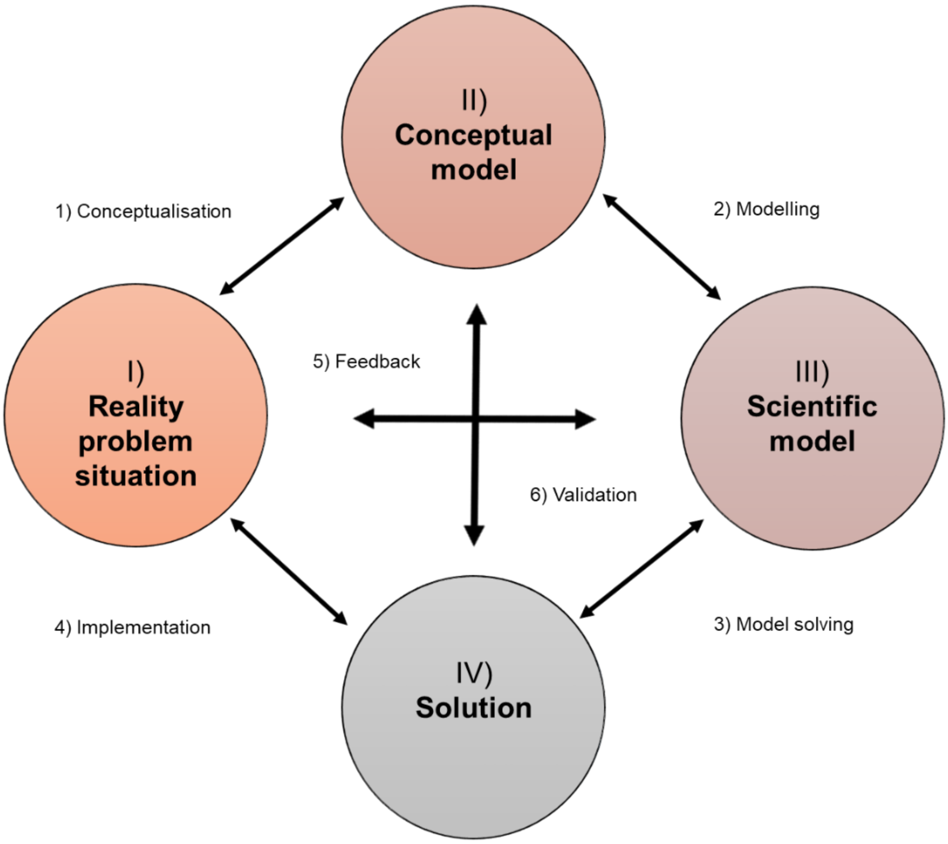
As mentioned earlier, Laskin (2014b), states that IR has not received the scholarly attention necessary to fully contribute to the body of knowledge in corporate communication management. Limited attention has been given to the development and testing of frameworks and models of IR.

A gap in the body of knowledge was identified by the researcher; despite limited attention given to IR in general, IR considered in a South African context has received negligible attention. This considered, the researcher regards it as essential to conduct academic research about IR in the South African context. In doing this, the researcher aims to contribute to expanding the academic body of knowledge related to IR, through the development of an investor focused communication strategy framework. Ultimately, this could then in turn translate into more effective execution of IR in practice.

1.10 DELIMITATION OF THE STUDY

It is necessary to delineate the main focus of a study and ensure that it is comprehensively dealt with. This is vital, especially when the field of enquiry is characterised by limited prior research, such as the case with IR in South Africa. In this case, it is a natural response to attempt too much at once.

Figure 1.5: A Systems View of Problem Solving



Source: (Mitroff, Betz, Pondy & Sagasti, 1974, p. 48)

Figure 1.5 depicts "A systems view of problem-solving", as put forth by Mitroff *et al.* (1974, p. 48). This model takes a systems approach to the different varieties of scientific activities; having no definite starting or ending point. Research is considered as being a continuous process that may start in any of the four circles depicted in the model above. Mitroff *et al.* (1974, p. 53) argue that a single research project rarely covers all the circles and activities, rather, various combinations of these circles and activities are utilised. Accordingly, there are 3 555 different possible combinations of the different elements of the model. The scope of this study is limited to i) circle I; the identification of a real-world problem situation, with ii) activity I; conceptualisation, and (iii) circle II; putting forth a conceptual model. The development of a scientific model that can be validated and implemented does not fall within the parameters of this study. However, the remaining components of the model, circle III; putting forth a scientific model, and circle IV; proposing a solution, as well as the accompanying activities, will be discussed in the recommendation for further research section.

Additional delimitations to this study include the following;

i) Considering the vastness and complexity associated with the field of communication, the researcher attempted to narrow the focus as significantly as possible in terms of relevance to the study. This being said, the corporate communication literature review is by no means exhaustive if considered in a general perspective; however, with relation to the study it can be considered sufficient;
ii) Although IR is an interdisciplinary phenomenon, this study focused on the corporate communication management vantage point in order to make a specific theoretical and practical contribution;
iii) Since the study explored the field of IR from the corporate communication management vantage point, other related and similar concepts might not be considered relevant and thus fall outside the scope of this study;
iv) The grand theory of this study; dialogic communication management, has differing yet aligned interpretations. The researcher assessed all the interpretations associated with the theory; however, only the most generally recognised interpretations were considered for the purpose of this study;
v) Linked to delimitation (iv) above, the researcher assessed the presence of dialogic communication in an organisation based on the five tenets of dialogic communication, deemed most applicable to the focus of the study, as opposed to focusing on the five principles for dialogic potential often employed in research associated with dialogic communication. The researcher concurs the notion that studies based on the principles of dialogic potential measure the digital medium’s affordances for dialogue rather than the dialogue conducted in the medium;

vi) The population of this study was limited to organisations listed on the JSE. As at the end of 2018 here are 375 companies listed on the JSE. Any organisation not listed on the JSE fell outside the scope of this study;

vii) It is important to note that a thorough in-depth investigation into regulatory measures; (i) the Companies Act, (ii) the JSE listing requirements, (iii) King Code IV, and (iv) the IIRC's IIRF, did not fall within the scope of this study. The researcher highlighted the parts of each of these that were deemed applicable to, and important for the focus of this study;

viii) Related to the aforementioned limitation, it is necessary to take cognisance that the study is not a legal compliance analysis. Additionally, pre-listing communication did not fall within the scope of the study;

ix) The study only considered the regulations and requirements applicable to JSE listed organisations; it did not consider those of other exchanges in the case of dual listed organisations;

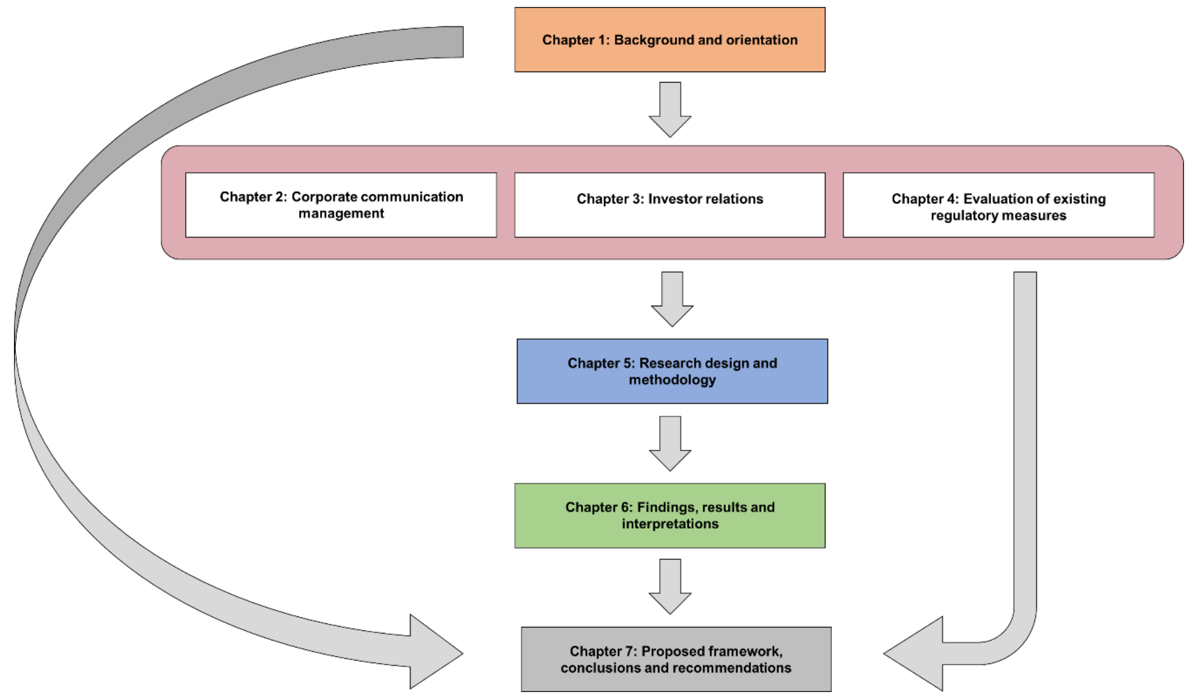
x) Regulations with regards to, and governing public companies are context specific and could vary significantly. Each country has its own distinct laws with regards to public companies, and similarly each stock (securities) exchange has its own unique set of rules and regulations applicable to entities listed on it. Hence, it is not possible to apply the outer sphere of the proposed framework (the regulatory framework) to any public company outside of South Africa, not listed on the JSE

xi) Related to delimitation (ix) above, the two inner spheres of the proposed model; the centre sphere (the communication process) and the middle sphere (investor relations), is applicable to any publicly listed company, in any country and on any stock (securities) exchange. However, the outer sphere (the regulatory framework) is context dependent and will thus need to be reformulated for application in every specific setting.

xii) The study did not investigate the research problem from the perspective of the investor; this will be discussed in the recommendation for further research section.

1.11 DEMARCATION OF CHAPTERS

Figure 1.6: Demarcation of Chapters



As demonstrated in Figure 1.6 above, this study consists of seven (7) chapters. The content of each respective chapter is elaborated on below.

Table 1.4: Demarcation of Chapters
Chapter 1: Background and orientation
Chapter 1 provides an outline of the relevance and purpose of the study, the research aim, and objectives are stated accordingly. The meta-theoretical and conceptual position of the study are addressed, as well as the contextualising of the study in the field of corporate communication management. A synopsis of the research design and methodology is given, and key concepts are defined.

Chapter 2: Corporate communication management
Chapter 2 provides the study with a literature background of corporate communication management. Figure 6 above, the demarcation of chapters, illustrates that Chapters 2, 3, and 4 form the theoretical foundation of this study. Chapter 2 further establishes a foundation and provides context for understanding Chapter 3 and Chapter 4. Since all three theoretical chapters are required for a firm grasp on the phenomenon of the research, reading each can be compared to adjusting the end of a kaleidoscope. Considering that IR is often considered as a subset of an organisations' corporate communication management function (Laskin, 2018a, p. 77), corporate communication management needs firstly, to be explored before any further investigation of the phenomenon of IR can be done. As stated earlier, the literature review comprises (i) research phase one, the non-empirical component, showcasing various conceptualisations and relationships. Ultimately the literature review crystallised the conceptual framework for this study, against which communicative products were assessed, as well as assisted in the development of the initial interview schedule utilised in (iii) phase three of the research. Focus, in particular, falls upon the following areas; (i) the history and evolution of communication, (ii) the components of communication, (iii) approaches to corporate communication management, (iv) the functions of corporate communication management, and (v) corporate communication best practices.
Chapter 3: IR
Chapter 2, elucidating corporate communication management, established a foundation and provided context for understanding Chapter 3 and Chapter 4. Chapter 3 investigates the phenomenon of IR. Yet again, as is the case with Chapter 2, Chapter 3 forms part of the literature review which comprises (i) research phase one, the non-empirical component, showcasing various conceptualisations and relationships. Focus, in particular, falls upon the following areas; (i) the history and evolution of IR, (ii) the functions of IR, (iii) the multidisciplinary focus of IR, (iv) the convergence of

corporate communication management and IR, (v) IR best practices, and (vi) IR elements of uniqueness.
Chapter 4: Evaluation of existing regulatory measures
Chapter 3, clarifying the phenomenon of IR paved the way for Chapter 4, the evaluation of existing regulatory measures. Chapter 4 is the final chapter which forms part of the literature review which comprises (i) research phase one, the non-empirical component, showcasing various conceptualisations and relationships. The message content, the timing of the message, and channel of dissemination related to communication by organisations to investors are regulated by various rules and regulations. In order to provide a clearer understanding, the rules and regulations governing IR in South Africa will be unpacked and discussed at length in Chapter 4. Focus, in particular, falls upon the following areas; (i) the Companies Act 71 of 2008, (ii) the JSE listing requirements, (iii) the King Code IV, and (iv) integrated reporting.
Chapter 5: Research design and methodology
Chapter 5 moves to consider the methodological orientation of the study, by providing a discussion of the qualitative methodological orientation, as well as strategic choices employed in the empirical phase of this study. The methodological orientation was influenced by the aim and objectives of the study. Focus, in particular, falls upon the following areas; (i) the research design, (ii) case selection, (iii) data collection, (iv) data analysis, (v) ethical considerations, and (vi) the delimitations of the study.
Chapter 6: Findings, results and interpretations
Chapter 6 focuses on the reporting and interpretation of the empirical evidence of the study. Presenting and clarifying the study’s data collected for each Case Organisation.

First, the findings, result and interpretations for each individual Case Organisation is put forth and discussed. Following these individual interpretations, the findings are employed to analyse the Case Organisations collectively and comparatively, in order to (i) compare findings, to determine whether key similarities or differences existed and (ii) for the sake of credibility and transferability. Further, following the holistic case study comparison, additional findings of significance are stated.
Chapter 7: Proposed framework, conclusions and recommendations
Chapter 7 concludes the study; drawing conclusions, making recommendations, and putting forth the proposed framework. Findings are explored in relation to each research objective and relevant conclusions regarding these objectives are drawn. Recommendations are made with regards to; (i) management implications, and (ii) further research. Furthermore, this chapter concludes the study by proposing a communication strategy framework based on the results.

1.12 SUMMARY

Chapter 1 clarifies the background and orientation of the study; providing an outline of the relevance and purpose of the study. The research aim and research objectives are stated accordingly. The meta-theoretical and conceptual position of the study was addressed, and the study conceptualised in the field of corporate communication management. A synopsis of the research design and methodology was given, and key concepts were defined.

Chapter 2 moves to establish a foundation and provide context for understanding Chapter 3 and Chapter 4. Since all three theoretical chapters are required for a firm grasp on the phenomenon of the research, reading each can be compared to adjusting the end of a kaleidoscope.

CHAPTER 2: CORPORATE COMMUNICATION MANAGEMENT

- **2.1)** Introduction
- **2.2)** Communication
- **2.3)** History and Evolution of Communication
- **2.4)** Components of Communication
  - 2.4.1) The Evolution of the Models of Communication
    - 2.4.1.1) Dialogic Engagement
  - 2.4.2) Barriers to Communication
  - 2.4.3) Communication Contexts
- **2.5)** Corporate Communication Management
  - 2.5.1) Strategic Communication
- **2.6)** Approaches to Corporate Communication Management
- **2.7)** Functions of Corporate Communication Management
- **2.8)** Corporate Communication Management Best Practices
  - 2.8.1) Effective Corporate Communication
  - 2.8.2) Elements of Successful Corporate Communication
- **2.9)** Conceptualisation of Literature
- **2.10)** Summary

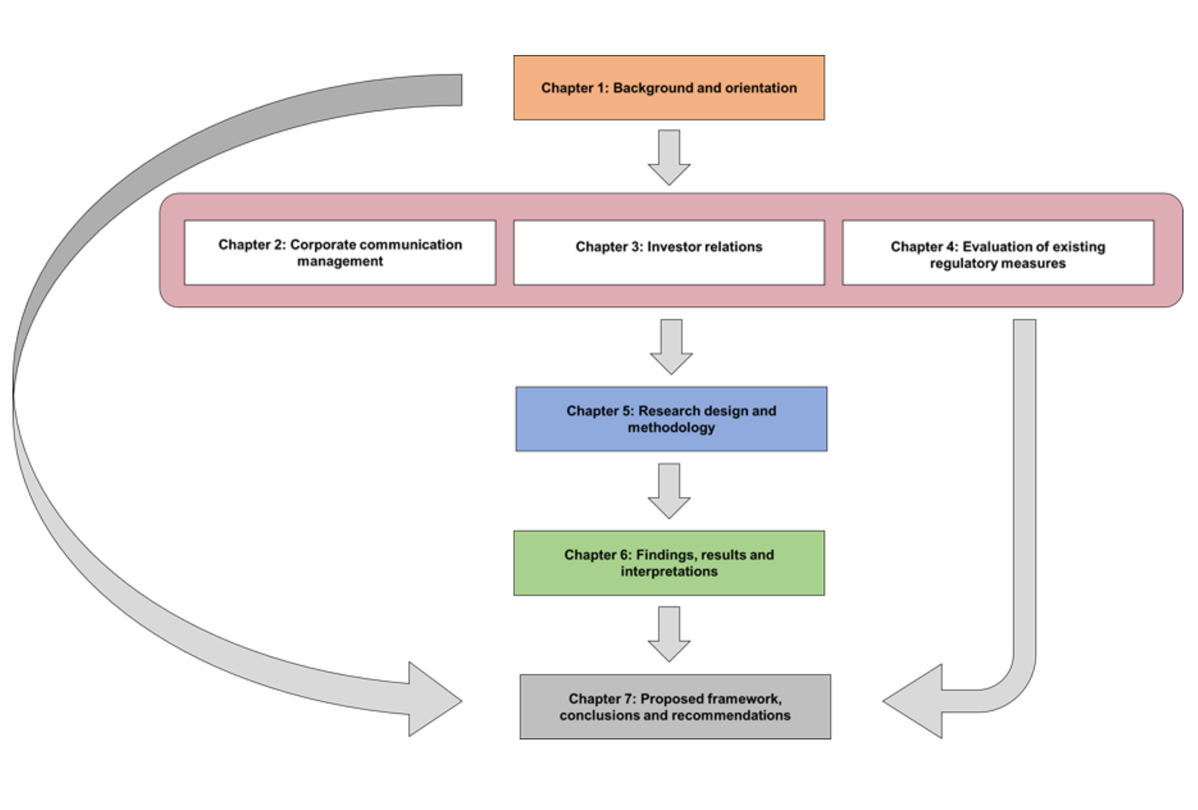
2. CORPORATE COMMUNICATION MANAGEMENT

2.1 INTRODUCTION

Considering that IR is often considered as a subset of an organisations' corporate communication management function (Laskin, 2018a, p. 77), corporate communication management needs firstly, to be explored before any further investigation of the phenomenon of IR can be done. The content of the three literature chapters was curated in a specific manner in order to provide the reader with a holistic context and sense of clarity regarding the specific literature under discussion. This chapter follows a funnel approach to discussing the relevant literature. The discussion commences with a definition of the most basic and broad term; communication. The chapter begins with a discussion of the most basic term; 'communication'. Communication has undergone significant changes throughout time therefore the researcher deems it necessary to consider the history and evolution as such, in order to move forward. The focus is then shifted to the components of communication and the evolution of the models of communication. The researcher believes that this lays the foundation to allow the move to discuss corporate communication management, as well as the approaches to and functions thereof.

The figure below, the demarcation of chapters, illustrates that Chapters 2, 3, and 4 form the theoretical foundation of this study. Chapter 2 further establishes a foundation and provides context for understanding Chapter 3 and Chapter 4. Since all three theoretical chapters are required for a firm grasp on the phenomenon of the research, reading each can be compared to adjusting the end of a kaleidoscope.

Demarcation of Chapters



2.2 COMMUNICATION

Broadly defined, communication can be considered as a two-way process whereby information (the message) is sent (transmitted) from one party (the sender) through a channel (medium) to another party (the receiver), who in turn reacts by providing feedback (Fielding, 2006, p. 9; Swart *et al.*, 2019, p. 4; West & Turner, 2010, pp. 10-11). Conrad and Poole (2012, p. 5), as well as Verwey (1994, p. 57) further elaborate on this definition, stating that through this two-way process the participants work together to create, sustain, and manage meaning. Concurring this, van Ruler (2018, p. 367) describes communication as an "ongoing and complex process of learning in which meaning is developed". Additionally, van Ruler (2018, p. 379), states that communication is a process that is interactive and participatory at all levels, thus being "omnidirectional and diachronic".

2.3 THE HISTORY AND EVOLUTION OF COMMUNICATION

The term communication stems from the Latin word *communicate*; meaning to impart, strengthen or share. Originally it referred to the exchange of tangible items, only over time did it develop into a term referring to human expression (Shober, 2019, p. 2).

Beginning with Plato's classic rhetoric, models of communication theory have evolved over the years in order to reflect the changes in the ideologies of society. Plato's famous student, Aristotle, developed a theory of communication that served as a guide to later scholars (Argenti, 2007, p. 23; Shober, 2019, p. 2; Trench & Yeomans, 2017, p. 233; West & Turner, 2010, p. 39).

Aristotle's model of communication described the relationship between three elements; *ethos, pathos,* and *logos*. The first, *ethos*, references an individual's believability, indicating not only their knowledge of the specific subject, but also their credibility and trustworthiness. The aforementioned characteristics are essential in establishing a good reputation, both for individuals and for organisations (Argenti, 2007, p. 23; Griffin, Ledbetter & Sparks, 2015, p. 284; Shober, 2019, p. 2; West & Turner, 2010, pp. 311-315).

The second, *pathos*, makes reference to an individual's ability to develop and preserve relationships with others by exhibiting attention, concern and care for the other party. This ensures that the other party feels as if their needs matter (Argenti, 2007, p. 23; Griffin *et al.*, 2015, p. 284; Shober, 2019, p. 2; West & Turner, 2010, pp. 311-315).

The third, *logos*, indicates the logic of the communication and refers to the sensibility of a message that is coherent (Argenti, 2007, p. 23; Griffin *et al.*, 2015, p. 284; Shober, 2019, p. 2). Aristotle went on to describe these aforementioned elements in action, relating to a speaker who delivers a speech to a particular audience with the intent of receiving a specific response (Shober, 2019, p. 2; Trench & Yeomans, 2017, p. 233; West & Turner, 2010, pp. 311-315).

As time progressed, society's interest in and concern for communication drove it to develop technologies that would enable it to communicate faster, as well as over further distances (Shober, 2019, p. 3).

The proliferation of mass communication during the 20th and 21st centuries has further obliged a more definite and updated investigation of communication practices. In the early stages of the 20th century, politicians, taking their cue from early advertisers, recognised and went on the exploit the persuasive element of communication through the use of propaganda. It is these distorted propagation messages that swayed many a public sentiment and motivated numerous soldiers into the global conflicts of the past century (Shober, 2019, p. 3; Trench & Yeomans, 2017, p. 232).

It is the use of propaganda, a technique of specialised communication, which led sociologist Harold Lasswell to develop his seminal model of communication. Building on the foundation of Aristotle, laid over a thousand years prior, Lasswell's model of communication can quite simply be explained as; "who says what, through which channel, to whom, and to what effect". In Lasswell's model, the who refers to the sender; says what is the message; to whom is the receiver; and to what effect signifies the anticipated response from the receiver back to the sender (Lasswell, 1948; Shober, 2019, p. 3; Trench & Yeomans, 2017, p. 149).

Similar to Lasswell, the development of mathematician and engineer Claude Shannon's theory of communication resulted from the examining of communication models and practices utilised by partakers in the world wars. Shannon, who was employed by a telephone company, used the analogy of a telephone call in his design (Shober, 2019, p. 3; Trench & Yeomans, 2017, p. 149). The chief element of Shannon's model centred on the accuracy of message transmission; hence Shannon is credited with devising the term "entrophy" to describe the possibility of misunderstanding occurring as a result of a distortion or static on the telephone line. In Shannon's model, the caller is considered as the source of information, the telephone wire is considered as the channel, and the individual to whom the caller is speaking is considered to be the audience or receiver. It was reasoned by Shannon that if the receiver was a second-language speaker of the language used by the sender, and further the sender could only speak to the receiver on a distorted line for a short period of time, the potential for a misunderstanding arising was vast. The noise on the line could distort the message, the language barrier could distort the understanding of the message, and the briefness on the connection could distort the feedback (Shober, 2019, p. 3; West & Turner, 2010, p. 11). Shannon's communication model brings communicators to the realisation that care must be taken in both the construction and dissemination of the message to be conveyed. This model urges excessive repetition to ensure accurate reception (Shober, 2019, p. 3; Trench & Yeomans, 2017, p. 149).

During later years, media critic and journalism instructor James Carey, developed the ritual theory of communication. Carey based his model on the telegraph, recognising that although rudimentary this tool enabled the sharing of ideas over time and distance, and significantly influenced society (van Ruler, 2018, p. 369). Whereas the transmission model of communication simply relates to the transmitting of information, the ritual model of communication considers messages as a means of both maintaining and transforming society, through the sharing of beliefs, attitudes and cultural norms (Shober, 2019, p. 4; van Ruler, 2018, p. 369). van Ruler (2018, p. 369) states that the transmission model is a standard sender-receiver model where communication is seen as a symbolic process, actuality is produced, maintained, repaired and transformed, repeating the process. The ritual model, according to van Ruler (2018, pp. 369-371), reflects the diachronic view of communication, which in essence means to developing meaning of communication over time.

Over the last few decades, increasingly additional communication theories and models have been developed, amongst other; agenda setting, social marketing, cultural identity, political, organisational, and even psychological. Each of these aforementioned theories and models deal with elements of communication within a specific field and are utilised to understand and in turn enhance communication methods (Shober, 2019, p. 4; West & Turner, 2010, p. 15).

Modern approaches to the concept of communication are more focused on communication as a fundamental two-way process for creating and exchanging meaning, interactive and participatory at all levels (Servaes, 1999). This is indicative of a paradigmatic change from a simple sender/receiver orientation to an actor (active participant) orientation (van Ruler & Verčič, 2003, p. 6). There are two prevalent views regarding this two-way process; (i) for some the fundamental key to communication is the ongoing process of creation and the revelation of meanings, (ii) for others communication is a process that goes further than just creating meaning, it creates a shared meaning (van Ruler & Verčič, 2003, p. 6).

2.4 COMPONENTS OF COMMUNICATION

As indicated in the preceding section, there are various different models of communication. Depending on the particular model of communication, the components of the communication process may vary slightly. However the most basic components underlying the communication process comprises of a triad; a communicator (sender), a message, and a receiver (audience) (Fielding, 2006, p. 17; Skinner, Mersham & Benecke, 2016, p. 24; van Ruler, 2018, p. 370). These components will be elaborated on below, as well as the intermitted processes linking these three main, basic components. van Ruler (2018, p. 371) states that the communication process is the manner in which humans beings (individuals or groups involved in communication) express or reflect themselves as well as social reality, thus it is a “process of deconstruction and reconstruction” of communication. Furthermore, communication is an ongoing and interactive process between communicators.

The communicator (sender) is the individual or organisation, who initiates the communication activity and formulates the message. The sender usually initiates communication because of a need to convey information, express feelings, obtain feedback, or satisfy needs. The success of the communication depends largely on the sender’s proficiency (Beebe, Beebe & Ivy, 2018, p. 11; Newman, 2017, p. 6; Skinner *et al.*, 2016, p. 24; Swart *et al.*, 2019, p. 7).

Encoding refers to the process through which the sender formulates thoughts into a message, using communication codes that the receiver can understand (Shockley-Zalabak, 2015, p. 11; Swart *et al.*, 2019, p. 7). Communication codes, also referred to as communicative stimuli, refer to all possible symbols and signs utilised in the communication process in order to convey the intended message in a manner as to be perceived by the receiver’s senses (Skinner *et al.*, 2016, p. 24; van Ruler, 2018, p. 370).

Codes can be distinguished into two broad categories; verbal and non-verbal codes. Language, for instance is considered a verbal code, whilst all non-verbal aspects of human behaviour are considered non-verbal codes (Shockley-Zalabak, 2015, p. 11; Skinner *et al.*, 2016, p. 24). The various cues, signs or signals classified as non-verbal stimuli, can further be broadly categorised as; proxemics, body movement or facial expression, eye contact or visual interaction, vocalisation, and chronemics (Skinner *et* *al.*, 2016, p. 24). van Ruler (2018, p. 376) concurs, communication is not only the physical message being sent, but also the actions of the parties involved.

The message can be considered as a simple condensation of an idea. It is a focused expression of the core idea that is being communicated to the receiver. In order for a message to be understood it needs to be encoded by the sender and decoded by the receiver. When formulating a message, it is important that the sender articulates in a manner that the receiver will understand and avoid aspects that might cause confusion or suggest alternative interpretation (Fielding, 2006, pp. 18-19; Fritz-Patrick & Valskov, 2015, p. 74; Newman, 2017, p. 7; Shockley-Zalabak, 2015, p. 11). A message must thus be formulated as concisely as possible and not be open to too much interpretation by the receiver.

Every message has a core phrase that the sender aims for the receiver to remember and relay. It is important that this core phrase is concise, easily identifiable in the overall message, understandable, and not open to misinterpretation by the receiver (Fritz-Patrick & Valskov, 2015, p. 84).

The terms ‘channel’ and ‘medium’ are often used interchangeably, to refer to the way in which the message is sent from the sender to the receiver, and how feedback is sent from the receiver to the sender (Beebe *et al.*, 2018, p. 11; Shockley-Zalabak, 2015, p. 11; Skinner *et al.*, 2016, p. 24; Swart *et al.*, 2019, p. 8). It is often said that how you say something is as important as what you say, since people read as much into how something is said as they read into the actual message. Conclusions regarding a message are drawn based on where it manifests. Certain channels are accompanied by certain expectations; this should be kept in mind when evaluating which channel to utilise to send a specific message (Fritz-Patrick & Valskov, 2015, p. 92). It is true than that successful communication can depend on something as unassuming as choosing the correct channel to deliver the communication (Fritz-Patrick & Valskov, 2015, p. 114).

The receiver (audience) refers to the individual, or group of individuals, to whom the message is conveyed. The receiver plays an active part in the communication process, upon receiving the message, the receiver decodes or interprets it. The receiver then goes on to respond to the message (feedback), and in the process conveys whether the message has been understood as intended (Beebe *et al.*, 2018, p. 11; Newman, 2017, p. 7; Shockley-Zalabak, 2015, p. 11; Skinner *et al.*, 2016, p. 24; Swart *et al.*, 2019, p. 8).

Messages are not transmitted or interpreted in a vacuum. Messages are conveyed within a complex, unique and dynamic context in which numerous variables could influence the course and interpretation (Skinner *et al.*, 2016, p. 24).

Interference in the communication; noise, disturbance, or barriers, refer to anything that distorts the message, causes a distraction, or prevents reception (Beebe *et al.*, 2018, p. 11; Fielding, 2006, pp. 20-21; Skinner *et al.*, 2016, p. 29; van Staden, Marx & Erasmus-Krizinger, 2007, p. 24). These interferences are further elaborated on below in section 2.4.2.

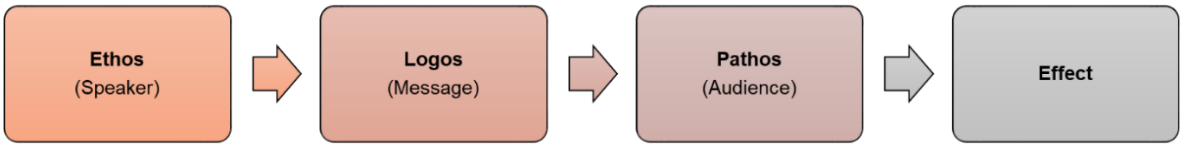
Tubbs, Moss, and Papastefanou (2012), reiterates that in order for communication relationships to be successful, communicating parties must reach a consensus regarding the meanings of their messages, considering that understanding is key to effective communication. This notion has a number of implications; firstly, the sender must ensure to formulate the message clearly, unambiguously, and in accordance with the receiver's level of comprehension. Secondly, the sender must attempt to free the communication channel from interference. Thirdly, the receiver has to give adequate attention in order to receive the message, and lastly, both the sender and the receiver must be sensitive to and react to non-verbal stimuli (Skinner *et al.*, 2016, p. 25).

2.4.1 The Evolution of the Models of Communication

Models of communication are conceptual models used to explain the human communication process. Communication is a complex topic and there are many features of communication that can affect the process; sender, receiver, noise, nonverbal cues, and cultural differences. To simplify matters, these features of communication and the interaction amongst these are illustrated as communication models.

Some of the basic models of communication were discussed above in the history and evolution section. The following section focuses on a visual representation and in-depth discussion of these models. Figure 2.1 below illustrates Aristotle's model of communication.

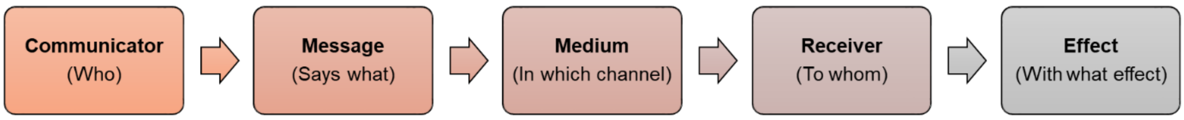
Figure 2.1: Rhetoric (Aristotle's) Model of Communication



Source: *Adapted from* West and Turner (2010, pp. 313-315)

Aristotle developed, what is considered to be the first model of communication. The Rhetorical (Aristotle) model of communication is a linear model of communication (Griffin *et al.*, 2015, p. 283). There are two main points of critique to this model of communication, namely that (i) there is no concept of feedback, it is a one-way communication from the sender to the audience (receiver), and (ii) the concept of failure, such as noise and barrier to communication, is taken into account in this model (West & Turner, 2010, pp. 312-313). Figure 2.2 below showcases Lasswell's model of communication.

Figure 2.2: Lasswell Model of Communication

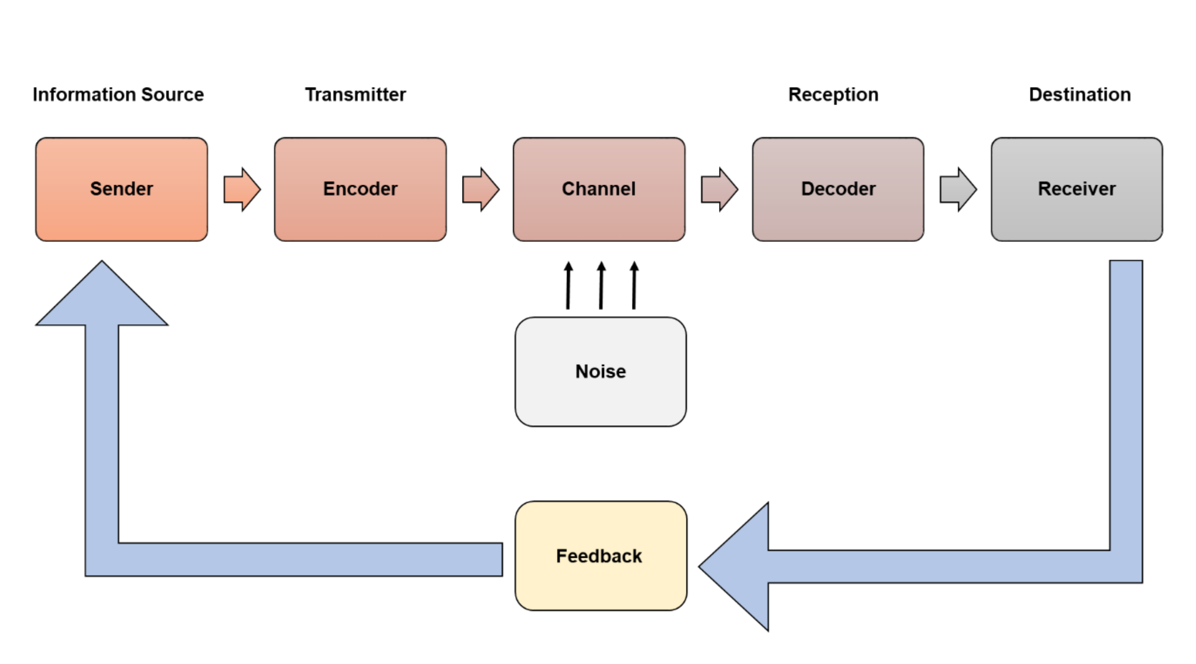


Source: Lasswell (1948) and Trench and Yeomans (2017, p. 149)

In 1948, centuries after Aristotle laid the initial foundation, Harold Lasswell went on to develop yet another linear communication model – the Lasswell model of communication. This model is considered as one of the most influential seminal works regarding communication models.

The main points of critique yet again include that; (i) the model does not include feedback, and (ii) the model ignores the possibility of noise and barriers to communication. Further the model is critiqued as being overly simplistic and propaganda based (Lasswell, 1948; Trench & Yeomans, 2017, p. 149).

Figure 2.3: Shannon and Weaver Model of Communication



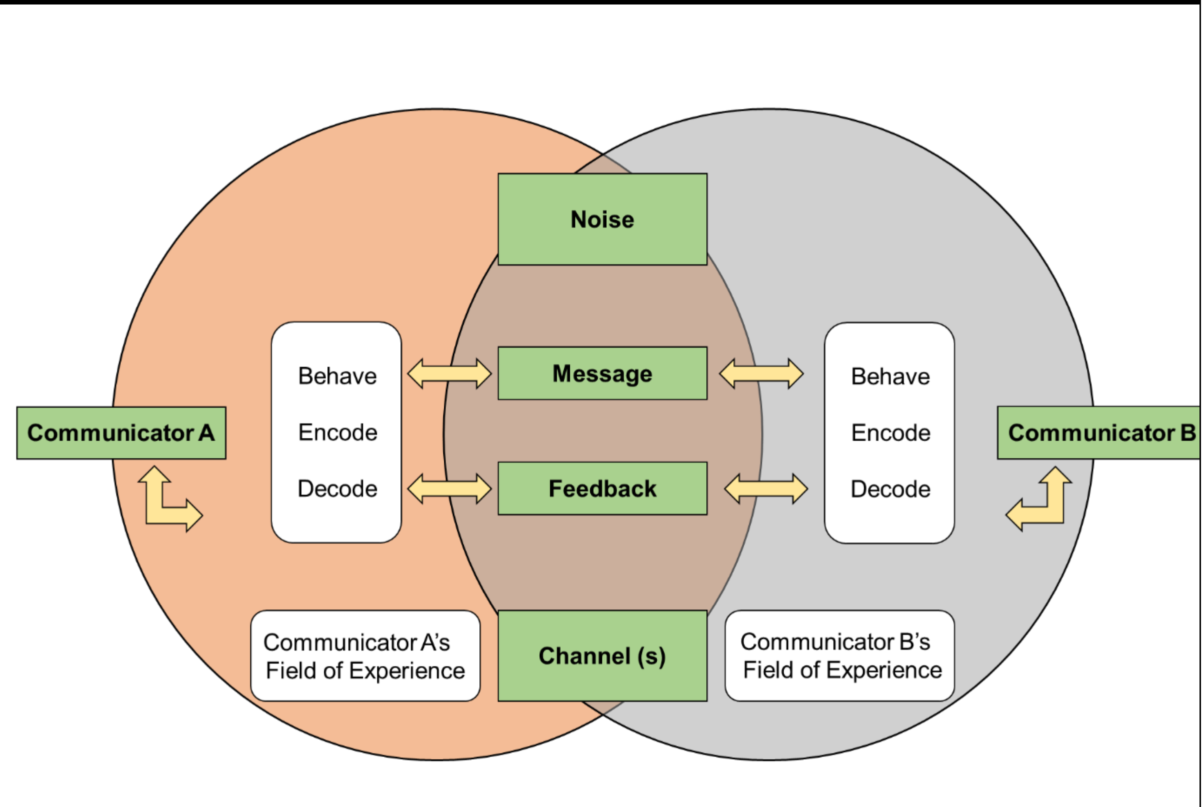
Source: *Adapted from* Heinich, Molenda, and Russel (1989)

The Shannon and Weaver model of communication, as depicted above in Figure 2.3, is often considered to be the "mother of all models", due to its wide popularity. The primary value of the Shannon and Weaver model is in the explaining of how messages are lost and distorted in the communication process, this filled a gap that had been left in both the Rhetoric (Aristotle) model of communication, as well as the Lasswell model of communication.

The original Shannon and Weaver Model of Communication, a linear communication model, argued that communication can be broken down into six key concepts; (i) sender, (ii) encoder, (iii) channel, (iv) noise, (v) decoder, and (vi) receiver. A later, updated version of the model added an additional seventh concept, feedback, which changed the model from a linear model to a cyclical model, addressing yet another gap prevalent in both the Rhetoric model of communication and the Lasswell model of communication (Trench & Yeomans, 2017, p. 149; West & Turner, 2010, pp. 10-11).

Nonetheless, although the Shannon and Weaver model of communication addressed gaps identified in previous models, it still received critique. Considering that the original Shannon and Weaver model of communication did not contain the feedback component, it has a post-hoc add on attribute to it, being considered as an afterthought. An additional point of critique is related to the fact that the model does not consider the field of experience of the individuals involved in the communication process, and also neglects to take into account the relationship between the communicating parties (Nwagbara & Reid, 2013, p. 403). Taking cognisance of this, Dean Barnlund, purposed a transactional model of communication, as illustrated below in Figure 2.4.

Figure 2.4: Transactional Model of Communication



Source: West and Turner (2010, p. 14)

The transactional model of communication is the most general model of communication. The transactional model of communication is based on the concept that both communicators act as sources of communication and are simultaneously influencing each other, and in this developing meaning from the various messages shared during the exchange of information (Brennan & Merkl-Davies, 2018, p. 557; West & Turner, 2010, pp. 14-15). Considering that both the sender and the receiver are necessary for communication to occur according to the transactional model, the communicators are interdependent on each other. Hence, transactional communication is not possible if the receiver is not listening and paying attention to the sender (West & Turner, 2010, pp. 14-15).

The transactional model of communication relates communication to the social reality of an individual or a group in terms of social and relational contexts. Responses cannot be predicted because respondents have difference backgrounds, and there are different relational dimensions involved in every communication situation (Fielding, 2006, p. 17). However, a point of critique regarding the transactional model of communication is the potential of plenty of noise to arise, as a result of the simultaneous communication taking place.

Table 2.1: Differences Between the Transactional Model and Prior Communication Models

Transactional model	***Prior (older) models***
Both the sender and the receiver are known as communicators, they interchange their roles during the communication process	The sender and receiver are different parties in the communication process
Includes the role of context and environment in the communication process	The role of context and environment are not considered in the communication process
Includes noise and communication barriers as factors in the communication process	Does not necessarily consider the concept of noise in the communication process
Considers non-verbal communication in the communication process	Does not consider non-verbal communication in the communication process

Table 2.1: Differences Between the Transactional Model and Prior Communication Models	
There is simultaneous feedback in the communication process	Feedback occurs later in interaction models (Shannon & Weaver), and is not included in linear models (Rhetoric, Lasswell)
Source: Own Conceptualisation	

The researcher argues that although the evolution of the models of communication have come a long way from the rhetorical model to the transactional model, the transactional model alone cannot serve the purpose of an organisation of managing relationship, creating shared meaning and mutual understanding. The researcher believes that there is a need to reconsider the existing models of communication from the vantage point of the grand theory of this study, the dialogic theory of communication management.

In terms of the conceptual framework of the study, it could be argued that a different model of communication, rather than the transactional model, such as the transmissions model of communication or the ritual view model of communication, may perhaps be a better fit to be employed as the base of the conceptualisation. As Kent and Lane (2017, pp. 5-6) highlight, Carey (1989, p. 12) described the dialogic communication process aptly by means of the transmission communication model and the ritual view communication model.

According to (Carey, 1989) the transmission view of communication is demarcated by terms such as ‘imparting’, ‘sending’, and ‘transmitting’. At the centre of the transmission view of communication lays the transmission of the message, mainly for the purpose of control. Accordingly, the transmission view of dialogue relates to scholarship that examines dialogue in social media and tries to reduce dialogue to a two-way sharing of information rather than a dialogic relationship (Fieseler, Fleck & Meckel, 2010). Considering this, the ritual view of communication could then be regarded as a better fit to the classic dialogic model of communication (Kent & Lane, 2017, pp. 5-6). The ritual view of communication is associated with terms such as ‘participation’, ‘association’ and ‘sharing’. As such, the ritual view of communication is not directed toward the extension of messages but rather toward the maintenance of society; thus not the act of imparting information but rather the representation of shared beliefs (Carey, 1989, p. 15).

The researcher is of the opinion that the preceding discussion, regarding the transmission model of communication and the ritual view model of communication, strengthens the assertion that the transactional model of communication constitutes the most suitable choice to act as the base of the conceptualisation considering the aim of the study.

2.4.1.1 Dialogic engagement

Dialogic engagement is about the relationship that develops and emerges though communication. The dialogic approach to corporate communication management essentially represents a shift from the mass communication orientation of traditional corporate communication, to a more relational approach, in line with the notion of stakeholder engagement (Taylor & Kent, 2014, p. 384). A major differentiating factor between the dialogic theory of communication management and other theoretical approaches to communication management, is that dialogic engagement places the communicative emphasis on the needs of stakeholders, thus attempting to build genuine relationships with stakeholders, rather than using communication primarily to serve organisational goals (Kent, 2017, p. 2). According to Heath (2013, p. 257) the dialogic approach to communication includes five basic tenets, as proposed by Kent and Taylor (2002); these five tenets lay at the heart of this study:

i) Risk; the intention and willingness to communicate with stakeholders on their terms. The amount and type of information shared with the other party leads to vulnerability and unexpected consequences,
ii) Mutuality; the recognition of the organisation-stakeholder relationship, without stakeholders, organisations have no purpose. Seeking collaboration with stakeholders through dialogue will contribute towards successful relationship building,
iii) Propinquity; the temporality and spontaneity of interactions with stakeholders, eliciting and listening to stakeholders' input before the decision-making process could be beneficial,

iv) Empathy; the supportiveness and confirmation of stakeholder goals and interests. Support is essential, being able to collaborate with stakeholders to maintain a communal mind-set is necessary, and

v) Commitment; the degree to which an organisation gives itself over to dialogue, interpretation, and understanding in its interactions with stakeholders. Even if one party does not agree with the views of another, these views must be acknowledged, and an attempt must be made to find middle ground.

2.4.2 Barriers to Communication

There are many factors which disturb, confuse or distort communication; thus, it can never simply be assumed that communication has been effective. As mentioned earlier, any factor that distorts or confuses a message, competes with the communication, or prevents the message from being received is referred to as a communication barrier, noise, or interference (Kubota, 2019, p. 55; Newman, 2017, p. 9; Shockley-Zalabak, 2015, p. 11; van Staden *et al.*, 2007, p. 29). In addition to this, van Ruler (2018, p. 370) highlights that interpretations made by both the sender and receiver will influence the meaning of the message.

Such factors can be divided into the following main categories; (i) physical, (ii) physiological, (iii) psychological, (iv) perceptual, (v) semantic and (vi) intercultural (Kubota, 2019, p. 55; van Staden *et al.*, 2007, pp. 30-34; West & Turner, 2010, pp. 11-12).

i) Physical barriers refer to any physical noise that confuses a message or prevents a message from being received.

ii) Physiological barriers are regarded as interference caused by the bodily functions of the communicators.

iii) Psychological barriers are related to any psychological state that can affect the message.

iv) Perceptual barriers arise when people from different backgrounds and cultures see the world differently, and thus interpret and understand messages differently.

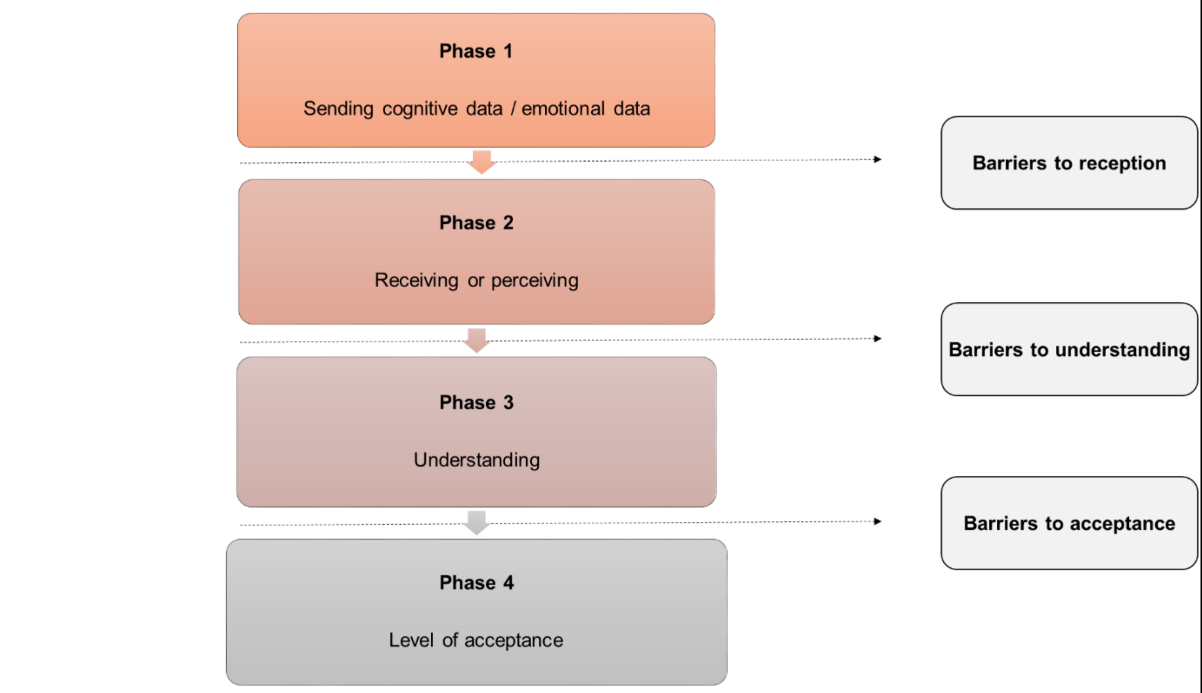
v) Semantic barriers occur when the meanings of words used to communicate are misunderstood, or when different meanings are ascribed to a specific word or expression.

vi) Intercultural barriers arise when a message that is produced in the context of a specific culture is interpreted in another culture.

These aforementioned factors (barriers); physical, physiological, psychological, perceptual, semantic and intercultural, may hinder the process of communication in three main respects; in the (a) reception, (b) understanding, or (c) acceptance of the message (Skinner *et al.*, 2016, p. 25), as depicted in Figure 2.5 below.

The main barriers to reception include; the receiver's attitude, values, needs, anxieties, and expectations, as well as certain environmental stimuli. The main barriers to understanding include; the sender's choice of language and jargon, the receiver's ability to concentrate completely on receiving the message, prejudices of both parties, the length of the communication process, and the existing knowledge of the receiver. The main barriers to acceptance include; the attitudes and values of the receiver, prejudices of the receiver, any social status difference between the sender and the receiver, and interpersonal emotional conflicts (Skinner *et al.*, 2016, p. 25).

Figure 2.5: Barriers to Communication



Source: Skinner *et al.* (2016, p. 26)

2.4.3 Communication Contexts

Communication occurs in several kinds of situations (contexts), these various contexts have an impact on the communication process. Six different contexts seem to be widely agreed upon in the communication literature; (i) interpersonal communication, (ii) intercultural communication, (iii) small group communication, (iv) public communication, (v) organisational communication, and (vi) mass communication. Although each of these contexts has some unique characteristics, all share the process of creating meaning between two or more parties (Fielding, 2006, p. 17; Tubbs *et al.*, 2012, p. 19; Wood, 2004, pp. 15-18). It is important to note that these contexts do not always occur as mutually exclusive, often there is an overlap of contexts in a specific communication process.

Bearing in mind the scope of this study, the focus will primarily be on organisational communication as the communication context. Tubbs *et al.* (2012, p. 21) define organisational communication as the flow of messages within a network of interdependent relationships. Therefore in the context of organisational communication, the concern is not only with the effectiveness of the individual communication, but rather with the role of communication in contributing to the effective functioning of the organisation (Tubbs *et al.*, 2012, p. 21; West & Turner, 2010, p. 37; Wood, 2004, pp. 20-21). This considered, the nature of organisations is rapidly and radically changing, resulting in an increase in the complexity of organisational communication (Tubbs *et al.*, 2012, p. 22).

2.5 CORPORATE COMMUNICATION MANAGEMENT

Cornelissen *et al.* (2006, p. 115) allude to the notion that in various cases corporate communication management is regarded as the evolution of public relations or conversely that it includes public relations. Therefore, for the purpose of this study corporate communication management is used as the preferred term when referring to all internal and external communication practised by the organisation.

Corporate communication is defined as the set of activities involved in managing and orchestrating all internal and external communication aimed at creating favourable relations with stakeholders on whom the company depends. Corporate communication consists of the dissemination of information by an organisation, with the common goal of enhancing the organisations ability to retain its license to operate (Slabbert & Barker, 2014, p. 7; van Riel & Fombrun, 2010, p. 25).

The common features of some of the prevailing definitions of corporate communication (Cornelissen *et al.*, 2006; Goodman & Hirsch, 2014; van Riel & Fombrun, 2010), have been synthetized in three points (Frandsen & Johansen, 2013). First, corporate communication is a strategic management function that takes a strategic approach to communication activities and is tied the overall strategy of the company (van Ruler, 2018). Second, it integrates external and internal communication activities spread among a series of organisational practices to build, maintain, change and/or repair one or more positive images and/or reputations. Third, all these activities take place inside relationships with the external and internal stakeholders of the company.

Corporate communication encompasses and manages all of a company's communication activities as an integrated whole with the aim of building and maintaining a valuable corporate reputation across different stakeholder groups, markets and audiences (Christensen & Cornelissen, 2011; Cornelissen *et al.*, 2006).

2.5.1 Strategic Communication

As corporate communication is considered a strategic management function that takes a strategic approach to communication activities and is tied the overall strategy of the company, a look into the definition of strategic communication is necessary. Broadly defined, strategic communication management is the purposeful use of communication by an organisation to fulfil its mission (Hallahan *et al.*, 2007) for the purpose of this study corporate communication management is considered as being conducted strategically, hence aligned to and aimed at fulfilling an organisations' mission.

For more than 2000 years, communication scholars have believed that individuals communicate most effectively if they adapt their communication strategically. In order to communicate effectively, organisations must be able to analyse the situations they encounter, determine which communication strategies are available to them in those situations, select the best of those strategies, and enact them effectively (Conrad & Poole, 2012, p. 12). van Ruler (2018, p. 380) highlights that strategic communication is focussed on how communication can help an organisation to achieve their mission and reach their goals.

van Ruler (2018, p. 379) proposed that strategic communication be conceptualised as; “an agile management process in which the focus is on feeding arenas in which meanings are; (i) presented, (ii) negotiated, (iii) constructed, or (iv) reconstructed, for strategy building and strategy implementation, and on testing strategic decisions by presenting and negotiating these in a continuous loop”.

2.6 APPROACHES TO CORPORATE COMMUNICATION MANAGEMENT

Corporate communication management can be considered to be both an art and a science. Its intellectual foundation and body of knowledge began with the Greeks and Romans with rhetoric. Its theoretical foundation is interdisciplinary, stemming from; anthropology, language and linguistics, sociology, psychology, management, and marketing.

Corporate communication management is an applied communication discipline, but also a part of management science, thus it is viewed as multi-disciplinary. Yet, it seems that many organisations are not proficient at combining both strands (Verčič & Zerfass, 2016, p. 271). Corporate communication management is necessarily intertwined with the principles of communication and styles of management, which in turn can be derived from specific organisation principles and styles (van Ruler & Verčič, 2003, p. 3).

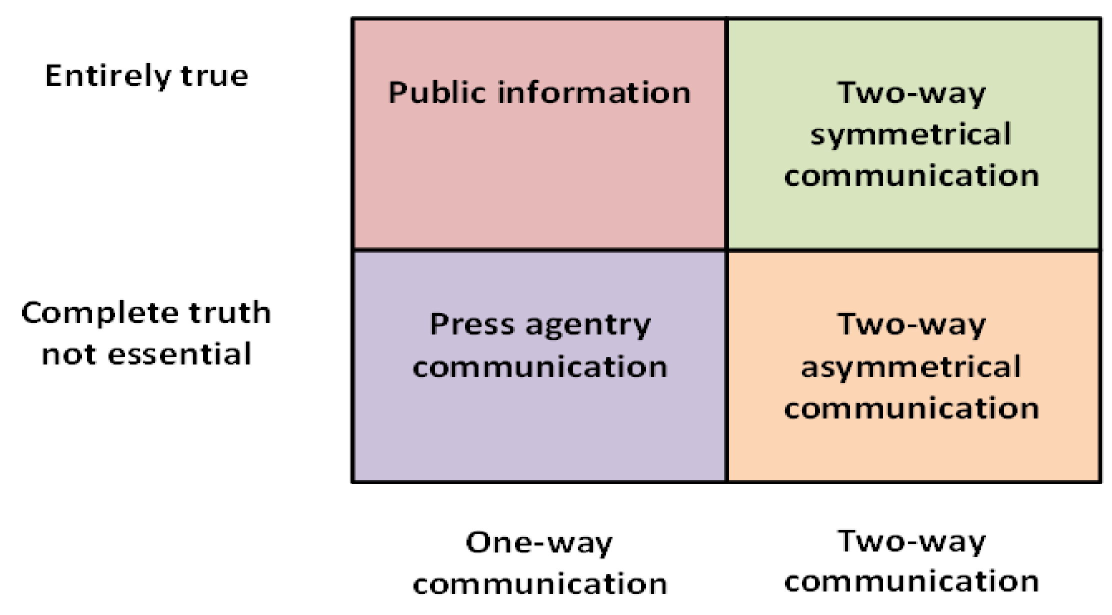
In the seminal work, *Managing Public Relations,* Grunig and Hunt (1984) were the first to delineate the four typical ways in which corporate communication is practiced – the four models of corporate communication (Grunig, 2013, p. 285). The four models of corporate communication as explained by Doorley and Garcia (2015, p. 99) include:

i) Press agentry model; the guiding principle of the press agentry model is to get favourable publicity, not to ensure accuracy and truthful reporting,
ii) Public information model; the focus of the public information model is on the communication of objective information, generally without regard to the self-interests of the organisation,

iii) Two-way asymmetric model; research is conducted by the organisation to determine the view of a particular stakeholder group, the findings are used to help achieve the organisations' objectives, and

iv) Two-way symmetric model; research is conducted by the organisation to determine the view of a particular stakeholder group, the findings are used to help achieve the objectives of both the organisation and the stakeholder group. As indicated earlier, in Chapter 1, Figure 2.6 below provides a visual depiction of these aforementioned models.

Figure 2.6: The Four Models of Communication



Source: van Riel and Fombrun (2010, p. 33)

The Excellence Theory (Grunig, 1992) suggests that excellent organisations will design their communication programs based on the two-way symmetrical communication model rather than the press agentry, public information, or two-way asymmetrical communication models. Symmetrical communication models are generally more ethical than asymmetrical communication models, and thus produce effects that balance the interests of organisations and stakeholders (Botan & Hazleton, 2009, p. 47; Grunig *et al.*, 2002, p. 10).

The two-way symmetrical communication model is a major component of excellence in corporate communication management theory and practice (Grunig, 2013, p. 320). In this regard, the term model is used to describe a set of values and a pattern of behaviour that characterise the approach to corporate communication taken by an organisation (Grunig, 2013, p. 286). Two-way symmetrical corporate communication attempts to balance the interests of the organisation and its stakeholders, as a result two-way symmetrical communication produces enhanced long-term relationships with stakeholders (Botan & Hazleton, 2009, p. 47). The two-way symmetrical communication model makes organisations more effective. Research has shown that the two-way symmetrical communication model is the most ethical approach to corporate communication, and that in turn ethical corporate communication is the most effective in meeting organisational goals (Grunig, 2013, p. 308). According to research conducted by Grunig (1992), the most effective approach to corporate communication is the two-way symmetrical communication model. When applying the two-way symmetrical communication model, organisations acknowledge the legitimacy and concerns of stakeholders and communicate openly and transparently with these stakeholders (Chandler, 2018, p. 200).

Hence, two-way symmetrical communication is arguably the most effective engagement strategy, enhancing the organisation's relationships with its investors. Laskin (2006, p. 69) further argues that fostering relationships with investors through two-way symmetrical communication provides direct financial benefit for publicly listed organisations.

2.7 FUNCTIONS OF CORPORATE COMMUNICATION MANAGEMENT

Communication, as the process of transmitting messages from a sender to the receiver, is one of the basic functions of management (Omrcen, 2008), thus communication is considered as an essential management function. In an organisation communication facilitates the flow of information and understanding between different parties through various channels (West & Turner, 2010, p. 37). This flow of information is vital for managerial effectiveness and decision making in general.

Current notions emphasis the dual responsibility of corporate communication management; namely, (i) to influence organisational decision-making by monitoring issues, publics, and opinions, and (ii) to support organisational strategies by building relationships and conveying messages to relevant stakeholders, thus influencing mind-sets and behaviour of these stakeholder (van Riel & Fombrun, 2010; Verčič & Zerfass, 2016, p. 276).

Therefore, for the purpose of this study the focal point of corporate communication management is on building relationships with organisational stakeholders, through dialogue, in order to improve the quality of organisational decision-making by listening to stakeholders' expectations (Falconi, 2010; Falconi *et al.*, 2014, p. 5).

2.8 CORPORATE COMMUNICATION MANAGEMENT BEST PRACTICES

A best practice is a procedure, method or technique that is generally accepted (or prescribed) as it is considered superior to any alternatives because it produces results that are superior to those achieved by other means or because it has become a standard way of doing something. This section focuses on how certain best practice aspects can be applied to corporate communication.

2.8.1 Effective Corporate Communication

Tubbs *et al.* (2012, p. 20) state that effective communication can be defined as when the reason (why) a message was initiated and intended (from the sender), corresponds with how it is perceived and responded to by the receiver (audience). Key concepts of determining the effectiveness of communication include, amongst others; mutual understanding, the creation of shared meaning, influencing of attitudes, and improvement of relationships and action (Skinner *et al.*, 2016, p. 27; Tubbs *et al.*, 2012, p. 26).

When attempting to achieve the goal of mutual understanding and the creation of shared meaning, there must be constant evaluation of the communication process, as well as the meaning of the message amongst the stakeholders. This will determine the effectiveness of the communication (Skinner *et al.*, 2016, p. 27).

2.8.2 Elements of Successful Corporate Communication

Cutlip, Center, and Broom (2006) present seven useful guidelines for effective communication; (i) credibility, (ii) context, (iii) content, (iv) clarity, (v) continuity and consistency, (vi) channels, and (vii) capacity of the audience. These seven guidelines to effective communication can also be applied to corporate communication. The familiar 'seven c's of communication', as these aforementioned guidelines are often referred to, was first published by Scott Cutlip and Allen Center in 1952.

Although considered as dated by some, for the purpose of this study it is believed that these seven guidelines make an invaluable contribution to informing the conceptual framework and hence the resulting proposed framework. The researcher believes that trying to replace these seven classic principles with modern work will take away from the veracity of the study. Skinner *et al.* (2016, p. 27) elaborate on these guidelines below;

i) Credibility; communication starts with a climate of belief. This climate is constructed by the performance of the organisation, reflecting an earnest desire to serve the receiver. The receiver must have confidence in the sender (organisation) as well as a high regard for the sender's competence regarding the subject of the message.

ii) Context; communication must consider the reality of its environment. The context of the communication must provide for participation and playback. It must confirm, not contradict, the message. Effective communication requires a supportive social environment.

iii) Content; the content of a message determines the audience. The message must have meaning for the receiver (audience), and it must be attuned with their value system. The message must be relevant to the receiver's (audience) situation. Generally, people select those items of information that promises the greatest reward.

iv) Clarity; the message must be put in simple terms. Words used must have the same meaning for both the sender and the receiver. Complex matters must be compressed into simple, clear messages. The further a message has to travel, the simpler it must be. An organisation must communicate with one voice, not many voices.

v) Continuity and consistency; communication is a never-ending process, it requires repetition to achieve mutual understanding (shared meaning). Repetition, with variation, contributes to understanding. The message communicated by the sender (organisation) must be consistent.

vi) Channels; as stated earlier successful communication can depend on something as unassuming as choosing the correct channel to deliver the communication (Fritz-Patrick & Valskov, 2015, p. 114). Different channels are used for reaching different target audiences. Established channels that are respected and are being used by the receiver (audience) should be utilised. Different channels are effective in different stages of the diffusion process. Receivers associate different values with the various channels of communication, this must be kept in mind by the sender (organisation) when selecting the appropriate channel through which to send the message.

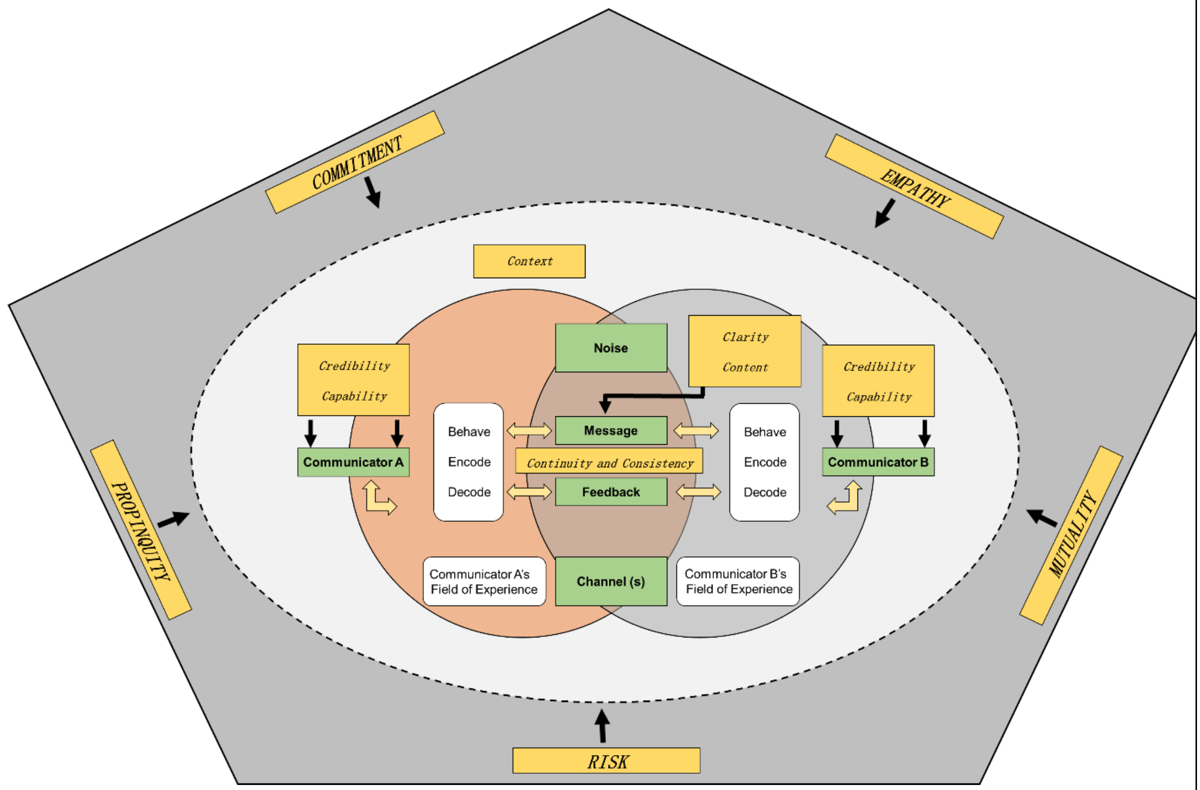
vii) Capability of the audience; communication must always take into account the capability of the receiver (audience). These capabilities include factors such as the receiver's availability, habits, reading ability and knowledge. Communication is considered to be most effective when it requires the least effort on the part of the recipient (audience).

Strauss (2018, p. 12) reiterates the above by advising that the communication of corporate information must be done in a clear, coherent and concise manner, preventing complex technical language or opaque wording.

2.9 CONCEPTUALISATION OF LITERATURE

At the end of each literature chapter, the researcher will put forth their conceptualisation of the literature reviewed (i.e. Figure 2.7 below) and how it will ultimately contribute to the goal of designing an investor focused communication strategy framework based on dialogic theory. These conceptualisations provided at the end of each literature chapter goes on to form the conceptual framework on which the proposed framework is built, therefore the researcher extracted the content deemed relevant to this conceptualisation.

Figure 2.7: Conceptualisation of Literature – Communication



Source: Own Conceptualisation

The transactional model of communication was used as a base, the seven guidelines for effective communication as proposed by Cutlip *et al.* (2006) are applied to the transactional model of communication, all of this in a sphere of influence of the five key tenets (components) of dialogue.

As explained earlier in this chapter, the transactional model of communication is based on the concept that both communicators act as sources of communication and are simultaneously influencing each other, and in this developing meaning from the various messages shared during the exchange of information. The transactional model of communication takes into account elements such as; (i) the communicators' field of reference, (ii) the channel utilised, (iii) the message conveyed, (iv) the noise influencing the communication process, and (v) the constant feedback loop.

In accordance with the focus of this study the seven guidelines of effective communication are applied to the transactional model of communication as follows;

i) In regard to the communicators;

  a. credibility - both communicating parties need to have a sense of credibility, hence both the organisation, as well as the investors need to be considered credible, however in the context of this study the credibility of the communicating organisation is critical;

  b. capability of the receiver (audience) - communication must always take into account the capability of the receiver (audience), from the perspective of the communicating organisation, it can be assumed that the investors (receiver) have a certain level capability to ensure understanding;

ii) In regard to the message;

  a. content - the message must have meaning for the receiver (audience), investors have specific information needs, thus the message formulated for and communicated to them must be relevant to their (the receiver's) situation;

  b. clarity - the message must be put in simple terms, investor communication often deals with complex matters, this must be compressed into simple, clear messages;

iii) In regard to the context; communication must consider the reality of its environment, the context of the communication must provide for participation and playback. The context of the communication investigated in this study is organisational communication. In the context of organisational communication, the concern is not only with the effectiveness of the individual communication, but rather with the role of communication in contributing to the effective functioning of the organisation;

iv) In regard to the channel; established channels that are respected and are being used by the receiver (audience) should be utilised. Receivers associate different values with the various channels of communication, this must be kept in mind by the sender (organisation) when selecting the appropriate channel through which to send the message. Additionally, when communicating with investors, the selected channels of communication are not only influenced by the above but also certain rules and regulations, these will be discussed in detail in Chapter 4;

v) In regard to the communication process; continuity and consistency - communication is a never-ending process, it requires repetition to achieve mutual understanding (shared meaning). An organisation aims to achieve mutual understanding between itself and its investors, leading to the establishment of a relationship, thus continuous and consistent communication with investors is imperative.

This adapted model is then placed in a sphere of influence of the five key tenets (components) of dialogue; (i) risk, (ii) mutuality, (iii) propinquity, (iv) empathy, and (v)commitment. Meaning that these five tenets, comprising the aforementioned sphere of influence, exert influence on the communication model, having the power to affect and essentially control this communication process. This is indicated in Figure 2.7 above, by means of the arrows pointing from each of the tenets towards the adapted model.

i) Risk; the intention (and willingness) to communicate with stakeholders on their terms. An organisation needs to be willing to communicate with its investors on the terms of the investors;

ii) Mutuality; the recognition of the organisation-stakeholder relationship, without stakeholders, organisations have no purpose. Seeking collaboration with stakeholders through dialogue will contribute towards successful relationship building. For the purpose of this study the focus falls on investors in particular as a stakeholder group, it can thus be argued that organisations should seek collaboration with investors through dialogue;

iii) Propinquity; the temporality and spontaneity of interactions with stakeholders, eliciting and listening to stakeholders' input before the decision-making process could be beneficial. Considering that investors, through their investment decisions, control the capital of an organisation it is not only beneficial, but necessary for an organisation to elicit input from its investors before making decisions;

iv) Empathy; the supportiveness and confirmation of stakeholder goals and interests. Investors need to be assured that an organisations goals and interests are aligned with their own goals and interests; and,

v) Commitment**;** the degree to which an organisation gives itself over to dialogue, interpretation, and understanding in its interactions with stakeholders. Even if one party does not agree with the views of another, these views must be acknowledged, and an attempt must be made to find middle ground. Organisations need to be committed to the interactions that they have with their investors; the investors must feel that they are heard by the organisation even if the organisation does not necessarily agree with the views of the investors. Conversely, investors must also acknowledge the views of the organisation even if they do not agree. An attempt must be made by the organisation and investors to find a middle ground.

The researcher's preceding conceptualisation of the literature, as well as the conceptualisation of literature of the literature review chapters to follow, will be combined to form the basis of the proposed investor focused communication strategy framework, which will then be tested during the empirical phase of this study and be expanded and adjusted accordingly.

2.10 SUMMARY

As is evident, communication has a long history and has evolved significantly since Plato's rhetoric. There are various different models of communication. Models of communication are conceptual models used to explain the human communication process. Communication is a complex topic, depending on the particular model of communication, the components of the communication process may vary slightly. However, the most basic components underlying the communication process comprises of a triad; a communicator (sender), a message, and a receiver (audience) (Skinner, Mersham, & Benecke, 2016, p. 24).

The transactional model of communication is the most general model of communication, it is based on the concept that both communicators act as sources of communication and are simultaneously influencing each other, and in this developing meaning from the various messages shared during the exchange of information (Brennan & Merkl-Davies, 2018, p. 557). The researcher argues that although the evolution of the models of communication have come a long way from the rhetorical model to the transactional model, the transactional model alone cannot serve the purpose of an organisation of managing relationships, creating shared meaning and mutual understanding. The researcher believes that there is a need to reconsider the existing models of communication from the vantage point of the grand theory of this study, the dialogic theory of communication management. Dialogic engagement is about the relationship that develops and emerges though communication.

There are many factors which disturb, confuse or distort communication; thus, it can never simply be assumed that communication has been effective. Similarly, communication occurs in several kinds of situations (contexts), these various contexts have an impact on the communication process. It is important to note that these contexts do not always occur as mutually exclusive; often there is an overlap of contexts in a specific communication process. Bearing in mind the scope of this study, the focus is primarily on organisational communication as the communication context. In the context of organisational communication, the concern is not only with the effectiveness of the individual communication, but rather with the role of communication in contributing to the effective functioning of the organisation (Tubbs et al., 2012, p. 21). This considered, the nature of organisations is rapidly and radically changing, resulting in an increase in the complexity of organisational communication (Tubbs et al., 2012, p. 22).

For the purpose of this study, corporate communication management is used as the preferred term when referring to all internal and external communication practised by the organisation. Corporate communication encompasses and manages all a company's communication activities as an integrated whole with the aim of building and maintaining a valuable corporate reputation across different stakeholder groups, markets and audiences (Christensen & Cornelissen, 2011; Cornelissen et al., 2006). Corporate communication is considered as a strategic management function that takes a strategic approach to communication activities and is tied the overall strategy of the company.

In the seminal work*, Managing Public Relations*, Grunig and Hunt (1984) were the first to delineate the four typical ways in which corporate communication is practiced – the four models of corporate communication: (i) press agentry model; (ii) public information model; (iii) two-way asymmetric model; and (iv) two-way symmetric model. The Excellence Theory (Grunig, 1992) suggests that excellent organisations will design their communication programs based on the two-way symmetrical communication model. Two-way symmetrical corporate communication attempts to balance the interests of the organisation and its stakeholders. As a result, two-way symmetrical communication produces enhanced long-term relationships with stakeholders (Botan & Hazleton, 2009, p. 47). Hence, two-way symmetrical communication is arguably the most effective engagement strategy, enhancing the organisation's relationships with its investors. Laskin (2006, p. 69) further argues that fostering relationships with investors through two-way symmetrical communication provides direct financial benefit for publicly listed organisations.

Therefore, for the purpose of this study, the focal point of corporate communication management is on building relationships with organisational stakeholders, through dialogue, in order to improve the quality of organisational decision-making by listening to stakeholders' expectations (Falconi, 2010; Falconi et al., 2014, p. 5).

In the following chapter the literature relating to IR will be unpacked. In order to provide a clearer understanding surrounding the concept of IR, amongst others, the origin, history and development will be explored.

CHAPTER 3: INVESTOR RELATIONS

- **3.1)** Introduction
- **3.2)** Investor Relations
- **3.3)** History and Evolution of Investor Relations
  - 3.3.1) Pre-professional Era
  - 3.3.2) Professional Era
    - 3.3.2.1) Communication Era
    - 3.3.2.2) Financial Era
    - 3.2.2.3) Synergy Era
- **3.4)** The Function of Investor Relations
- **3.5)** Multi-disciplinary Focus of Investor Relations
- **3.6)** The Convergence of Public Relations and Investor Relations
- **3.7)** Key Concepts Associated with Investor Relations
  - 3.7.1) Financial Communication
  - 3.7.2) Financial Public Relations
  - 3.7.3) Accounting
- **3.8)** Investor Relations Best Practices
  - 3.8.1) Investor Relations Strategy Formulation
  - 3.8.2) Investor Identification and Interaction
    - 3.8.2.1) Investor Identification
    - 3.8.2.2) Investor Targeting
    - 3.8.2.1) Investor Engagement
    - 3.8.2.1) Investor Guidance
  - 3.8.3) Investor Feedback
- **3.9)** Investor Relations Elements of Uniqueness
- **3.10)** Conceptualisation of Literature
- **3.11)** Summary

3. INVESTOR RELATIONS

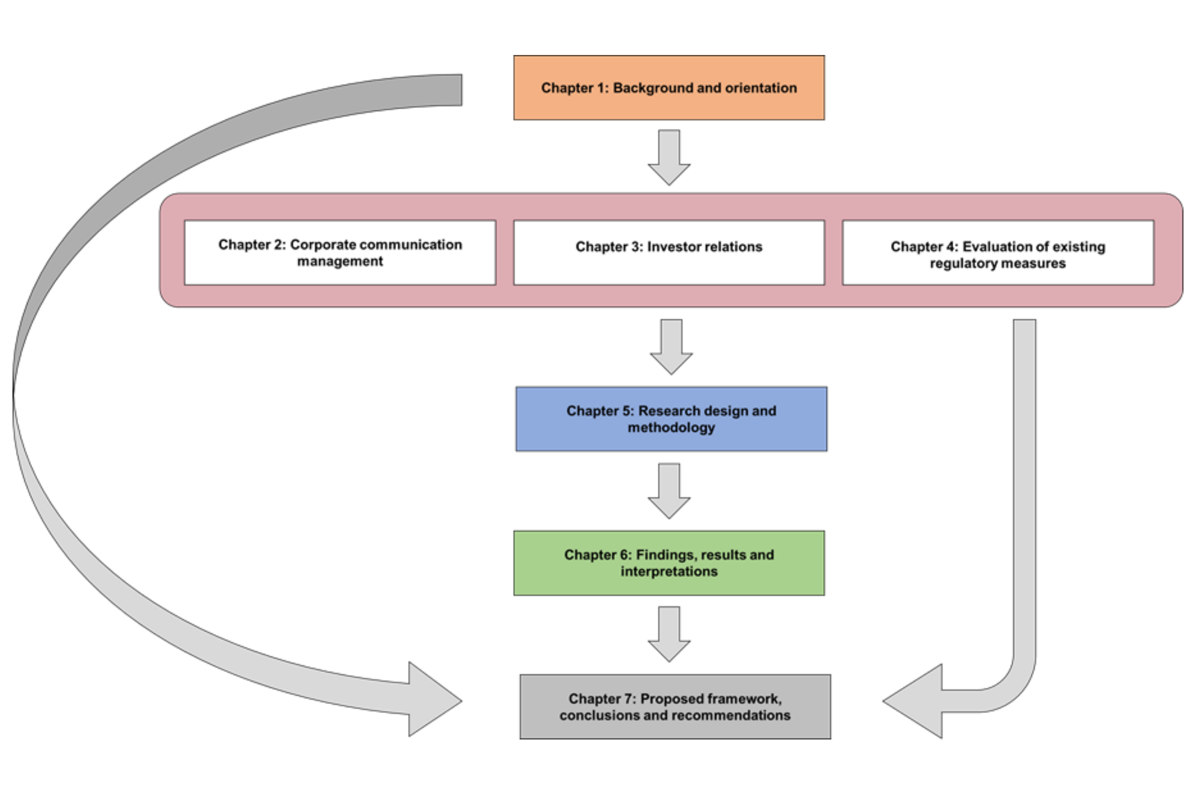
3.1 INTRODUCTION

As stated previously, IR commands little attention in scholarly research despite being a practice of vital importance for corporations. The investigation of IR from a strategic communication standpoint is negligible. However, at the same time IR is currently undergoing a major shift from financial reporting to building and maintaining relationships with shareholders (Laskin, 2009, p. 209).

Just to recap, the content of the three literature chapters was curated in a specific manner in order to provide the reader with a holistic context and sense of clarity regarding the specific literature under discussion. Similar to Chapter 2, Chapter 3 follows a funnel approach to discussing the relevant literature. The discussion commences with an explanation of the term investor relations. In order to understand the complexities associated with IR, one needs to consider the history and evolution thereof. Much of what IR is today is as a result of its history and evolution. The discussion then moves to deliberate the modern function of IR in the synergy era, the multi-disciplinary focus of IR, as well as the convergence of corporate communication management and IR. Finally, IR best practices and elements of uniqueness are discussed.

The demarcation of chapters, in the figure below, illustrates that Chapters 2, 3, and 4 form the theoretical foundation of this study. Chapter 2, elucidating corporate communication management, established a foundation and provided context for understanding Chapter 3 and Chapter 4. An investigation into the phenomenon of IR can now commence.

Demarcation of Chapters



3.2 INVESTOR RELATIONS

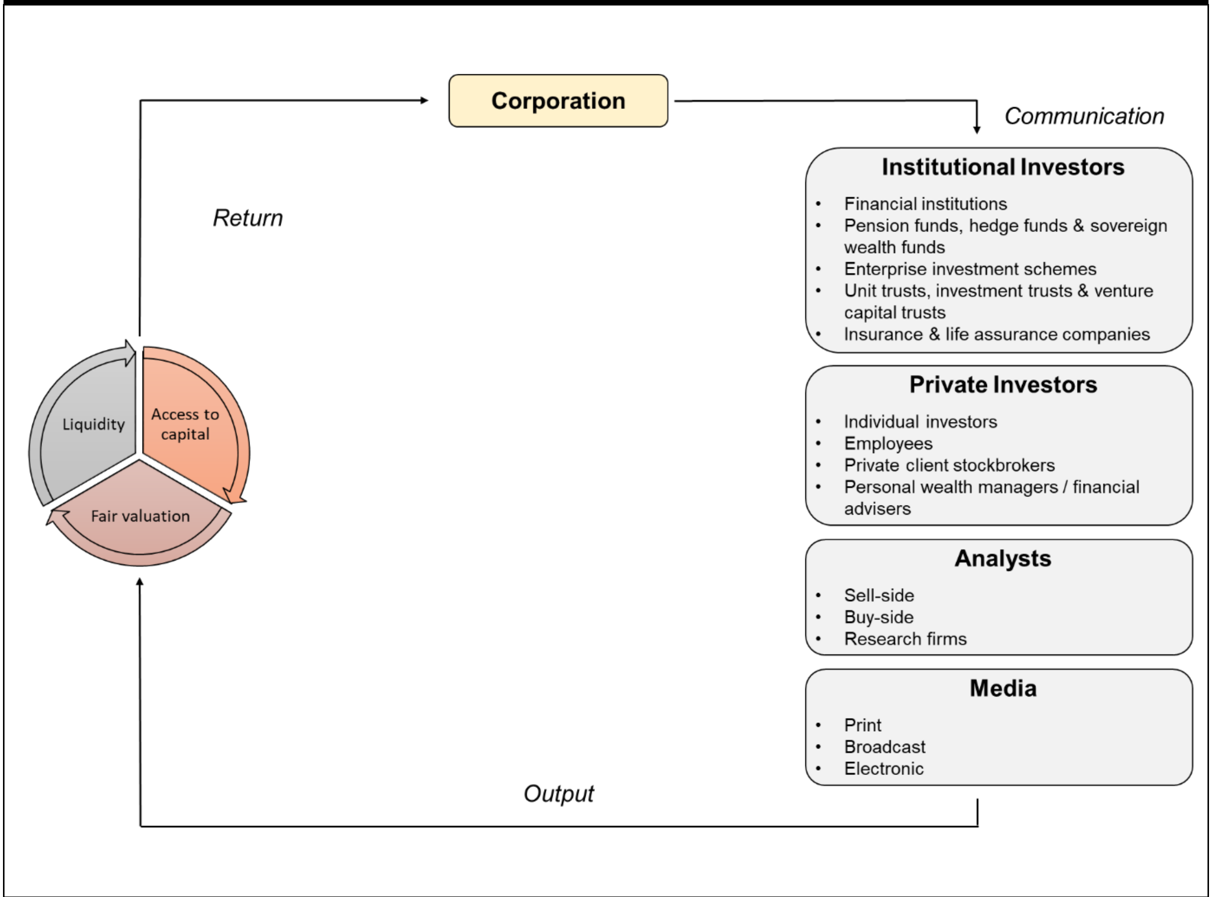
Laskin (2018a, p. 4) and (Schoonraad *et al.*, 2005, p. 274) concur regarding the definition of IR as formulated by the National Institute of Investor Relations; “IR is a strategic management responsibility that integrates finance, communication, marketing and legal compliance in order to enable the most effective two-way communication between an organisation, the financial community, and other stakeholders” (NIRI, 2020).

Linked to this definition, Schoonraad (2003, p. 8) highlights that it is important to note that the phrase ‘exchanging information’ is used to emphasise the two-way nature of IR, reiterating the notion that information is not merely provided or disclosed by one party to another.

Laskin (2018a, p. 4) further suggests that IR is the strategic communication process that builds mutually beneficial relationships between organisations and their investors.

Strategic communication in terms of IR is used to interact, corporate and form partnerships with stakeholders (i.e. investors) (Uysal, 2014, p. 227). Hoffmann *et al.* (2018, pp. 4-5) and Laskin (2008, p. 75); (2018a, p. 71), indicate that strategic communication also focusses on the role of visibility in IR, which generates interest and demand. IR improve the availability and quality of information, assisting investors to develop more reliable expectations (Ragas *et al.*, 2014, p. 186). Often, IR is considered to be a function of managing expectations. Organisations manage the expectations of investors about its past and future performance (Laskin, 2018a, p. 4). Dolphin (2004, p. 38) emphasises the importance of investor relations, as it plays a vital role in values aspects of a company, through two-way communication. Figure 3.1 below illustrates the IR process as purposed by the London Stock Exchange, this is one of the rare, available representations of the IR process.

Figure 3.1: Investor Relations



Source: London Stock Exchange (2010, p. 9)

3.3 HISTORY AND EVOLUTION OF INVESTOR RELATION

Hockerts and Moir (2004, p. 87) indicate that initially IR's role was to communicate the actions of the company, where after it developed to an increase in the attention of the financial function and financial results of the company, finally IR encourages investors to purchase or hold the company's stock together with ensuring that the company is justly valued and respected. The history and evolution of IR can be separated into two distinct eras; firstly, the pre-professional era, and secondly, the professional era. In addition, the professional era can further be broken down into three eras; (i) the communication era, (ii) the financial era, and (iii) the synergy era.

3.3.1 Pre-professional Era

IR is inextricably connected to the separation of ownership and management. In the past, when craftspeople ran their own businesses, there was no need to communicate financial information or build relationships with potential investors, since these businesses were self-financed. However, as industries grew, these businesses started hiring additional employees, nonetheless the investors were typically the owners themselves. There was no separation between ownership and management (Laskin, 2018a, p. 51).

It is assumed that the first shareholding corporation was Stora Kopparberg; a Swedish mining company. Considering that the first official documentation of Stora Kopparberg dates back to 16 June 1288, it can be argued that the history of shareholding corporations date back to the 13th century. Although Stora Kopparberg can be considered as the first example of the official separation of management and ownership, originally it was not a publicly traded company. The Dutch East India Trading Company is believed to have been the first publicly traded company; any individual who was willing and able to pay the price could purchase shares in the corporation. Consequently, the first publicly traded company also required the first stock exchange; hence, the Amsterdam Bourse was founded in September 1602, within six months of the formation of the Dutch East India Company (Laskin, 2018a, p. 53).

At the beginning of the 20th century, investments in the securities of companies became popular. Macey and Miller (1991) explain this development by pointing to a variety of factors occurring simultaneously, namely; (i) the growth of large industries stimulated unprecedented demands for capital; (ii) at the same time, increasing wealth among the middle class created a new source of capital that could be tapped into by means of public securities issuance, and (iii) finally, development in transportation and communication technology made widespread promotion and distribution of securities possible (Laskin, 2018a, p. 53).

A surge of public investment followed, however at this time, the securities markets had a severe informational problem; it was near impossible to verify the claims made by corporations. Since investors could not rely on the truthfulness of statements made by corporations regarding securities transactions, the whole investment market was placed in jeopardy (Laskin, 2018a, p. 54).

Further, defining events such as World War I, the Great Depression, and World War II halted the development of financial markets, as well as the development of IR (Laskin, 2018a, p. 55).

3.3.2 Professional Era

The history of the professional period of IR begins after the end of World War II. This period can be divided into three historical eras (Laskin, 2008; Laskin, 2010a); (i) the communication era; when the IR landscape was dominated by people with communication backgrounds; (ii) the financial era; when the pendulum swung the other way and the field became dominated by professionals with financial and accounting backgrounds; and, finally, the current era, (iii) the synergy era; in which the industry is looking for a balance between the communication and financial fields of expertise (Dolphin, 2003, p. 31; Laskin, 2018a, p. 57).

3.3.2.1 Communication era

The Communication era of IR was characterised by the domination of public relations and communication professionals in performing the duties related to IR (Laskin, 2008, p. 57; Laskin, 2018a, p. 58).

The earliest allusion to the IR function can be traced back to General Electric. In 1953 General Electric created a division charged with shareholder communication (Gackowski, 2017, p. 6; Kelly, Laskin & Rosenstein, 2010, p. 186; Morrill, 1995). Gradually, in the latter part of the 1950's and 1960's, more and more IR departments became apparent at several large organisations. At this time, however, most IR activities were focused on attracting the attention of financial stakeholders (publics) (Laskin, 2008, p. 57; Laskin, 2018a, p. 59; Silver, 2004, p. 70).

The development of IR did not occur in a vacuum, instead it was in response to changes in the economic and socio-economic environment. The post-World War II economic boom of the 1950's resulted in the generation of wealth for individuals, as well as encouraging business growth to satisfy the budding needs of consumers. Organisations needed capital to grow and develop, and at the same time, individuals desired a place to invest surplus income; the meeting of these two worlds was thus inevitable (Hockerts & Moir, 2004; Laskin, 2008, p. 58; Morrill, 1995).

The new participant in the financial market, the private shareholder (investor) resulted in various changes in many large organisations. Companies soon realised that investor capital was a finite pool and that they would need to compete for this limited resource (Laskin, 2008, p. 58; Laskin, 2018a, p. 59). As a result, the IR function was tasked with getting investors' attention and selling the specific company to these investors in the light of fierce competition with other corporations.

This fierce competition was, however, an entirely new experience for most corporations, something that they were not prepared for. There was a void of IR expertise in most corporations that needed to be filled (Laskin, 2008, p. 59). As a result, management turned to the recognised experts in communication, the public relations function, for a solution (Laskin, 2018a; Morrill, 1995, p. 59). However, in the 1950's public relations was not a well-established practice. In addition to this, the post-World War II economic boom left little time for the practice of public relations, gradually slipping to the bottom of most corporation's priority list (Cutlip, 1994). This meant that when corporations turned to the public relations function to manage IR, the public relations functions simply was not ready for the associated challenges. The lack of a structured body of knowledge, as well as the lack of educated and qualified personnel, made in difficult for the public relations function to provide a quality service as the IR function (Laskin, 2008, p. 60). The public relations function approached this new role in the same way that they approached all other public relations tasks at that stage; through relying solely on press agentry and publicity, resulting in IR being practiced largely as financial press agentry and publicity (Laskin, 2008, p. 61; Laskin, 2018a, p. 61; Morrill, 1995).

These new private shareholders (i.e. investors) were unfamiliar to corporations, before World War II there were only a few wealthy private stockholders (investors). These investors did not pay much attention to the management of the company, did not attend general meetings, and barely complained about or questioned anything. However these new private investors were quite different, there were a large number of these investors and although they owned a small number of shares, the sense of ownership that came along with this caused problems for corporations (Laskin, 2008, p. 62). As explain by Morrill (1995), these new investors saw themselves as owners and wanted to be heard. Although many of these investors were considered as rather unsophisticated and lacking knowledge about the basics of business, they attended the annual meetings and asked questions, as opposed to previous investors who were rather apathetic. These investors constantly demanded information and attention from the corporations, this created yet another incentive for the formation of specialised IR departments (Laskin, 2008, p. 62; Laskin, 2018a, p. 62). Taking these notions into account, it links to the term, information asymmetry, which can be defined as when different groups of investors have access to different information, informed investors have private information, whereas uniformed investors have publicly available information (Chang, D'Anna, Watson & Wee, 2008, p. 376).

Due to the novelty of the vast number of investors, it was exceedingly difficult for organisations to communicate with each directly, nonetheless, these investors continued to actively demand communication and the management of these corporations realised that they needed to communicate with this group. However, despite this realisation management still did not have much regard for private investors (Morrill, 1995). Management started to regard these investors as a threat to the status-quo, as these investors were for the first time challenging the authority of management. As a result, corporations were seeking a way to actively communicate with these investors, whilst still maintaining a safe distance, to allow them to disseminate information to the investors with very little desire to receive any feedback (Laskin, 2008, pp. 63-64; Laskin, 2018a, p. 62). This disjointed manner of communicating with investors caused a major problem for corporations; investors invested their money in these corporations and demanded the appropriate attention.

The public relations functions were set up for failure at IR from the start, the demand just came too soon (Laskin, 2010b, p. 11). The individuals tasked with IR had limited to no understanding of the financial market (Morrill, 1995), as a result, financial stakeholders lost credibility in the capabilities of the public relations function to handle IR. There arose a need for individuals with an adequate understanding of the financial markets, who at the same time could deliver the necessary communication tactics (Laskin, 2008, p. 65). It was evident that in order for IR to be successful, expertise in both communication and finance were necessary. However, the metaphorical pendulum was swinging in the other direction too fast; much of the communication expertise were disregarded in favour of financial and accounting expertise (Laskin, 2008, p. 67; Laskin, 2018a, p. 64).

3.3.2.2 Financial era

Change in the economic environment once again brought about changes to the practice of IR. During the 1970's, a shift came about; from individual private investors to institutional investors. Throughout the 1950's and 1960's, during the post-World War II economic boom, there was vast growth in investment activities, this resulted in pressure on the financial market infrastructure (Laskin, 2008, p. 67; Laskin, 2018a, p. 73; Morrill, 1995). A further contributor to the pressure was the performance history of the financial market. The market was growing in leaps and bounds during the post-World War II economic boom, and investors expected this to continue forever. As explained by Chatlos (1984, p. 87), the expectations became too high for the reality to deliver; the success bred a level of expectation that could not be fulfilled (Laskin, 2008, p. 68; Laskin, 2018a, p. 65).

The previous orientation of IR being geared towards private investors was becoming less relevant. Disjointed mass communication to reach the large group of private investors was no longer appropriate. The target audience of IR was rapidly changing, and the IR function was not entirely sure how to handle this change. The focus of the IR function was now moving away from the less than knowledgeable private investors, to qualified analysts and institutional investors (Chang *et al.*, 2008; Laskin, 2008, p. 68; Laskin, 2018a, p. 65). Higgins (2000, p. 24) explains that stock markets were becoming increasingly institutionalised and due to the legal responsibilities, that these institutions had towards their clients, they demanded timely and detailed financial and strategic information from corporations. Relating to the statement by Dolphin (2004, p. 38), the financial performance of a company is vital for investors, as well as other stakeholders.

Previously, financial analysts were not valued highly in the corporate world; in fact they were often regarded as nuisances (Morrill, 1995). Yet, these educated and knowledgeable analysts demanded a different kind of information than private investors did. At this time however, the IR function was not capable of providing such information (Laskin, 2008, p. 69). Before the 1970's, Morrill (1995) explains that the task of communicating with analysts often fell on the financial, instead of the public relations function. As a result, when the shift from private investors to institutional ownership came about, many analysts already had pre-established contacts with the finance function of corporations (Laskin, 2008, p. 69; Laskin, 2018a, p. 66).

The public relations function was losing grip on IR, whilst the finance departments of corporations were increasingly engaging with analysts and institutional investors (Laskin, 2008, p. 70; Laskin, 2018a, p. 67). Yet, management attempted to continue avoiding engagement with institutional investors, similar to how they handled engagement with private investors. However, as opposed to private investors, institutional investors and analysts were not easily kept at bay and were difficult to please (Laskin, 2008, p. 70; Laskin, 2018a, p. 67; Morrill, 1995). Institutional investors and analysts were not satisfied by the limited amount of substantial information that corporations were disclosing. Further, these institutional investors and analysts had significant power over corporations that private investors lacked, as large institutional players and analysts could manipulate share prices (Laskin, 2008, p. 70; Laskin, 2018a, p. 67). Chang *et al.* (2008, p. 388), state that companies with high investor relations scores have higher proportion of institutional investors, higher market capitalisation as well as higher trading volume. Furthermore, this can have an impact on improving the capability to increase capital as well as improve reporting and disclosure standards.

In response to these changing demands, the press agentry and publicity types of information dissemination of the previous communication era of IR, were substituted. The focus of IR shifted from public relations to a more financial position (Laskin, 2008,

p. 71). With this shift in focus, the IR function went from the provider of information to the defender of corporate decisions. If investors had questions or critique about the corporation, the IR function was expected to provide answers and counter-arguments, in order to explain and protect the corporation's actions (Laskin, 2008, p. 72; Laskin, 2018a, p. 68).

As is evident from the above, the financial era of IR was primarily focused on institutional investors and analysts. This led to corporations hiring former analysts and professional investors in the function of IR. Although these individuals had an excellent understanding of the financials, they lacked public relations knowledge and skills (Laskin, 2008, p. 73; Laskin, 2018a, p. 69).

3.3.2.3 Synergy era

It is unmistakable that the role and scope of IR will further change in future. This era of synergy requires expertise in both communication (public relations) and finance (Gackowski, 2017, p. 8). Protecting corporations through persuasion and advocacy may finally be giving way to dialogue and the development of long-term understanding (Hockerts & Moir, 2004; Laskin, 2008, p. 73; Laskin, 2018a, p. 70). This shift indicates a return of communication (public relations) back to the IR function.

The IR function of the synergy era will finally be what Morrill (1995) envisioned when he explained that both the communication (public relations) function and the finance function must merge in order to create a sophisticated and successful IR function (Laskin, 2008, p. 74; Laskin, 2018a, p. 70). The solution to the IR paradox lies somewhere between the two extremes of the communication era and the financial era.

The IR function of the synergy era does not merely advocate for the corporation, it listens to investors and analysts, in order to provide corporations with feedback. This feedback is of vital importance since the goal of IR is often considered as reaching and hearing investors (Laskin, 2008, p. 74; Laskin, 2018a, p. 71). The modern IR function has an ever-growing responsibility; it is the responsibility of the IR function to pay attention to and act on marketplace rumblings and further attempt to understand exactly what analysts and investors want, but may not be getting from official disclosures (Laskin, 2008, p. 75; Laskin, 2018a, p. 71).

As with the previous eras of IR, the shift to the synergy era was a result of changes in the economic environment. The unexpected corporate failures of the early 21st century brought the whole model of corporations, globally, into questions. Laskin (2007) and Allen (2002, p. 207), suggest that the collapse of Enron was a wake-up call for the IR function of corporations that now had to assume more responsibilities than ever before. Suddenly, IR became a key activity that could make or break a corporation; the IR function was no longer considered an auxiliary function, but rather a function that could create competitive advantage by rebuilding investor confidence in a corporation. Dolphin (2003, p. 40) suggest that a well-organised IR programme can contribute to a company's competitive advantage.

In order to aid in building confidence in a corporation, IR has to go beyond the mere publications of obligatory disclosure documents; the modern IR function should not be geared to information dissemination, but rather towards understanding. The goal of the IR function should be to help investors understand the corporation, its strategy, its vision, and its role in society, in order to ensure fair valuation of the corporations share prices (Laskin, 2008, p. 77; Laskin, 2018a, p. 74). Adding to this notion, it is of utmost importance for greater reporting requirements and communication with investors, with the goal to be more transparent (Hockerts & Moir, 2004, p. 95).

To be successful, corporations need to extend the scope of its IR function beyond the mere publication of annual and interim reports to more frequent, extensive, and proactive two-way communication (Laskin, 2008, p. 80). IR is no longer just about numbers, the modern IR function is about building and maintaining relationships as IR activities in the synergy era focus on long-term relationship building. IR has become a proactive activity based on two-way symmetrical communication between the corporation and the financial community as well as effectively managing such relationships (Kelly *et al.*, 2010, p. 183; Laskin, 2008, p. 81; Laskin, 2018a, p. 76).

The two-way model of communication appears to be at the epicentre of the IR function. Rosenstein, Kelly, and Laskin (2007, p. 17) applied the four models of communication to the IR practice. Their research established that although most previous research studies in public relations found press agentry and publicity to be the dominant model of practice, in the IR function on the contrary, the two-way symmetrical model of communication is predominantly practiced. However, this was to be expected, Grunig *et al.* (2002) suggested that the IR function was likely to practice the two-way symmetrical model of communication because investors are influential stakeholders with significant power over corporations.

Two-way communication has become a key strategy in communication between corporations and investors. In the wake of various challenges; corporate scandals, revised regulations and legislation, increased knowledge levels of the investment community, new technology, the global investment marketplace, and overall societal desires for transparency and ethical business operations - the methods of IR are continuing to undergo changes. In order to respond to these challenges, the IR function must combine the expertise of both the finance function and communication (public relations) function to devise two-way symmetrical communication programs in order to facilitate engagement and potential dialogue between a corporation and its financial stakeholders to enhance mutual understanding (Laskin, 2008, p. 80; Laskin, 2018a, p. 76). Furthermore, such challenges can result in the loss of investors, wherein contrast, enhancing mutual understanding through two-way symmetrical communication and formulating relationships amongst stakeholders increases the success and survival of an organisation (Kelly *et al.*, 2010). Table 3.1 below provides an overview and comparison of the three eras of IR.

Table 3.1: Historical Eras of Investor Relations

Characteristic	***Communication Era***	***Financial Era***	***Synergy Era***
Dates	1945 – 1975	1975 – 2005	2005 – present
Comparison with public relations models	Press Agentry model and Public Information model	Two-way Asymmetrical model	Two-way Symmetrical model
Purpose	Promotion and dissemination of information	High valuation	Fair valuation
Direction of communication	From the organisation	Two-way	Two-way
Intended beneficiary	Organisation	Organisation	Both the organisation and investors

Table 3.1: Historical Eras of Investor Relations

Characteristic	***Communication Era***	***Financial Era***	***Synergy Era***
Nature of communication	Reactive	Reactive	Proactive
Focus	Short-term	Short-term	Both long-term and short-term
Foundation	Communication and journalism	Finance and accounting	Both communication and finance

Source: *Adapted from* Laskin (2008, p. 81)

3.4 THE FUNCTION OF INVESTOR RELATIONS

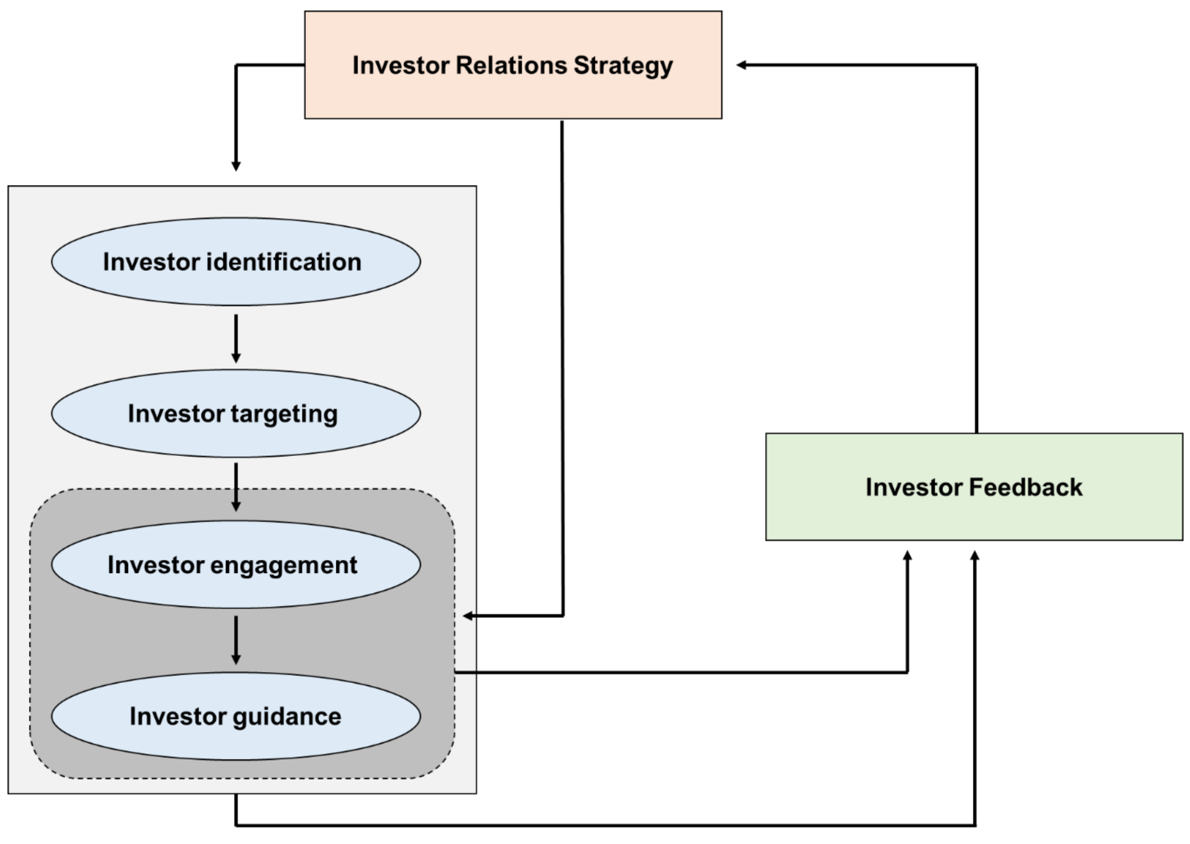
Considering that the survival of an organisation depends on how well current and potential investors, as well as the rest of the financial community, understand the value of the specific company and its business model, it is understandable that IR is regarded as one of the most important functions within a corporation (Hoffmann *et al.*, 2018, p. 1; Laskin, 2008, p. 12). Dolphin (2004, p. 26) suggest that the goal of IR is to create long-term, sustainable, interaction between the company and the investors. The focus of modern IR has shifted from mere disclosure of financial information to extensive two-way communication of both financial and non-financial information (Gackowski, 2017, p. 1; Kelly *et al.*, 2010, p. 189; Laskin, 2008, p. 13). Adding to this notion, Hockerts and Moir (2004, p. 85), state that non-financial aspects are increasingly being considered by investor when assessing companies. Furthermore, non-financial aspects influence investors' perceptions of a company (Hoffmann *et al.*, 2018, p. 3).

Dolphin (2004, pp. 31-32) state that functions of IR is the communication of information relating to a company, to the financial community, analysts, investors and potential investors. Furthermore, the function of IR is to act as a structure or process that connects the company and its' stakeholders (i.e. investors), while allowing the organisation to meet the needs of stakeholders (i.e. investors) (Uysal, 2014, p. 226).

Elaborating, it is crucial for a company and its' stakeholders (i.e. investors) to reach an agreement using IR (Uysal, 2014, p. 227).

The researcher proposes that definitive roles of the IR function can be identified as follows; IR strategy formulation, investor identification, investor targeting, investor engagement, investor guidance, and investor feedback. These roles can be divided into three stages; (i) IR strategy formulation, (ii) investor identification and interaction, and (iii) investor feedback.

Figure 3.2: Functions of Investor Relations



Source: Own Conceptualisation

Modern IR is no longer just about numbers, it is about building and maintaining relationships (Gackowski, 2017, p. 1; Laskin, 2008, p. 80). As a result, in order to inspire confidence, as well as build and maintain relationships with investors, the IR function of an organisation is increasingly expected to communicate faster, provide more information, make information more relevant to understanding the corporations business and its value, and use appropriate communicative channels (Laskin, 2008, pp. 17-18). (Kelly *et al.*, 2010, p. 189) adds to the notion, investor relations goal is not only to provide data to investors, but also to encourage communication/ conversation and manage relationships with the investor community.

Emerging from a reporting and disclosure function embedded in corporate governance requirements, and given the recent corporate scandals, IR has quickly evolved into a strategic communication function charged with ensuring two-way symmetrical communication with shareholders (Hoffmann *et al.*, 2018, p. 294).

3.5 MULTI-DISCIPLINARY FOCUS OF INVESTOR RELATIONS

There are three main disciplines that have contributed to the current understanding of IR. These disciplines are corporate communication (public relations), accounting, and finance (Schoonraad, 2003, p. 24). There has been an increasing overlap and integration of these once segmented disciplines. This increased move toward integration can in part be ascribe to the need of the finance and accounting functions to recover from the reputational debacle caused by recent financial crises, which to some extent can be ascribed to opaque and dated corporate reporting practices. These triggered and reinforced raising stakeholder (specifically investors) expectations for corporations to focus more on transparent and diversified reporting practices (Falconi, 2018, p. 978). Hoffmann *et al.* (2018, p. 2) indicate that increased transparency will have a positive effect on capital markets, as the more information accessible to investors, their decisions will be more sound. Furthermore, transparency is an indication of responsible practices of a company, which increases trust. Penning (2011, p. 627) state that investors use a variety of high-quality information from most appropriate sources to make informed investment decisions.

Penning (2011, pp. 627-628) identify specific types of information that influences the decision of investors; (i) investors are more likely to select annual reports, conference calls and annual meetings, (ii) investors pay attention to the advertising of a company, (iii) investors who need product related information, will use news media sources to gather needed information and iv) investor will gather information from news media sources and analyses regarding projected performance value of a company.

As investors settle into a more active stance toward their investments, IR is faced with the need to evolve, to actively engage and influence investors (Hoffmann & Fieseler, 2018, p. 180). Rensburg and Botha (2014, p. 144) reiterate that organisations are being forced to critically re-evaluate how they communicate with investors. To respond to these challenges, organisations have to devise two-way symmetrical programmes to facilitate dialogue between an organisation and the financial community (i.e. investors) to enhance mutual understanding. It requires the organisation to extend the scope of interaction from the mere publication of obligatory annual and interim reports, to more frequent and proactive two-way interaction and communication (Laskin, 2018a, p. 76).

This considered, there is no doubt about the efficacy of each of these functions; (i) accounting, (ii) finance, and (iii) corporate communication (public relations) in isolation. However, it is evident that these functions need to converge for IR to be successful (Hoffmann *et al.*, 2018, p. 305).

Accounting research predominantly uses the term 'reporting' to represent communication between firms and their audiences. This is based on a monologic view, involving a one-directional process in a written format using genres such as annual reports, or press releases, with firms providing and disseminating information to external audiences, who are largely regarded as passive recipients. In contrast in the modern era of IR, the term corporate communication is used, because it encompasses both written and oral communication by means of a variety of channels and media, and conceptualises communication as a two-way, dialogic process with information flowing in both directions (Brennan & Merkl-Davies, 2018, p. 554). Penning (2011, p. 627) elaborates, various sources of information will lead to a more sound decisions.

3.6 THE CONVERGENCE OF CORPORATE COMMUNICATION MANAGEMENT (PUBLIC RELATIONS) AND INVESTOR RELATIONS

As previously mentioned in the introduction to this study, Slabbert and Barker (2014, p. 72), point out that the terms corporate communication management and public relations are often used synonymously, particularly when referring to public relations management. Cornelissen, van Bekkum, and van Ruler (2006, p. 115) allude to the notion that in various cases corporate communication management is regarded as the evolution of public relations or conversely that it includes public relations. Therefore, for the purpose of this study corporate communication management is used as the preferred term when referring to all internal and external communication practiced by the organisation.

Since the beginning, IR has been divided into two seemingly opposing camps. These are those who believe the function is best practiced from a finance orientation versus those who believe the function is best practiced from a corporate communication (public relations) orientation (Kelly *et al.*, 2010, p. 183)

This study follows the notion of Hoffmann *et al.* (2018, p. 298), arguing that IR and corporate communication (public relations) are bound together under the organisational umbrella of communication management. Hereby IR can be understood as a corporate communications function related to, but distinct from public relations. Dolphin (2003, p. 29) indicates that IR was one of the fastest growing areas of corporate communication. However, Gackowski (2017, p. 10) emphasises that it should be noted that IR evolved from public relations; the main difference, however, lies in the legal sanctions related to inadequate execution of disclosure obligations imposed on a public corporation – these disclosure obligations and regulations will be discussed at length in the next chapter. Traditionally, corporate disclosure obligations strive to ensure transparency in terms of the financial soundness of a business to instil trust in a corporation's long-term viability (Hoffmann *et al.*, 2018, p. 2). Accordingly, a significant part of IR can be understood as compliance efforts (Hoffmann *et al.*, 2018, p. 301). Yet, beyond mere compliance, the IR function proactively addresses strategically relevant issues. Further, the IR function actively engages in relationship management (Hoffmann *et al.*, 2018, p. 302). It is argued that IR can contribute to the coherent and credible understanding of a corporation's strategy among key financial audiences (Hoffmann *et al.*, 2018, p. 303). Hoffmann *et al.* (2018, pp. 3-4) adds to the notion, companies that proactively provide information rich data, it influences perceptions, nurtures trust and relationship as well as builidng a strong reputation.

The modern approach to the IR function acknowledges that it does not merely provide data but instead aims to facilitate dialogue and manage relationships with financial audiences, specifically investors. Hence, corporate communication (public relations) has taken on greater importance in IR than ever before (Kelly *et al.*, 2010, p. 185). According to Gackowski (2017, p. 7) and Kelly *et al.* (2010, p. 185), some corporations' management disapproves of identifying IR as a realm of public relations, however, leaders in the field have called for increased integration between IR and corporate communication (Kelly *et al.*, 2010, p. 189). This integrated approach will allow IR to act as a facilitating process within corporate communication, enabling the organisation to relate to its investor audiences (Dolphin, 2004; Hoffmann *et al.*, 2018, p. 298). Table 3.2 provides an overview of the distinctions between IR and corporate communication management.

Table 3.2: Distinctions Between Investor Relations and Corporate Communication Management (Public Relations)

Type of distinction	***Investor Relations (IR)***	***Corporate Communication Management (CCM)***
Main reason	The IR function in public companies is designed to help these companies fulfil the commitments of two-way communication	The CCM (PR) function in organisations is designed to maintain and build the best possible image of the company
Main objective	The objective of the IR function is to encourage individual and institutional investors to invest in the company and at the same time convincing financial analysts to issue favourable recommendations regarding the company	The objective of the CCM (PR) function is to achieve the best possible publicity, thus enhancing the company's corporate image, in the public domain
Practical dimensions of work	Participating in two-way communication with investors and potential investors in order to secure and maintain investment	Participating in the passive one-way communication with stakeholders in order to build a certain corporate image
The Function of IR/PR – legal	The IR function ensures that the company adheres to all legal aspects regarding regulations	The CCM (PR) function mostly maintain good relationships between the company and the wider

Table 3.2: Distinctions Between Investor Relations and Corporate Communication Management (Public Relations)

Type of distinction	***Investor Relations (IR)***	***Corporate Communication Management (CCM)***
		business environment (no specific legal aspects)
The Function of IR/PR – economic	The IR function helps to increase business value, achieve reliability in business valuation and mitigate risk	The CCM (PR) function mostly maintain good relationships between the company and the wider business environment (no specific economic aspects)
The Function of IR/PR – communication	The IR function helps to provide reliable information, build trust, conduct two-way communication and maintain interest in a company among investors and potential investors	In this function, the IR and CCM (PR) functions have similar goals and effects; the main difference is connected to the sphere of interaction, the IR function mainly interacts with investors and potential investors, whilst the CCM (PR) function mainly interacts with the wide business environment

Source: *Adapted from Gackowski (2017, p. 3)*

3.7 KEY CONCEPTS ASSOCIATED WITH INVESTOR RELATIONS

There are numerous terms related to the concept of IR, most notably financial communication, financial public relations, and accounting (Schoonraad *et al.*, 2005, p. 274). To ensure clarity, the term IR is used as an umbrella term to encapsulate all the aforementioned terms. However, for the sake of lucidity, these terms are unpacked below. It is evident from the explanations that these related terms overlap.

3.7.1 Financial Communication

Schoonraad *et al.* (2005, p. 274), define financial communication as the establishment and maintenance of mutually beneficial relationships between an organisation and its relevant stakeholders. This is done by exchanging information that is needed to facilitate optimal decisions regarding the allocation of scarce resources.

3.7.2 Financial Public Relations

Financial public relations originally developed as a sub-discipline of public relations (Schoonraad *et al.*, 2005, p. 274). The financial public relations function attempts to portray a corporation's investments and financial statements in the best possible light; seeking to promote and, if necessary, defend the company.

3.7.3 Accounting

According to Brennan and Merkl-Davies (2018, p. 554) accounting was first conceptualised as a communication process between accountants and users of a corporations financial information. From an accounting perspective, financial disclosure is often mistakenly equated with financial communication. This would have been true if disclosure processes made provision for feedback from recipients or users. However, disclosure is, in most cases, a one-way process and can therefore not be seen as communication (Schoonraad *et al.*, 2005, p. 282).

3.8 INVESTOR RELATIONS BEST PRACTICES

As stated earlier, the roles of IR can be identified as follows; IR strategy formulation, investor identification, investor targeting, investor engagement, investor guidance, and investor feedback. These roles can be divided into three stages; (i) IR strategy formulation, (ii) investor identification and interaction, and (iii) investor feedback.

Best practices for each of these roles are expanded on below;

3.8.1 Investor Relations Strategy Formulation

IR should be conducted strategically; IR activities should both reflect and support the strategy of the organisation, therefore it is essential that an IR strategy be formulated. Additionally, it should be pointed out that;

i) An IR strategy should be developed to reflect and support the organisation's goals;
ii) The IR strategy should be review annually; and
iii) Progress should be tracked, and adjustments made accordingly.

3.8.2 Investor Identification and Interaction

This section focuses on (i) investor identification, (ii) investor targeting, (iii) investor engagement, and (iv) investor guidance. These are expanded upon below;

3.8.2.1 Investor identification

Organisations can only communicate effectively with investors if they can reach them directly through transparent identification. This, in turn, promotes investor engagement.

3.8.2.2 Investor targeting

Investor targeting ensures the widest pool of possible investors. To do this effectively the IR function should have a clear understanding of the organisation's investment proposition and the type of investors that the organisation might find attractive. An organisation must ensure that its appeal is aligned to investor needs.

3.8.2.3 Investor engagement

The IR function acts as a conduit between the organisation and all investors or potential investors. It is important that a relationship between the organisation and investors be established through this conduit.

Investor engagement can take place through various different forms of communication including; investor roadshows, investor presentations, integrated reports, financial statements, websites, and SENS announcements.

3.8.2.4 Investor guidance

It is expected of the IR function to provide investors with guidance. Guidance should be given on metrics that will have an impact on all operational issues. The exact form that the guidance may take will depend on the nature of an individual organisation's business model and established practices.

3.8.3 Investor Feedback

Organisations should actively seek feedback from investors. A pragmatic approach to this is to develop a relationship with investors so that issues can be raised by investors as and when these occur.

3.9 INVESTOR RELATIONS ELEMENTS OF UNIQUENESS

Buchner (1994, p. 232) and Schoonraad (2003, p. 43) identified five elements that distinguish IR from other fields of public relations;

i) The first distinguishing element is that the target audiences of IR have specific information needs, which usually is of little value or interest to other stakeholder groups. According to Grunig and Hunt (1984, p. 348) investors are classified as an active public (stakeholder). According to the situational theory of publics, active publics (stakeholders) organise to discuss and act on a problem. In this case the so-called problem entails the decision whether or not to invest in a company. It can thus be said that this public (stakeholder group) controls the resources that enable a company to exist. Grunig and Hunt (1984, p. 140) refers to this type of linkage between a company and its investors as an "enabling" linkage.

ii) According to Buchner (1994, p. 232) and Schoonraad (2003, p. 43), the second element relates to the channels (tools/media) used for IR; other fields of public relations do not use mediums such as investor roadshows, investor presentations, integrated reports, financial statements, websites, and SENS announcements. Using various channels will increase the engagement with investors (Hoffmann *et al.*, 2018, p. 7).

iii) The third element of uniqueness is the skills and knowledge required for IR (Hoffmann *et al.*, 2018, p. 6; Schoonraad, 2003, p. 43).

iv) The fourth element that makes IR unique is the timing of the communication. The release of financial information is governed by law (Companies Act, 1973), the listing requirements of the JSE, as well as guided by regulations related to the King IV code, and the IIRF. A company is obliged to disclose certain information at certain points in time, which does not necessarily serve the company's best interests at these particular times (Schoonraad, 2003, p. 43).

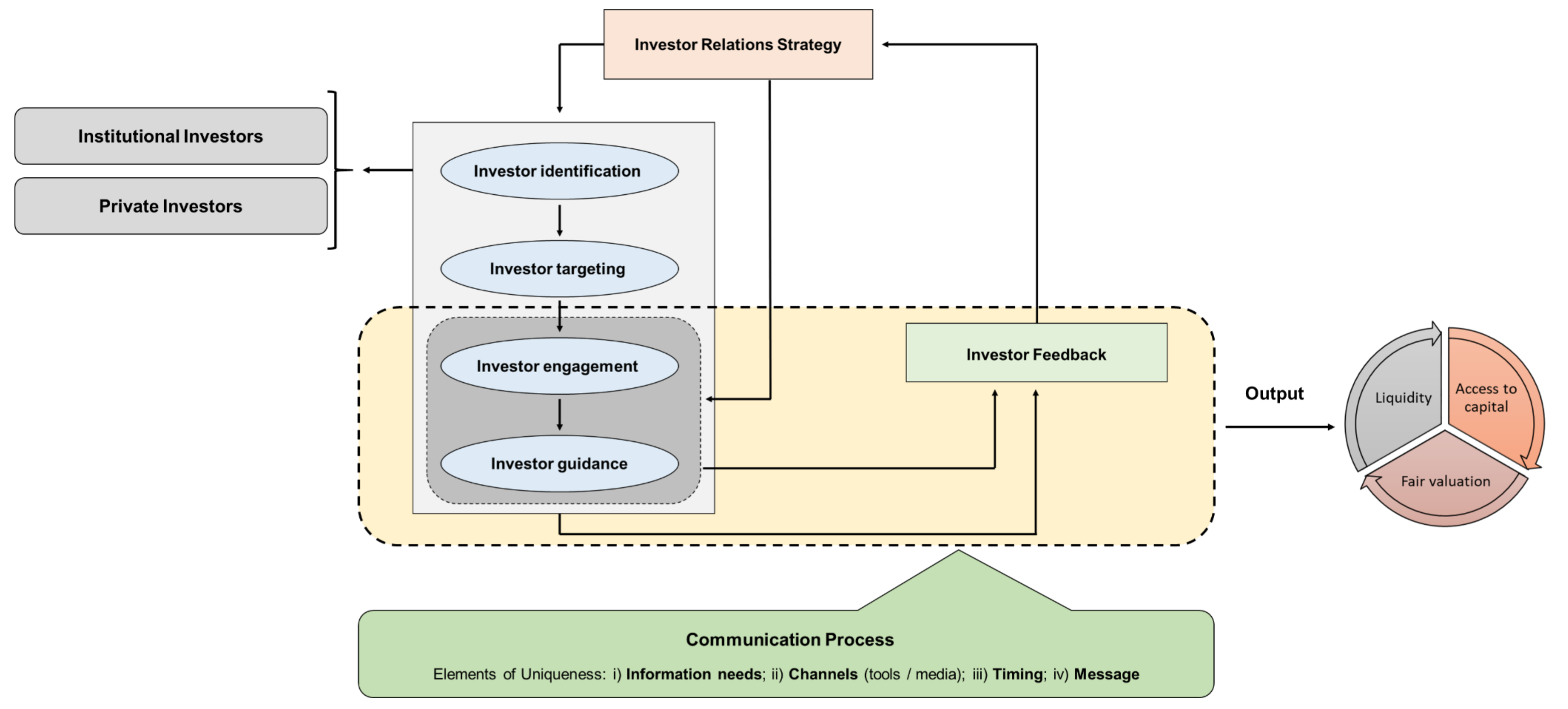
v) The fifth, closely related element of uniqueness, is the message itself. Due to the legal and statutory requirements in the fourth element, companies are obliged to disclose information that might not always be in its best interest at the time, for example the announcement of a significant financial loss (Buchner, 1994, p. 233; Schoonraad, 2003, p. 43).

Grunig and Hunt (1984, pp. 21; 348-349), and Schoonraad (2003, p. 43) make a connection between the abovementioned fifth element of uniqueness (i.e. the message) and the four models of public relations that they have identified, namely; (i) the press agentry model, (ii) the public information model, (iii) the two-way asymmetrical model and, (iv) the two-way symmetrical model. The press agentry model focuses on publicity, rather than truthfulness of message content. Adding to this notion, the nature of communication on the press agentry model is one-way, linking to propaganda (Kelly *et al.*, 2010, p. 191). The public information model, on the other hand, emphasises truthfulness and objectivity, but only favourable information about the organisation is disseminated, thus information is regularly incomplete (Kelly *et al.*, 2010, p. 191). Public relations based on the two-way asymmetrical model uses research to determine which messages are most likely to persuade publics to behave as the organisation wants them to. An asymmetrical worldview underlies each of the three aforementioned models. Only one model, the two-way symmetrical model is based on a symmetrical worldview. Public relations based on this model focuses on dialogue, improving understanding and building relationships with publics (Schoonraad, 2003, p. 44). According to Grunig and Hunt (1984, pp. 348-349), legal and statutory requirements limit IR to the use of the two-way symmetrical model of public relations.

3.10 CONCEPTUALISATION OF LITERATURE

Figure 3.3 below depicts the researcher's conceptualisation of the literature reviewed and its contribution to the research goal of designing an investor focused communication strategy framework based on dialogic theory. The three stages of the roles (i.e. functions) of IR, as well as the accompanying best practices, are used as the base of the conceptualisation; (i) IR strategy formulation, (ii) investor identification and interaction, and (iii) investor feedback. As indicated earlier, the conceptualisations provided at the end of each literature chapter goes on to form the conceptual framework on which the proposed framework is built, therefore the researcher extracted the content deemed relevant to this conceptualisation.

Figure 3.3: Conceptualisation of Literature – Investor Relations



Source: Own Conceptualisation

During the first stage, IR strategy formulation, a strategy that reflects the organisation's overall strategy and goals should be formulated. IR should be conducted strategically; IR activities should both reflect and support the strategy of the organisation.

Stage two, investor identification and interaction, includes four distinct roles; investor identification, investor targeting, investor engagement, and investor guidance. The investor identification and investor targeting roles ensure the widest pool of possible investors. In order to do this effectively, the IR function should have a clear understanding of the organisation's investment proposition and the type of investors that the organisation might find attractive. An organisation must ensure that its appeal is aligned to investor needs.

Two of the components of the investor identification and interaction stage; investor engagement and investor guidance, as well as the third stage, investor feedback, are grouped (classified) as part of the communication process. The IR function acts as a conduit between the organisation and all investors or potential investors. Investor engagement can take place through various different forms of communication including; investor roadshows, investor presentations, integrated reports, financial statements, websites, and SENS announcements. It is expected of the IR function to provide investors with guidance. Organisations should further actively seek feedback from investors, a pragmatic approach to this is to develop a relationship with investors so that issues can be raised by investors as and when these occur.

Further, the inclusion of four of the five elements of uniqueness of IR are proposed to be incorporated in the communication process. The uniqueness element relating to knowledge and skills is considered to be the basis of the other elements of uniqueness, and therefore will not be included as a standalone element. The elements of uniqueness to be included are; (i) information needs, (ii) channel, (iii) timing, and (iv) message;

i) The target audiences of IR have specific information needs, which usually is of little value or interest to other stakeholder groups.
ii) The channels utilised to communicate with, and reach investors are unique; investor roadshows, investor presentations, integrated reports, financial statements, websites, and SENS announcements.

iii) The timing of the communication by an organisation to investors is governed by law (Companies Act, 1973), the listing requirements of the JSE, as well as guided by regulations related to the King IV code, and the IIRF.

iv) Due to the legal and statutory requirements, organisations are obliged to disclose information (communicate a message) that might not always be in its best interest at the time.

This communication process then leads the organisation to its desired outputs which include; (i) access to capital, (ii) fair valuation, and (iii) liquidity.

The researcher's preceding conceptualisation of the literature, as well as the conceptualisation of literature of the literature review chapters to follow, will be combined to form the basis of the proposed investor focused communication strategy framework, which will then be tested during the empirical phase of this study and be expanded and adjusted accordingly.

3.11 SUMMARY

It is evident that IR is currently undergoing a major shift from financial reporting to building and maintaining relationships with shareholders (Laskin, 2009, p. 209). The National Institute of Investor Relations defines IR as follows; "IR is a strategic management responsibility that integrates finance, communication, marketing and legal compliance in order to enable the most effective two-way communication between an organisation, the financial community, and other stakeholders". Schoonraad (2003, p. 8) highlights that it is important to note that the phrase 'exchanging information' is used to emphasise the two-way nature of IR, reiterating the notion that information is not merely provided or disclosed by one party to another. Laskin (2018a, p. 4) further suggests that IR is the strategic communication process that builds mutually beneficial relationships between organisations and their investors. IR improves the availability and quality of information, assisting investors to develop more reliable expectations (Ragas *et al.*, 2014, p. 186). Often, IR is considered a function of managing expectations. Organisations manage the expectations of investors about their past and future performance (Laskin, 2018a, p. 4).

The history and evolution of IR can be separated into two distinct eras; firstly, the pre-professional era, and secondly, the professional era. In addition, the professional era can further be broken down into three eras, namely; (i) the communication era, (ii) the financial era, and (iii) the synergy era. The communication era (i.e. when the IR landscape was dominated by people with communication backgrounds); the financial era (i.e. when the pendulum swung the other way and the field became dominated by professionals with financial and accounting backgrounds) and, finally, the current era, the synergy era (i.e. in which the industry is looking for a balance between the communication and financial fields of expertise) (Laskin, 2018a, p. 57).

The modern IR function is about building and maintaining relationships. IR activities in the synergy era focus on long-term relationship building. IR has become a proactive activity based on two-way symmetrical communication between the corporation and the financial community (Laskin, 2008, p. 81; Laskin, 2018a, p. 76). Two-way communication has become a key strategy in communication between corporations and investors. In the wake of various challenges (corporate scandals, revised regulations and legislation, increased knowledge levels of the investment community, new technology, the global investment marketplace, and overall societal desires for transparency and ethical business operations), the methods of IR are continuing to undergo changes. In order to respond to these challenges, the IR function must combine the expertise of both the finance function and communication (public relations) function to devise two-way symmetrical communication programs in order to facilitate engagement, and potential dialogue, between a corporation and its financial stakeholders with the purpose of enhancing mutual understanding (Laskin, 2008, p. 80; Laskin, 2018a, p. 76; Rensburg & Botha, 2014, p. 144). This requires the organisation to extend the scope of interaction from the mere publication of obligatory annual and interim reports to more frequent and proactive two-way interaction and communication (Laskin, 2018a, p. 76).

Therefore, in summary, the researcher reiterates the following:

i) IR should be conducted strategically, meaning that IR activities should both reflect and support the strategy of the organisation, therefore it is essential that an IR strategy be formulated;
ii) organisations can only communicate effectively with investors if they can reach them directly through transparent identification, and this in turn promotes investor engagement;

iii) investor targeting ensures the widest pool of possible investors, however in order to do this effectively the IR function should have a clear understanding of the organisation's investment proposition and the type of investors that the organisation might find attractive. An organisation must ensure that its appeal is aligned to investor needs;

iv) the IR function acts as a conduit between the organisation and all investors or potential investors. It is important that a relationship between the organisation and investors be established through this conduit;

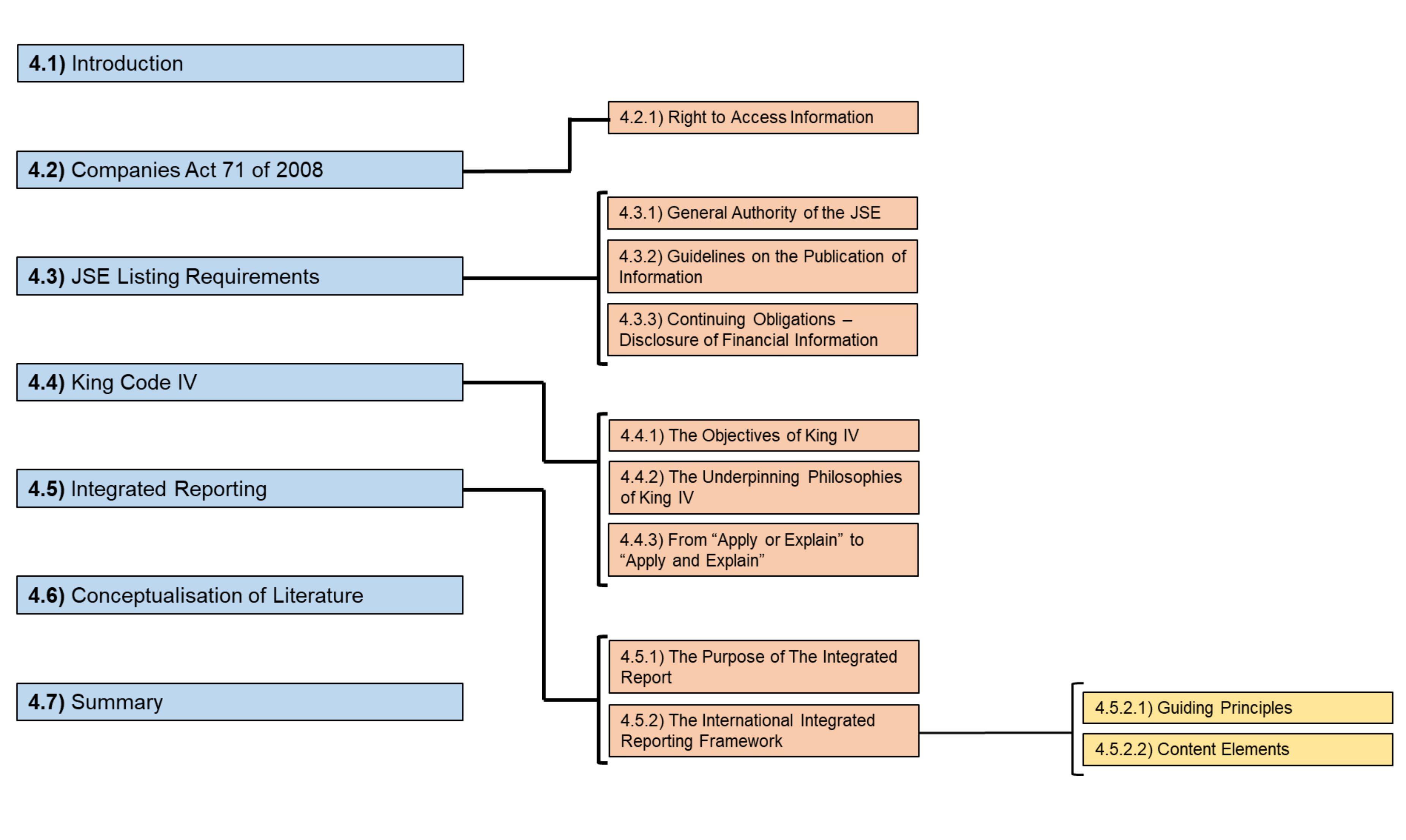
v) investor engagement can take place through various different forms of communication including; investor roadshows, investor presentations, integrated reports, financial statements, websites, and SENS announcements;

vi) it is expected of the IR function to provide investors with guidance. Guidance should be given on metrics that will have an impact on all operational issues. The exact form that the guidance may take will depend on the nature of an individual organisation's business model and established practices; and

vii) organisations should actively seek feedback from investors, a pragmatic approach to this is to develop a relationship with investors, so that issues can be raised by investors as and when these occur.

As is evident, IR is not only a matter of communication and relationship building but also of compliance with legal regulations; the message content, the timing of the message, and channel of dissemination are regulated by various rules and regulations. In order to provide a clearer understanding, the aforementioned rules and regulations governing IR in South Africa will be unpacked in the following chapter.

CHAPTER 4: EVALUATION OF EXISTING REGULATORY MEASURES



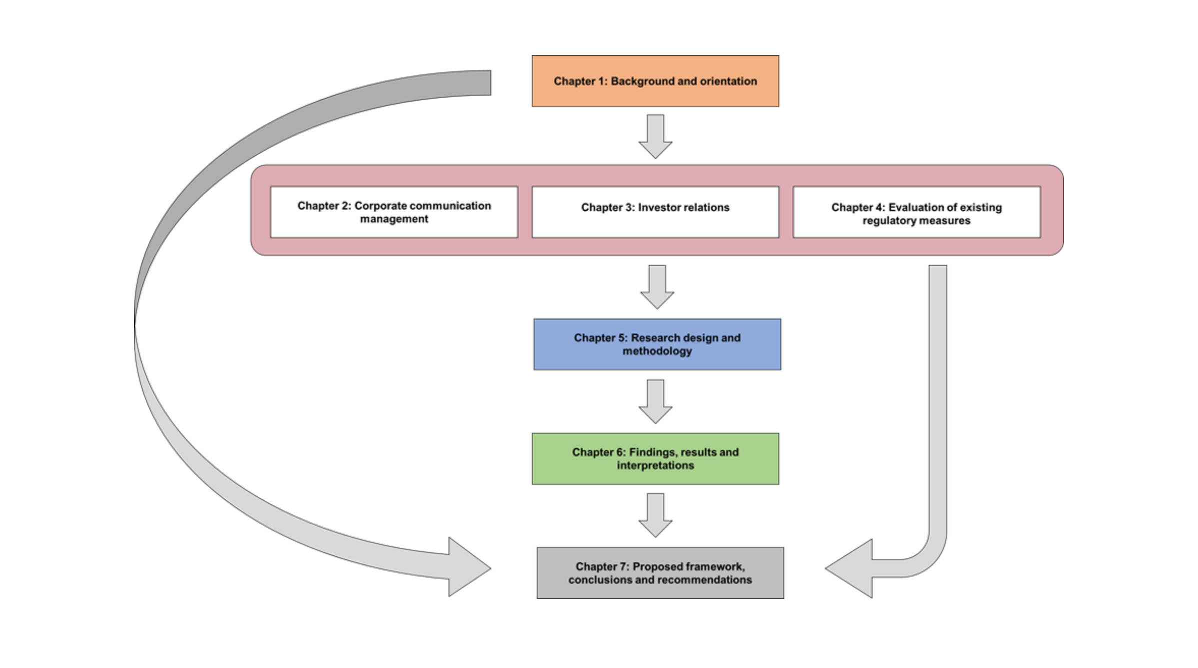
4. EVALUATION OF EXISTING REGULATORY MEASURES

4.1 INTRODUCTION

The demarcation of chapters below, illustrates that Chapters 2, 3, and 4 form the theoretical foundation of this study. Chapter 2, elucidating corporate communication management, established a foundation and provided context for understanding Chapter 3, an investigation into the phenomenon of IR. Chapter 3, clarifying the phenomenon of IR has paved the way for Chapter 4, the evaluation of existing regulatory measures.

The message content, the timing of the message, and channel of dissemination related to communication by organisations to investors are regulated by various rules and regulations. In order to provide a clearer understanding, the rules and regulations governing IR in South Africa will be unpacked and discussed at length in the chapter that follows.

Demarcation of Chapters



An objective of this study is to identify and assess the current IR practices and regulations (i.e. rules of conduct) that publicly listed organisations have to adhere to; this is a crucial backdrop against which the study is conducted.

Traditionally, corporate disclosure obligations attempt to ensure transparency in terms of the financial soundness of a corporation to instil trust in its long-term viability. Accordingly, a significant part of IR can be understood as compliance efforts (Hoffmann *et al.*, 2018, p. 301). Yet, beyond mere compliance, the IR function proactively addresses strategically relevant issues.

IR is especially sensitive to differences in regulatory standards (Hoffmann *et al.*, 2018, p. 301), such as;

i) the target audience of IR has specific information needs, which is usually of little value or interest to other stakeholder groups;
ii) the channels utilised to communicate with, and reach investors are unique (i.e. investor roadshows, investor presentations, integrated reports, financial statements, websites, and SENS announcements);
iii) the timing of the communication by an organisation to investors is governed by law (Companies Act, 1973), the listing requirements of the JSE, as well as guided by regulations related to the King IV code, and the IIRF; and
iv) due to legal requirements, organisations are obliged to disclose information (i.e. communicate a message) that might not always be in its best interest at the time.

The unrestricted access to information regarding an organisation plays a decisive role when it comes to the effectiveness of the investment process. According to the regulatory framework, all participants in the market should have access to the information regarding the general condition of listed companies. Therefore, it is evident that IR is not only a matter of corporate image or an ability to win over potential investors; it is also a matter of compliance with legal regulations and the underlying business principles. Investors' understanding and perception of corporations are formed by consuming the available information and comparing these (Gackowski, 2017, p. 2; Hoffmann & Fieseler, 2012). Nevertheless, by providing the financial community with regular input into the organisation's sense-making efforts, IR, at its core, is engaged in an image-building process (Gackowski, 2017, p. 2).

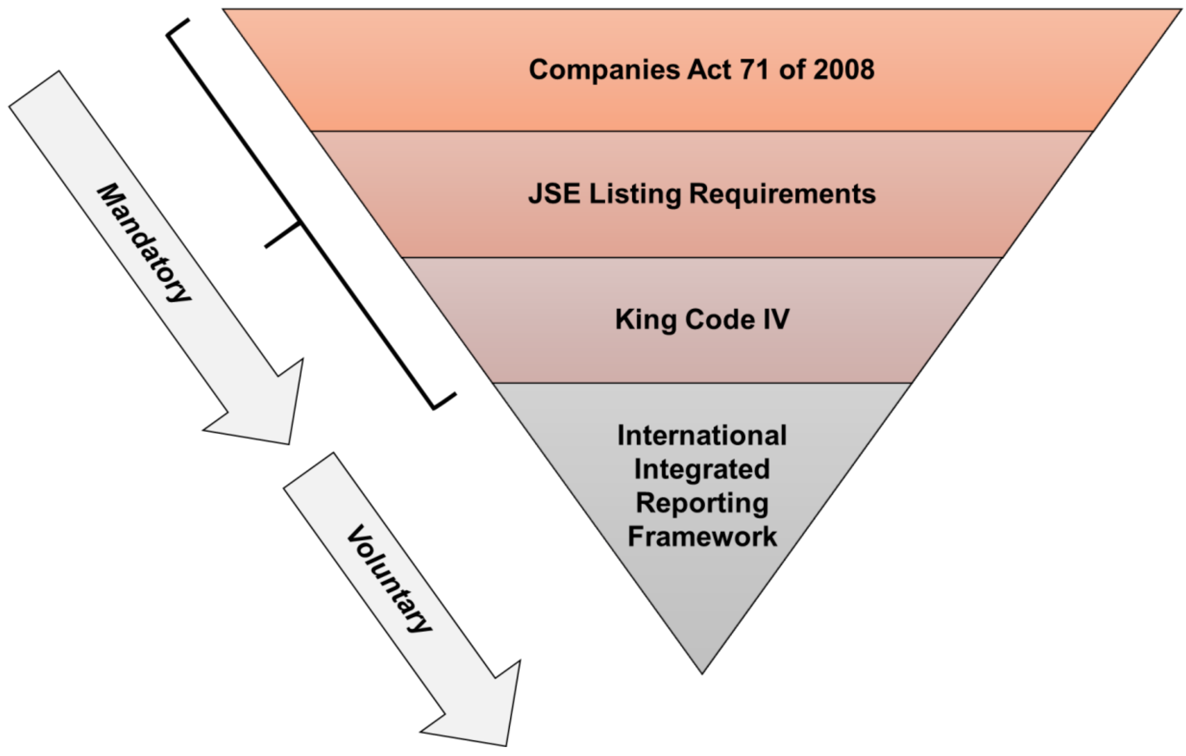
The National Institute of Investor Relations defines IR as a strategic management responsibility that integrates finance, communication, marketing and securities law compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company's securities achieving fair valuation (NIRI, 2020). This definition seems to embrace the key aspects of the activities carried out by the IR function.

It is, however, important to differentiate between the circumstances in which IR function, namely; (i) compulsory (legal) and (ii) optional (self-regulatory). Considering the different circumstances, it is understandable that the scope of activities carried out by IR may differ and involve a varying combination of basic obligatory activities, and optional self-regulating activities.

Basic, minimum obligatory activities mean complying with legal requirements and fulfilling the duty of at least one-way communication with stakeholders. Whereas, optional self-regulating activities concern the bilateral communication between an organisation and its investment community (Gackowski, 2017, p. 4; Hoffmann *et al.*, 2018, p. 298). The obligatory scope of IR activities is defined by the rules put forth in various regulation, in the case of this study the Companies Act 71 of 2008 and the JSE listing requirements. In this instance, the range of flexibility and freedom of a listed company is strictly limited when it comes to communication with investors, and other stakeholders, in terms of content, scope, form, date, and channel utilised. However, these listed companies, pursuant to applicable laws, do not have to respond to signals from the investor community. In accordance with regulations, the transmission of information from a company to its investor community may be one-sided; any possible reactions of investors are simply ignored. One-way communication is usually used by corporations whose actions are not entirely transparent. Listed companies cannot afford such a dismissive attitude towards their investor community. In other words, the obligatory scope of IR activities is not enough in the case of listed companies that depend on ongoing capital raising and, therefore, want to maintain good relations with their shareholders and potential investors (Gackowski, 2017, p. 4; Hoffmann *et al.*, 2018, p. 298). The importance of IR increased explicitly during the financial crisis of the early 21st century; public companies suddenly had to face stricter rules, new disclosure obligations were imposed and, perhaps above all, tightened sanctions for the improper fulfilment of these obligations were introduced (Gackowski, 2017, p. 7).

The broad regulatory environment within which JSE listed companies function is considered to consist of the following regulatory measures; (i) the Companies Acts 71 of 2008, (ii) the JSE listing requirements, (iii) the King IV code, and (iv) the IIRC's IIRF. It is important to note that a thorough in-depth investigation into these regulatory measures; (i) the Companies Act, (ii) the JSE listing requirements, (iii) King Code IV, and (iv) the IIRC's IIRF, does not fall within the scope of this study. In the following section, the researcher highlights the parts of each of these that are deemed applicable to, and important for the focus of this study. Figure 4.1 below illustrates these aforementioned components of the broad regulatory environment.

Figure 4.1: Regulatory Environment



Source: Own Conceptualisation

4.2 COMPANIES ACT 71 OF 2008

The Companies Act 71 of 2008 replaced the Companies Act 61 of 1973 in its entirety on 1 May 2011 (SAICA, 2020, p. 17). As such, it has had a significant impact on all aspects of conducting business in South Africa. The implementation of this Act presents both challenges for and opportunities to companies.

If there is a conflict between the Act and the provisions of the listing requirements of an exchange (i.e. including the JSE Rules): (i) the provisions of both the Act and the listing requirements shall apply concurrently, to the extent that it is possible to apply and comply with one of the inconsistent provisions without contravening the second and; (ii) to the extent that it is impossible to apply and comply with one of the inconsistent provisions without contravening the second, the provisions of the Act shall prevail, except to the extent that the Act expressly provides otherwise (SAICA, 2020, p. 22).

4.2.1 Right to Access Information

According to sections 26, 31, 56, and 187 (5), a person who holds or has a beneficial interest in any securities (shares) issued by a profit (listed) company or who is a member of a non-profit company, has enhanced rights to access information (SAICA, 2020, p. 69).

Section 26 deals comprehensively with access to information by a person who holds or has a beneficial interest in any securities issued by the company and contemplates a process in terms of which the relevant person can demand access (i.e. access is not automatic). Security holders (investors) have a right to access, inter alia, the following (SAICA, 2020, p. 69);

i) the Memorandum of Incorporation (and any amendments to it);
ii) any rules of the company;
iii) records of the company’s directors;
iv) reports to annual meetings;
v) annual financial statements;
vi) notices and minutes of shareholders’ meetings (including resolutions and documents presented in relation to those resolutions);

vii) written communications sent generally by the company to all holders of any class of the company's securities; and,

viii)the securities register.

However, security holders (investors) do not, in terms of section 26, have an automatic right to access the company's accounting records, minutes of directors' meetings or board committee meetings (SAICA, 2020, p. 69).

4.3 JSE LISTING REQUIREMENTS

One of the integral functions of the JSE is to provide facilities for the listing of securities (shares), to provide its users with an orderly marketplace for trading in such securities, and to regulate the market accordingly. The JSE listing requirements apply to, among others, companies seeking a listing for the first time as well as presently listed companies. For the purpose of this study, only presently listed companies will be considered. The listing requirements contain the rules and procedures governing new applications, all corporate actions and continuing obligations applicable to issuers. These requirements are furthermore aimed at ensuring that the activities of the JSE are carried out with due regard to the public interest (Johannesburg Stock Exchange, 2019, p. 2). The JSE listing requirements contain specific rules and procedures governing all communication between a listed company and its investors, this is essential to ensure that all investors have simultaneous access to the same information. Failure by a company to comply may result in the JSE taking steps (Johannesburg Stock Exchange, 2019, p. 24).

It is both unrealistic and undesirable for the JSE's requirements and procedures to attempt to govern all circumstances that may arise in commercial practice. Accordingly, the listing requirements fall into the following two categories; (i) the general principles which must be observed in all corporate actions and also in all submissions pertaining to securities listed and to be listed; and (ii) the main body of the listing requirements which consists of the sections, schedules and practice notes. The main body is derived from the application and interpretation of the general principles by the JSE. Furthermore, the general principles and the main body may be applied by the JSE in areas or circumstances not expressly covered in the listing requirements. Accordingly, users of the listing requirements must always observe the essence as well as the precise wording of the general principles and main body. If there is any doubt as to the interpretation or application of the listing requirements, users must consult the JSE.

The JSE listing requirements general principles are as follows:

i) to ensure the existence of a market for the raising of primary capital, an efficient mechanism for the trading of securities in the secondary market, and to protect investors;
ii) to ensure that securities will be admitted only if the JSE is satisfied that it is appropriate for those securities to be listed;
iii) to ensure that full, equal and timeous public disclosure is made to all holders of securities and the general public at large regarding the activities of an issuer that are price sensitive;
iv) to ensure that holders of relevant securities are given full information and are afforded adequate opportunity to consider in advance and vote upon any of the following, (a) substantial changes in an issuer's business operations and (b) other matters affecting a listed company's constitution or the rights of holders of securities;
v) to ensure that all parties involved in the dissemination of information into the marketplace, whether directly to holders of relevant securities or to the public, observe the highest standards of care in doing so;
vi) to ensure that all holders of the same class of securities of an issuer are accorded fair and equal treatment in respect of their securities; and
vii) to ensure that the listing requirements, and in particular the continuing obligations, promote investor confidence in standards of disclosure and corporate governance in the conduct of applicant issuers' affairs and in the market as a whole.

4.3.1 General Authority of the JSE

The JSE is the holder of an exchange licence in terms of the provisions of the Financial Markets Act (Act No. 19 of 2012). As mentioned above, a company wishing to have its securities dealt on the JSE must apply for a listing and must be in compliance with the requirements of the JSE before being granted such listing.

Subject to the provisions of the Financial Markets Act (Act No. 19 of 2012), the JSE has the power to (Johannesburg Stock Exchange, 2019, p. 20);

i) grant, defer, refuse, suspend or remove a listing of securities in accordance with the listing requirements;
ii) prescribe, from time to time, the listing requirements with which a new applicant must comply before securities issued by such new applicant are granted a listing;
iii) prescribe, from time to time, the listing requirements with which applicant issuers must comply;
iv) prescribe, from time to time, the listing requirements with which an applicant issuer's directors, officers and agents must comply while securities issued by such applicant issuer remain listed;
v) alter or rescind a listings requirement prescribed before or after a listing has been granted and to prescribe additional listing requirements from time to time;
vi) prescribe the circumstances under which a listing of securities shall or may be suspended or removed; and
vii) prescribe, from time to time, the listing requirements with which sponsors, designated advisers, auditors, IFRS advisers, reporting accountants, reporting accountant specialists and depositories must comply.

4.3.2 Guidelines on the Publication of Information

The JSE listing requirements is an extensive document, consisting of 22 sections. However, a thorough analysis of all the JSE listing requirements does not fall in the scope of this study; the researcher has worked through the listing requirements and extracted the parts deemed applicable to this study.

As mentioned earlier, the JSE listing requirements contain specific rules and procedures governing all communication between a listed company and its investors. This is essential to ensure that all investors have simultaneous access to the same information. Failure by a company to comply may result in the JSE taking steps (Johannesburg Stock Exchange, 2019, p. 24).

International best practice in corporate disclosure is reflected as a key principle of the JSE listing requirements; which is to ensure that full, equal and timeous public disclosure is made to all holders of securities and the general public regarding any price sensitive activities of an issuer. An issuer must ensure that all holders of any class of its securities receive fair and equal treatment. An issuer must ensure that all the necessary facilities and information are available to enable holders of securities to exercise their rights. It must, in particular; (a) inform holders of securities of meetings that they are entitled to attend, (b) enable them to exercise their right to vote, where applicable, and (c) release announcements and distribute circulars in terms of the listing requirements. The JSE's Stock Exchange News Service (SENS) was established to ensure that relevant company information could be disseminated to the market on a real time basis (Johannesburg Stock Exchange, 2019, p. 47).

The following table provides a summary of the requirements for publication of information relating to listed companies:

Table 4.1: Guidelines on the Publication of Information for JSE Listed Companies

Information	***Electronic Submission to the JSE***	***Distributed to Shareholders***	***Publish in Press*** *Note 4*	***Publish Through SENS***
Trading Updates	Yes	No	No	Yes *Note 9*
Dividend Announcement	Yes	No	No	Yes
Interim Reports	Yes	No *Note 7*	Yes *Note 6*	Yes *Note 6*
Quarterly Reports	Yes *Note 2*	No *Note 2*	No	Yes
Provisional Annual Financial Statements (Provisional Reports)	Yes	No *Note 7*	Yes *Note 5*	Yes *Note 6*
Annual Financial Statement	Yes	Yes *Note 7*	No	No

Table 4.1: Guidelines on the Publication of Information for JSE Listed Companies

Information	***Electronic Submission to the JSE***	***Distributed to Shareholders***	***Publish in Press*** *Note 4*	***Publish Through SENS***
Notices Regarding Annual General Meetings	Yes	Yes	No	Yes *Note 8*
Abridged Annual Financial Statements (Abridged Report)	Yes	No	No	Yes *Note 1* *Note 6*
Preliminary Annual Financial Information (Preliminary Report)	Yes *Note 2*	No *Note 2*	No	Yes *Note 6*
All Announcements	Yes	No	Yes *Note 5*	Yes
Circulars	Yes	Yes	No	No
Pre-listing Statements and Prospectuses	Yes	Yes	Yes *Note 1* *Note 5*	Yes *Note 1*
Change of Auditors	Yes	No	No	Yes
Change to the Board of Directors	Yes	No	No	Yes
Directors Dealings in Securities	Yes	No	No	Yes
Voluntary Price Sensitive Announcements	Yes	No	No	Yes

Table 4.1: Guidelines on the Publication of Information for JSE Listed Companies				
Information	***Electronic Submission to the JSE***	***Distributed to Shareholders***	***Publish in Press*** *Note 4*	***Publish Through SENS***
Source: Johannesburg Stock Exchange (2019, pp. 182-184)				

Notes:

1) Alternatively, an abridged version of the pre-listing statement or prospectus can be published through SENS and in the press.
2) If an applicant issuer elects to distribute the report to shareholders then, once so distributed, a copy thereof must be submitted electronically and directly to the information database maintained by the Issuer Regulation Division for publication on the JSE website.
3) If an applicant issuer makes a voluntary publication in the press, there is no minimum information required but the applicant issuer must ensure that the information is not misleading.
4) Announcements requiring publication in the press must be published in a widely circulated daily newspaper considering the specific composition and demographics of the issuer's stakeholders, in the reasonable opinion of the issuer, in any one official language. Announcements may be made available on the issuer's website only after the announcement has been released through SENS.
5) Announcements requiring publication in the press may be short-form announcements published in accordance with the following;
    a) In a prominent position at the top of the short-form announcement, all such headlines as may be appropriate as to the nature of the matter;
    b) The short-form announcement is the responsibility of the directors;
    c) Contain a warning statement that; (i) the short-form announcement is only a summary of the information in the full announcement and does not contain full or complete details; and (ii) any investment decisions by investors should be based on consideration of the full announcement published on SENS and the issuer's website as a whole;
    d) The short-form announcement must not be misleading or inaccurate;

e) Contain a statement that; (i) the full announcement has been released on SENS and is available for viewing on the issuer's website and (ii) the full announcement is available for inspection at the registered office of the issuer or (iii) copies of the full announcement may be requested including full details on how such request can be made.

f) A short-form announcement dealing with interim reports and provisional annual financial statements must in addition to the above include the following; (i) increases or decreases in revenue or operating profit compared to the financial results for the previous corresponding period, (ii) increases or decreases in headline earnings per share compared to the financial results for the previous corresponding period, (iii) increases or decreases in earnings per share compared to the financial results for the previous corresponding period, (iv) increases or decreases in the dividend or distribution compared to the financial results for the previous corresponding period, and (v) increases or decreases in net asset value compared to the financial results for the previous corresponding period.

6) The information required pursuant to IAS 34 (the International Accounting Standard regarding Interim Financial Reporting), does not need to be published through SENS, provided the full results are available on the issuer's website, at the issuer's registered offices and upon request. The SENS announcement must include the following statements in addition to the required disclosures for interim, preliminary, provisional and abridged reports; (i) "This announcement does not include the information required pursuant to IAS 34. The full (interim, preliminary, provisional or abridged) report is available on the issuer's website, at the issuer's registered offices and upon request"; and when a review or audit has been performed on the full (interim, preliminary, provisional, abridged or annual financial) report or statements (ii) "This announcement is itself not reviewed or audited but is extracted from the underlying (reviewed/audited) information". An in-depth explanation of the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRIS) does not fall in the scope of this study, mention is made of these for the sake of comprehensiveness.

7) Interim and provisional reports, and annual financial statements, must be made available on the issuer's website. Interim reports shall be published after the expiration of the first six-month period of a financial year, by no later than three

months after that date. In the case of issuers that report to shareholders on a quarterly basis, the quarterly reports shall be published as soon as possible after the expiration of each quarter. If an issuer has not distributed annual financial statements to all shareholders within three months of its financial year-end, it must publish provisional annual financial statements ("provisional reports") within the three months as specified, even if the financial information is unaudited at that time. Every issuer shall, within four months after the end of each financial year and at least fifteen business days before the date of the annual general meeting, distribute to all holders of securities and submit to the JSE. Where annual financial statements have not been distributed to holders of securities within three months of its financial year-end, the issuer must publish a provisional report as detailed above.

8) An issuer's annual financial statements must be distributed to the issuer's holders of securities and a copy thereof must be submitted electronically and directly to the information database for publication on the JSE website. At the same time, an abridged version of such annual financial statements, must be published on SENS.

9) An issuer must release an announcement on SENS with details concerning the date, time and venue of its annual general meeting within 24 hours after the notices of the annual general meeting have been distributed to shareholders.

10) All issuers, other than those who publish quarterly results, must comply with the following detailed requirements; issuers with a policy of publishing quarterly results may also elect to comply on a voluntary basis but must instead include a general commentary in each quarterly results announcement to ensure that shareholders are guided on the expected performance of the issuer for the next quarter. (i) Issuers must publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon next will differ by at least 20% (or 15% if applicable – not applicable in this study) from the most recent of the following: (1) the financial results for the previous corresponding period; or (2) a profit forecast previously provided to the market in relation to such period. Issuers may publish a trading statement if the differences are less than 20%, but which are viewed by the issuer as being important enough to be made the subject of a trading statement.

4.3.3 Continuing Obligations – Disclosure of Financial Information

The following provisions apply in respect of price sensitive information (with the exception of trading statements); an issuer must, without delay, unless the information is kept confidential for a limited period of time, release an announcement (on SENS) providing details relating, directly or indirectly, to such issuer that constitutes price sensitive information (Johannesburg Stock Exchange, 2019, p. 36).

Issuers that deem it necessary to provide information, prior to releasing the same on SENS must ensure that in doing so they do not commit an offence in terms of the Financial Management Association, in particular regarding insider trading; an insider who knows that he or she has inside information and who discloses the inside information to another person commits an offence (Johannesburg Stock Exchange, 2019, p. 37).

Issuers that elect to provide information in accordance with the above and become aware that the necessary degree of confidentiality of such information cannot be maintained or if the issuer suspects that confidentiality has or may have been breached, the issuer must immediately: (i) inform the JSE; and (ii) ensure that such information is announced accordingly (Johannesburg Stock Exchange, 2019, p. 38). Additionally, immediately after an issuer knows of any price sensitive information and the necessary degree of confidentiality of such information cannot be maintained or if the issuer suspects that confidentiality has or may have been breached, an issuer must publish a cautionary announcement (Johannesburg Stock Exchange, 2019, p. 38). Cautionary announcements must contain disclosure of all available details regarding the information that is the subject of the cautionary announcement and contain a warning to shareholders that they are advised to exercise caution when dealing in their securities, until full details regarding such information has been announced. After an issuer has issued a cautionary announcement, it must issue a progress report by way of a further cautionary announcement at least every 30 business days thereafter, unless the JSE allows otherwise, until full details on the subject of the cautionary announcement have been announced. Such announcement must contain all available details on the matter. Where a company decides to withdraw a cautionary announcement, it must make an announcement to this effect (Johannesburg Stock Exchange, 2019, p. 178).

4.4 KING CODE IV

Previously, the compliance with principles of King III was included in the JSE listing requirements as mandatory on a "comply or explain" basis. However, with the dawn of King IV, the compliance with principles of King IV have been included in the JSE listing requirements as mandatory on a "comply and explain" basis. Subsequently, South African organisations follow the overarching corporate governance principles and recommended practices of King IV (Roberts, 2017; SAICA, 2017, p. 22).

Since the publication of the first King report, in 1994, South Africa has maintained a proud tradition of corporate governance. Corporate governance refers to the collection of mechanisms, processes, and relations by which an organisation is operated and controlled, ensuring that transparency within an organisation is maintained. King IV is the fourth iteration of this report and sets out the philosophy, principles, practices and outcomes which serve as the benchmark for corporate governance in South Africa (IoDSA, 2016, p. 20; SAICA, 2017, p. 20).

For the purpose of King IV, and subsequently this study, corporate governance is defined as the exercise of ethical and effective leadership by the governing body (the board of directors of a company) towards the achievement of the following governance outcomes; i) ethical culture, ii) good performance, iii) effective control, and iv) legitimacy (SAICA, 2017, p. 20).

The 21^{st} century has been characterised by fundamental changes in both business and society. These fundamental changes provided the context within which King IV was drafted and have influenced both the content and approach (IoDSA, 2016, p. 3)

Financial instability is one of the driving forces behind these changes. Financial crises arising from amongst others the capital crisis in the United States of America (USA) and the European Union (EU) sovereign fund crisis, are yet to be resolved. Brexit created further uncertainty for financial systems. Additionally, ubiquitous social media platforms are creating a business environment characterised by radical transparency; corporations can no longer conceal their actions. Technological advances, including the emergence of the Internet, are generating vast amounts of data. More significantly, however, is the advanced analytics converting this data to provide deep insight into the behaviour of both humans and organisations (SAICA, 2017, p. 3).

In current times, there are greater expectations placed on organisations from stakeholders than ever before. Stakeholder activism, and in particular shareholder activism, have shaken corporations over the last few years. The Millennial Generation (those individuals born between 1981 and 1995) is now the foremost numerous age cohort. The concerns of the Millennials are setting the global agenda. Millennials have shown to be concerned about the global environmental crunch more than the global financial crises. Consequently, they are attracted to corporations who integrate the six capitals into their business models (IoDSA, 2016, pp. 3-4; SAICA, 2017, p. 3). These six capitals, as set out in the IIRC's IIRF, discussed in the next section, are (i) financial, (ii) manufactured, (iii) human, (iv) intellectual, (v) natural, and (vi) social and relationship capital (IIRC, 2013, p. 4; SAICA, 2017, p. 3). In a similar vein, it is now generally accepted that organisations operate in the triple context of the economy, society and the environment. How organisations make their money has an impact upon these three elements and, in turn, these three elements have an impact on organisations (IoDSA, 2016, p. 4; SAICA, 2017, p. 4).

Considering the context arising as a result of all the above, governing bodies (board of directors) have the challenge of steering their organisations to create value in a sustainable manner. Essentially demanding of organisations to make more but with less, in order to meet the needs of a growing population amidst the reality of dwindling natural resources. Consequently, the duty of care has become both more complex and more necessary. No governing body today can claim ignorance regarding the changing world in which it is directing an organisation (SAICA, 2017, p. 4). Failure to consider the impact of an organisation's business model on society at large, could lead to a significant decrease in the organisation's value.

Milton Friedman's notion of shareholder primacy, discussed earlier in the section relating to stakeholder theory, asserts that the social responsibility of an organisation is to increase its profits and adhere to the best interests of those who entrust their investments to the organisation; the investors must now be interpreted in light of the modern view that an organisation is a part of society in its own right (Duhè, 2018, p. 61; SAICA, 2017, p. 4). An organisation can no longer be seen to exist in its narrow universe (or society) of stakeholders and the resources needed to create value. Organisations operate in and form part of general society. Considering this view, the licensor of an organisation (granting the organisation its proverbial license to operate) does not simply include certain defined stakeholders, such as investors, in the value chain but instead society as a whole.

The foundational concepts of King IV include; (i) ethical leadership, (ii) the organisation in society, (iii) corporate citizenship, (iv) sustainable development, (v) stakeholder inclusivity, (vi) integrated thinking, (vii) and integrated reporting. Stakeholder inclusivity, integrated thinking, and integrated reporting being the most relevant for consideration in this study. These concepts are relevant to the paradigm shifts in the modern corporate world, most of which, the shift from siloed reporting to integrated reporting. Organisations are operating in an era of radical transparency, prompting a rethink of corporate reporting, this is evident in amongst others the listing requirements of several stock exchanges, including the JSE (IoDSA, 2016, p. 4; SAICA, 2017, p. 5)

The traditional financial reporting system was considered revolutionary when it was first instituted. Since being instituted, this reporting system has had to respond to market regulators, standard boards, ever more complex legislation, and the regulation of accounting and corporate reporting. It has become widely accepted that, while components such as compliant and audited financial statements are critical, these in isolation are insufficient in discharging the duty of accountability. It is contended that a modern organisation's reporting should be integrated, founded on integrated thinking, reflecting the interconnectedness between the organisation, the six capitals it uses, and the triple context in which it operates (IoDSA, 2016, p. 6; SAICA, 2017, p. 5).

The paradigm shifts in the modern corporate world, mentioned above, have further resulted in the need for organisations to reconsider the way they view stakeholder management. To be cognisant of and understand the legitimate needs, interests, and expectations of the organisation's major stakeholders, the organisation needs an ongoing relationship with these stakeholders. Understanding stakeholders' expectations will greatly assist the organisation to develop an improved strategy (SAICA, 2017, pp. 4-6).

4.4.1 The Objectives of King IV

According to the South African Institute of Chartered Accountants (SAICA) (IoDSA, 2016, p. 22; SAICA, 2017, p. 22), the main objectives of King IV are considered to be;

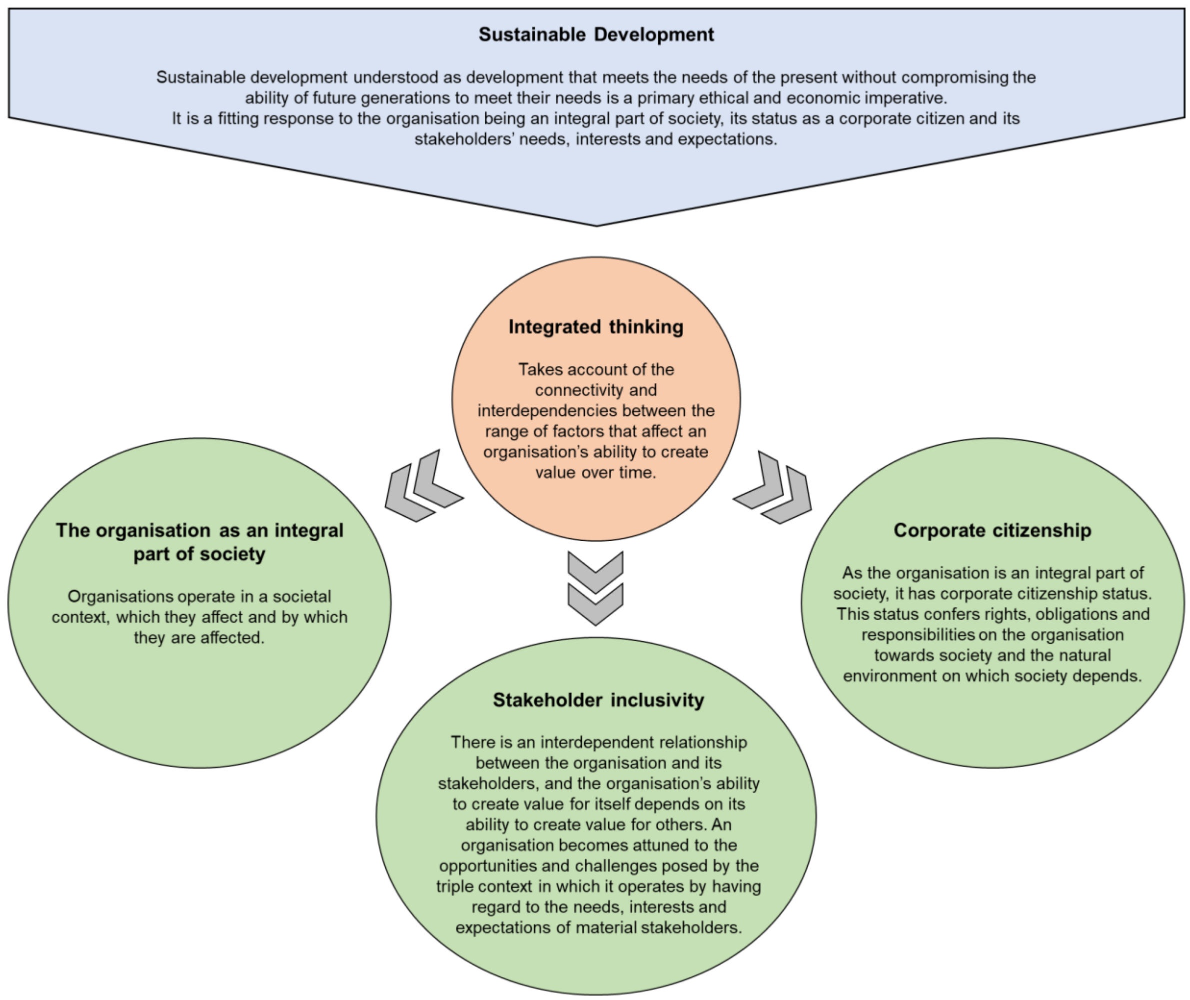
i) promoting corporate governance as integral to the functioning of an organisation, and delivering governance outcomes such as an ethical culture, good performance, effective control, and legitimacy;
ii) broadening the acceptance of the King IV by making it accessible and fit for implementation across a variety of sectors and organisational types;
iii) reinforcing corporate governance as a holistic and interrelated set of arrangements to be understood and implemented in an integrated manner;
iv) encouraging transparent and meaningful reporting to stakeholders (most aligned with the focus of this study); and
v) presenting corporate governance as concerned with not only structure and process, but also with an ethical consciousness and conduct.

The objective referring to the encouragement of transparent and meaningful reporting to stakeholder, is most aligned to the focus of this study.

4.4.2 The Underpinning Philosophies of King IV

Although King IV does not represent a significant departure from the philosophical underpinnings of King III, concepts have developed and been refined. The concepts used in King IV are depicted in Figure 4.2.

Figure 4.2: The Underpinning Philosophies of King IV



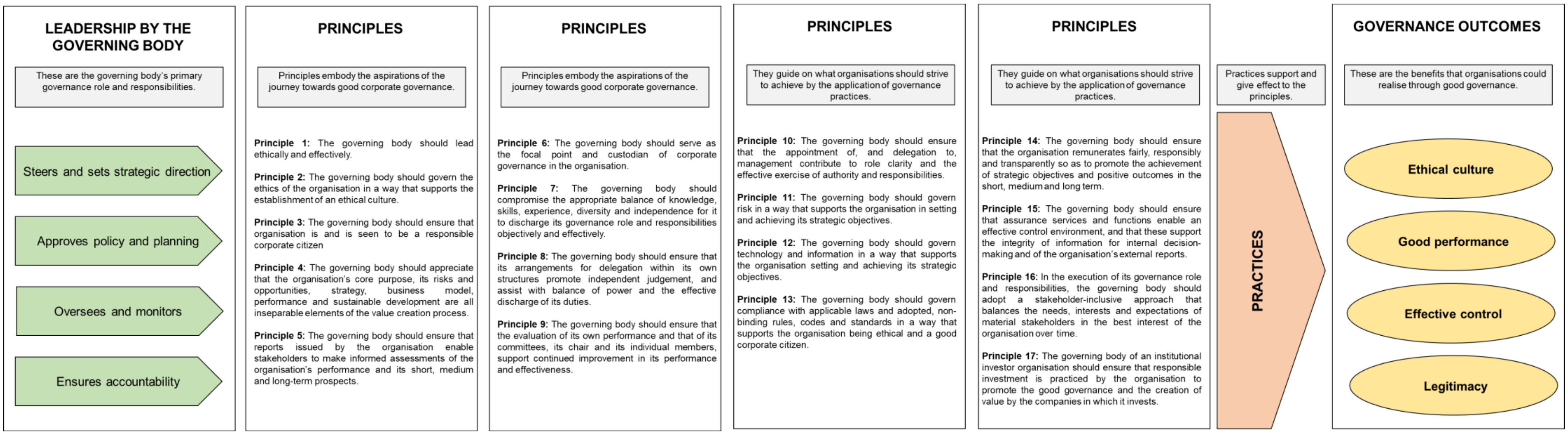
Source: SAICA (2017, p. 23)

4.4.3 From "Apply or Explain" to "Apply and Explain"

King IV has moved from an "apply or explain" approach to an "apply and explain" approach but has, in turn, reduced the 75 principles in King III to 17 basic principles in King IV, one of which applies to institutional investors only. Sixteen (16) of these principles can be applied by any organisation and all are required to substantiate a claim that good governance is being practiced (IoDSA, 2016, p. 7; SAICA, 2017, p. 7). The required explanation allows stakeholders to make an informed decision as to whether or not the organisation is achieving the four good governance outcomes required by King IV. Explanation further also encourage organisations to see corporate governance not only as an act of mindless compliance but something that will yield results only if it is approached mindfully, with due consideration of the organisation's circumstances (IoDSA, 2016, p. 7).

Figure 4.3 below is a summarised overview of King IV.

Figure 4.3: Overview of King IV



Source: SAICA (2017, p. 41)

4.5 INTEGRATED REPORTING

As mentioned in the section above, integrated reporting is a foundational concept of King IV. It is stated in section 5.2 of King IV, that an organisation must release an integrated report at least annually. However, it is not explicitly stated that this integrated report must follow the form as prescribed by the IIRC's IIRF. The IIRF, as per the IIRC, although being endorsed as a good practice on how to prepare an integrated report, is not a mandatory requirement.

Few countries around the world can claim that integrated reporting is common among domestic companies, South Africa being an exception. The emergence of integrated reporting as the dominant form of corporate reporting in South Africa has produced significant benefits for the companies that have adopted it. One of the main benefits is the improvement in internal integration and management (Roberts, 2017). Quite simply, an integrated report can be seen as a narrative document, in contrast to numerical financial statements, that explains how an organisation's current operations may affect its long-term profits; it is not intended to replace an organisation's financial statements, although it typically does replace the annual report. The IIRC defines integrated reporting as follows; "a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long-term" (IIRC, 2013, p. 7).

For seven consecutive years, from 2009/2010 to 2016/2017, South Africa was ranked first in the world in auditing and reporting standards in the World Economic Forum's Global Competitiveness Report (World Economic Forum, 2016, p. 324). This is a testament to South Africa's focus on corporate reporting. However, recent corporate missteps and scandals have resulted in South Africa's ranking dropping quite significantly over the last three years, to forty-ninth (49^{th}) in auditing and reporting standards in the 2019 Global Competitiveness Report (World Economic Forum, 2019, pp. 519-521). Nonetheless, South Africa is still considered as a global frontrunners when it comes to integrated reporting.

Integrated reporting became prevalent in South Africa with the dawn of the King III Code of Governance in 2009. Principle 2.2 of King III states that "the board should appreciate that strategy, risk, performance, and sustainability are inseparable", and further recommends that companies prepare an integrated report to reflect this (IoDSA, 2009, p. 29). The principles of King III were included in the JSE listing requirements, and listed companies were thus required to prepare an integrated report or explain why they were not doing so (Roberts, 2017). King III, however, did not elaborate on the content or structure of this integrated report, this led to the founding of the Integrated Reporting Committee (IRC) of South Africa; a multiorganisational body with the focus on corporate reporting. In 2011, the IRC developed a framework for an integrated report, which was later used as a starting point for the development of the IIRC's IIRF, which was released in December 2013 (Roberts, 2017).

Companies listed on the JSE released their first integrated reports in 2010/2011. Today, it is a common practice that has spread to both the public and non-profit sectors. Currently, South African organisations follow the best practice guidance of the framework under the overarching corporate governance principles and recommended practices of King IV (Roberts, 2017; SAICA, 2017, p. 22). Compliance with King IV is mandatory for all JSE listed companies.

The IIRC is a global coalition sharing the view that communication about value creation should be the next step in the evolution of corporate reporting. The IIRF, mentioned above, has been developed to meet this need and provide a foundation for the future (IIRC, 2013, p. 1). Integrated reporting encourages a more cohesive and efficient approach to corporate reporting, aiming to improve the quality of information available to providers of financial capital, including investors, to enable a more effective allocation of capital (IIRC, 2013, p. 4).

4.5.1 The Purpose of the Integrated Report

The primary purpose of an integrated report is to explain to providers of financial capital, including investors, how an organisation creates value over time, by providing insight about the resources and relationships used and affected by an organisation. However, an integrated report benefits all stakeholders interested in an organisation's ability to create value over time (IIRC, 2013, p. 7). The IIRF takes a principles-based approach. The intent is to strike an appropriate balance between flexibility and prescription that recognises the wide variation in individual circumstances of different organisations while enabling a sufficient degree of comparability across organisations to meet relevant information needs (IIRC, 2013, p. 4).

An integrated report should be a designated, identifiable communication, it is intended to be more than a summary of information in other communications (i.e. financial statements, sustainability reports, analyst calls, or websites). Rather, it makes explicit the connectivity of information to communicate how value is created over time (IIRC, 2013, p. 4; Roberts, 2017). Furthermore, an integrated report may be prepared in response to existing compliance requirements. For example, an organisation may be required to prepare a report that provides context for its financial statements. If this report is prepared in accordance with the IIRF it can be considered an integrated report. If the report is required to include specified information beyond that required by the Framework, the report can still be considered an integrated report if that other information does not obscure the concise information required by the IIRF (IIRC, 2013, pp. 7-8).

An integrated report can either be a standalone report or be included as a distinguishable, prominent and accessible part of another report or communication. Additionally, an integrated report can provide an “entry point” to more detailed information outside the designated communication, to which it may be linked (IIRC, 2013, p. 8).

4.5.2 The International Integrated Reporting Framework

The purpose of the IIRF is to establish guiding principles and content elements that govern the overall content of an integrated report, and to explain the fundamental concepts that underpin them (IIRC, 2013, p. 4). The IIRF; (i) identifies information to be included in an integrated report for use in assessing the organisation’s ability to create value, it does not set benchmarks for such things as the quality of an organisation’s strategy or the level of its performance. Further it is, (ii) written primarily in the context of the private sector, for-profit companies of any size, but it can also be applied, adapted as necessary, by public sector and non-profit organisations (IIRC, 2013, p. 4).

4.5.2.1 Guiding principles

The following guiding principles underpin the preparation of an integrated report, informing the content of the report and how information is presented (IIRC, 2013, pp. 17-21):

i) Strategic focus and future orientation; an integrated report should provide insight into the organisation's strategy, as well as how it relates to the organisation's ability to create value in the short, medium and long term;
ii) Connectivity of information; an integrated report should present a holistic picture of the interrelatedness and dependencies between the factors that affect the organisation's ability to create value over time, this recognises that all communications from an organisation need to be consistent and that the information the organisation provides is not considered in isolation but combined with information from other sources when making assessments;
iii) Stakeholder relationships; an integrated report should provide insight into the nature and quality of the organisation's relationships with its key stakeholders, including how and to what extent the organisation understands, considers, and responds to the legitimate needs and interests of these stakeholders. This guiding principle reflects the importance of relationships with key stakeholders because, value is not created by or within an organisation alone, but through relationships with others. An integrated report enhances transparency and accountability, which are essential in building trust and resilience;
iv) Materiality; an integrated report should disclose information about matters that fundamentally affect the organisation's ability to create value over the short, medium and long-term;
v) Conciseness; an integrated report should be concise. An organisation should seek a balance in its integrated report between conciseness and the other guiding principles, in particular, completeness and comparability;
vi) Reliability and completeness; an integrated report should include all material matters, both positive and negative, in a balanced way and without material error; and
vii) Consistency and comparability; the information in an integrated report should be presented, (a) on a basis that is consistent over time; and (b) in a way that enables comparison with other organisations.

These guiding principles can be applied individually and collectively to prepare and present an integrated report. Accordingly, individual judgement is necessary for applying these, particularly when there is an apparent tension between principles (i.e. conciseness and completeness).

4.5.2.2 Content elements

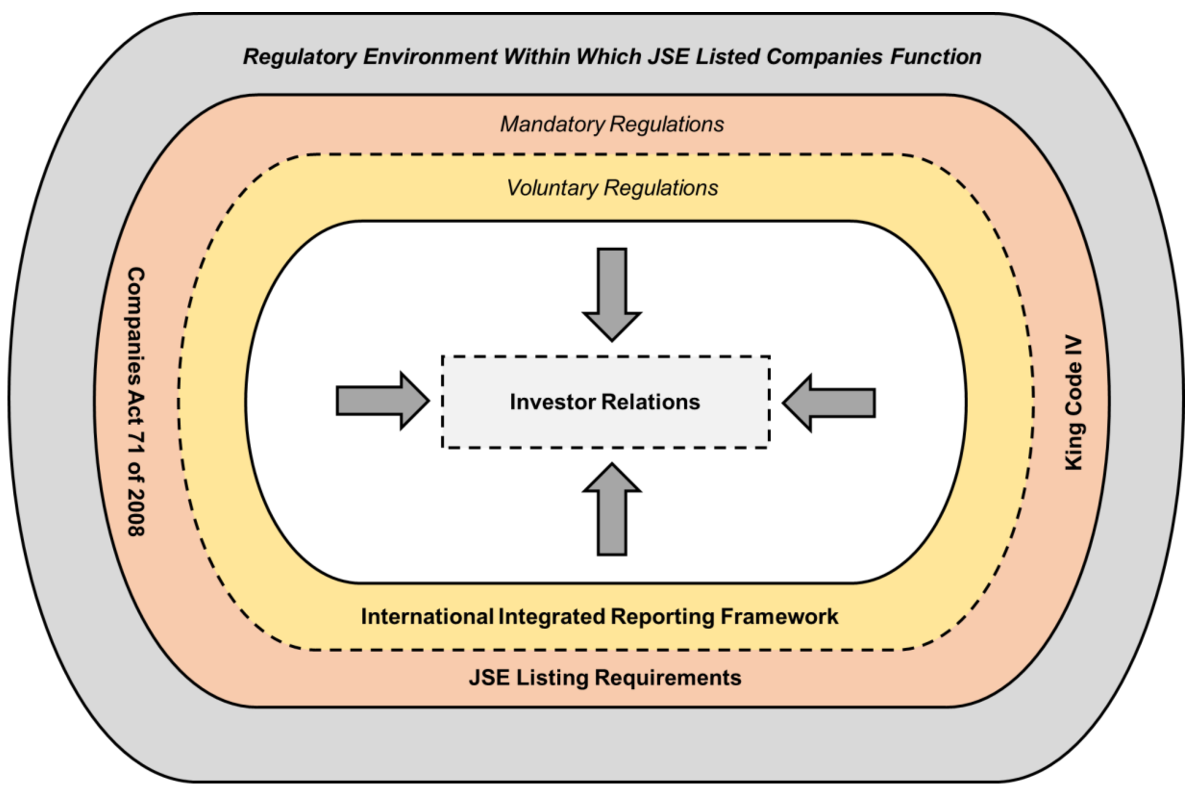
Along with the above-mentioned guiding principles, an integrated report includes eight content elements that are fundamentally linked and are not mutually exclusive (IIRC, 2013, p. 5):

i) Organisational overview and external environment; considering what the organisation does and under which circumstances it operates;
ii) Governance; considering how the organisation's governance structure supports its ability to create value in the short, medium and long term;
iii) Business model; considering that the organisation's business model looks like;
iv) Risks and opportunities; considering what the specific risks and opportunities that affect the organisation's ability to create value are, and how the organisation deals with these;
v) Strategy and resource allocation; considering where the organisation wants to go and how it intends to get there;
vi) Performance; considering the extent to which the organisation has achieved its strategic objectives and the resulting outcomes in terms of effects on the capitals;
vii) Outlook; considering challenges and uncertainties that the organisation is likely to encounter in pursuing its strategy, and the potential implications of these on its business model and future performance; and
viii) Basis of presentation; considering the matters which an organisation decides to include in the integrated report and how such matters are then quantified or evaluated.

4.6 CONCEPTUALISATION OF LITERATURE

As stated previously, at the end of each literature chapter, the researcher will put forth their conceptualisation of the literature reviewed and how it will ultimately contribute to the goal of designing an investor focused communication strategy framework based on dialogic theory. The conceptualisations of each literature chapter contribute to the formation of the conceptual framework on which the proposed framework is built. The conceptualisation of literature for Chapter 4 is illustrated in the figure below.

Figure 4.4: Conceptualisation of Literature – Evaluation of Existing Regulatory Measure



Source: Own Conceptualisation

As is evident from the figure above, the regulatory measures (both mandatory and voluntary); (i) the Companies Act 71 of 2008, (ii) the JSE listing requirements, (iii) the King IV code, and (iv) the IIRC's IIRF, comprise the basis of this conceptualisation; the regulatory environment within which JSE listed companies function. Essentially all four these aforementioned regulatory measures are to a certain extent influenced by the other. These regulatory measures function in a complementary synergy to provide guidance for JSE listed companies.

The figure above illustrates how IR functions within the larger regulatory environment and how, in turn, the regulatory environment exerts influence on IR. It is thus again highlighted that the message content, the timing of the message, and channel of dissemination related to communication by organisations to investors are regulated by the regulatory measures unpacked in this chapter, comprising the broader regulatory environment.

The researcher's preceding conceptualisations of the literature in Chapter 2, Chapter 3, as well as Chapter 4 above, will be combined to form the basis of the proposed investor focused communication strategy framework, which will be tested during the empirical phase of this study and be expanded and adjusted accordingly.

4.7 SUMMARY

The preceding content reiterates that the message content, the timing of the message, and channel of dissemination related to communication by organisations to investors are regulated by various rules and regulations. In order to provide a crystallised understanding, the rules and regulations governing IR in South Africa have been unpacked and discussed at length. A crucial backdrop against which the study is conducted; accordingly, also an objective of this study, is to identify and assess the current IR practices and regulations (i.e. rules of conduct) that publicly listed organisations have to adhere to.

As stated earlier, traditionally, corporate disclosure obligations attempt to ensure transparency in terms of the financial soundness of a corporation to instil trust in its long-term viability. Therefore, a significant part of IR can be understood as compliance efforts (Hoffmann et al., 2018, p. 301). Yet, beyond mere compliance, the IR function proactively addresses strategically relevant issues. IR is however, especially sensitive to differences in regulatory standards (Hoffmann et al., 2018, p. 301).

It is important to differentiate between the circumstance in which IR functions, namely; (i) compulsory (legal) and (ii) optional (self-regulatory). Considering the different circumstances, it is understandable that the scope of activities carried out by IR may differ and involve a varying combination of basic obligatory activities, and optional self-regulating activities.

Basic, minimum obligatory activities mean complying with legal requirements and fulfilling the duty of at least one-way communication with stakeholders. Whereas, optional self-regulating activities concern the bilateral (dialogue) communication between an organisation and its investment community (Gackowski, 2017, p. 4; Hoffmann *et al.*, 2018, p. 298). The obligatory scope of IR activities is defined by the rules put forth in various regulation, in the case of this study the Companies Act 71 of 2008, the JSE listing requirements, and King IV. In this instance, the range of flexibility and freedom of a listed company is strictly limited when it comes to communication with investors and other stakeholders, in terms of content, scope, form, date, and channel utilised.

In accordance with regulations, the transmission of information from a company to its investor community may be one-sided, any possible reactions of investors are simply ignored. One-way communication is usually used by corporations whose actions are not entirely transparent. Listed companies cannot afford such a dismissive attitude towards their investor community. In other words, the obligatory scope of IR activities is not enough in the case of listed companies that depend on ongoing capital raising and, therefore, want to maintain good relations with their shareholders and potential investors (Gackowski, 2017, p. 4; Hoffmann et al., 2018, p. 298). The aforementioned that solidified the goal of this study; designing an investor focused communication strategy framework based on dialogic theory, in order to meet the ever-growing communication needs of investors.

As mentioned earlier, the regulatory environment within which JSE listed companies function, is considered to consist of the following regulatory measures; (i) the Companies Acts 71 of 2008, (ii) the JSE listing requirements, (iii) the King IV code, and (iv) the IIRC's IIRF;

i) The Companies Act 71 of 2008 replaced the Companies Act 61 of 1973 in its entirety on 1 May 2011 (SAICA, 2020, p. 17). As such, it has had a significant impact on all aspects of conducting business in South Africa. The implementation of this Act presents both challenges for and opportunities to companies. According to sections 26, 31, 56, and 187 (5), a person who holds or has a beneficial interest in any securities (shares) issued by a profit (listed) company or who is a member of a non-profit company, has enhanced rights to access information (SAICA, 2020, p. 69).

ii) The JSE listing requirements contain the rules and procedures governing corporate actions and continuing obligations of listed entities. These are aimed at ensuring that the activities of the JSE are carried out with due regard to the public interest (Johannesburg Stock Exchange, 2019, p. 2). The listing requirements contain specific rules and procedures governing all communication between a listed company and its investors, this is essential to ensure that all investors have simultaneous access to the same information; a summary of these can be found in Table 4.1; Guidelines on the Publication of Information. Failure by a company to comply may result in the JSE taking steps (Johannesburg Stock Exchange, 2019, p. 24). International best practice in corporate disclosure is reflected in a key principle of the JSE listing requirements; which is to ensure that full, equal and timeous public disclosure is made to all holders of securities and the general public regarding any price sensitive activities of an issuer. The JSE's Stock Exchange News Service or SENS was established to ensure that relevant company information could be disseminated to the market on a real time basis (Johannesburg Stock Exchange, 2019, p. 47).

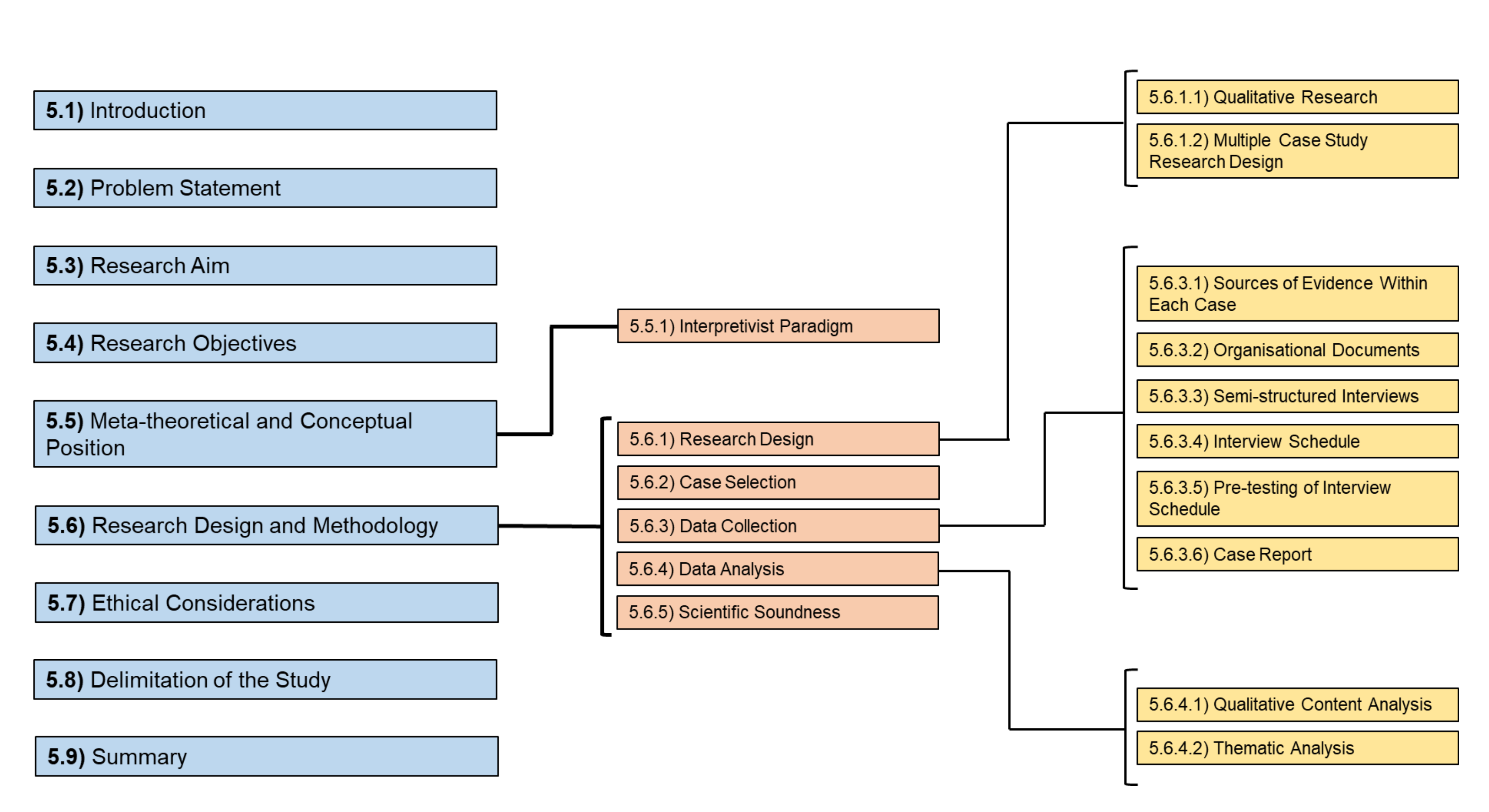
iii) Since the publication of the first King report, in 1994, South Africa has maintained a proud tradition of corporate governance. Corporate governance refers to the collection of mechanisms, processes, and relations by which an organisation is operated and controlled, ensuring that transparency within an organisation is maintained. Previously, the compliance with principles of King III was included in the JSE listing requirements as mandatory on a "comply or explain" basis. However, with the dawn of King IV, the compliance with principles of King IV have been included in the JSE listing requirements as mandatory on a "comply and explain" basis. Subsequently South African organisations follow the overarching corporate governance principles and recommended practices of King IV (Roberts, 2017; SAICA, 2017, p. 22).

iv) As previously mentioned, integrated reporting is a foundational concept of King IV. However, it is not explicitly stated that this integrated report must follow the form as prescribed by the IIRC's IIRF. The IIRF, as per the IIRC, although being endorsed as a good practice on how to prepare an integrated report, is not a mandatory requirement. The IIRC defines integrated reporting as follows; "a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term" (IIRC, 2013, p. 7).

In conclusion, it is evident that a significant part of IR can be understood as compliance efforts, considering the vast regulatory measures surrounding the practice thereof. However, it should not be forgotten that IR needs to be more than merely a compliance function, the IR function must proactively address strategically relevant issues.

As stated earlier, the researcher's conceptualisations of the literature of Chapter 2, Chapter 3, and Chapter 4 will be combined to form the basis of the proposed investor focused communication strategy framework, which will be tested during the empirical phase of this study and be expanded and adjusted accordingly. This proposed framework will be put forth at the beginning of Chapter 6. The following chapter, Chapter 5, will move to discuss the methodological aspects of this study.

CHAPTER 5: RESEARCH DESIGN AND METHODOLOGY



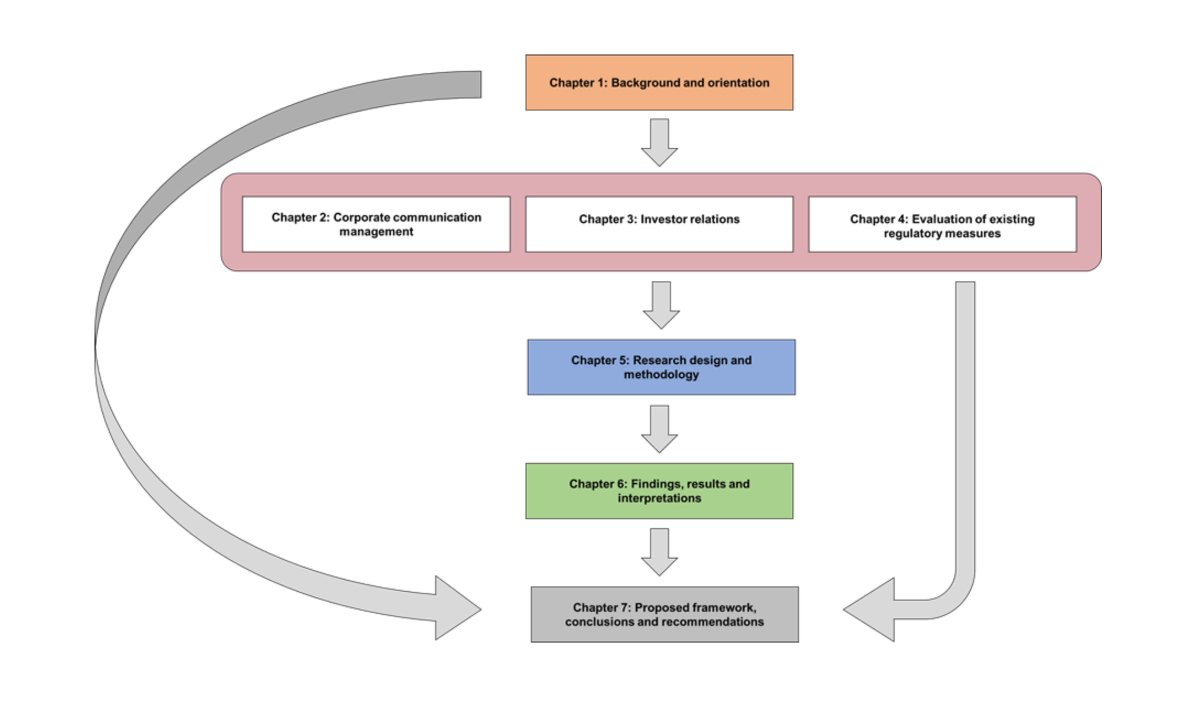
5. RESEARCH DESIGN AND METHODOLOGY

5.1 INTRODUCTION

The demarcation of chapters below, illustrates that Chapters 2, 3, and 4 form the theoretical foundation of this study. Chapter 2, elucidating corporate communication management, established a foundation and provided context for understanding Chapter 3, an investigation into the phenomenon of IR. Chapter 3, clarifying the phenomenon of IR paved the way for Chapter 4, the evaluation of existing regulatory measures.

Chapter 5 now moves to consider the methodological orientation of the study, by providing a discussion of the qualitative methodological orientation, as well as strategic choices employed in the empirical phase of this study. The methodological orientation was influenced by the aim and objectives of the study.

Demarcation of Chapters



5.2 PROBLEM STATEMENT

In recent times the South African capital market has been plagued by regular corporate scandals. As a result, stakeholders are understandably, ever more sceptical about the accuracy and transparency of information being communicated to them by publicly listed organisations. One specific stakeholder group which forms an integral part in the success of an organisation, is its investors. In view of the fact that investors have increasing demands and specific information needs, it is essential that organisations provide investors with relevant and useful information by means of IR (Hoffmann & Fieseler, 2018, p. 405; Laskin, 2018a, p. 75). Bechan (2011, p. 138) and Laskin (2011, p. 307) highlight that beside providing information, IR also entails developing and maintaining good long-term relationships with investors. Building relationships with investors increase confidence and trust in the organisation; information communicated about the organisation is then interpreted through these relational lenses (Laskin, 2011, p. 307). Rensburg and Botha (2014, p. 144) reiterates that organisations are being forced to critically re-evaluate how they communicate with investors, requiring of the organisation to extend the scope of interaction from the mere publication of obligatory annual and interim reports to more frequent and proactive two-way interaction and communication (Laskin, 2018a, p. 76).

In the context of the above, it is palpable that IR is a practice of vital importance for organisations; however, despite its importance, IR has not been thoroughly researched; especially in terms of the communication aspect thereof. Laskin (2008, p. 14) reaffirms this by elucidating that academic research in the field of IR is insufficient and does not correlate with the high importance of the function in corporate practice. Studies of IR from a strategic communication standpoint are almost non-existent. At the same time, IR today is undergoing a major shift from financial reporting to building and maintaining relationships with shareholders (Laskin, 2008, p. 13; Laskin, 2009, p. 209).

Academic interest in the research of IR steadily increased between 1998 and 2007 with a notable upswing in the following years. This upswing coincides with the 2008 global financial crisis, which further intensified attention to challenges of IR (Hoffmann *et al.*, 2018, p. 295). However, there is still a notable lack of corporate communication research, both academic and practical, focusing on IR (Hoffmann *et al.*, 2018, p. 299).

Laskin (2014a) promulgates that IR has not received the scholarly attention necessary to fully contribute to the body of knowledge in corporate communication – limited attention has been given to the development and testing of frameworks and models of IR. Laskin (2018b, p. 339), as well as Argenti (2007, p. 170), further propose that IR is never a mere disclosure. Instead, it is a complex strategic function of managing expectations. Despite the critical importance of investors to organisations, the academic world does not pay much attention to it, research about IR is limited and has only recently begun to develop a body of knowledge (van Riel & Fombrun, 2010, p. 183; Whitehouse *et al.*, 2018).

Taking into account the aforementioned, the researcher regards it not only as being high time, but also essential to conduct academic research about IR and thus attempt to contribute to the limited, yet expanding the academic body of knowledge, through the development of framework. Ultimately, this could then in turn translate into more effective execution of IR in practice.

5.3 RESEARCH AIM

This study aims to propose an investor focused communication strategy framework based on dialogic theory, for publicly listed companies in South Africa. This will be done by investigating IR theory within the broader context of dialogic theory and crystallising the most critical constructs to include in a communication strategy.

5.4 RESEARCH OBJECTIVES

Venter et al. (2017, p. 48), define research objectives as being “specific, goal-directed statements of the research intent”. The authors go on to suggest that the overall research aim of the study can be achieved by means of the research objectives (Venter et al., 2017, p. 41). For the purpose of this study, the researcher made the explicit decision not to formulate research questions, but instead, to only formulate research objectives. The researcher believes that these “specific, goal-directed statements of research intent”, better suit the research aim and intended outcome of this study.

The research objectives of the study are stated in the table below.

Table 5.1: Research Objectives	
Ro1:	To describe the origin, history and development of IR
Ro2:	To explain the relevance and applicability of the dialogic theory of communication management to IR
Ro3:	To identify and assess the current IR regulations (i.e. rules of conduct) that publicly listed organisations have to adhere to
Ro4:	To identify and assess the current IR practices that publicly listed organisations engage in
Ro5:	To determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory)
Ro6:	To compare the IR practices of multiple publicly listed organisations
Ro7:	To propose an investor focused communication strategy framework based on dialogic theory, for publicly listed companies in South Africa

Each of the above listed research objectives will be focused on and investigated through various research phases within the study. This is explained in more detail in Table 5.2.

5.5 META-THEORETICAL AND CONCEPTUAL POSITION

All research studies are based on philosophical assumptions about the nature of the world and how knowledge about the world can be attained (Myers, 2011, p. 23). According to Wagner *et al.* (2012) a research study is informed by certain philosophical assumption about the nature of social reality (ontology), ways of knowing (epistemology), and ethics and value systems (axiology). These philosophical assumptions can be considered as the worldview within which the researcher positions the research. All research is underpinned by a set of implicit or explicit philosophical assumptions, which shape the practice of research and the theoretical conclusions drawn from the research (Bell *et al.*, 2019, p. 25). If these philosophical assumptions are not consistent with each other, less valuable knowledge about reality will likely be generated; meaning that practical application of the research findings is unlikely to be effective (Bell *et al.*, 2019, p. 26)

5.5.1 Interpretivist Paradigm

Wagner *et al.* (2012, p. 126) describe paradigms as enabling one to tell a coherent story by depicting a world that is meaningful and functional, as well as culturally subjective. This suggests that paradigms also serve as the organising principles by which reality is interpreted. A paradigm leads one to ask certain questions and use appropriate approaches to systematic enquiry – this is the research methodology. A paradigm is informed by philosophical assumptions about the ontology, epistemology and axiology (Venter *et al.*, 2017, p. 6; Wagner *et al.*, 2012, p. 51).

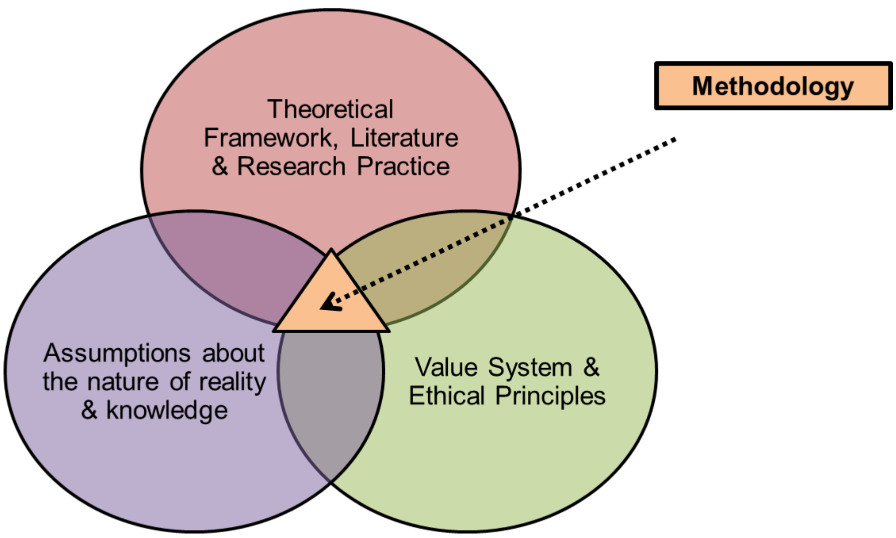
Specific paradigms may be associated with certain methodologies, as the paradigm guides the methodology (how the research will proceed). The research process, therefore, is directed by philosophical beliefs about the nature of reality, knowledge, and values, as well as by the theoretical framework which informs understanding, interpretation, choice of literature, and research practice for a certain topic of study. Methodology is where assumptions about the nature of reality, knowledge, and value, as well as theory and practice on a given topic, intersect (Bryman & Bell, 2014, p. 20; Henning *et al.*, 2004, p. 19; Wagner *et al.*, 2012, p. 52). This study is situated within the Interpretivist paradigm.

According to Venter *et al.* (2017, p. 127) and Wagner *et al.* (2012, p. 56) interpretivism addresses understanding the world as others experience it. Interpretivists believe that reality is socially constructed and that there are numerous intangible realities. Reality depends on the individual mind and can therefore be considered as a personal or social construct (Henning *et al.*, 2004, p. 19). The purpose of interpretative research is to better understand people’s experiences and ascribe meaning to it. The research is conducted in a natural setting where the participants make their living (Wagner *et al.*, 2012, p. 56). Considering that this study ultimately aims to provide understanding and ascribe meaning, it is firmly positioned in the interpretivist paradigm.

5.6 RESEARCH DESIGN AND METHODOLOGY

According to Mouton (1998, p. 35) and Venter *et al.* (2017, p. 74) research comprises the application of a variety of standardised methods and techniques in the pursuit of valid knowledge. The choices regarding the research design and methodology are influenced by the nature of the research purpose, the research goal and research objectives (Wagner *et al.*, 2012, p. 52). Figure 5.1 below illustrates how a specific research methodology is the convergence of three parts, namely the; (i) theoretical framework, literature, and research practice, (ii) assumptions about the nature of reality and knowledge, and (iii) value system and ethical principles.

Figure 5.1: Methodology as Convergence of Three Parts



Source: Wagner *et al.* (2012, p. 52)

5.6.1 Research Design

The research design can be defined as a structured framework of how the research process will be conducted in order to solve the research problem or, as is the case in this study, achieve the research objectives (Babbie, 2014, p. 89; Babbie & Mouton, 2001, p. 647).

The research design for this study can be classified as an interpretive multiple case study qualitative inquiry into the phenomenon of IR by JSE (publicly) listed companies. The research took place in three phases, consisting of both an empirical and non-empirical component. The researcher considers some of the most influential publications in corporate communication studies have been those employing both empirical and non-empirical methods.

The three phases of the research conducted in this study were as follows; research phase one, the non-empirical component consisted of an extensive literature review of the key concepts of this research, showcasing various conceptualisations and relationships. Ultimately the literature review crystallised the conceptual framework for this study, against which communicative products were assessed, as well as assisted in the development of the initial interview schedule utilised in research phase three.

The empirical component consisted of two parts; research phase two, a qualitative content analysis of the Case Organisation’s communicative products; including SENS announcements, integrated reports, and websites. The aim of this analysis was to assess the status of the communicative products against the conceptual framework put forth in research phase one, and hence assist in the refining of the interview schedule developed in research phase one. During the second part of the empirical component of the research, research phase three, in-depth semi-structured interviews were conducted with the IR officers of each of the Case Organisations whose communicative products were analysed. These interviews were mainly confirmatory, the results of these interviews were used to substantiate, and where necessary adapt the final framework put forth. Figure 5.2 below depicts these phases in action. Considering that there are three phases of research within this study, it is important to highlight the methodology employed within each of these phases. Additionally, Table 5.2 below, goes on to depict the research objectives of this study in relation to the three research phases.

Figure 5.2: Phases of Research

As previously indicated, Table 5.2 below depicts the research objectives of this study in relation to the three research phases.

Table 5.2: Research Objective in Relation to the Research Phases

Research objective:	**Research phase:**
Ro1: To describe the origin, history and development of IR	(i) research phase one - Literature review
Ro2: To explain the relevance and applicability of the dialogic theory of communication management to IR	(i) research phase one - Literature review
Ro3: To identify and assess the current IR regulations (i.e. rules of conduct) that publicly listed organisations have to adhere to	(i) research phase one - Literature review
Ro4: To identify and assess the current IR practices that publicly listed organisations engage in	(ii) research phase two - Qualitative content analysis of communicative products (iii) research phase three - Thematic analysis of semi-structured interviews
Ro5: To determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory)	(ii) research phase two - Qualitative content analysis of communicative products (iii) research phase three - Thematic analysis of semi-structured interviews
Ro6: To compare the IR practices of multiple publicly listed organisations	(ii) research phase two - Qualitative content analysis of communicative products (iii) research phase three - Thematic analysis of semi-structured interviews
Ro7: To propose an investor focused communication strategy framework	(i) research phase one - Literature review

Table 5.2: Research Objective in Relation to the Research Phases	
Research objective:	**Research phase:**
based on dialogic theory, for publicly listed companies in South Africa	(ii) research phase two - Qualitative content analysis of communicative products (iii) research phase three - Thematic analysis of semi-structured interviews

5.6.1.1 Qualitative research

These research objectives require an in-depth, qualitative study of the IR practices by multiple JSE (publicly) listed companies. In order to gather the data necessary for analysis, this study followed a qualitative method of inquiry. According to Babbie and Mouton (2001, p. 270), the primary goal of a qualitative research study is to describe and understand rather than explain human behaviour. The foremost aim of a qualitative research study is to understand social action in terms of the specific context rather than attempting to generalise it to some theoretical population (Babbie, 2014, p. 287; Myers, 2011, p. 4). One of the greatest advantages of qualitative research is the richness and the depth of explorations and descriptions of the data. Essentially, this means that the researcher becomes the instrument through which the data is collected, analysed and interpreted (Creswell, 1998; Wagner *et al.*, 2012, p. 126). This study requires in-depth exploration to describe and understand the phenomenon being researched.

A central aspect of a qualitative study, as opposed to a purely conceptual study, is that it is an empirical investigation. Empirical data from the natural or social world is collected and interpreted. The empirical investigation seeks to contribute to the body of knowledge in a particular field (Myers, 2011, p. 12). Considering the aforementioned, empirical data will be collected and interpreted in an attempt to contribute to the body of knowledge of IR.

According to Creswell (1998), there are various reasons why a researcher would choose to undertake qualitative research;

i) The study focuses on the ‘how’ or ‘what’, in contrast to the why of a quantitative study;
ii) The topic under investigation needs to be explored, meaning that variables cannot be easily identified, and that there are limited theories to explain the behaviour of the population of study;
iii) There is a need to present a detailed view of the topic; and,
iv) To study individuals is their natural setting

5.6.1.2 Multiple case study research design

Bell *et al.* (2019, p. 63), as well as Creswell and Poth (2018), highlight that what distinguishes a case study from other research designs is the focus on a real life contemporary bounded situation or system (a case), or multiple bounded situations or systems (cases). The emphasis tends to be upon intensive examination of the setting; in the case of this study, JSE (publicly) listed companies. Knights and McCabe (1997), suggest that the case study research method provides a vehicle through which several qualitative methods can be combined, thereby avoiding too great a reliance on a single method.

The need to make use of case study research arises whenever an empirical inquiry must examine a contemporary phenomenon in its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident. In line with the reasons for choosing to investigate a phenomenon qualitatively, case studies are preferred when; (i) when the researcher has little control over events, and (ii) when the focus is on a contemporary phenomenon within some real life context (Yin, 2017). Through exploring case data, a researcher is able to identify patterns and relationships, and this allows for the creation, extension or testing of a theory (Remenyi, 2012).

As with all other research designs, the multiple case study research design has distinct advantages and disadvantages, particularly in comparison with the single case study research design. The evidence from multiple cases is often considered more compelling, and the overall study is therefore regarded as more robust (Herriott &

Friestone, 1983; Yin, 2017, p. 57). A multiple case study research design was deemed appropriate for this study; the underlying logic being whether findings can be replicated across cases (Bell *et al.*, 2019, p. 63; Bryman & Bell, 2014, p. 114; Yin, 2017, pp. 61-63). The multiple case study design fits the interpretivist qualitative research orientation. The potential of case studies to allow the researcher to gain a rich understanding of the context of the research and the processes being enacted (Yin, 2017, pp. 10-11 & 14) were critical considerations in this study.

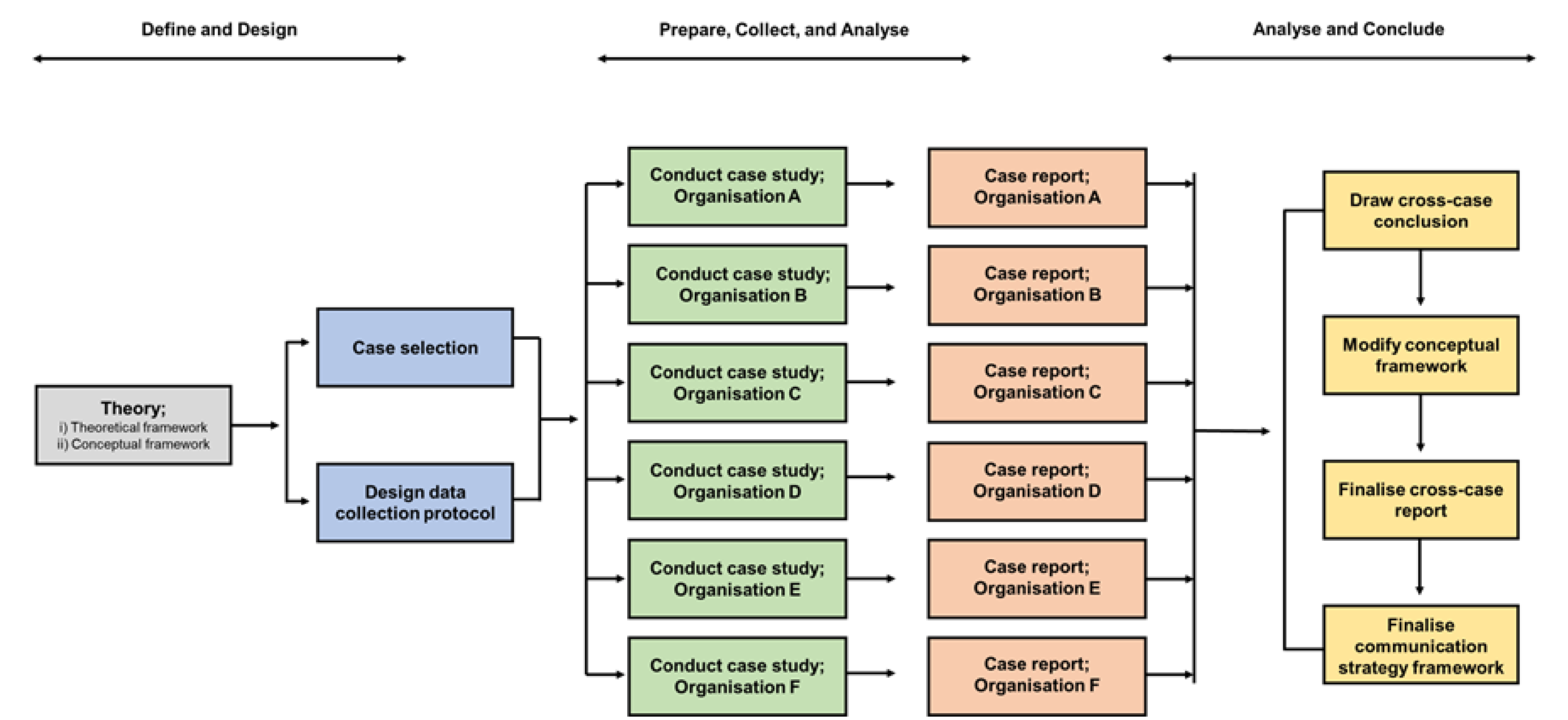
In order to gain a better understanding of the researcher's choice to employ a multiple case study research design for this study, a holistic overview of case study research is required. Yin (2003, p. 12), states that case study research has a long history in the field of sociology. He continues to explain that researchers, however, initially struggled to differentiate case study research from ethnographies and participant-observer studies. The author remarks that instead, as opposed to the aforementioned methods, a case study starts with a logic of design, thus implying that case study research begins with, and follows a strategy where appropriate, rather than an ideological commitment regardless of the circumstance (Yin, 2003, p. 13).

The case study method, as a research strategy, is neither a data collection tactic or merely a design feature; it encompasses an underlying logic of design, data collection techniques and specific approaches to data analysis (Yin, 2003:13-14). Yin (2014:16-17) goes on to provide a more technical description of the case study method as a research strategy:

i) the case study is an empirical inquiry that;
   a. investigates a contemporary phenomenon within its real-life context,
   b. when the boundaries between the phenomenon and context are not clearly evident; and
ii) the case study inquiry;
   a. copes with technically distinctive situations in which there will be many more variables of interest than data points,
   b. relies on multiple sources of evidence (with data needing coverage in a triangulation fashion); and
   c. benefits from the prior development of theoretical propositions to guide data collection and analysis.

Depending on the nature and purpose of a study, the researcher may choose to use either a single or multiple case study design. As stated above, this study employed a multiple case study research design. Multiple cases are investigated for comparison, generalisation, or theory building; this is aligned with the purpose of this study. The figure below depicts the process of multiple case study design, as postulated by Yin (2017, p. 60). The six organisations compared in this study are publicly listed companies; listed on the JSE.

Figure 5.3: Multiple Case Study Design Procedure



Source: *Adapted from* (Yin, 2017, p. 60)

However, as with any other research method, the case study method is not without critique. The table below highlights some of the advantages and disadvantages of the case study research method.

Table 5.3: Advantages and Disadvantages of Case Study Research

Advantages	Disadvantages
• **Context;** a phenomenon is studied in its natural setting, thus not in isolation or abstraction	• **Case selection bias;** cases selected on the basis of convenience, the researcher's ideological predisposition, or personal motives may lead to limited insight
• **Credibility;** knowledge grounded in real-world experience is considered more realistic and trustworthy	• **Confirmatory bias;** a case study is vulnerable to the researcher forcing predetermined theories on it, and ignoring evidence to the contrary
• **Cost and timeliness;** data can be gathered relatively quickly and inexpensively, provided that the phenomenon under investigation has already occurred	• **Over-generalisation of findings;** case study results are not as generalisable as that of statistical or scientific research. Rigorous analysis is required to achieve some form of generalisability
• **Niche;** certain social phenomena can only be studied using the case study method due to certain circumstances (i.e. studying complex social interactions within an organisation)	• **Causal benchmarking;** two main issues arise when drawing lessons from a case study and attempting to apply these elsewhere: i) Only the most visible and obvious practices are imitated, regardless of importance; and ii) Not enough thought is given to tailoring these practices to a new environment
• **Detail and focus;** the complexities of social interaction can be revealed without overwhelming the reader	

Source: *Adapted from* Bell *et al.* (2019), Leonard (2018) and Yin (2003)

Whilst taking cognisance of the above concerns associated with case study research, the researcher still deemed it to be the ideal research design to pursue the objectives of this study; considering that the advantages outweigh the disadvantages. Furthermore, multiple case studies enabled the researcher to compare cases, to either predict contrasting results for expected reasons or predict similar results in the studies. In this way, the researcher is able to clarify whether the findings are valuable or not (Yin, 2018).

5.6.2 Case Selection

Stake (1995) and Bell *et al.* (2019, p. 64) suggest that the selection of cases should be based first and foremost on the anticipation of the opportunity to learn. Researchers should, therefore, choose cases where they expect learning will be greatest. The logic underlying the use of multiple case studies is similar to that of using multiple experiments. Each case must be carefully selected so that it either (i) predicts similar results, referred to as literal replication, or (ii) predicts contrasting results for anticipatable reasons, referred to as theoretical replication (Yin, 2017, p. 57). The replication strategy applied in this study was literal replication.

The population of this study comprised of all the companies listed on the JSE, as at the end of 2019. As at the end of 2019, there were 375 companies listed on the JSE (Johannesburg Stock Exchange, 2020). All listed entities are classified into one of three broad sectors, namely; (i) Resources, (ii) Financials, and (iii) Industrials. The sector classification is derived from the Industry Classification Benchmark (ICB) (Johannesburg Stock Exchange, 2020). The ICB is a globally utilised standard for the categorisation and comparison of companies by industry and sector. The ICB consists of four levels of classification, at the top level there are ten industries. The South African market is classified into three broad sectors according to these ten industries, as follows:

i) Resources – JSE listed companies that belong to the ICB classified (i) oil and gas industry, and (ii) basic materials industry;
ii) Financials – JSE listed companies that belong to the ICB classified financial industry; and

iii) Industrials – All remaining companies listed on the JSE that are not classified as belonging to the oil and gas, basic material, or financial industries.

Each of these aforementioned sectors are further divided into subsectors. However, for the purpose of this study, only the three broad sectors will be considered.

Although the aim of case study research is not generalisation, the researcher wanted the Case Organisations to be as representative as possible. Therefore, the Case Organisations were selected to be representative of these three sectors, therefore two organisations from each sector forms part of the Case Organisations. The researcher considered all companies listed on the JSE according to their sector classification. Drawing on the past experience of other researchers, the researcher was aware that establishing contact with, and ensuring participation from JSE listed companies would be challenging. Optimistically anticipating a fifty percent (50%) response rate, four companies in each of these sectors were identified and contacted by the researcher.

To avoid case selection bias (a disadvantage of case study research highlighted above), all JSE listed companies per sector were listed in an Excel spreadsheet, the data analytics tool was utilised, and the random sampling function was then applied to identify four organisations in each industry at random. The researcher then went on to contact each of these organisations. Considering that all JSE listed companies need to conform to a standard set of regulations (the partial focus of this study), no further specific differentiation criteria was necessary (i.e. the size of the company is not a relevant factor in this study).

As anticipated, the response rate was quite poor, however it did still exceed the researcher's original expectations. Initially, the twelve (12) randomly selected companies were contacted, seven (7) responses were received. A response timeframe of one month was allowed for. Out of these seven (7) responses, four (4) companies agreed to participate, the other three (3) companies declined due to various reasons, and five (5) companies failed to respond.

The researcher then went back to the original Excel spreadsheet, eliminated the already selected companies, and reapplied the random sampling function to the two sectors where participant organisations were still needed. This time two (2) companies from each of these two sectors were identified. The researcher contacted these four (4) companies, again a response timeframe of one month was allowed for. Three (3) responses were received, two (2) organisations agree to participate, whilst one (1) declined, and one (1) company failed to respond.

The researcher received a higher than anticipated response rate; sixteen (16) companies were contacted, ten (10) responded, whilst six (6) failed to respond. Out of the ten (10) companies that responded, six (6) agreed to participate, whilst four (4) declined.

5.6.3 Data Collection

Following the above described case selection, the researcher began with the data collection process, pertaining to research phase two, and research phase three of the research process. The data collection process was planned and executed in accordance with the four principles suggested by Yin (2017, pp. 118-129); (i) using multiple sources of evidence, (ii) creating a case study database, (iii) maintaining a chain of evidence, and (iv) exercising care when using data from electronic sources.

According to Venter *et al.* (2017, p. 77), the notion of triangulation suggests that the use of multiple data sources or multiple research methods increases the credibility of the research. There are many forms of triangulation, including methodological, investigator, theory, and data triangulation.

The form of triangulation employed in this study was data triangulation, this suggests the use of more than one data source by the researcher to investigate the same phenomenon (Venter *et al.*, 2017, p. 77). This will in turn influence the data collection process. Myers (2011, pp. 10-11), suggests that in the event where case study research is employed, as was the case in this study, the researcher might triangulate interview data with data from published or unpublished documents.

5.6.3.1 Sources of evidence within each case study

Bell *et al.* (2019, p. 68) continue to further state that a comparative case study research design embodies the logic of comparisons by studying two or more cases, using more or less identical methods. Considering this, the same sources of evidence were utilised within each case study, as listed in the table below.

Table 5.4: Sources of Evidence				
	(i) Phase one			(ii) Phase two
	SENS Announcements	Annual Integrated Reports	Website	Interview
Organisation A	✓	✓	✓	✓
Organisation B	✓	✓	✓	✓
Organisation C	✓	✓	✓	✓
Organisation D	✓	✓	✓	✓
Organisation E	✓	✓	✓	✓
Organisation F	✓	✓	✓	✓

5.6.3.2 Organisational documents

For each respective Case Organisation, the following organisational documents were collected for analysis (i) SENS announcements, (ii) annual integrated reports, and (iii) websites. In a study conducted by Bechan (2011, p. 151) it was found that investors' preferred communication method from an organisation is through annual reports. Annual reports have become an essential avenue for an organisation to communicate with its investors (Laskin, 2018b, p. 348; Lord, 2002, p. 384). Annual reports are not just used to disclose information but also to frame the results, shape perceptions, and manage expectations (Laskin, 2018b, p. 340). However, there are certain regulations stipulated by the JSE, stating that all price sensitive and material information must first be communicated through the Stock Exchange News Service (SENS). Hence, all official communication, regarding price sensitive and material issues, from JSE listed organisations to their stakeholders take place first and foremost through SENS (Johannesburg Stock Exchange, 2019, p. 37). The content found in the investors section of an organisation's website tend to be reflected in the integrated report, and vice versa, thus the analysis of the website content is simply for verification. This ensures that nothing was omitted in the integrated annual report. Uysal (2018, pp. 101-102) suggests that investor communication via corporate websites could provide a useful research setting; however, for the purpose of this study the researcher argues that merely studying the corporate website is not enough.

5.6.3.3 Semi-structured interviews

The principles of purposeful sampling guided the researcher's selection of interview subjects. Bell *et al.* (2019, p. 389) describe purposeful sampling as a form of non-probability sampling. The goal of purposive sampling is to sample participants strategically. Participants are selected based on their relevance to the research question (objectives). Accordingly, the participant interviewed in each Case Organisation was the dedicated IRO. Although the researcher takes cognisance that the IRO may not be the sole arbiter of IR for an organisation, and similarly that they may not be solely responsible for IR policymaking, the researcher considered the IRO to be the most knowledgeable regarding all matters IR, and hence the most relevant participant choice with regard to the research objectives.

Semi-structured, open-ended questions were employed in the individual interviews conducted in this study. Semi-structured refers to a context in which the interviewer has a series of questions that are in the general form of an interview schedule but is able to vary the sequence of questions. Due to the conversational nature of an interview, questions in the interview schedule are often answered by the participant before the researcher is able to ask the question. The questions are somewhat more general in their frame of reference than that typically found in a structured interview schedule. In the case of a semi-structured interview, the researcher usually has some latitude to ask further questions in response to what is seen as a significant reply.

As is the case with any methodological choice, using semi-structured interviews as a data collection method had to be considered in terms of suitability with regards to the objectives of the study. The study attempted to capitalise on all advantages of a semi-structured interview, whilst all attempts were made to combat the disadvantages.

With the permission of each participant, the interviews were recorded for later transcription. The researcher utilised a research journal to take notes during the interviews, as well as to reflect on the observations made.

5.6.3.4 Interview schedule

As stated in the section above, the questions employed in a semi-structured interview are somewhat more general in their frame of reference than that typically found in a structured interview schedule. As previously indicated, the research follows a three-phase approach, during research phase one, an extensive literature review of the key concepts crystallised the conceptual framework for this study, against which communicative products were assessed, as well as assisted in the development of the initial interview schedule. During research phase two, a qualitative content analysis of the Case Organisation's communicative products was done. This analysis was to assess the status of the communicative products against the conceptual framework put forth in research phase one, and hence assist in the refining of the interview schedule.

The interview schedule was thus rigorously developed and refined during research phase one and research phase two. The complete interview schedule can be found in Annexure B. Table 5.5 below depicts the link between the main themes identified from the literature, comprising the conceptual framework, and the interview schedule questions.

Table 5.5: Link Between the Main Themes Identified and Interview Questions

Main Theme	Sub-Theme	Interview Question
1. Corporate Landscape		**A1)** In recent times the South African market has been plagued by regular corporate scandals. What is your opinion regarding the state of the corporate landscape in South Africa?
		G1) How has the investor relations landscape for JSE (publicly) listed organisations changed over the past 10 years?
		G2) How do you see the investor relations landscape for JSE (publicly) listed organisations evolving over the next 10 years?
2. Investor Relations	*2.1. Function of investor relations*	**B1)** Please shortly explain what you understand the role of the investor relations function in a publicly listed organisation to be?
		B2) Considering your above explanation, do you believe this to be the role of the investor relations function in your organisation?

Table 5.5: Link Between the Main Themes Identified and Interview Questions

Main Theme	Sub-Theme	Interview Question
		B3) Do you consider investor relations to be; i) a component of financial management ii) a component of communication management iii) a hybrid component of both communication management and financial management
		B4) In your organisation, by which department / division is the investor relations function managed?
	2.2. Importance of investors	**B5)** Many are of the opinion that investors are the stakeholder group most integral to organisational success, particularly in the case of publicly listed companies, do you agree? Please elaborate.
	2.3. Investor needs	**E4)** What have you found the main communication need of investors to be?
	2.4. Relationship building	**C10)**

Table 5.5: Link Between the Main Themes Identified and Interview Questions

Main Theme	Sub-Theme	Interview Question
		Does your organisation actively seek to collaborate with, and build relationships with its investors?
	2.5. Investor relations strategy (Strategic alignment)	**D1)** Does your organisation have a specific defined investor relations strategy?
		D2) Are your organisation's investor relations activities aligned to the organisation's overall strategy?
		D3) Does your organisation pre-identify and specifically target certain potential investors (i.e. is there a process of investor identification and investor targeting)?
		D4) Do you consider your organisation's investor relations activities to provide guidance to investors?
	2.6. Organisation responsibility to investors	**E3)**

Table 5.5: Link Between the Main Themes Identified and Interview Questions		
Main Theme	**Sub-Theme**	**Interview Question**
		In terms of communication, what do you believe the organisation's responsibility towards its investors to be?
3. Communication	*3.1. Message content*	**C2)** When communicating with investors, is it assumed by your organisation that the receivers (investors) have certain capabilities (capacity of understanding)? - If so, what are these capabilities?
		C3) When communicating with investors, is the message formulated according to the specific information needs of the investors? Please elaborate.
		C4) Do you consider the communication by your organisation to investors to be clear and in simple terms?
	3.2. Audience	**C2)** When communicating with investors, is it assumed by your organisation that the receivers

Table 5.5: Link Between the Main Themes Identified and Interview Questions		
Main Theme	**Sub-Theme**	**Interview Question**
		(investors) have certain capabilities (capacity of understanding)? - If so, what are these capabilities?
		E4) What have you found the main communication need of investors to be?
	3.3. Message formulation	**C3)** When communicating with investors, is the message formulated according to the specific information needs of the investors? Please elaborate.
		C4) Do you consider the communication by your organisation to investors to be clear and in simple terms?
	3.4. Contribution of communication	**C5)** Do you consider the communication by your organisation, to investors, to contribute to the effective functioning of the organisation?
	3.5. Channels	**C6)**

Table 5.5: Link Between the Main Themes Identified and Interview Questions			
Main Theme	**Sub-Theme**		**Interview Question**
			Which channels are used by your organisation to communicate with investors?
	3.6. Message timing		**C7)** Does your organisation maintain continuous and consistent communication with investors, or does communication with investors mainly take place at certain times (i.e. such as at the time of release of annual financial results)?
	3.7. Feedback		**C11)** Does your organisation take investor input into account when making decisions?
			D5) Does the organisation actively engage with, and seek feedback from, its investors?
	3.8. Dialogue		**C8)** Does your organisation engage in dialogue with its investors? Please elaborate.
		3.8.1. Risk	**C9)** Is your organisation willing to communicate with investors on their terms (i.e. is your organisation willing to disclose uncomfortable, yet not

Table 5.5: Link Between the Main Themes Identified and Interview Questions			
Main Theme	**Sub-Theme**		**Interview Question**
			confidential, information that an investor may request)?
		3.8.2. Mutuality	**C10)** Does your organisation actively seek to collaborate with, and build relationships with its investors?
		3.8.3. Propinquity	**C11)** Does your organisation take investor input into account when making decisions?
		3.8.4. Empathy	**C12)** Are the goals of your organisation aligned to the goals of its investors?
		3.8.5. Commitment	**C13)** Is your organisation committed to the interactions it has with its investors (i.e. does your organisation truly listen to its investors, trying to find common ground if not agreement)?
4. Regulatory Framework			**E1)** Which regulatory measures form part of the regulatory environment in which JSE listed organisations operate?

Table 5.5: Link Between the Main Themes Identified and Interview Questions		
Main Theme	**Sub-Theme**	**Interview Question**
		E2) Do you consider these regulatory measures to be a form of censorship in terms of both the channels used to communicate, as well as the message content communicated to investors?

5.6.3.5 Pre-testing of interview schedule

A pre-test is described by Yin (2017) as an occasion for a formal "dress rehearsal", during which the data collection plan is implemented as faithfully to the final plan as possible. The final draft interview schedule was pre-tested using the participant pre-testing option; meaning that the research instrument was tested with a participant surrogate (an individual who has characteristics and a background similar to those of the desired participants).

All the relevant documentation was distributed to the participant, the purpose of the study made clear, and all the ethical implication observed and explained. The data collection instrument (i.e. the interview schedule) was pre-tested using the non-collaborative pre-testing method. When utilising this form of pre-testing the researcher does not inform the participant that the activity is a pre-test. Cooper and Schindler (2008), highlight that the benefit of using this approach is that the interview schedule can be tested under conditions approaching the final study. The pre-test proved successful and minimal necessary changes were identified and made accordingly.

5.6.3.6 Case report

Individual cases were developed for each of the six Case Organisations (reported in Chapter 6). These individual cases briefly tell the story of each organisation by discussing contextual information about the organisation. In each case, the organisations were referred to generically by assigned alphabetical letters (i.e. Organisation A) in order to ensure confidentiality. Further, all information included in the case report was carefully selected, worded and censored to ensure the organisation remain anonymous.

5.6.4 Data Analysis

Data analysis in research phase two and research phase three took on two distinctive data analysis methods, considered most suitable to each data set; (a) qualitative content analysis, and (b) thematic analysis.

5.6.4.1 Qualitative content analysis

It is necessary to be clear regarding the ultimate goal of the research to ensure that the research yields useful information. Documents need to be situated within a frame of reference for its content to be understood. One approach to better understanding the meaning that specific documents hold for a research study is content analysis (Henning *et al.*, 2004, p. 102; Wagner *et al.*, 2012, p. 141).

The focus of content analysis is a critical examination of documents, rather than a mere description. Hence, content analysis refers to an integrated and conceptually informed method for identifying and analysing documents for its relevance and meaning (Myers, 2011, p. 257; Reinard, 2008, p. 433; Wagner *et al.*, 2012, p. 141).

In order to critically examine the textual communicative products of each Case Organisation, qualitative content analysis was employed by the researcher. Qualitative content analysis is a data analysis strategy employed when searching for the communicative characteristics of content, underlying themes and meaning of the text, thus the focus extends beyond simply counting words. (Bryman & Bell, 2014, p. 354; Hsieh & Shannon, 2005). In order to make sense of source documents, the content of these documents were systematically allocated to pre-determined categories (Myers, 2011, p. 172).

As explained earlier in the research design section, the aim of this qualitative content analysis was to measure the communicative products against the conceptual framework put forth in research phase one. Thus, the pre-defined categories were derived from the conceptual framework. In accordance with the above description of qualitative content analysis, the researcher analysed the data sources of each Case Organisation, as discussed below, and systematically allocated the content to the pre-defined categories.

The document analysis of the textual data of the selected Case Organisations' (i.e. JSE listed companies) communicative products in the study was conducted by means of content analysis of the respective Case Organisations' (i) SENS announcements, (ii) integrated annual reports, and (iii) websites. As mentioned previously in section 5.6.3.2 of this chapter, in a study conducted by Bechan (2011, p. 151), it was found that investors' preferred communication method from an organisation is through annual reports. Annual reports have become an essential avenue for an organisation to communicate with its investors (Laskin, 2018b, p. 348; Lord, 2002, p. 384). However, bearing in mind that there are certain regulations stipulated by the JSE, all official communication regarding price sensitive and material issues from JSE listed organisations to their stakeholders takes place first and foremost through SENS announcements (Johannesburg Stock Exchange, 2019, p. 37). The content found in the investors section of an organisation's website tend to be reflected in the integrated report, and vice versa, thus the analysis of the website content is simply for verification. This ensures that nothing was omitted in the integrated annual report. Uysal (2018, pp. 101-102) suggests that investor communication via corporate websites could provide a useful research setting; however, for the purpose of this study the researcher argues that merely studying the corporate website is not enough

5.6.4.2 Thematic analysis

The analysis of qualitative data follows the purpose and the theoretical framework of the study. Interpreting and understanding the meaning of the data by identifying and analysing themes is a technique shared across qualitative data analysis approaches (Wagner *et al.*, 2012, p. 231).

Thematic analysis is a general approach followed in analysing qualitative data. It involves identifying themes or patterns in the data (Wagner *et al.*, 2012, p. 231). The goal of thematic analysis is to identify, analyse, and describe patterns, or themes, across the data set. However, it often extends to interpreting features of the research topic. Thematic analysis shares some of the features of content analysis, it is however more suited to investigating meaning in context (Bryman & Bell, 2014, p. 350).

Considering the abovementioned, the transcriptions of the semi-structured interviews, conducted with individual participants, were analysed by means of thematic analysis. This allowed the researcher to identify, analyse, and describe the patterns and themes occurring across the data set, and thus enhance the interpretation and understanding of the data.

Thematic analysis can be conducted either in an inductive or deductive manner. When approached inductively, the researcher develops themes directly from the data and without trying to fit them into a reconceptualised theoretical frame. A deductive approach involves a 'top-down' method and is informed by the study's theoretical framework (Braun & Clarke, 2006; Bryman & Bell, 2014, p. 351). Considering that the interviews were confirmatory, and that the results of these interviews would be used to substantiate and adapt the final framework to be put forth; the thematic analysis followed a hybrid approach. This was predominantly based on the deductive approach, whilst leaving room for themes to develop from the data inductively. Hence, the analysis was primarily informed by the study's theoretical framework, as well as the conceptual framework put forth in research phase one and research phase two.

As is the case with most analysis techniques, there are different approaches that can be followed when conducting a thematic analysis. When employing certain approaches to thematic analysis, most notably the reflexive approach put forth by Braun and Clarke (2006), coding precedes theme development, meaning that the themes are built from the codes. However, in the approach employed in this study, coding followed theme development.

Considering its prominence in the theory of thematic analysis, the six-step thematic analysis framework put forth by Braun and Clarke (2006) was utilised as a point of departure, with adjustments made to accommodate the predominantly deductive nature of this analysis. Braun and Clarke (2006) proposed the following six steps be followed when employing thematic analysis; (i) become familiar with the data, (ii) generate initial codes, (iii) search for themes, (iv) review themes, (v) define themes, and lastly (vi) write-up.

In view of the predominantly deductive approach to thematic analysis employed in this study, the researcher put forth, and followed the following steps; (i) become familiar with the data, (ii) define themes identified in research phase one and research phase two of the research process, (iii) generate codes, (iv) sort codes according to themes, (v) review themes, and (vi) write up.

The study, firstly, analysed each Case Organisation individually, so as to make sense of the data at hand. Following these individual analyses, the findings were employed to analyse the organisations collectively and comparatively, in order to (i) compare findings, to determine whether key similarities or differences existed and (ii) for the sake of credibility and transferability.

i) Step 1: Become familiar with the data

Immediately following the primary data collection of research phase three, the in-depth semi-structured individual interviews, the recordings of these interviews were listened to, in order to ensure clarity of sound and content.

Once all the interviews, with the participants in the various Case Organisation, were conducted, the transcription process commenced. Despite being extremely time consuming, the researcher decided to do manual transcriptions of all interviews, in order to become better acquainted with the data. To minimise transcription error, and to ensure accuracy, the completed transcriptions were re-read by the researcher, whilst listening to the recorded audio. To achieve further familiarity with the data, these transcripts were re-read several times, first in relation to the interview schedule, and then again to engage with the data at hand. At this stage in the first step of the thematic analysis process, the third step naturally started to emerge; by repeatedly reading the transcripts, potential codes could be seen to emerge from the data. The researcher took note of these emerging codes for later reference.

ii) Step 2: Define themes identified in research phase one and research phase two of the research process

Bearing in mind the predominantly deductive nature of this analysis, the initial themes were identified from and informed by the study's theoretical framework, as well as the conceptual framework put forth in research phase one and research phase two.

iii) Step 3: Generate codes

At this point it is important to clearly differentiate between codes and themes; generally, themes are broader than codes. When following a deductive analysis approach, as is primarily the case in this study, codes are created and then organised under pre-defined themes. However, when following an indictive analysis approach, the codes are first generated, and the themes then emerge accordingly.

Generating codes (or coding) allows the researcher to reduce the raw data collected, into smaller portions of meaningful data. Braun and Clarke (2006, p. 18) highlights that the process of coding is part of the analysis, considering that whilst coding, the researcher organises the data into meaningful groups.

The researcher decided to perform the coding manually. After becoming familiar with the data, the researcher read each transcript line by line, applying a label (essentially a code), that described what was interpreted as important. In a purely deductive analysis, the codes may be pre-defined. However, considering that this study followed a hybrid approach, although predominantly based on the deductive approach, still leaving room for themes and codes to develop from the data inductively; what is referred to as open coding took place. Open coding implies that anything that appears to be relevant from as many different perspectives as possible is coded. By employing open coding, the researcher created an opportunity to identify codes and resulting themes from the data that was not pre-defined.

iv) Step 4: Sort codes according to theme

After coding all the transcripts, the researcher started to group these codes into categories in accordance with the pre-determined themes. All codes that did not fit into a category in line with a predefined theme were further analysed and categorised to allow for the emergence of inductive themes. During this manual process of sorting codes to themes, the researcher employed a visual approach. The various themes were written on different coloured "sticky-notes", each of these themes were then placed in a row at the top of the working surface. Each of the corresponding codes was then arranged beneath the relevant theme. Despite the benefit of visualisation, this manual analysis process was preferred by the researcher due to the degree of flexibility that it allowed; codes could be moved between themes as deemed necessary.

v) Step 5: Review themes

All the themes, both the pre-defined themes, as well as the inductively reduced themes, were scrutinised and rigorously reviewed by the researcher to ensure accuracy; ensuring flow and uniformity of the themes and codes, as well as confirming that codes were allocated to the correct themes.

As a result of this review, some themes and codes were changed, reworded or condensed. This allowed for the final themes to interpret the data, whilst also avoiding any overlaps.

vi) Step 6: Write-up

Bearing in mind that the interviews analysed were confirmatory, in the final step of the thematic analysis, the researcher extracted applicable, compelling examples for the purpose of compiling a report that links the data to the literature, conceptual framework and research objectives of the study, in order to ensure meaningful results.

5.6.5 Scientific Soundness

Bryman and Bell (2014, p. 44), believe that qualitative research should be measured against alternative criteria for scientific soundness. Applying quantitative criteria such as reliability and validity to qualitative research presupposes that one single account is feasible and that the researcher is able to reveal absolute truths about the social world. Founded on the argument that there can be multiple accounts of reality, two primary criteria for assessing qualitative research have been proposed: authenticity and trustworthiness.

Wagner et al. (2012, p. 268) refer to authenticity as “whether the data is genuine and of unquestionable origin”. According to Bryman and Bell (2014, p. 44), the authenticity criteria are thought provoking but not influential, the emphasis of the criteria on the wider impact of research is controversial, and thus it will not be considered in this study. However, more essential for consideration is the trustworthiness criteria. The trustworthiness criteria are made up of four measures, each of which has an equivalent measure in quantitative research, namely; (i) credibility, which parallels internal validity, (ii) transferability, which parallels external validity, (iii) dependability, which parallels reliability, and (iv) confirmability, which parallels objectivity (Bryman & Bell, 2014, p. 44). Each of these measures, and the application to the study is elaborated on below;

i) Credibility; essentially, refers to how well the data and interpretations thereof echo the real opinions and experiences of the participants (Shenton, 2004, p. 64). The establishment of credibility of the research findings entails both; (i) ensuring that research is conducted according to the principles of good practice, and (ii) that respondent validation is provided regarding the research findings to the participants who were interviewed to confirm that the researcher has correctly understood their social world (Bryman & Bell, 2014, p. 44). In an attempt to achieve credibility, the researcher ensured that the research was conducted according to good practice, amongst others by employing well-established data collection methods and establishing triangulation. Further, the researcher also sought respondent validation.

ii) Transferability; typically, referring to how applicable the findings of the study will be if transferred to a different context or setting (Shenton, 2004, p. 69). Characteristically, qualitative research involves the intensive, in-depth study of a group sharing certain characteristics – in contrast to the breadth of quantitative studies. It is understandable then that qualitative research findings tend to be orientated to contextual uniqueness. Thus, qualitative research provides other researchers with a rich account of the details of a specific context and a database for making judgements about the possible transferability of findings to other contexts and milieu (Bryman & Bell, 2014, p. 45). In an attempt to achieve transferability, the researcher attempted to provide a rich account of the specific context and dataset, in order to allow other researchers to make judgements regarding the transferability to other contexts and datasets.

iii) Dependability; typically, refers to whether the collected data and accompanying findings will hold true if the study were to be replicated (Shenton, 2004, p. 71). In order to establish the merit of research in terms of trustworthiness, complete records should be kept of all phases of the research process (Bryman & Bell, 2014, p. 45). In an attempt to achieve dependability in this study, the researcher kept a detailed and complete record of the research process. Dependability was realised by discussing and providing a clear description of the entire research process if any researcher may wish to replicate it.

iv) Confirmability; essentially, refers to whether the data collected can be verified to ensure that it represents the information as provided by the participants (Shenton, 2004, p. 72). While recognising that complete objectivity is not possible in social research, confirmability is concerned with the notion that the researcher does not knowingly allow personal values or theoretical inclinations to influence the research (Bryman & Bell, 2014, p. 45). In an attempt to achieve confirmability, the researcher aimed to conduct the research without the interference of personal values or theoretical inclinations.

5.7 ETHICAL CONSIDERATIONS

The study was subject to approval by the Research and Ethics Committee of the Faculty of Economic and Management Sciences at the University of Pretoria. The ethical clearance process is a rigid process which ensures the integrity of all research conducted within the University of Pretoria.

Before any application for ethical clearance could be made, the researcher had to contact all identified possible Case Organisations to obtain written permission to conduct research within the organisation. Considering the sensitive nature of the topic, the researcher had to approach each organisation with great caution and patience.

The communicative products of the Case Organisations which were analysed in phase two of the research process, are freely available in the public domain. Ethical considerations thus became prevalent in phase three of the research process, when conducting the confirmatory interview with the individual within the Case Organisation responsible for IR.

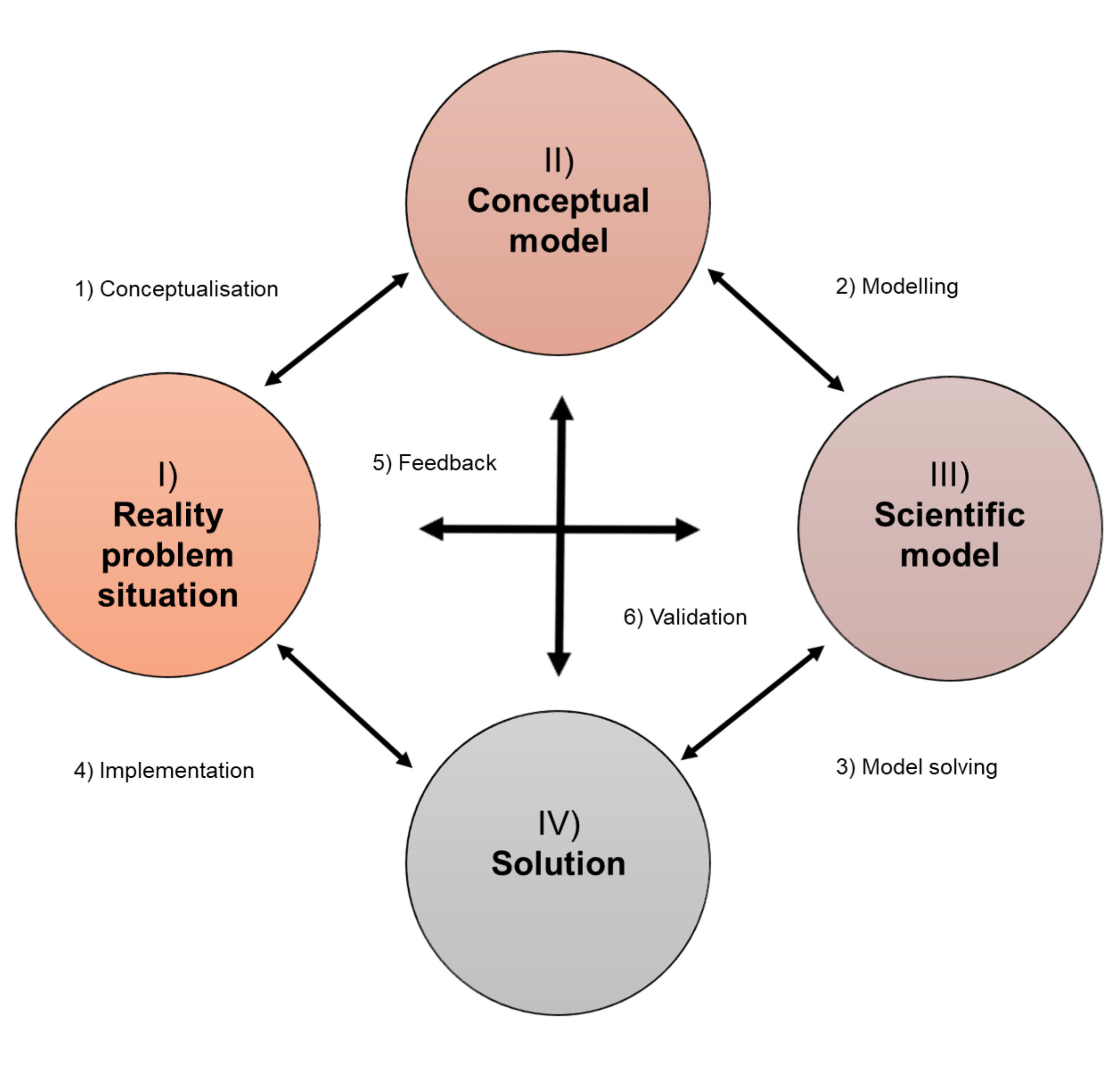
Babbie and Mouton (2001), state that while a researcher has the right to search for the truth, it should not be at the expense of the rights of others in society. Ethical behaviour was exhibited as follows during the study:

i) Each participant was informed of the context of the study, as well as the purpose of the study before the interview commenced;
ii) Each participant was required to sign an informed consent form to prove their knowledge and understanding regarding participation in the study;
iii) The researcher explained to the respondents that participation in this study is voluntary, that this study is strictly for academic purposes, and that no incentives will be offered in exchange for their participation; and,
iv) The individual respondents, as well as the Case Organisations, were assured anonymity. Hence, the researcher has made all attempts to eliminate any direct reference to the organisation or provide any description which may lead to their identification.

5.8 DELIMITATION OF THE STUDY

It is necessary to delineate the main focus of a study and ensure that it is comprehensively dealt with. This is vital, especially when the field of enquiry is characterised by limited prior research, such as the case with IR in South Africa. In this case, it is a natural response to attempt too much at once.

Figure 5.4: A Systems View of Problem Solving



Source: (Mitroff *et al.*, 1974, p. 48)

The figure above depicts “A systems view of problem solving”, as put forth by Mitroff *et al.* (1974, p. 48), this model takes a systems approach to the different varieties of scientific activities; having no definite starting or ending point. Research is considered as being a continuous process that may start in any of the four circles depicted in the model above. Mitroff *et al.* (1974, p. 53) argue that a single research project rarely covers all the circles and activities, rather, various combinations of these circles and activities are utilised. Accordingly, there are 3 555 different possible combinations of the different elements of the model. The scope of this study is limited to (i) circle I; the identification of a real-world problem situation, with (ii) activity I; conceptualisation, and (iii) circle II; putting forth a conceptual model. The development of a scientific model that can be validated and implemented does not fall within the parameters of this study. However, the remaining components of the model, circle III; putting forth a scientific model, and circle IV; proposing a solution, as well as the accompanying activities, will be discussed in the recommendation for further research section.

Additional delimitations to this study include the following:

i) Considering the vastness and complexity associated with the field of communication, the researcher attempted to narrow the focus as significantly as possible in terms of relevance to the study. This being said, the corporate communication literature review is by no means exhaustive if considered in a general perspective; however, with relation to the study it can be considered sufficient;
ii) Although IR is an interdisciplinary phenomenon, this study focused on the corporate communication management vantage point in order to make a specific theoretical and practical contribution;
iii) Since the study explored the field of IR from the corporate communication management vantage point, other related and similar concepts might not be considered relevant and thus fall outside the scope of this study;
iv) The grand theory of this study; dialogic communication management, has differing yet aligned interpretations. The researcher assessed all the interpretations associated with the theory; however, only the most generally recognised interpretations were considered for the purpose of this study;
v) Linked to delimitation (iv) above, the researcher assessed the presence of dialogic communication in an organisation based on the five tenets of dialogic

communication, deemed most applicable to the focus of the study, as opposed to focusing on the five principles for dialogic potential often employed in research associated with dialogic communication. The researcher concurs the notion that studies based on the principles of dialogic potential measure the digital medium's affordances for dialogue rather than the dialogue conducted in the medium;

vi) The population of this study was limited to organisations listed on the JSE. As at the end of 2018 here are 375 companies listed on the JSE. Any organisation not listed on the JSE fell outside the scope of this study;

vii) It is important to note that a thorough in-depth investigation into regulatory measures; (i) the Companies Act, (ii) the JSE listing requirements, (iii) King Code IV, and (iv) the IIRC's IIRF, did not fall within the scope of this study. The researcher highlighted the parts of each of these that were deemed applicable to, and important for the focus of this study;

viii) Related to the aforementioned limitation, it is necessary to take cognisance that the study is not a legal compliance analysis. Additionally, pre-listing communication did not fall within the scope of the study;

ix) The study only considered the regulations and requirements applicable to JSE listed organisations; it did not consider those of other exchanges in the case of dual listed organisations;

x) Regulations with regards to, and governing public companies are context specific and could vary significantly. Each country has its own distinct laws with regards to public companies, and similarly each stock (securities) exchange has its own unique set of rules and regulations applicable to entities listed on it. Hence, it is not possible to apply the outer sphere of the proposed framework (the regulatory framework) to any public company outside of South Africa, not listed on the JSE

xi) Related to delimitation (ix) above, the two inner spheres of the proposed model; the centre sphere (the communication process) and the middle sphere (investor relations), is applicable to any publicly listed company, in any country and on any stock (securities) exchange. However, the outer sphere (the regulatory framework) is context dependent and will thus need to be reformulated for application in every specific setting.

xii) The study did not investigate the research problem from the perspective of the investor; this will be discussed in the recommendation for further research section.

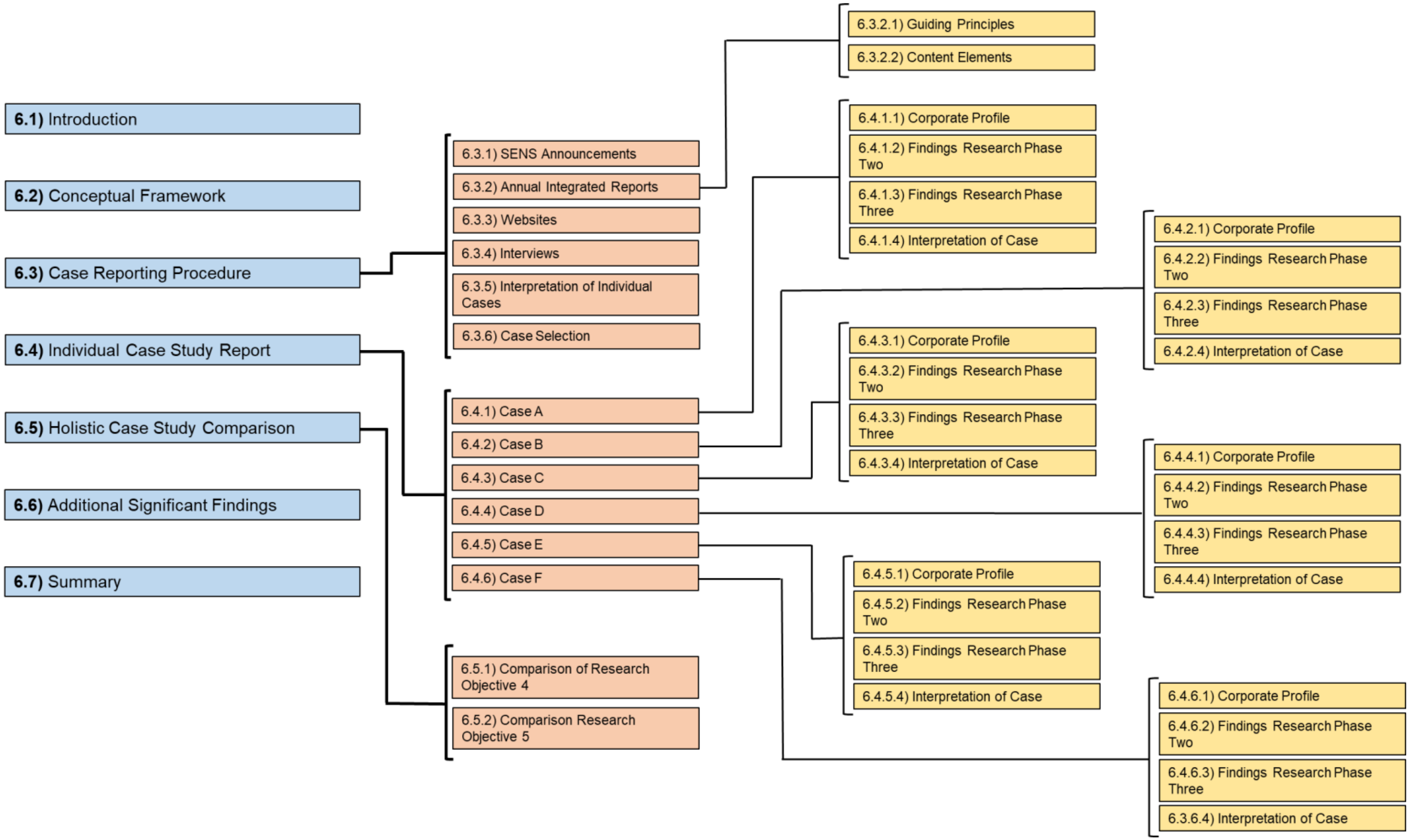
5.9 SUMMARY

Chapter 5 considered the methodological orientation of the study, by providing a discussion of the qualitative methodological orientation, as well as strategic choices employed in the empirical phase of this study.

In summation; the research design employed in this study can be classified as an interpretive multiple case study qualitative inquiry into the phenomenon of IR by JSE (publicly) listed companies. The research took place in three phases, consisting of both an empirical and non-empirical component. The three phases of the research conducted in this study were as follows; research phase one, the non-empirical component consisted of an extensive literature review of the key concepts of this research, showcasing various conceptualisations and relationships. Ultimately the literature review crystallised the conceptual framework for this study, against which communicative products were assessed, as well as assisted in the development of the initial interview schedule utilised in research phase three. The empirical component consisted of two parts; research phase two, a qualitative content analysis of the Case Organisation’s communicative products; including SENS announcements, integrated reports, and websites. The aim of this analysis was to assess the status of the communicative products against the conceptual framework put forth in research phase one, and hence assist in the refining of the interview schedule developed in research phase one. During the second part of the empirical component of the research, research phase three, in-depth semi-structured interviews were conducted with the IROs of each of the Case Organisations whose communicative products were analysed. These interviews were mainly confirmatory, the results of these interviews were used to substantiate, and where necessary adapt the final framework put forth.

As stated earlier, the researcher’s conceptualisations of the literature of Chapter 2, Chapter 3, and Chapter 4 were combined to form the basis of the proposed investor focused communication strategy framework, which was tested during the empirical phase of this study. This proposed framework will be put forth in Chapter 7. The focus of the next chapter, Chapter 6, will fall on the findings, results, as well as the interpretation of these findings and results.

CHAPTER 6: FINDINGS, RESULTS AND INTERPRETATIONS

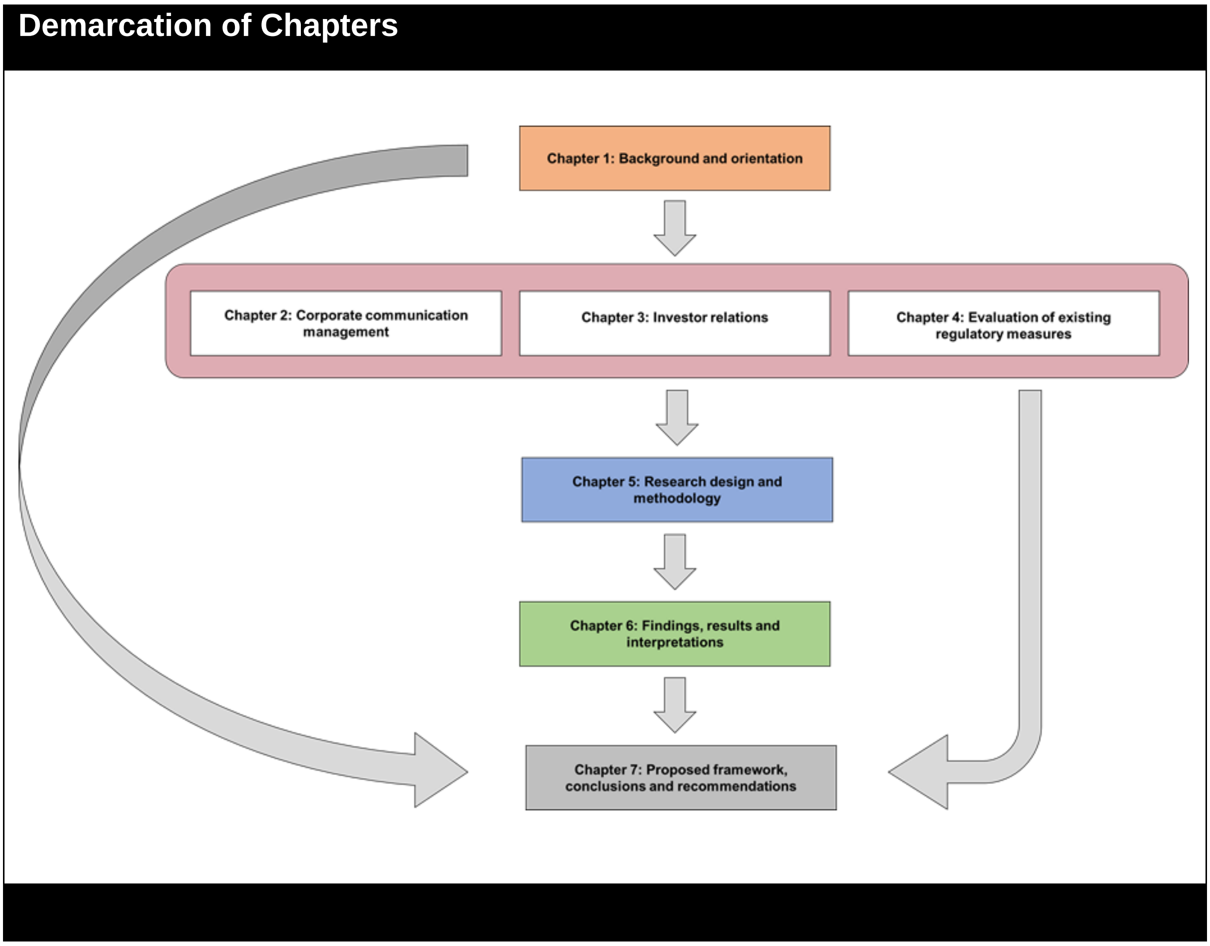


6. FINDINGS, RESULTS AND INTERPRETATIONS

6.1 INTRODUCTION

The demarcation of chapters below, illustrates that Chapters 2, 3, and 4 form the theoretical foundation of this study. Chapter 2, elucidating corporate communication management, established a foundation and provided context for understanding Chapter 3, an investigation into the phenomenon of IR. Chapter 3, clarifying the phenomenon of IR paved the way for Chapter 4, the evaluation of existing regulatory measures. Chapter 5 moves to consider the methodological orientation of the study, by providing a discussion of the qualitative methodological orientation, as well as strategic choices employed in the empirical phase of this study.

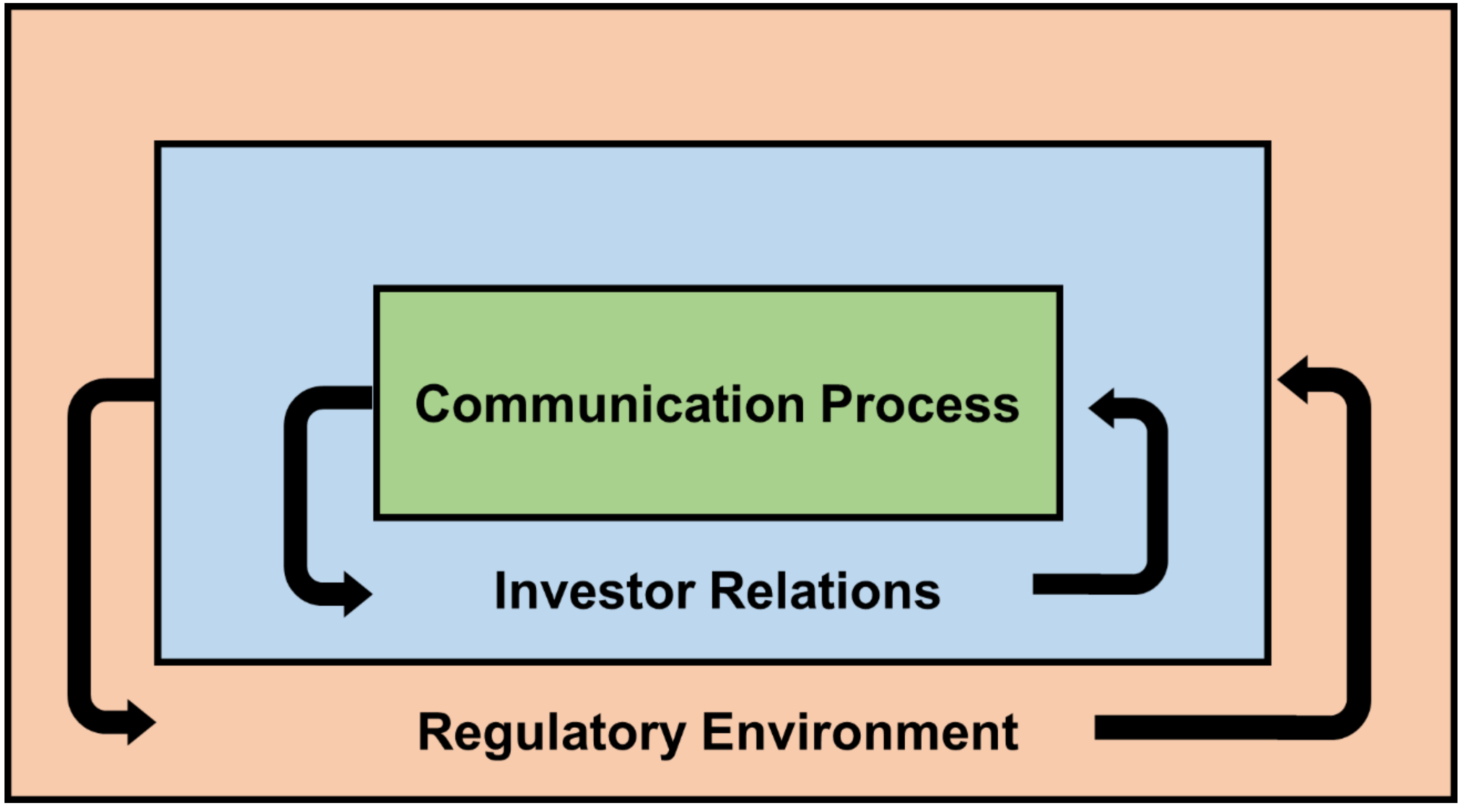
Chapter 6 focuses on the reporting and interpretation of the empirical evidence of the study. Presenting and clarifying the study's data collected for each Case Organisation. However, the researcher deems it necessary to showcase the conceptual framework derived from the theoretical chapters before the reporting of empirical evidence. The complete conceptual framework, which is a culmination of the conceptualisations of Chapter 2, 3, and 4 is presented and discussed below in section 6.2.



6.2 CONCEPTUAL FRAMEWORK

The conceptual framework, which is the outcome of research phase one, consists of intricate elements represented in three spheres that are influenced by and in turn, exert influence on each other. Therefore, it would be impractical to try and represent the conceptual framework in one figure. Instead, the researcher decided to depict the three spheres in their totality and then zoom in on the details related to each sphere. Figure 6.1 below depicts the three spheres; (i) the communication process, (ii) IR, and (iii) the regulatory environment, in a holistic manner, as well as depicting the influence that these spheres exert on each other.

Figure 6.1: Proposed Framework – Holistic Depiction



The first figure which follows, Figure 6.2, depicts the intricate elements of the central sphere of the conceptual framework; the communication process. Following this, Figure 6.3 illustrates the elements relating to the middle sphere of the conceptual framework, IR. IR lies at the heart of this study and acts as the linking component between the central sphere (the communication process) and the outer sphere (the regulatory environment). The outer sphere of the conceptual framework, the regulatory environment is depicted in Figure 6.4 which highlights the regulatory measures (both mandatory and voluntary), that comprises the regulatory environment in which JSE (publicly) listed organisations operate.

Figure 6.2: Conceptual Framework – Communication Process

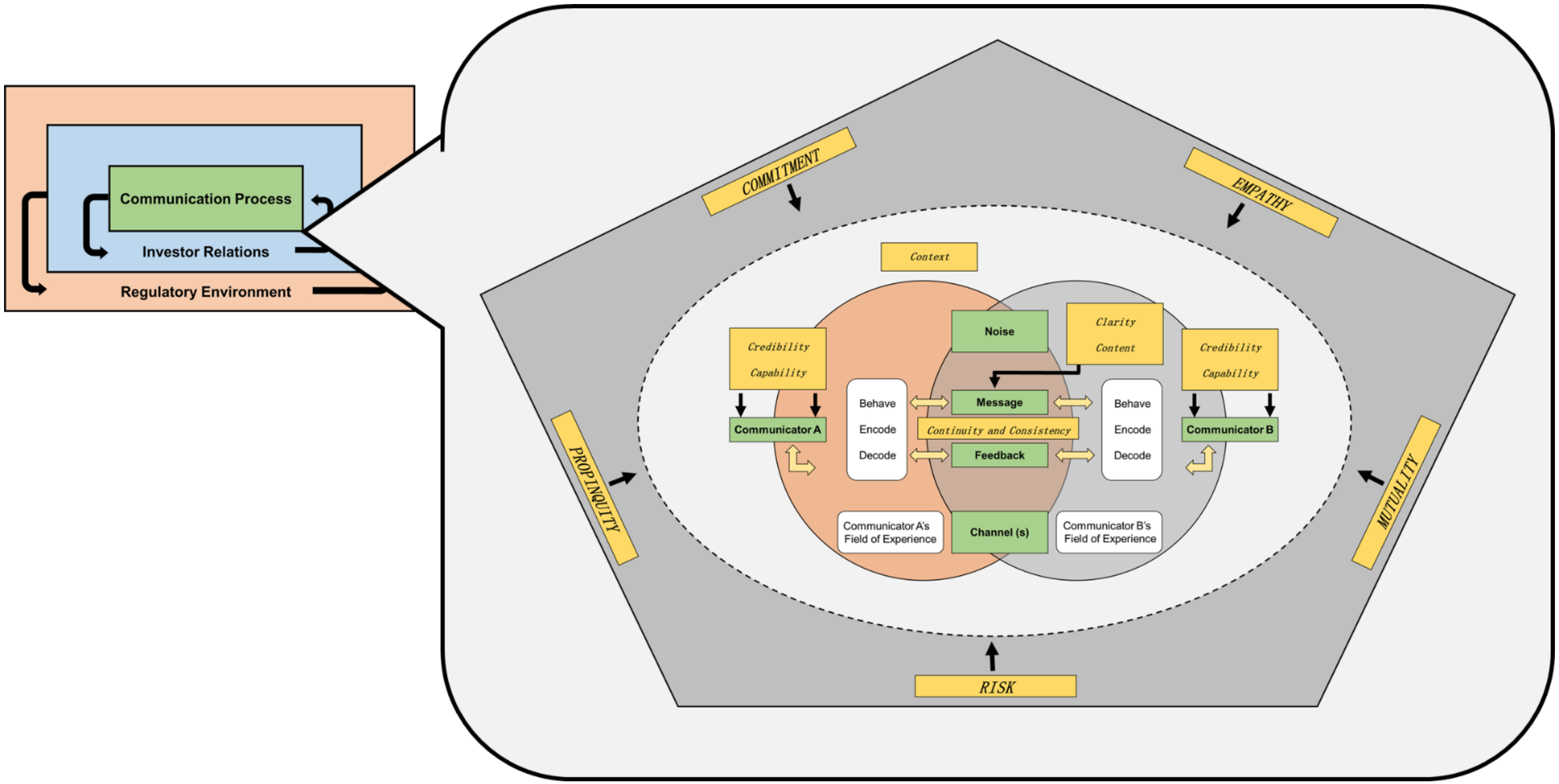


Figure 6.3: Conceptual Framework – IR

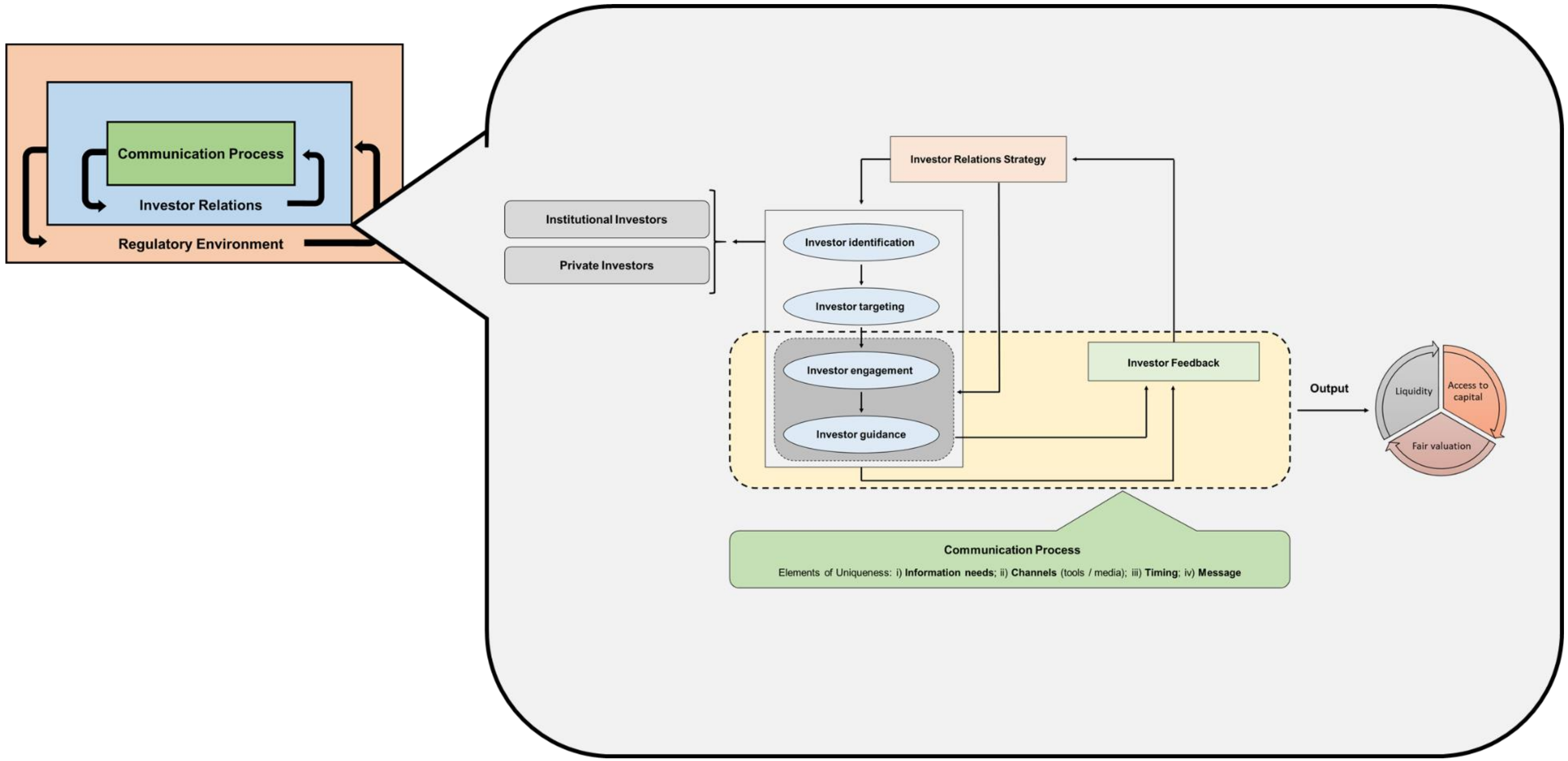
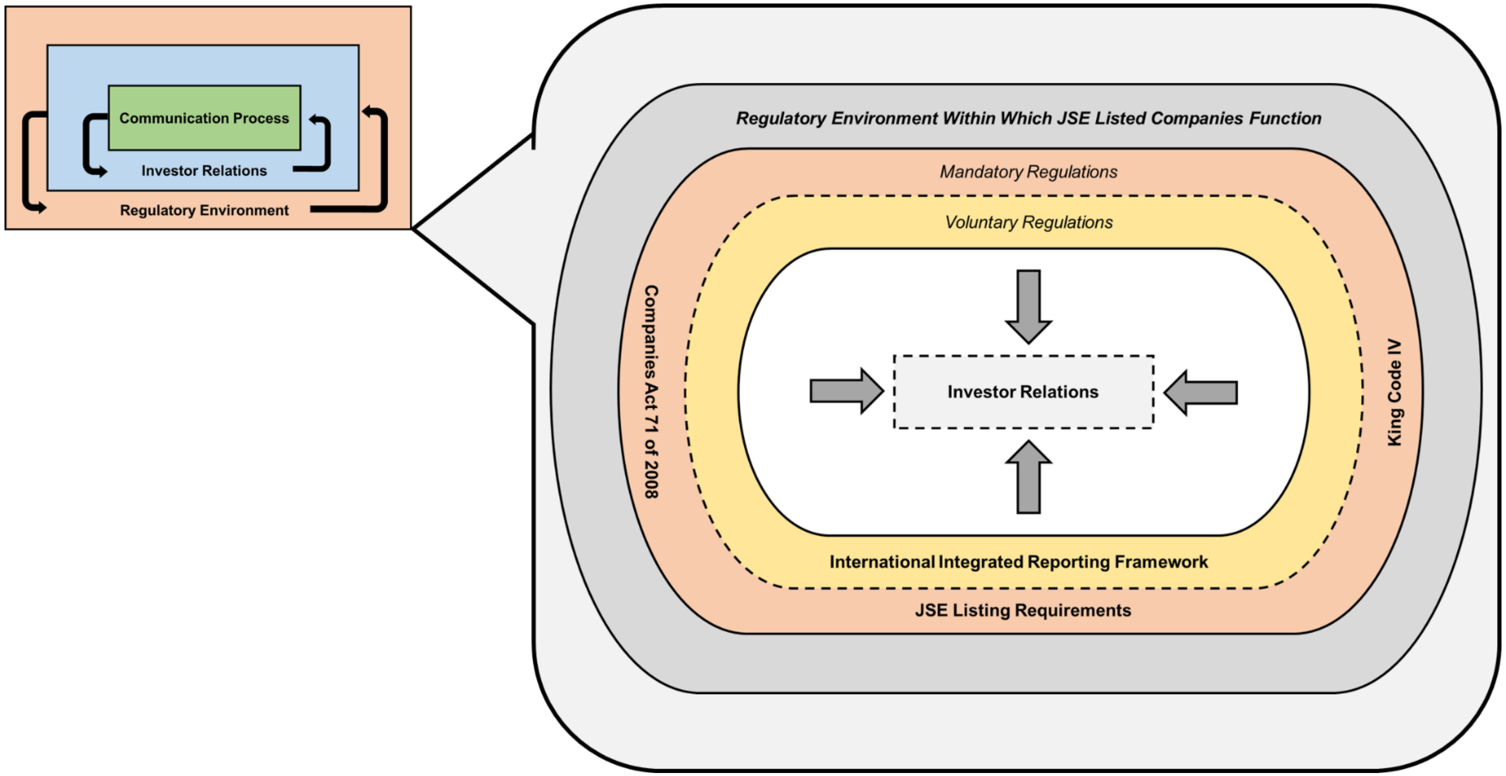


Figure 6.4: Conceptual Framework – Regulatory Environment



6.3 CASE REPORTING PROCEDURE

First, the findings and result, and the interpretation of these, for each individual Case Organisation is put forth and discussed. Following these individual interpretations, the findings are employed to analyse the Case Organisations collectively and comparatively, in order to (i) compare findings, to determine whether key similarities or differences existed and (ii) for the sake of credibility and transferability.

Each individual case will be presented and discussed as follows;

i) a corporate profile of the Case Organisation
ii) the findings of research phase two, the qualitative content analysis of the Case Organisation's communicative products;
iii) the findings of research phase three, the thematic analysis of semi-structured, confirmatory interview; and
iv) the interpretation of the case.

It is important to take note that in some instances while reporting, certain names have been redacted (i.e. represented as XXX) for the sake of maintaining confidentiality.

The corporate profile of each Case Organisation includes; (i) the sector classification, and (ii) an overview of the organisation. It would be valuable to also include the organisation's strategy, mission, and vision; however, considering that this could possibly compromise the anonymity status of the organisation, the researcher decided to rather omit this information for the sake of confidentiality.

The findings of research phase two, the analysis of the Case Organisation's communicative products, will be discussed per communicative product analysed; (i) the SENS announcements, (ii) the annual integrated report, and (iii) the organisation's website. As stated earlier, a study conducted by Bechan (2011, p. 151) found that investors' preferred communication method from an organisation is through annual reports. Annual reports have become an essential avenue for organisations to communicate with their investors (Laskin, 2018b, p. 348; Lord, 2002, p. 384). Annual reports are not just used to disclose information but also to frame the results, shape perceptions, and manage expectations (Laskin, 2018b, p. 340). However, there are certain regulations stipulated by the JSE, stating that all price sensitive and material information must first be communicated through the Stock Exchange News Service

(SENS). Hence, all official communication, regarding price sensitive and material issues, from JSE listed organisations to their stakeholders take place first and foremost through SENS (Johannesburg Stock Exchange, 2019, p. 37). The content found in the investors section of an organisation's website tend to be reflected in the integrated report, and vice versa, thus the analysis of the website content is simply for verification. This ensures that nothing was omitted in the integrated annual report. Uysal (2018, pp. 101-102) suggests that investor communication via corporate websites could provide a useful research setting; however, for the purpose of this study the researcher argues that merely studying the corporate website is not enough

The findings of research phase three, the semi-structured, confirmatory interviews, will be discussed loosely according to the broad themes pre-defined from the literature represented in the conceptual framework.

The interpretation of each case provides a comprehensive explanation and summary of that specific case, as applicable to research objectives 4 and 5 of the study.

These communicative products, the confirmatory interviews, and the interpretation of each case will be discussed as stated below.

6.3.1 Communicative Products

The table below aims to indicate the relations between the categories and sub-categories derived from the conceptual framework, and the organisational communicative product; (i) the SENS announcements, (ii) the annual integrated report, and (iii) the organisation's website according to the same categories as per the three spheres of the conceptual framework; (i) the regulatory framework, (ii) investor relations, and (iii) the communication process.

Table 6.1: Content Analysis Categories and Sub-categories			
Category	**Sub-category**	**Communicative Product**	**Literature**
Outer Sphere Analysis: Regulatory Environment			
Regulatory Environment	Mandatory	SENS Announcements	All official communication, regarding price sensitive and material issues, from JSE listed organisations to their stakeholders take place first and foremost through SENS
		Annual Integrated Report	Section 5.2 of King IV states that an organisation must release an integrated report at least annually
		Website (Investor section)	Interim and provisional reports, and annual financial statements, must be made available on the issuer's website.
	Voluntary	SENS Announcements	
		Website	
Middle Sphere Analysis: Investor Relations			
Investor Relations	Information Need	SENS Announcements	

Table 6.1: Content Analysis Categories and Sub-categories			
Category	**Sub-category**	**Communicative Product**	**Literature**
		Annual Integrated Report	The target audiences of IR have specific information needs, which usually is of little value or interest to other stakeholder groups
		Website (Investor section)	
	Channel	SENS Announcements	The channels utilised to communicate with, and reach investors are unique
		Annual Integrated Report	
		Website (Investor section)	
	Message Timing	SENS Announcements	The timing of the communication by an organisation to investors is governed by law (Companies Act, 1973), the listing requirements of the JSE, as well as guided by regulations related to the King IV code, and the IIRF.
		Annual Integrated Reports	
		Website (Invest section)	

Table 6.1: Content Analysis Categories and Sub-categories			
Category	**Sub-category**	**Communicative Product**	**Literature**
	Message Formulation	SENS Announcements	Due to the legal and statutory requirements, organisations are obliged to disclose information (communicate a message) that might not always be in its best interest at the time.
Central Sphere Analysis: Communication Process			
Communication Process	Communicators	SENS Announcements	**Credibility** - both communicating parties need to have a sense of credibility.
		Annual Integrated Reports	
		Website (Investor section)	
		SENS Announcements	**Capability of the receiver** (audience) - communication must always take into account the capability of the receiver (audience).
		Annual Integrated Reports	
		Website (Investor section)	
	Message	SENS Announcements	**Clarity -** the message must be put in simple terms, investor communication often deals
		Annual Integrated Reports	

Table 6.1: Content Analysis Categories and Sub-categories			
Category	**Sub-category**	**Communicative Product**	**Literature**
		Website (Investor section)	with complex matters, this must be compressed into simple, clear messages.
		SENS Announcements	**Content -** the message must have meaning for the receiver (audience)
		Annual Integrated Reports	
		Website (Investor section)	
	Context		Communication must consider the reality of its environment, the context of the communication must provide for participation and playback.
	Channel	SENS Announcements	Established channels that are respected and are being used by the receiver (audience) should be utilised. Receivers associate different values with

Table 6.1: Content Analysis Categories and Sub-categories			
Category	**Sub-category**	**Communicative Product**	**Literature**
		Annual Integrated Reports	the various channels of communication, this must be kept in mind by the sender (organisation) when selecting the appropriate channel through which to send the message. Additionally, when communicating with investors, the selected channels of communication are not only influenced by the above but also certain rules and regulations.
		Website (Investor section)	
	Communication Process		**Continuity and consistency - **communication is a never-ending process; it requires repetition to achieve mutual understanding (shared meaning).

6.3.1.1 SENS Announcements

According to the JSE listing requirements, the following provisions apply in respect of price sensitive information; an issuer must, without delay, unless the information is kept confidential for a limited period of time, release a SENS announcement providing details relating, directly or indirectly, to such issuer that constitutes price sensitive information (Johannesburg Stock Exchange, 2019, p. 36). SENS announcements are thus the first indication to investors of an organisation's performance.

An organisation's SENS announcements could be a possible indication of transparency; fewer SENS announcements could possibly indicate inactivity; an organisation merely trying to comply with regulations. Each of the Case Organisations' SENS announcements for the 18-month period, January 2019 until June 2020, were analysed to determine the frequency of communication.

SENS announcements tend to be short, generic messages with the purpose to inform. A link to a more detailed account of the announcement content is provided at the end of the announcement.

Table 6.2 below depicts the SENS Announcements content analysis.

Table 6.2: SENS Announcements Content Analysis

Category	Sub-category	Analysis
Regulatory Environment	Mandatory	Mandatory announcements related to price sensitive and material issues
	Voluntary	Voluntary announcements
Investor Relations	Information Need	SENS announcements are formulated to realise the specific information needs of investors
	Channel	The stock exchange news service through which the SENS announcements are released is a unique channel utilised to communicate specifically with investors
	Message Timing	The timing related to the release of SENS announcements are governed by the JSE listing requirements

Table 6.2: SENS Announcements Content Analysis

Category	Sub-category	Analysis
	Message Formulation	The JSE listing requirements require organisations to disclose information related to price sensitive and material issues immediately, even if the disclosure of this information is not always in the best interest of the organisation at the time
Communication Process	Communicators	• Credibility - SENS announcements are considered as a credible source of information • Capability of the receiver (audience) - Considering that the intended audience of SENS announcements is investors, these SENS announcements are formulated on the assumption that the receiver (investors) have a certain capability of understanding
	Message	• Clarity - SENS announcements tend to be short, generic messages with the purpose to inform • Content - Considering that the intended audience of SENS announcements is investors, the message is formulated to have meaning for investors
	Context	The context in which SENS announcements occur is the organisational communication context
	Channel	The stock exchange news service (i.e. SENS announcements) is a communication channel respected and trusted by investors
	Communication Process	Continuity and consistency – SENS announcements are continuous and consistent

6.3.1.2 Annual integrated reports

Integrated reporting is a foundational concept of King IV. It is stated in section 5.2 of King IV, that an organisation must release an integrated report at least annually. However, it is not explicitly stated that this integrated report must follow the form as prescribed by the IIRC's IIRF, as this is not a mandatory requirement but rather seen as good practice.

The emergence of integrated reporting as the dominant form of corporate reporting in South Africa has produced significant benefits for the companies that have adopted it. One of the main benefits being the improvement in internal integration and management (Roberts, 2017). Quite simply, an integrated report can be seen as a narrative document, in contrast to numerical financial statements. The IIRC defines integrated reporting as follows; "a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long-term" (IIRC, 2013, p. 7).

Companies listed on the JSE released their first integrated reports in 2010/2011; today, it is a common practice that has spread to both the public and non-profit sectors. Currently, South African organisations follow the best practice guidance of the framework under the overarching corporate governance principles and recommended practices of King IV (Roberts, 2017; SAICA, 2017, p. 22). Compliance with King IV is mandatory for all JSE listed companies.

Integrated reporting encourages a more cohesive and efficient approach to corporate reporting, aiming to improve the quality of information available to providers of financial capital, including investors, to enable a more effective allocation of capital (IIRC, 2013, p. 4). The IIRF provides guiding principles and content elements that oversee the overall content of an integrated report (IIRC, 2013, p. 4). The annual integrated reports of each Case Organisation were analysed accordingly based on these (i) guiding principles, and (ii) content elements; for the sake of clarity and to avoid unnecessary repetition, these guiding principles and content elements are discussed below in section 6.3.1.2.1 and section 6.3.1.2.2, and then the outcome of the analysis of each case organisation is simply indicated by means of a checkbox. Particular cognisance was taken of the guiding principle related stakeholder relationships, as seen below in point iii) of section 6.3.1.2.1.

6.3.1.2.1 Guiding principles

The following guiding principles underpin the preparation of an integrated report, informing the content of the report and how information is presented (IIRC, 2013, pp. 17-21):

i) Strategic focus and future orientation; an integrated report should provide insight into the organisation's strategy, as well as how it relates to the organisation's ability to create value in the short, medium and long term;

ii) Connectivity of information; an integrated report should present a holistic picture of the interrelatedness and dependencies between the factors that affect the organisation's ability to create value over time, this recognises that all communications from an organisation need to be consistent, and that the information that the organisation provides is not considered in isolation but combined with information from other sources when making assessments;

iii) Stakeholder relationships; an integrated report should provide insight into the nature and quality of the organisation's relationships with its key stakeholders, including how and to what extent the organisation understands, considers, and responds to the legitimate needs and interests of these stakeholders. This guiding principle reflects the importance of relationships with key stakeholders because, value is not created by or within an organisation alone, but through relationships with others. An integrated report enhances transparency and accountability, which are essential in building trust and resilience;

iv) Materiality; an integrated report should disclose information about matters that fundamentally affect the organisation's ability to create value over the short, medium and long term;

v) Conciseness; an integrated report should be concise. An organisation should seek a balance in its integrated report between conciseness and the other guiding principles, in particular, completeness and comparability;

vi) Reliability and completeness; an integrated report should include all material matters, both positive and negative, in a balanced way and without material error; and

vii) Consistency and comparability; the information in an integrated report should be presented, (a) on a basis that is consistent over time, and (b) in a way that enables comparison with other organisations.

6.3.1.2.2 Content elements

Along with the above-mentioned guiding principles, an integrated report includes eight content elements that are fundamentally linked, and are not mutually exclusive (IIRC, 2013, p. 5):

i) Organisational overview and external environment; considering what the organisation does and under which circumstances it operates;

ii) Governance; considering how the organisation's governance structure supports its ability to create value in the short, medium and long term;

iii) Business model; considering what the organisation's business model looks like;

iv) Risks and opportunities; considering what the specific risks and opportunities that affect the organisation's ability to create value are, and how the organisation deals with these;

v) Strategy and resource allocation; considering where the organisation wants to go and how it intends to get there;

vi) Performance; considering the extent to which the organisation has achieved its strategic objectives and the resulting outcomes in terms of effects on the capitals;

vii) Outlook; considering challenges and uncertainties that the organisation is likely to encounter in pursuing its strategy, and the potential implications of these on its business model and future performance; and

viii) Basis of presentation; considering the matters which an organisation decides to include in the integrated report and how such matters are then quantified or evaluated.

Different investors are interested in different parts of the organisation's integrated report; however, integrated reports should be so comprehensive that investment decisions could be based solely on the content thereof. An annual integrated report provides investors and potential investors with more than just financial statements, it provides a long-term view and gives perspective beyond financials.

Table 6.3 below depicts the annual integrated report content analysis.

Table 6.3: Annual Integrated Report Content Analysis		
Category	**Sub-category**	**Analysis**
Regulatory Environment	Mandatory	An organisation must release an integrated report at least annually
	Voluntary	It is not prescribed that the annual integrated report must follow the form as prescribed by the IIRC's IIRF. However, South African organisations follow the best practice guidance of the framework under the overarching corporate governance principles and recommended practices of King IV. Compliance with King IV is mandatory for all JSE listed companies. In essence, this infers that following the IIRC's IIRF format is implicitly expected of publicly listed companies in South Africa
Investor Relations	Information Need	The content of an organisation's annual integrated report is of particular interest to investors; however, it is not formulated specifically to meet the information needs of investors
	Channel	An organisation's annual integrate report is not a communication channel utilised strictly to communicate with investors. However, the annual integrated report is of particular interest to investors and it is assumed that investors are the main consumers of this channel of communication
	Message Timing	The timing of the communication by an organisation to investors is strictly regulated, as a result, much of the information in the annual integrated report that is primarily considered by investors has already been published elsewhere
	Message Formulation	Due to certain regulations, organisations are obliged to disclose information that might not always be in its best interest at the time. However, this information is first

Table 6.3: Annual Integrated Report Content Analysis		
Category	**Sub-category**	**Analysis**
		published via a SENS announcement and is thus generally public knowledge by the time it gets published in the annual integrated report.
Communication Process	Communicators	• Credibility – Annual integrated reports are considered to epitomise ethics and credibility, as such an annual integrated report is considered as credible, and in turn enhances the credibility of the organisation • Capability of the receiver (audience) - Considering that the intended audience of an annual integrated report comprises all its stakeholders, the content tends to be formulated in a more general manner. However, it is important to take note of the guiding principles and content elements, as prescribed by the IIRC's IIRF, that underpin the preparation of an integrated report
	Message	• Clarity – Bearing in mind the complex nature of the information presented in an annual integrated report, it is essential that the message content be clear and simple. As such, the guiding principles and content elements prescribed by the IIRC's IIRF once again come into play, in this instance to assure clarity • Content – Once again, in view of the intended audience of an annual integrated report comprising all its stakeholders, the content tends to be formulated in a more general manner. However, it is important to take note of the guiding principles and content elements, as prescribed by the IIRC's IIRF, that underpin the preparation of an integrated report

Table 6.3: Annual Integrated Report Content Analysis		
Category	**Sub-category**	**Analysis**
	Context	The context in which annual integrated reports transpire is the organisational communication context
	Channel	Annual integrated reports are an established channel of communication to all stakeholders, held in high esteemed. However, as a result of certain regulations, an annual integrated cannot be utilised as the sole communication channel for investor communication; investors require more frequent communication
	Communication Process	Continuity and consistency – An organisation's annual integrated report provides all stakeholders, including investors, with consistent and continuous (on an annual basis) information regarding the key aspects of the organisation's operations

6.3.1.3 Websites

In some cases, corporate websites could possibly provide investors with slightly more background to inform investment decisions. However, the content found in the investors section of an organisation's website tend to be reflected in the integrated report, and vice versa, thus the analysis of the website content is simply for verification, to ensure that nothing was omitted in the integrated annual report.

When analysing the organisations' websites, the following aspects were considered:

i) the general appearance of the home page;
ii) the main tabs on the home page;
iii) the content of the investor section, and
iv) whether the direct contact details of the IRO could be found.

The rationale for analysing the abovementioned aspects is based on a funnel approach; the assumption is made that investors visiting the organisation's website will first encounter the general appearance of the home page which will contribute to their perception formed of the organisation. The individual will then have to navigate the main tabs on the home page in order to get to the investor section, thus if the home page is cluttered with too many main tabs (i.e. noise in the communication process) it could lead to the visitor being distracted. The content of the investor section is the primary focus area considering that it is essential to the focus area of this study; every publicly listed organisation has a dedicated investor section on its website, it is considered as a voluntary best practice. It is then considered whether the direct contact details of the IRO is made available, in order to establish with what ease direct feedback can be provided by the investors to the organisation.

Further, according to the JSE listing requirements; (a) interim and provisional reports, and (b) annual financial statements, must be made available on the issuer's (the organisation's) website, this is verified for each Case Organisation.

Table 6.4 below depicts the website content analysis.

Table 6.4: Website Content Analysis

Category	**Sub-category**	**Analysis**
Regulatory Environment	Mandatory	According to the JSE listing requirements; (a) interim and provisional reports, and (b) annual financial statements, must be made available on the issuer's (the organisation's) website. This is the only mandatory regulation regarding investor content on organisational websites
	Voluntary	All other information related to investors, published on the organisational website, is voluntary
Investor Relations	Information Need	The content found in the investor section of an organisation's website is aimed at meeting investor needs and usually has little value to other stakeholder groups
	Channel	The organisational website is not a communication channel utilised strictly to

Table 6.4: Website Content Analysis		
Category	**Sub-category**	**Analysis**
		communicate with investors; however, the investor section of the organisational website can be considered as a unique channel utilised to communicate with investors
	Message Timing	The timing of the communication by an organisation to investors is strictly governed, hence an organisation cannot publish certain information (i.e. price sensitive and material matters) on its website before a certain specified time
	Message Formulation	Due to certain regulations, organisations are obliged to disclose information that might not always be in its best interest at the time. However, this information is first published via a SENS announcement and only appears on the organisational website when it is already public knowledge
Communication Process	Communicators	• Credibility – Organisational websites are considered as a credible source of information • Capability of the receiver (audience) - Considering that the intended audience of an organisational website comprises all its stakeholders, the content tends to be formulated in a more general fashion than SENS announcements. However, the content of the investor section of an organisational website tends to be formulated more on the assumption that the receiver (investors) have a certain capability of understanding
	Message	• Clarity – Considering the component of noise and the resulting potential for misinterpretation, messages conveyed via an organisational website needs to be simple and clear

Table 6.4: Website Content Analysis		
Category	**Sub-category**	**Analysis**
		• Content - Considering that the intended audience of an organisational website comprises all its stakeholders, the content tends to be formulated in a more general fashion than SENS announcements However, the content of the investor section of an organisational website tends to be formulated to have meaning for investors
	Context	The context in which organisational websites function is the organisational communication context
	Channel	An organisational website is an established and respected channel of communication to all stakeholders, including investors. However, as a result of certain regulations, an organisational website cannot be utilised as the primary communication channel for investor communication.
	Communication Process	Continuity and consistency – Organisational websites create a sense of continuity and consistency in the minds of stakeholder

6.3.2 Interviews

The findings of research phase three, the semi-structured, confirmatory interviews, will be discussed according to the broad themes and sub-themes identified and pre-defined from the literature represented in the conceptual framework. These themes and sub-themes are highlighted in the table below.

Table 6.5: Themes and Sub-themes

Main Theme	Sub-theme	
Corporate Landscape		
Investor Relations	*Function of investor relations*	
	Importance of investors	
	Investor needs	
	Relationship building	
	Investor relations strategy (Strategic alignment)	
	Organisation responsibility to investors	
Corporate Communication	*Message content*	
	Audience	
	Message formulation	
	Contribution of communication	
	Channels	
	Message timing	
	Feedback	
	Dialogue	Risk
		Mutuality
		Propinquity
		Empathy
		Commitment
Regulatory Framework		

Considering the interpretivist nature of this study, the researcher opted for a more narrative account of the interviews conducted, rather than a rigid theme-by-theme discussion. As discussed earlier interpretivism addresses understanding the world as others experience it (Venter *et al.*, 2017, p. 127; Wagner *et al.*, 2012, p. 56) and Interpretivists believe that reality is socially constructed and that there are numerous intangible realities. Reality depends on the individual mind and can therefore be considered as a personal or social construct (Henning *et al.*, 2004, p. 19).

6.3.3 Interpretation of Individual Cases

As previously highlighted in section 5.6.1 (Table 5.2); Table 6.6 below, explains and indicates that certain research objectives are addressed in the different phases of the research.

Table 6.6: Research Objective in Relation to the Research Phases

Research objective:	**Research phase:**
Ro1: To describe the origin, history and development of IR	(i) research phase one - Literature review
Ro2: To explain the relevance and applicability of the dialogic theory of communication management to IR	(i) research phase one - Literature review
Ro3: To identify and assess the current IR regulations (i.e. rules of conduct) that publicly listed organisations have to adhere to	(i) research phase one - Literature review
Ro4: To identify and assess the current IR practices that publicly listed organisations engage in	(ii) research phase two - Qualitative content analysis of communicative products

Table 6.6: Research Objective in Relation to the Research Phases	
Research objective:	**Research phase:**
	(iii) research phase three - Thematic analysis of semi-structured interviews
Ro5: To determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory)	(ii) research phase two - Qualitative content analysis of communicative products (iii) research phase three - Thematic analysis of semi-structured interviews
Ro6: To compare the IR practices of multiple publicly listed organisations	(ii) research phase two - Qualitative content analysis of communicative products (iii) research phase three - Thematic analysis of semi-structured interviews
Ro7: To propose an investor focused communication strategy framework based on dialogic theory, for publicly listed companies in South Africa	(i) research phase one - Literature review (ii) research phase two - Qualitative content analysis of communicative products (iii) research phase three - Thematic analysis of semi-structured interviews

As indicated in the table above research objectives 4, 5, 6 and 7 are addressed in research phase two and research phase three. Each individual case interpretation is discussed in terms of research objectives 4 and 5. Research objective 6 is discussed in holistic case study comparison, while research objective 7 is discussed and concluded in the following chapter; Chapter 7.

6.3.4 Case Selection

As stated in previous sections, the population of this study comprised of all the companies listed on the JSE, as at the end of 2018. All listed entities are classified into one of three broad sectors, namely; (i) Resources, (ii) Financials, and (iii) Industrials. The sector classification is derived from the Industry Classification Benchmark (ICB) (Johannesburg Stock Exchange, 2020). The South African market is classified into three broad sectors, as follows;

i) Resources – JSE listed companies that belong to the ICB classified (i) oil and gas industry, and (ii) basic materials industry;

ii) Financials – JSE listed companies that belong to the ICB classified financial industry; and

iii) Industrials – All remaining companies listed on the JSE that are not classified as belonging to the oil and gas, basic material, or financial industries.

Each of these aforementioned sectors are further divided into subsectors, however for the purpose of this study, the three broad sectors will be considered.

Although the aim of case study research is not generalisation, the researcher wanted the Case Organisations to be as representative as possible. Therefore, the Case Organisations were selected to be representative of these three sectors; two organisations from each sector forms part of the Case Organisations.

6.4 INDIVIDUAL CASE STUDY REPORTS

The findings and results, as well as the interpretation of these, for each individual Case Organisation, are put forth and discussed within this section. As phase one of the study focused on the literature review, the following section will focus on the integration of phase two and phase three of the study and how these phases were addressed in terms of each individual case organisation.

6.4.1 Case A

6.4.1.1 Corporate profile

Corporate Profile - Case Organisation A
Sector classification:
Case Organisation A is situated within the Resources sector
Overview:
Case Organisation A, through its two divisions; (i) mining, and (ii) trading, is a coal-focused mining company incorporating mining, processing, selling and distribution of coal and coal-related products. The organisation has coal resources in excess of 300 million tonnes, three operating mines, four processing plants and minor interests in coal supply chain infrastructures.

6.4.1.2 Findings research phase two

Analysis of the Case Organisation's communicative products;

i) SENS Announcements

The table below displays the SENS announcements issued by Case Organisation A during the 18-month period, January 2019 to end-June 2020.

Table 6.7: Case Organisation A – SENS Announcements	
Date:	**Title:**
23/01/2019	Results of Annual General Meeting
24/01/2019	Further Cautionary Announcement
28/01/2019	Change to the Board of Directors
31/01/2019	Voluntary Operational and Funding Update
15/02/2019	Transaction Announcement

Table 6.7: Case Organisation A – SENS Announcements	
Date:	**Title:**
22/02/2019	Reconstitution of the Board of Directors
28/02/2019	Acquisition of Indirect Interest
07/03/2019	Further Cautionary Announcement
08/04/2019	Withdrawal of Cautionary Announcement
24/04/2019	Dismissal Announcement
06/05/2019	Management Appointments and Update
21/05/2019	Resumption of Mining Activities
30/05/2019	Acquisition of Minority Interest
31/05/2019	Debt Refinance and Trading Statement
03/06/2019	Resignation of Director
10/06/2019	Acquisition Announcement
18/06/2019	Fatality at XXX Mine
25/06/2019	Final Results March 2019
23/07/2019	General Repurchase of Shares
31/07/2019	XXX Project Off-take Agreement
31/07/2019	Annual Report and AGM notice
05/08/2019	Dealing in Securities by a Director
23/08/2019	General Repurchase of Shares
06/09/2019	General Repurchase of Shares
27/09/2019	Changes to the Board of Directors
15/10/2019	Changes to the Role of a Director
16/10/2019	Results of AGM
08/11/2019	Production and Sales Report

Table 6.7: Case Organisation A – SENS Announcements	
Date:	**Title:**
26/11/2019	Interim Results September 2019
04/12/2019	Dealing in Securities by a Director
06/12/2019	Board and Committee Changes
09/12/2019	Dealing in Securities by a Director
13/12/2019	Dealing in Securities by a Director
13/12/2019	Update on Acquisition
19/12/2019	Dealing in Securities by a Director
23/12/2019	Dealing in Securities by a Director
27/12/2019	Dealing in Securities by a Director
03/01/2020	Dealing in Securities by a Director
10/01/2020	Dealing in Securities by a Director
13/01/2020	Resignation of Company Secretary
15/01/2020	Dealing in Securities by a Director
17/01/2020	Dealing in Securities by a Director
22/01/2020	Dealing in Securities by a Director
24/01/2020	Dealing in Securities by a Director
28/01/2020	Dealing in Securities by a Director
19/02/2020	Strategic and Operational Update
25/02/2020	Dealing in Securities by a Director
27/02/2020	Dealing in Securities by a Director
02/03/2020	Dealing in Securities by a Director
06/03/2020	Investor Site Visit
09/03/2020	Dealing in Securities by a Director

Table 6.7: Case Organisation A – SENS Announcements	
Date:	**Title:**
11/03/2020	Dealing in Securities by a Director
16/03/2020	Dealing in Securities by a Director
18/03/2020	Dealing in Securities by a Director
20/03/2020	Dealing in Securities by a Director
23/03/2020	Dealing in Securities by a Director
25/03/2020	Business Continuity and Management Plans
25/03/2020	Dealing in Securities by a Director
09/04/2020	Extension of Financial Reporting Period
21/04/2020	Force Majeure Notification from XXX
29/04/2020	Voluntary Announcement
15/06/2020	Voluntary Strategic and Operational Update

During the 18-month period, January 2019 to end-June 2020, Case Organisation A released 62 SENS announcements; 58 mandatory announcements and 4 voluntary announcements. All announcements made were in accordance to guidelines set out by the JSE listing requirements. Case Organisation A released the most SENS announcements of all the Case Organisations comprising this study.

ii) Annual integrated report

In the “Scope of the Report” section of the annual integrated report of Case Organisation A, the following is elucidated; “The report is aimed primarily at investors but also addresses the interests and concerns of the other stakeholders wherever possible. The report has been prepared in in compliance with the Companies Act 71 of 2008, the listing requirements of the JSE and in line with the recommendations of the King IV Report on Corporate Governance”.

Just to reiterate, the annual integrated reports of each Case Organisation were analysed accordingly based on these (i) guiding principles, and (ii) content elements; for the sake of clarity and to avoid unnecessary repetition, these guiding principles and content elements were discussed in section 6.3.1.2.1 and section 6.3.1.2.2, and then the outcome of the analysis of each case organisation is simply indicated by means of a checkbox.

The table below depicts the guiding principles for Case Organisation A.

Table 6.8: Case Organisation A - Guiding Principles		
i)	Strategic focus and future orientation	✓
ii)	Connectivity of information	✓
iii)	Stakeholder relationships	✓
iv)	Materiality	✓
v)	Conciseness	✓
vi)	Reliability and completeness	✓
vii)	Consistency and comparability	✓

In the stakeholder engagement section of its annual integrated report, Case Organisation A states the following; “We view communication and relationship management with our stakeholders as integral to our sustainability and a critical part of our business strategy. Our stakeholder engagement informs our key strategic discussions and is important in identifying our material issues and the steps needed to address these. We strive to ensure open and transparent engagement with all stakeholders. A stakeholder evaluation is constantly under review at group level as well as in the Mining and Trading divisions. We communicate with stakeholders through our website, stakeholder presentations, site visits, the annual general meeting, interaction with the media, one-on-one meetings, community forums and ongoing informal and formal discussions”.

The key stakeholders of Case Organisation A were identified as; (i) financiers, (ii) suppliers, (iii) customers, (iv) contractors, (v) investors (shareholders), (vi) employees, (vii) mining affected communities, (viii) unions, (ix) civil society groups, (x) governments and municipalities, (xi) regulators, and (xii) media.

Considering that the focus of this study falls on IR; the engagement with investors was further evaluated by the researcher. Case Organisation A identified the (i) key interests of, (ii) actions toward, and (iii) engagement with investors.

Key interests of investors include; (i) the strength of board of directors, (ii) the long-term life of the mines, (iii) the earnings and sustainability of the company (iv) the dividend payments and succession planning, (v) black ownership (vi) broad-based black economic empowerment, and (vii) the value proposition of the business.

Organisational actions in which the investors are interested include; (i) growth in logistical infrastructures, (ii) increase in the asset base (iii) board members and board member appointments, (iv) diversified revenue streams, (v) management competence, and (vi) reviewed strategy.

Organisational engagement with investors include; (i) SENS announcements, (ii) interim and final results presentations and teleconferences (iii) regularly updated website (iv) dissemination of information through a defined contact list, (v) calls with strategic investors (shareholders) if and when required, (vi) site visits and investor open days to mining facilities, and (vii) regular engagements with key investors (shareholders). The table below indicates the content elements as found for Case Organisation A.

Table 6.9: Case Organisation A - Content Elements		
i)	Organisational overview and external environment	✓
ii)	Governance	✓
iii)	Business model	✓
iv)	Risks and opportunities	✓
v)	Strategy and resource allocation	✓

Table 6.9: Case Organisation A - Content Elements	
vi) Performance	✓
vii) Outlook	✓
viii) Basis of presentation	✓

iii) Websites

As indicated the website of each Case Organisation was analysed by focusing on the general appearance, the home page main tabs, and which investors related requirements were or were not included. The table below depicts these findings.

Table 6.10: Case Organisation A – Website Analysis
General appearance:
Website theme applicable to business, organised and easy to navigate
Home page main tabs:
i) Home ii) About us iii) Our business iv) Sustainability v) Governance vi) Investors vii) News viii) Contact us
Investor section content:
i) Investment Case ii) Annual Reports and Results iii) Presentations and Webcasts

Table 6.10: Case Organisation A – Website Analysis
iv) AGM Notices v) Share Price Information vi) SENS vii) Corporate Activities viii) Events Calendar
IR officer contact details:
✓
Interim and provisional reports:
✓
Annual financial statements:
✓

6.4.1.3 Findings research phase three

Research phase three involved a semi-structured, confirmatory interview;

The confirmatory interview was conducted with the IRO of Case Organisation A. Interestingly, Case Organisation A makes use of an external consultant to act as their IRO.

The interviewee considers IR to be a hybrid component of both communication management and financial management. However, currently the IR function of Case Organisation A is managed by the financial management division. The IRO has a Master of Business Administration (MBA), and considerable experience in the field of IR.

As highlighted in the introduction and problem statement, in recent times the South African capital market has been plagued by regular corporate scandals. As a result, stakeholders are understandably, ever more sceptical about the accuracy and transparency of information being communicated to them by publicly listed organisations. All interviewees were probed regarding their view of the current corporate landscape in South Africa.

The IRO of Case Organisation A has the following opinion regarding the aforementioned matter; *"The JSE is adding to its regulatory listing requirements and ongoing obligations. The Financial Sector Conduct Authority (FSCA) is acting much faster and going in deeper and broader than before. There is clearly a 'pre'- and 'post' Steinhoff environment. The audit firms have been tainted and have lost credibility and reputation. Investors are pushing much harder to dig for accuracy and insight into companies".*

Within the first few moments of the interview, the IRO of Case Organisation A made a defining comment; *"The vast majority of South African organisations' problems are caused by poor communication. Communication needs to be improved and standards need to be established"*. This served as confirmation of the premise on which this study was built.

As mentioned earlier in the account of the stakeholder engagement section of the annual integrated report, Case Organisation A views communication and relationship management with its stakeholders as integral to its sustainability and a critical part of its business strategy.

When communicating with investors, Case Organisation A assumes that the intended receivers of the message (i.e. the investors) have a certain capacity of understanding. A basic understanding of financials and key investment terms are assumed. However, every effort is still made to make the message understandable to most stakeholders.

Case Organisation A stated that when formulating a message, it does not necessarily just take the information needs of its investors into account, but that of its stakeholders in general. Messages are formulated to be accurate and provide stakeholders with the clearest possible information. *"We understand that investors have different information needs compared to other stakeholder groups"*.

"We aim to go above and beyond basic communication compliance…" Case Organisation A agrees that certain communication activities take place in accordance to compliance requirements, yet they aim to go beyond mere communication for the sake of compliance.

It is revealed in the stakeholder engagement section of its annual integrated report, Case Organisation A engages with investors by means of the following; (i) SENS announcements, (ii) interim and final results presentations and teleconferences (iii) regularly updated website (iv) dissemination of information through a defined contact list, (v) calls with strategic investors (shareholders) if and when required, (vi) site visits and investor open days to mining facilities, and (vii) regular engagements with key investors. The IRO concurs this, *"…we communicate with investors through our website, results presentations, site visits, and at the annual general meeting. We do however engage more with our key, strategic investors, via direct emails and phone calls"*. It was established that these key, strategic investors referred to by the IRO are large institutional investors, who comprise their majority investors. It thus became evident that not all investors are communicated with equally.

When asked whether Case Organisation A actively seeks feedback from investors, the IRO stated that it does in fact encourage and seek feedback from investors; *"Yes, there are forums where the executive and sometimes the board engage with investors, not only at the AGM"*. Probing by the researcher as to what exactly these forums were, did not produce any valuable insight, thus the researcher is still not able to verify that these platforms do exist. A conclusion that could be drawn was the fact that once again it was large institutional investors that were engaged in this manner.

Considering that this study is situated in the dialogic theory of communication management, each interviewee was asked to provide their understanding of the term 'dialogic communication'. The IRO of Case Organisation A was spot-on with their definition, and this clearly reflects the vast amount of experience they have in the field of communication; *"…two-way communication, interaction where feedback and reflection are critical. Being willing to taking different points of view into consideration and to consider varying expressed opinions"*. The follow up question being whether they believe that their organisation engages in dialogue with its investors; *"Yes, increasingly so"*.

The IRO of Case Organisation A reiterates the importance of building relationships with investors, as well as being willing to communicate with investors of their terms; stating that the key to a solid relationship is trust, and trust can only be established through honesty and vulnerability.

When asked whether the organisation takes investor input into account when making decisions, they IRO referred the researcher back to the statement made in the stakeholder engagement section of the annual integrated report; *"our stakeholder engagement informs our key strategic discussions and is important in identifying our material issues and the steps needed to address these"*. It is evident that Case Organisation A not only values input from investors, but all stakeholders. As a result of this engagement, it is also possible to ensure that the goals of the organisation are aligned with those of the investors.

Being in a complex industry which has faced quite some controversy over the last decade, accompanied with extensive controlling legislation and regulations, Case Organisation A recognises the need to be truly committed to the interactions with its investors; *"we strive to ensure open and transparent engagement…"*.

Considering the above, the IRO of Case Organisation A was of the opinion that the main needs, in terms of communication, of its investors is insight into the *"…strategy, management, and financials"*, of the organisation. *"Investors want to understand where the company is planning to go, who will be at the steer of matters, and how does that affect their money"*. The IRO thus deems it the responsibility of the organisation to report to their investors in a truthful and timely manner.

When asked to explain what they understand the role of the IR function in a publicly listed organisation to be, the IRO of Case Organisation A responded; *"To ensure that investors are treated fairly and to provide them with useful and current company information"*. Keeping in mind the interviewee's vast experience in IR, the researcher went on the probe them regarding the current state of IR in South Africa; *"Communication within IR needs to be improved and standards need to be established. Formal IR training and accreditation needs to become a requirement"*.

Given IRO's allegiance to IR, the researcher posed the question if investors were considered to be the stakeholder group most integral to organisational success, particularly in the case of publicly listed entities. The response came as no surprise; *"Yes, investors are critical to any company, private or listed. They are at the top of the stakeholder tree. Without funding (or investors) there is no future for any company"*.

Considering the above it is understandable that Case Organisation A has a well-defined IR strategy. The premise on which this strategy rests is open and transparent engagement. Not only are the IR activities of the organisation aligned to the organisation's overall strategy, the IR activities actually form a fundamental part of the overall strategy, *"… ensuring sustained investor rewards"*.

As mentioned previously, Case Organisation A prides itself in going beyond mere compliance. Investor evaluation is constantly under review; *"We analyse the shareholder (investor) register to detect movements and trends"*. By constantly monitoring investor behaviour, Case Organisation A can determine when and how engagement is most necessary.

The IRO states that not all investors are pre-identified and specifically targeted; *"We put our message out there for any potential investor; however, there are always those few big fish that you would like to get to invest…"*, this statement once again alludes to large institutional investors, *"I would say that our IR function is more geared towards providing investor, both current and potential, with useful and current information to make the best possible investment decision"*.

In response to the question posed as to whether the organisation maintains continuous and consistent communication with investors, or whether communication mainly takes place at a certain time, the interviewee stated; *"Mandatory communication compliance is met based on the IR calendar for reporting and defined periods, but we go further and do more, we give voluntary market updates, we arrange site visits for investor, and for our majority investors we have Q&A sessions with the board"*.

The interviewee confirmed that IR and communication by publicly listed companies in South Africa are strictly regulated; *"The JSE is a highly regulated environment…"*, continuing that the regulatory environment comprises of; *"…the JSE listing requirements, the Companies Act… and we have to consider King IV because the JSE listing requirements makes compliance with it mandatory"*. When asked whether they consider these regulatory measures as a form of censorship in terms of both the channels used to communicate, as well as the message content communicated to the investors; *"Not at all, rules are necessary to ensure ethical and fair behaviour. All markets need rules"*.

In conclusion, the IRO's opinion regarding the future of the IR landscape for JSE (publicly) listed organisations was elicited. Without hesitation they stated that they believed that it would continue to evolve, growing from strength to strength. However, they did add that South African listed organisation could learn a considerable amount from United Kingdom (UK), and USA listed organisations' best practices.

6.4.1.4 Interpretation of case

As stated earlier, each individual case interpretation is discussed in terms of research objectives 4 and 5.

i) **Research objective 4:** To identify and assess the current IR practices that publicly listed organisations engage in

In an attempt to achieve the research objective as stated above, the researcher analysed the following communicative products of each Case Organisation; (i) the SENS announcements, (ii) the annual integrated report, and (iii) the organisational website. Additionally, confirmatory interviews were conducted with the most senior person in the organisation responsible for IR.

During the 18-month period, January 2019 to end-June 2020, Case Organisation A released 62 SENS announcements. All announcements made were in accordance to guidelines set out by the JSE listing requirements; however, Case Organisation A went beyond mere compliance with the guidelines to issue voluntary announcements in order to keep their investors, and the market updated. Case Organisation A released the most SENS announcements of all the Case Organisations comprising this study. The SENS announcements released by Case Organisation A can be considered as a credible source of information. These SENS announcements have been formulated to realise the specific information needs of investors. Considering that the intended audience of SENS announcements is investors, these SENS announcements have been formulated on the assumption that the receiver (investors) have a certain capability of understanding. The SENS announcements released by Case Organisation A were in accordance with the timing prescription as per the JSE listing requirements. These announcements released can be considered as a continuous and consistent form of communication from Case Organisation A to its investors.

The annual integrated report of Case Organisation A was prepared in accordance with all regulations and explicitly states that it is prepared with the investor in mind. The annual integrated report adheres to all guiding principles as prescribed by the IIRC's IIRF. Furthermore, it also contains all the content elements prescribed by the IIRC's

IIRF. The content of an organisation's annual integrated report is of particular interest to investors; however, it is not formulated specifically to meet the information needs of investors. Contradictory to this, Case Organisation A explicitly states in its annual integrated report that it is prepared with the investor in mind. As mentioned before, the timing of the communication by an organisation to its investors is strictly regulated, as a result, much of the information in the annual integrated report that is primarily considered by investors has already been published elsewhere; this holds true for Case Organisation A. Annual integrated reports are an established channel of communication to all stakeholders, held in high esteemed. However, as a result of certain regulations, an annual integrated cannot be utilised as the sole communication channel for investor communication; investors require more frequent communication. Annual integrated reports are considered as a credible form of communication. Bearing in mind the complex nature of the information presented in an annual integrated report, it is essential that the message content be clear and simple, hence the consideration of the guiding principles and content elements prescribed by the IIRC's IIRF. Case Organisation A's annual integrated report provides all stakeholders, including investors, with consistent and continuous (on an annual basis) information regarding the key aspects of the organisation's operations.

The website of Case Organisation A is organised and easy to navigate. Case Organisation A's website is the only website analysed in the study that has a prominent theme to it; the theme of the website is applicable to the business and immediately catches the attention of the individual visiting the site. The website has a dedicated 'investors' tab on its home page; this 'Investors' tab contains information useful to investors and potential investors, as stated previously the content found in the investors section of an organisation's website tends to be reflected in the annual integrated report. Further, as prescribed by the JSE listing requirements both the; (a) interim and provisional reports, and (b) annual financial statements, are made available to investors on the website. The content found in the investor section of an organisation's website, as is the instance of Case Organisation A, is aimed at meeting investor needs and usually has little value to other stakeholder groups. The organisational website of Case Organisation A is not a communication channel utilised strictly to communicate with investors; however, the investor section of the website can be considered as a unique channel utilised to communicate with investor.

However, considering the component of noise and the resulting potential for misinterpretation, messages conveyed via an organisational website needs to be simple and clear. As highlighted previously, the timing of the communication by an organisation to investors is strictly governed, hence an organisation cannot publish certain information (i.e. price sensitive and material matters) on its website before a certain specified time. However, communicating via the organisational website is still perceived as valuable, as it can be considered as creating a sense of continuity and consistency in the minds of stakeholders (investors).

Taking into account the analysis of the communicative products, and the confirmatory interview, it was subsequently concluded that Case Organisation A engages its investors by means of the following; (i) SENS announcements, (ii) interim and final results presentations and teleconferences, (iii) regularly updated website, (iv) the AGM (v) dissemination of information through a defined contact list, (vi) calls with strategic investors (shareholders) if and when required, (vii) site visits and investor open days to mining facilities, and (vii) regular engagements with key investors (shareholders).

ii) **Research objective 5:** To determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory)

In an attempt to achieve the research objective as stated above, the researcher yet again made use of the analysis of the communicative products of each Case Organisation, as well as the confirmatory interviews. However, the outcome of this objective rests more on the confirmatory interviews conducted, considering the significance of the insight that these provide.

Just to recap from earlier literature discussed in Chapters 1 and 2; dialogic engagement is about the relationship that develops and emerges though communication. The dialogic approach to corporate communication management essentially represents a shift from the mass communication orientation of traditional corporate communication, to a more relational approach, in line with the notion of stakeholder engagement (Taylor & Kent, 2014, p. 384). A major differentiating factor between the dialogic theory of communication management and other theoretical approaches to communication management, is that dialogic engagement places the communicative emphasis on the needs of stakeholders, thus attempting to build genuine relationships with stakeholders, rather than using communication primarily to serve organisational goals (Kent, 2017, p. 2)

According to Heath (2013, p. 257) the dialogic approach to communication includes five basic tenets, as proposed by Kent and Taylor (2002):

i) Risk; the intention and willingness, to communicate with stakeholders on their terms. The amount and type of information shared with the other party leads to vulnerability and unexpected consequences.
ii) Mutuality; the recognition of the organisation-stakeholder relationship, without stakeholders, organisations have no purpose. Seeking collaboration with stakeholders through dialogue will contribute towards successful relationship building.
iii) Propinquity; the temporality and spontaneity of interactions with stakeholders, eliciting and listening to stakeholders' input before the decision-making process could be beneficial.
iv) Empathy; the supportiveness and confirmation of stakeholder goals and interests. Support is essential, being able to collaborate with stakeholders to maintain a communal mind-set is necessary.
v) Commitment; the degree to which an organisation gives itself over to dialogue, interpretation, and understanding in its interactions with stakeholders. Even if one party does not agree with the views of another, these views must be acknowledged, and an attempt must be made to find middle ground.

The communication of each Case Organisation was specifically assessed based on these five tenets of the dialogic approach to communication (i.e. (i) risk, (ii) mutuality, (iii) propinquity, (iv) empathy, and (v) commitment), as proposed by Heath (2013, p. 257). This was done in order to determine whether the particular organisation engages in dialogue with its investors. As highlighted earlier, the outcome of this objective rests on the confirmatory interviews conducted, hence the narrative account of the interview conducted for each Case Organisation provides an elaborate account per the specific interview questions (please refer to Table 5.5: *Link Between the Main Themes Identified and Interview Questions*) as to whether the Case Organisation does in fact engage in dialogue with its investors. In light of this, and for the sake of clarity and ease of interpretation, the assessment of research objective 5 is depicted by means of a checkbox related to the dialogic tenets.

Table 6.11: Case Organisation A – Assessment of Research Objective 5	
Interviewee response to whether the organisation engages in dialogue with investors	✓
Risk • Is the organisation willing to communicate with investors on the term of the investors?	✓
Mutuality • Does the organisation actively seek to collaborate with, and build relationships with investors?	✓
Propinquity • Does the organisation take investor input into account when making decisions?	✓
Empathy • Are the goals of the organisation aligned to the goals of the investors?	✓
Commitment • Does the organisation truly listen to investors, trying to find common ground if not agreement?	✓

Taking into account the analysis of the communicative products, and the confirmatory interview, it was subsequently concluded that Case Organisation A does engage in dialogue with its investors, within the premise of dialogic communication management theory.

6.4.2 Case B

6.4.2.1 Corporate profile

Corporate Profile - Case Organisation B
Sector classification:
Case Organisation B is situated within the Resources sector
Overview:
Case Organisation B is a diversified chemicals group that supplies chemicals, specialised services and solutions for the (i) agricultural, (ii) mining, and (iii) chemical application industries. Based in Johannesburg, South Africa, Case Organisation B has operations in 31 countries, with businesses in Australasia and Brazil, and clients in other regions such as Europe, South America, North America and South-East Asia.

6.4.2.2 Findings research phase two

Analysis of the Case Organisation's communicative products;

i) SENS Announcements

The table below displays the SENS announcements issued by Case Organisation B during the 18-month period, January 2019 to end-June 2020.

Table 6.12: Case Organisation B – SENS Announcements	
Date:	**Title:**
04/02/2019	Change to the Board of Directors
11/02/2019	Disclosure of Beneficial Interest in Securities
12/02/2019	Dealings in Securities by a Director
12/02/2019	Appointment of Independent Non-Executive Director

Table 6.12: Case Organisation B – SENS Announcements	
Date:	**Title:**
28/02/2019	Change to the Board of Directors
11/03/2019	Disclosure of Beneficial Interest in Securities
12/03/2019	Disclosure of Beneficial Interest in Securities
19/03/2019	Disclosure of Beneficial Interest in Securities
20/03/2019	Trading Statement for the Year Ended March 2019
20/03/2019	Disclosure of Beneficial Interest in Securities
09/04/2019	Disclosure of Beneficial Interest in Securities
23/04/2019	Collaborative Engagement with Debt Providers
26/04/2019	Disclosure of Beneficial Interest in Securities
30/05/2019	Update on Collaborative Engagement with Principle Debt Providers, Rights Offer and Cautionary Announcement
06/06/2019	Change of Chairman to the Board of Directors
14/06/2019	Further Trading Statement for the Year Ended March 2019
25/06/2019	Audited Results for the Year Ended March 2019
25/06/2019	Posting of General Meeting Notice
12/07/2019	Renewal of Cautionary Announcement
19/07/2019	Voluntary Update on Credit Rating
26/07/2019	Results of General Meeting
31/07/2019	No Change Statement, Notice of Annual General Meeting and B-BBEE Annual Compliance Report
05/08/2019	Appointment of Independent Non-Executive Director
12/08/2019	Conclusion of Shareholder Underwriting Agreement and Withdrawal of Cautionary Announcement
21/08/2019	Changes to the Board of Directors

Table 6.12: Case Organisation B – SENS Announcements	
Date:	**Title:**
27/08/2019	Declaration Announcement and Terms of the Fully Underwritten Renounceable Rights Offer
29/08/2019	Finalisation Announcement – Renounceable Rights offer
11/09/2019	Dealings in Securities by a Director
16/09/2019	Dealings in Securities by a Director
19/09/2019	Dealings in Securities by a Director
23/09/2019	Results of Rights Offer
27/09/2019	Dealings in Securities by a Director
30/09/2019	Results of Annual General Meeting and Re-Appointment of Director
01/10/2019	Disclosure of Beneficial Interest in Securities
18/10/2019	Shareholder Engagement - Non-Binding Advisory Votes on Remuneration Policy and Remuneration Implementation Report
19/11/2019	Trading Statement for the Six Months Ended September 2019
26/11/2019	Unaudited Financial Results for the Six-Month Period Ended September 2019
28/01/2020	Disclosure of Beneficial Interest in Securities
31/01/2020	Dealings in Securities by a Director
28/02/2020	Election by CEO to Receive Restricted Shares In lieu of Salary
28/02/2020	Change in Sponsor
02/03/2020	Change to the Board of Directors
02/03/2020	Dealings in Securities by a Director
06/03/2020	Dealings in Securities by a Director

Table 6.12: Case Organisation B – SENS Announcements	
Date:	**Title:**
16/03/2020	Response to Cyberattack
02/04/2020	Covid-19 Update
22/06/2020	Trading Statement and Update on Publication of the Financial Results for the Year Ended March 2020

During the 18-month period, January 2019 to end-June 2020, Case Organisation B released 47 SENS announcements; 46 mandatory announcements and 1 voluntary announcement. All announcements made were in accordance to guidelines set out by the JSE listing requirements.

ii) Annual integrated report

In the "Scope of the Report" section of the annual integrate report of Case Organisation B, the following is elucidated; "Our reporting process has been guided by the principles and requirements of the IIRC's Integrated Reporting Framework, the King Report on Corporate Governance for South Africa (King IV), the JSE Limited listing requirements, the Companies Act 71 of 2008, and the UN SDGs (United Nations Sustainable Development Goals".

Just to reiterate, the annual integrated reports of each Case Organisation were analysed accordingly based on these (i) guiding principles, and (ii) content elements; for the sake of clarity and to avoid unnecessary repetition, these guiding principles and content elements were discussed in section 6.3.1.2.1 and section 6.3.1.2.2, and then the outcome of the analysis of each case organisation is simply indicated by means of a checkbox.

Table 6.13 depicts the guiding principles for Case Organisation B.

Table 6.13: Case Organisation B - Guiding Principles		
i)	Strategic focus and future orientation	✓
ii)	Connectivity of information	✓
iii)	Stakeholder relationships	✓
iv)	Materiality	✓
v)	Conciseness	✓
vi)	Reliability and completeness	✓
vii)	Consistency and comparability	✓

In the stakeholder engagement section of its annual integrated report, Case Organisation B states the following; "Case Organisation B's success is dependent on how well it manages its partnerships and engagement with material stakeholders. The board is ultimately accountable for stakeholder engagement. Case Organisation B has adopted a formal stakeholder engagement framework, which provides for structured and constructive engagements at appropriate levels of Case Organisation B. This framework is being incrementally implemented to ensure meaningful stakeholder engagement and responsiveness".

Considering the stakeholder engagement process of Case Organisation B; "In execution of its governance role and responsibilities, organisation B adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders over time. As such, the group engages regularly with stakeholders to understand their perceptions of organisation B and pinpoint future trends, possible risks, determine material matters and areas for strategic development".

The key stakeholders of Case Organisation B were identified as; (i) suppliers, (ii) customers, (iii) investors, (iv) employees, (v) trade unions, (vi) communities, (vii) media, and (viii) government and regulators.

Whilst Case Organisation B engages with all stakeholders, material stakeholders; those with whom the organisation need to consult with on an ongoing basis, are identified. Engagement plans for each material stakeholder are developed and closely monitored as implementation progresses. Case Organisation B applies the following criteria when prioritising material stakeholders; (i) the degree to which the organisation depends on the relevant stakeholder's support to achieve its strategic goals, (ii) the extent to which the relevant stakeholder can impact the organisation's performance, (iii) the relative importance of the relevant stakeholder for the organisational group as a whole, and (iv) the risk exposure for organisation B not engaging with relevant stakeholders.

Following the assessment based on the aforementioned criteria, organisation B categorises its stakeholder relationships into three (3) types of interactions; (i) collaborate, (ii) involve, or (iii) consult.

Case Organisation B has defined its engagement objectives with material stakeholders, as follows;

i) Improved relations with stakeholders through trust, transparency, understanding, partnership, and constructive engagement;
ii) Develop and sustain company awareness of broader social, economic and environmental risks and opportunities;
iii) Informed strategic planning that integrates stakeholders' interests;
iv) Ensure aligned goals and expectations;
v) Established responsibility and accountability of all parties;
vi) Support sustainability and relevance of company activities towards value creation for all stakeholders;
vii) Support consensus-based decision-making; and
viii) Improved understanding by stakeholders of Case Organisation B's position, issues, challenges and requirements with accurate information dissemination to stakeholders

Considering that the focus of this study falls on IR; the engagement with investors was further evaluated by the researcher. Case Organisation B identified (i) how investors perceive value, and (ii) engagement with investors.

Investors perceive value in; (i) return on investment, (ii) effective risk management and corporate governance, (iii) sustainability, (iv) transparency in reporting (v) good corporate citizenship, and (vi) reputation management

Organisational engagement with investors include; (i) results presentations, (ii) investor days and roadshows, (iii) website, (iv) annual integrated reports, (v) targeted engagements or discussions, (vi) AGM, and (vii) site visits. The table below indicates the content elements as found for Case Organisation B.

Table 6.14: Case Organisation B - Content Elements		
i)	Organisational overview and external environment	✓
ii)	Governance	✓
iii)	Business model	✓
iv)	Risks and opportunities	✓
v)	Strategy and resource allocation	✓
vi)	Performance	✓
vii)	Outlook	✓
viii)	Basis of presentation	✓

iii) Websites

As indicated the website of each Case Organisation was analysed by focusing on the general appearance, the home page main tabs, and which investors related requirements were or were not included. Table 6.15 depicts these findings.

Table 6.15: Case Organisation B – Website Analysis	
General appearance:	
Organised and easy to navigate	
Home page main tabs:	
i)	Home
ii)	About us
iii)	Our business
iv)	Sustainability
v)	Investor and media
vi)	Reports and results
vii)	Fraud awareness
Investor section content:	
i)	SENS feed
ii)	Rights offer
iii)	Charters
iv)	Shareholding and director interest
v)	Shareholder services
vi)	IR communications
vii)	Share price information
viii)	Share price calculator
ix)	Financial highlights
IR officer contact details:	
✓	
Interim and provisional reports:	
✓	
Annual financial statements:	
✓	

6.4.2.3 Findings research phase three

Research phase 3 involved a semi-structured, confirmatory interview;

The confirmatory interview was conducted with the IRO of Case Organisation B. Fortunately, the Chief Financial Officer (CFO) agreed to sit in on the interview. Gaining the views and perspective of both the IRO and the CFO was invaluable.

Both interviewees consider IR to be a hybrid component of both communication management and financial management. However, currently the IR function of Case Organisation B is managed by the financial management division. The IRO has a financial background, qualified as a CA(SA).

As indicated in the interview report of Case Organisation A, in accordance to the introduction and problem statement of the study, all interviewees were probed regarding their view of the current corporate landscape in South Africa; *"Over the past decade the South African corporate landscape has been stained by a series of scandals, each demonstrating a clear lack of ethics. Unfortunately, this created the impression that ethics and ethical behaviour is not an integral part of South African organisational cultures, and unfortunately as a result, business confidence in South Africa is lacking. However, I believe that the tide has turned, and corporations have come to understand that ethical behaviour and accountability are no longer optional"*.

The IRO of Case Organisation B confirmed that the success of their organisation is dependent on how well it manages its partnerships and engagement with material stakeholders, such as its investors. Case Organisation B categorises its stakeholder relationships into three (3) types of interactions; (i) collaborate, (ii) involve, or (iii) consult. Investors are categorised in the collaborate category of interaction, meaning that the organisation actively seeks to collaborate with investors.

In most cases when communicating with its investors, it is assumed by Case Organisation B that these investors have a basic knowledge of the industry and the accompanying financial communication. *"The majority of our investors are institutional investors; these know exactly what we are trying to say…"*. The messages communicated to investors by Case Organisation B is not specifically formulated to meet the needs of the investors. However, considering that listed organisations, list (on a stock exchange) mainly to raise capital for the purpose of expansion, meaning that investors are a priority stakeholder group, communication does serve the purpose of addressing the needs of investors.

Management of Case Organisation B communicates the strategy and performance of the organisation with investors and analysts through various presentations and meetings. The preparation of this information is based on the standards of promptness, relevance and transparency.

Case Organisation B makes every effort to ensure that information is distributed via a broad range of communication channels; while bearing in mind the need for price sensitive information to reach all investors simultaneously and timeously. Engagement with investors take place by means of results presentations, investor days and roadshows, the organisations website, annual integrated reports, targeted engagements, the annual general meeting (AGM), and site visits.

The board of Case Organisation B is ultimately accountable for stakeholder engagement; hence it has adopted a formal stakeholder engagement framework, which provides for structured and constructive engagements at the appropriate levels. This framework is implemented to ensure meaningful engagement with stakeholders.

Considering the classification of investors as a stakeholder group that must be collaborated with, Case Organisation B acknowledges the importance of investor receiving feedback; *"In general, the AGM remains our main feedback event, however we try to create other feedback opportunities, such as our investor site visits and other direct engagements"*.

Case Organisation B, is the only Case Organisation in this study that explicitly makes mention of its approach to investor communication on its website; *"… pursues dialogue with institutional investors based on constructive engagement and the mutual understanding of objectives, within the parameters of statutory, regulatory and other directives overseeing the dissemination of information by companies and their directors"*. It is noteworthy that not only is Case Organisation B the only organisation to directly address investor communication, in the description thereof they claim to pursue dialogue with its investors. It is necessary to note that it states; *"dialogue with institutional investors"*, not simply investors, indicating the differentiation in investor status. The interviewee confirms this, *"We really try to engage our institutional investors in continuous dialogue"*.

The engagement objectives of Case Organisation B exhibit its pursuit of this dialogic engagement. These objectives include; (i) improved relations with stakeholders through trust, transparency, understanding, partnership, and constructive engagement, (ii) informed strategic planning that integrates stakeholders' interests, (iii) ensure aligned goals and expectations, (iv) support consensus-based decision-making; and (v) improved understanding by stakeholders of Case Organisation B's position, issues, challenges and requirements with accurate information dissemination to stakeholders.

"Investors never want to be kept in the dark, they want transparency". Case Organisation B has come to the insight that in order to remain competitive in a highly competitive chemical commodities market, dominated by international conglomerates, it needs to go beyond mandatory prescribed communication. Therefore, continuous collaborative communication is necessary in order to build relationships; *"There is definitely a fading sense of loyalty in society as a whole, that is why establishing and maintaining relationships with major investors, especially our institutional investors, is so important"*.

The IRO of Case Organisation B describes the role of the IR function in listed organisations as follows; *"It has a dual role; first, to make sure that the investor community receives clear information from the organisation, and second, to make sure that the organisation understands the needs of the investors"*.

When probed as to whether they considered investors as being the stakeholder group most integral to the organisation's success; it was stated that; *"To an extent, yes. Organisations that are listed mainly did so to raise capital for expansion. We get that capital from our investors, so in that regard yes, investors play a huge role in our success"*.

Bearing in mind the aforementioned highlighted importance of investors to a listed organisation, the interviewee's response to whether the organisation targets specific pre-identified investors, is to be expected; *"Institutional investors, definitely yes. You always want to make sure you have the right investors, but private investors, no"*.

Consequently, the IR activities of Case Organisation B is aligned to the overall strategy of the organisation; *"Essentially, IR is focused on informing investors about the* *strategic future of the organisation. We are geared to act in the best interest of our investors and our strategy aligned as such"*.

When asked as to whether they believe the regulations regarding communication imposed on JSE listed companies acted as a form of censorship; *"Censorship, the term, has a negative connection. So no, not censorship. I regard it more as requirements rather than restrictions. Let me put it this way, if these rules were not in place, there definitely wouldn't be more communication, rather less"*.

In conclusion, the IRO's opinion regarding the future of the IR landscape for JSE (publicly) listed organisations was elicited; *"It is going to look very different; we live in a time where people are used to getting information and results immediately. Organisations will need realise this and evolve as such"*.

6.4.2.4 Interpretation of case

As stated earlier, each individual case interpretation is discussed in terms of research objectives 4 and 5.

i) **Research objective 4:** To identify and assess the current IR practices that publicly listed organisations engage in

In an attempt to achieve the research objective as stated above, the researcher analysed the following communicative products of each Case Organisation; (i) the SENS announcements, (ii) the annual integrated report, and (iii) the organisational website. Additionally, confirmatory interviews were conducted with the most senior person in the organisation responsible for IR.

During the 18-month period, January 2019 to end-June 2020, Case Organisation B released 47 SENS announcements. All announcements made were in accordance to guidelines set out by the JSE listing requirements; however, similarly to Case Organisation A, Case Organisation B went beyond mere compliance with the guidelines to issue voluntary announcements, including an announcements regarding a cyber-attack and an update on its credit rating, in order to keep its investors, and the market updated. As a result, these SENS announcements can be considered as a credible source of information. The SENS announcements released by Case Organisation B have been formulated to realise the specific information needs of investors. Bearing in mind that the intended audience of SENS announcements is investors, these SENS announcements have been formulated on the assumption that the receiver (investors) have a certain capability of understanding. The SENS announcements released by Case Organisation B were in accordance with the timing prescription as per the JSE listing requirements. These announcements released can be considered as a continuous and consistent form of communication from Case Organisation B to its investors.

The annual integrated report of Case Organisation B was prepared in accordance with all regulations. The annual integrated report adheres to all guiding principles as prescribed by the IIRC's IIRF, furthermore it also contains all the content elements prescribed by the IIRC's IIRF. Investors have particular interest in the content of an organisation's annual integrated report; however, it is not formulated specifically to meet the information needs of investors. Since the intended audience of an annual integrated report comprises all the organisation's stakeholders, the content tends to be formulated in a more general manner. As mentioned before, the timing of the communication by an organisation to its investors is strictly regulated, as a result, much of the information in the annual integrated report that is primarily considered by investors has already been published elsewhere; as is the instance for Case Organisation B. Annual integrated reports are an established channel of communication to all stakeholders, held in high esteemed. However, as a result of certain regulations, an annual integrated cannot be utilised as the sole communication channel for investor communication; investors require more frequent communication. Annual integrated reports are considered as a credible form of communication. Bearing in mind the complex nature of the information presented in an annual integrated report, it is essential that the message content be clear and simple, hence the consideration of the guiding principles and content elements prescribed by the IIRC's IIRF. Case Organisation B's annual integrated report can be considered to provide all stakeholders, including investors, with consistent and continuous (on an annual basis) information regarding the key aspects of the organisation's operations.

Yet again, similarly to that of Case Organisation A, the website of Case Organisation B is organised and easy to navigate. The website has a dedicated 'investors and media' tab on its home page; this 'Investors and media' tab contains information useful to investors and potential investors, as stated previously the content found in the investor's section of an organisation's website tend to be reflected in the annual integrated report. Further, as prescribed by the JSE listing requirements both the; (a) interim and provisional reports, and (b) annual financial statements, are made available to investors on the website, these can be found in the “Reports and results” tab on the home page of the organisation’s website. The content found in the ‘investors and media’ tab of Case Organisation B’s website can be considered as being aimed at meeting investor needs and possibly has little value to other stakeholder groups. The organisational website of Case Organisation B is not a communication channel utilised strictly to communicate with investors; however, the investor section (i.e. ‘investors and media’) of the website can be considered as a unique channel utilised to communicate with investor. However, considering the component of noise and the resulting potential for misinterpretation, messages conveyed via an organisational website needs to be simple and clear. As highlighted previously, the timing of the communication by an organisation to investors is strictly governed, hence an organisation cannot publish certain information (i.e. price sensitive and material matters) on its website before a certain specified time. Yet, there is still value in communicating via the organisational website, since it can be considered as creating a sense of continuity and consistency in the minds of stakeholders (investors).

Taking into account the analysis of the communicative products, and the confirmatory interview, it was subsequently concluded that Case Organisation B engages its investors by means of the following; (i) results presentations, (ii) SENS announcements, (iii) investor days and roadshows, (iv) the website, (v) annual integrated reports, (vi) targeted investor engagements, (vii) the AGM, and (viii) site visits.

ii) **Research objective 5:** To determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory).

The communication of each Case Organisation was assessed based on the five tenets of the dialogic approach to communication, as proposed by Heath (2013, p. 257). This was done in order to determine whether the particular organisation engages in dialogue with its investors. These tenets include; (i) risk, (ii) mutuality, (iii) propinquity, (iv) empathy, and (v) commitment. (Refer back to point 6.4.1.4).

Table 6.16: Case Organisation B – Assessment of Research Objective 5	
Interviewee response to whether the organisation engages in dialogue with investors	✓
Risk • Is the organisation willing to communicate with investors on the term of the investors?	✓
Mutuality • Does the organisation actively seek to collaborate with, and build relationships with investors?	✓
Propinquity • Does the organisation take investor input into account when making decisions?	✓
Empathy • Are the goals of the organisation aligned to the goals of the investors?	✓
Commitment • Does the organisation truly listen to investors, trying to find common ground if not agreement?	✓

Taking into account the analysis of the communicative products, and the confirmatory interview, it was subsequently concluded that Case Organisation B does engage in dialogue with its investors, within the premise of dialogic communication management theory.

6.4.3 Case C

6.4.3.1 Corporate profile

Corporate Profile - Case Organisation C
Sector classification:
Case Organisation C is situated within the Financials sector
Overview:
Case Organisation C is a majority black-owned investment holding company providing service and products to the healthcare sector. It was founded in 2008 on the core philosophy of promoting transformation and empowerment. Through operating subsidiaries, Case Organisation C, aims to increase access to sustainable, affordable, and quality healthcare by providing health administration, health risk management and a range of complementary solutions across the healthcare value chain.

6.4.3.2 Findings research phase two

Analysis of the Case Organisation's communicative products;

i) SENS Announcements

The table below displays the SENS announcements issued by Case Organisation C during 12-month period, June 2019 to end-June 2020.

Table 6.17: Case Organisation C – SENS Announcements	
Date:	**Title:**
26/06/2019	Dealings in Securities
27/06/2019	Change to the Board of Directors
12/09/2019	Change to the Board of Directors

Table 6.17: Case Organisation C – SENS Announcements	
Date:	**Title:**
13/09/2019	Audited Results and Dividend Declaration
18/09/2019	Dealings in Securities
20/09/2019	Dealings in Securities
23/09/2019	Change to the Board of Directors
27/09/2019	Dealings in Securities
02/10/2019	Dealings in Securities
04/10/2019	Dealings in Securities
07/10/2019	No Change Statement and Notice of Annual General Meeting
09/10/2019	Dealings in Securities
29/10/2019	Dealings in Securities
07/11/2019	Dealings in Securities
08/11/2019	Results of AGM
11/11/2019	Dealings in Securities
21/11/2019	Change to the Board of Directors
05/12/2019	Dealings in Securities
09/12/2019	Dealings in Securities
10/12/2019	Dealings in Securities
10/12/2019	Dealings in Securities
12/12/2019	Dealings in Securities
13/12/2019	Acquisition of XXX Group
18/12/2019	Availability of B-BBEE Compliance Report and Certificate
19/12/2019	Dealings in Securities

Table 6.17: Case Organisation C – SENS Announcements	
Date:	**Title:**
14/02/2020	Change to the Board of Directors
13/03/2020	Interim Results and Dividend Declaration
13/03/2020	Amended Dividend Declaration: Gross and Nett amounts
19/03/2020	Dealing in Securities
24/03/2020	Dealing in Securities
27/03/2020	Dealing in Securities
31/03/2020	Dealing in Securities
01/04/2020	Change to the Board of Directors
03/04/2020	Operational Continuity During Covid-19
07/04/2020	Dealings in Securities
13/05/2020	Change to the Board of Directors
21/05/2020	Dealings in Securities
25/05/2020	Change to the Board of Directors
27/05/2020	Dealings in Securities
02/06/2020	Appointment to the Board of Directors

Mention must be made that Case Organisation C was only listed on the JSE in June 2019, therefore the SENS announcements for the 12-month period, June 2019 to end-June 2020, were considered. During this period, Case Organisation C released 40 SENS announcements; 40 mandatory announcements and no voluntary announcements. All announcements made were in accordance with guidelines set out by the JSE listing requirements.

ii) Annual integrated report

In the “Scope of the Report” section of the annual integrated report of Case Organisation C, the following is elucidated; “The report is intended for current and prospective investors and interested stakeholders. The content of this report aligns to the principles of the IIRC’s Integrated Reporting Framework, the King Report on Corporate Governance for South Africa and other applicable frameworks and regulations for financial and non-financial reporting”.

Just to reiterate, the annual integrated reports of each Case Organisation were analysed accordingly based on these (i) guiding principles, and (ii) content elements; for the sake of clarity and to avoid unnecessary repetition, these guiding principles and content elements were discussed in section 6.3.1.2.1 and section 6.3.1.2.2, and then the outcome of the analysis of each case organisation is simply indicated by means of a checkbox.

The table below depicts the guiding principles for Case Organisation C.

Table 6.18: Case Organisation C - Guiding Principles		
i)	Strategic focus and future orientation	✓
ii)	Connectivity of information	✓
iii)	Stakeholder relationships	✓
iv)	Materiality	✓
v)	Conciseness	✓
vi)	Reliability and completeness	✓
vii)	Consistency and comparability	✓

In the stakeholder engagement section of its annual integrated report, Case Organisation C states the following; “Quality stakeholder engagement is a key component of our ability to create value. Effective feedback and communication channels enable Case Organisation C to identify and address risks and opportunities. Stakeholder engagement also informs our material matters and our strategy".

"Organisation C's performance and sustainability rely on its stakeholders' continued support. This requires developing and sustaining quality, enduring relationships that enable us to understand and respond to our key stakeholders' concerns. Organisation C considers its stakeholders as individuals and groups who have an interest in, or who are affected by, its activities. Our stakeholders determine our ability to create sustainable value in the long term. They range from our employees to the external bodies who influence us. They are connected by the groups that we regularly engage with. The approach of our board and executive management to our stakeholders is inclusive. We engage our stakeholders responsively, constructively, collaboratively and transparently to address their material needs, interests and expectations and respond in a mutually beneficial manner".

The key stakeholders of Case Organisation C were identified as; (i) employees, (ii) trade unions, (iii) investors, (iv) trade suppliers, (v) brokers, (vi) scheme members, (vii) clients, (viii) government, (ix) industry bodies, and (x) regulators.

Considering that the focus of this study falls on IR; the engagement with investors was further evaluated by the researcher. Case Organisation C identified (i) what investors expect from the organisation, and (ii) how the organisation responds to these expectations.

Investors expect; (i) sustainable value creation, (ii) consistent financial performance, and (iii) sound investment returns. In turn, Case Organisation C, delivers against its growth strategy. The table below indicates the content elements as found for Case Organisation C.

Table 6.19: Case Organisation C - Content Elements		
i)	Organisational overview and external environment	✓
ii)	Governance	✓
iii)	Business model	✓
iv)	Risks and opportunities	✓

Table 6.19: Case Organisation C - Content Elements		
v)	Strategy and resource allocation	✓
vi)	Performance	✓
vii)	Outlook	✓
viii)	Basis of presentation	✓

iii) Websites

As indicated the website of each Case Organisation was analysed by focusing on the general appearance, the home page main tabs, and which investors related requirements were or were not included. The table below depicts these findings.

Table 6.20: Case Organisation C – Website Analysis
General appearance:
Dull, lacking appeal, nonetheless organised
Home page main tabs:
i) Home ii) About us iii) Business iv) Governance v) Sustainability vi) Investor Centre vii) Media Centre viii) Corporate Library ix) Careers x) Contacts
Investor section content:

Table 6.20: Case Organisation C – Website Analysis
i) Overview ii) Financial reporting iii) Integrated annual reports iv) Presentations v) Notice of Annual General Meeting vi) Financial calendar vii) SENS viii) Share price and graphing ix) Dividend History x) Shareholder analysis xi) Circulars and announcements xii) Sanlam Circular 2015 xiii) Shareholder contacts
IR officer contact details:
✓
Interim and provisional reports:
✓
Annual financial statements:
✓

6.4.3.3 Findings research phase three

Research phase three involved a semi-structured, confirmatory interview;

The confirmatory interview was conducted with the IRO of Case Organisation C. Case Organisation C, has a dedicated internal IRO.

The interviewee considers IR to be a hybrid component of both marketing management and financial management. Interestingly, no mention was made of communication management. However, currently the IR function of Case Organisation C is managed by the financial management division. The IRO is qualified in environmental health, and has extensive experience in integrated reporting, IR, and quality review.

As indicated previously in accordance to the introduction and problem statement of the study, all interviewees were probed regarding their view of the current corporate landscape in South Africa. The IRO of Case Organisation C expressed their view as follows; *"There is no accountability in top management looking at the current corporate landscape. The governing bodies of corporates have lost credibility in ensuring good and sound corporate governance in the day-to-day running of the business"*. The aforementioned statement once again concurred the sentiment of the researcher.

Regarding communication to investors, the IRO of Case Organisation C confirmed that when communicating with investors, the organisation assumes these investors to have a basic capacity of understanding; *"We believe that our investors have some experience in receiving communication of this kind"*. All general messages are formulated to be as informative as possible to all stakeholders, however, if the message is formulated for a specific stakeholder group, such as investors, the needs of that specific group are taken into account. In this accord, the interviewee stated that the organisation engages all stakeholders responsively, constructively, collaboratively and transparently to address their material needs, interests and expectations and respond in a mutually beneficial manner.

In the stakeholder engagement section of the integrated report of Case Organisation C, it is stated, *"Effective feedback and communication channels enable us to identify and address risks and opportunities"*. The IRO confirmed this by mentioning that the organisation tries to utilise the most effective communication channels when communicating with investors, whilst still acting within the bounds of regulations. They make use of, amongst others; SENS announcements, organisational reports, the organisational website and investor presentations. Additionally, the IRO indicated that in order to achieve the aforementioned; to be able to identify and address the risks and opportunities, communication and engagement had to take place continuously and not just during reporting times.

Interestingly, Case Organisation C is one of the few organisations who not only recognise but also emphasise the importance of feedback, noting that feedback can help the organisation identify and address both risks and opportunities; *"…there are various platforms that the investors can use to provide feedback to our organisation which includes IR and company secretary communication avenues and during the AGM meetings"*. When probed as to whether mainly private or institutional investors make use of these "communication avenues", it was confirmed that it is mainly, but not exclusively institutional investors.

Once again, considering that this study is situated in the dialogic theory of communication management, each interviewee was asked to provide their understanding of the term 'dialogic communication'. According to the IRO of Case Organisation C; *"Dialogic communication is an engagement that involves open communication between two parties, understanding both parties' concerns, interests, and needs, with the intent of aligning and meeting noted expectations while building good relations which in turn builds trust"*. The aforementioned indicates that the IRO of Case Organisation C has an accurate understanding of the term, as opposed to some of the other IROs.

The researcher went on to ask the interviewee if they considered Case Organisation C to engage in dialogue with its investors; *"Our organisation always thrives to understand the key concerns, needs, and interests of our investors (including potential investors). All engagements we have with our investors attempt to build relations and trust with our investors, including meeting their expectations"*.

Case Organisation C realises that its performance and sustainability rely on its investors continued support. This requires the organisation to develop and attempt to sustain quality, enduring relationships that enables it to understand and respond to investor concerns; *"…we constantly engage with our investors with the aim of building and maintaining good relationships with them. This affords us an opportunity to be able to understand our investors' needs, interests and concerns and determine how we will respond positively to those needs"*.

Considering the aforementioned aim, namely that Case Organisation C has to understand the needs, interests, and concerns of its investors. The question of whether the organisation takes investors input into account when making decisions was posed to the interviewee; *"Most definitely, all stakeholder engagement informs our material matters and our strategy, to an extent, but investor input is highly regarded"*.

It is evident that Case Organisation C is truly committed to its interactions with its investors; *"Our investors determine our ability to create sustainable value in the long term. That is why we always try to find and operate on common ground with our investors"*.

Consequently, when asked if they considered investors to be the stakeholder group most integral to organisational success, particularly in the case of publicly listed companies, such as theirs, they stated; *"I do agree, investors play a crucial role in the direction the organisation takes in demonstrating its value creation story. Investors are, therefore, the key stakeholder group of the organisation"*.

Considering the above it is understandable that organisation C feels a great deal of responsibility toward their investors. Accordingly, the interviewee was asked what they believe the organisation's responsibility toward investors, in terms of communication, to be; *"I believe my organisation's responsibility is to ensure that all key business transactions within the organisation are communicated to our investors including our strategy, business model, performance, governing body, remuneration model and future prospects"*. The interviewee deems the main information needs of investors to be about current performance and the future strategy to be the main interest of the investors.

The researcher then went on to ask the IRO what they understand the role of the IR function of a publicly listed organisation to be; *"An IR function acts as a representative of the organisation that ensures efficient and effective flow of information to and from the investors. This is to ensure that the organisation can conduct its business in a transparent and responsible manner while catering for the needs, concerns and interests of investors"*. In a similar fashion as to the response received when asked about dialogic communication, the IRO exhibited unparalleled insight.

As can be expected, considering the insight exhibited by the IRO of Case Organisation C; the organisation has an explicit IR strategy. *"We know that our investors expect sustainable value creation, consistent financial performance, and returns of their investment. Our IR strategy is aimed at articulating our company goals and objectives* *to our investors including the actions set to meet their expectation"*. Accordingly, it is evident that the IR strategy and practices of the organisation are aligned to the organisation's overall strategy.

Given how highly Case Organisation C value its investors, it was assumed by the researcher that the organisation would possibly pre-define and target specific investors, however this turned out not to be the case; *"Because of our history, our roots, and the nature of the business we already have a specific investor population, we strive to expand our investor population even further now that we are listed, but don't target specific pre-defined investors"*.

Considering that Case Organisation C was still relatively new to the listed environment, the IRO was prompted as to whether they consider the regulatory measures to be a form of censorship; *"No, I believe these rules and procedure are a way to ensure organisations remain transparent in all their dealings to their investors, it is necessary"*. The interviewee confirmed that the regulatory measures forming part of the regulatory environment include the Companies Act, the JSE listing requirements, as well as a consideration of King IV. Gathering from their vast experience in integrated reporting, the interviewee also highlighted the necessity of following the IIRC's IIRF when compiling the annual integrated report.

The interviewee went on to state the following; *"That is why I believe you proposed framework could be so valuable. There are plenty of regulatory measures, but we need a guideline (a framework), in order to streamline the investor communication process, I believe it necessary to develop a framework which can be implemented by all publicly listed organisations, this will ensure consistency and allow comparability amongst listed organisations' reporting, especially around stakeholder management"*.

In conclusion, the IRO was asked to give their opinion regarding the future of the IR landscape for JSE (publicly) listed organisations. The response received notably exhibited key principles underlying King IV; *"I see it improving drastically as investors have moved away from focusing on financial capital but are seeking organisations to communicate the other important capitals such as their responsibilities around intellectual, human, social, manufactured and natural capitals. There is no focus on short term profit at a cost of the societies and the environment in which these* *organisations operate. There is a need for more accountability from those charged with governance over the organisations in steering it to the right direction"*.

6.4.3.4 Interpretation of case

As stated earlier, each individual case interpretation is discussed in terms of research objectives 4 and 5.

i) **Research objective 4:** To identify and assess the current IR practices that publicly listed organisations engage in

In an attempt to achieve the research objective as stated above, the researcher analysed the following communicative products of each Case Organisation; (i) the SENS announcements, (ii) the annual integrated report, and (iii) the organisational website. Additionally, confirmatory interviews were conducted with the most senior person in the organisation responsible for IR.

It should be noted that Case Organisation C was only listed on the JSE in June 2019, therefore the SENS announcements for the 12-month period, June 2019 to end-June 2020, were considered. During this period, Case Organisation C released 40 SENS announcements. All announcements made were in accordance with guidelines set out by the JSE listing requirements no additional voluntary announcements were made. The SENS announcements released by Case Organisation C can be considered as a credible source of information. These SENS announcements have been formulated with the purpose of realising the specific information needs of investors. Since the intended audience of SENS announcements is investors, these SENS announcements have been framed on the assumption that the receiver (investors) have a certain capability of understanding. The SENS announcements released by Case Organisation C were in accordance with the timing prescription as per the JSE listing requirements. These announcements released can be considered as a continuous and consistent form of communication from Case Organisation C to its investors.

The annual integrated report of Case Organisation C was prepared in accordance with all regulations. The annual integrated report adheres to all guiding principles as prescribed by the IIRC's IIRF. Furthermore, it also contains all the content elements prescribed by the IIRC's IIRF. Again, as previously stated, the content of an organisation's annual integrated report is of particular interest to investors; however, it is not formulated specifically to meet the information needs of investors. Since the intended audience of an annual integrated report comprises all the organisation's stakeholders, the content tends to be formulated in a more general manner; as is evident in the annual integrated report of Case Organisation C. As previously explained, the timing of the communication by an organisation to its investors is strictly regulated, as a result, much of the information in the annual integrated report that is primarily considered by investors has already been published elsewhere; as is the instance for Case Organisation C. Annual integrated reports are an established channel of communication to all stakeholders, held in high esteemed. However, as a result of certain regulations, an annual integrated cannot be utilised as the sole communication channel for investor communication; investors require more frequent communication. Annual integrated reports are considered as a credible form of communication. Bearing in mind the complex nature of the information presented in an annual integrated report, it is essential that the message content be clear and simple, hence the consideration of the guiding principles and content elements prescribed by the IIRC's IIRF. The annual integrated report can be considered as providing all stakeholders, including investors, with consistent and continuous (on an annual basis) information regarding the key aspects of the organisation's operations.

The website of Case Organisation C is organised, yet it is dull and lacks appeal; when visiting the website, the visitor does not immediately feel engaged as in the case with the website of Case Organisation A. The website has a dedicated 'investor centre' tab on its home page; this 'Investor Centre' tab contains information useful to investors and potential investors, as stated previously the content found in the investors section of an organisation's website tend to be reflected in the annual integrated report. Further, as prescribed by the JSE listing requirements both the; (a) interim and provisional reports, and (b) annual financial statements, are made available to investors on the website. The content found in the 'investor centre' tab of Case Organisation C's website, is aimed at meeting investor needs and usually has little value to other stakeholder groups. The organisational website of Case Organisation C is not a communication channel utilised strictly to communicate with investors; however, the investor section (i.e. 'investor centre') of the website can be considered as a unique channel utilised to communicate with investor. However, considering the component of noise and the resulting potential for misinterpretation, messages conveyed via an organisational website needs to be simple and clear. As emphasised before, the timing of the communication by an organisation to investors is strictly governed, hence an organisation cannot publish certain information (i.e. price sensitive and material matters) on its website before a certain specified time. Nevertheless, there is still value in communicating via the organisational website, since it can be considered as creating a sense of continuity and consistency in the minds of stakeholders (investors).

Taking into account the analysis of the communicative products, and the confirmatory interview, it was subsequently concluded that Case Organisation C engages its investors by means of the following; (i) SENS announcements, (ii) organisational reports, (iii) the AGM, (iv) the organisational website, and (v) investor presentations. Case Organisation C is the only organisation that does not specifically indicate its forms of engagement with investors or other stakeholders in the stakeholder engagement section of its annual integrated report.

ii) **Research objective 5:** To determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory)

The communication of each Case Organisation was assessed based on the five tenets of the dialogic approach to communication, as proposed by Heath (2013, p. 257). This was done in order to determine whether the particular organisation engages in dialogue with its investors. These tenets include; (i) risk, (ii) mutuality, (iii) propinquity, (iv) empathy, and (v) commitment. (Refer back to point 6.4.1.4).

Table 6.21: Case Organisation C – Assessment of Research Objective 5	
Interviewee response to whether the organisation engages in dialogue with investors	✓
Risk • Is the organisation willing to communicate with investors on the term of the investors?	✓

Table 6.21: Case Organisation C – Assessment of Research Objective 5	
Mutuality • Does the organisation actively seek to collaborate with, and build relationships with investors?	✓
Propinquity • Does the organisation take investor input into account when making decisions?	✓
Empathy • Are the goals of the organisation aligned to the goals of the investors?	✓
Commitment • Does the organisation truly listen to investors, trying to find common ground if not agreement?	✓

Taking into account the analysis of the communicative products, and the confirmatory interview, it was subsequently concluded that Case Organisation C does engage in dialogue with its investors, within the premise of dialogic communication management theory.

6.4.4 Case D

6.4.4.1 Corporate profile

Corporate Profile - Case Organisation D
Sector classification:
Case Organisation D is situated within the Resources sector
Overview:
Case Organisation D is a real estate investment trust (REIT) company, that focuses on property investment and development. REIT's manage, operate, and own a real-estate portfolio consisting of income-producing property. REIT's allow investors to reap the benefits of owning property as an asset class without directly owning and

Corporate Profile - Case Organisation D
managing property. Case Organisation D has a geographically diverse portfolio with investments in South Africa, and via strategic investment, in Central and Eastern Europe, in the following four market sectors, namely; (i) retail, (ii) office, (iii) industrial, and (iv) hotel.

6.4.4.2 Findings research phase two

Analysis of the Case Organisation's communicative products;

i) SENS Announcements

The table below displays the SENS announcements issued by Case Organisation D during the 18-month period, January 2019 to end-June 2020.

Table 6.22: Case Organisation D – SENS Announcements

Date:	Title:
29/01/2019	Notification of Acquisition of Beneficial Interest in Securities
01/03/2019	Update to XXX Restructure
05/03/2019	Interim Results December 2018
13/03/2019	Dealings in Securities by a Director
27/03/2019	Dealings in Securities by a Director
03/04/2019	Change to the Board of Directors
12/04/2019	Change to the Company Secretary
06/06/2019	Pre-close Investor Webcast
28/06/2019	Notification in Terms of Section 45(5) of the Companies Act 71 of 2008
28/06/2019	Disposal of Retail Investment
05/08/2019	Disposal of Retail Investment

Table 6.22: Case Organisation D – SENS Announcements	
Date:	**Title:**
10/09/2019	Final Results June 2019
10/09/2019	Dividend: Tax Treatment and Salient Dates
27/09/2019	Dealings in Securities by a Director
30/09/2019	B-BBEE Annual Compliance Report
14/10/2019	Dealings in Securities by a Director and by the Company Secretary
17/10/2019	Notice of AGM
22/10/2019	Dealings in Securities by a Director and by the Company Secretary
23/10/2019	Annual Report Update
24/10/2019	No Change Statement and Annual Report
28/10/2019	Support for the Proposed Acquisition
04/11/2019	Dealings in Securities by a Director
14/11/2019	AGM Results and Board of Directors Change
26/11/2019	Pre-close Investor Conference Call
12/12/2019	Dealings in Securities by a Director, by the Company Secretary and prescribed officers
07/01/2020	Provision of Financial Assistance
15/01/2020	Voluntary Update
19/02/2020	Change of Company Secretary
03/03/2020	Interim Results December 2019
03/03/2020	Dividend: Tax Treatment and Salient Dates
12/03/2020	Notification in Terms of Section 45(5) of the Companies Act 71 of 2008
27/03/2020	Dealings in Securities by a Director

Table 6.22: Case Organisation D – SENS Announcements

Date:	Title:
31/03/2020	Dealings in Securities by a Director
01/04/2020	Covid-19 Impact
15/04/2020	Update on the Covid-19 Impact on Business
23/04/2020	Dealings in Securities by a Director
15/05/2020	Change in External Auditor
15/05/2020	Covid-19 Impact on Business Update
20/05/2020	Notification of Acquisition of Beneficial Interest in Securities
28/05/2020	Notification of Acquisition of Beneficial Interest in Securities
30/06/2020	Pre-close Update and Trading Statement

During the 18-month period, January 2019 to end-June 2020, Case Organisation D released 41 SENS announcements; 39 mandatory announcements and 2 voluntary announcements. All announcements made were in accordance with guidelines set out by the JSE listing requirements.

ii) Annual integrated report

In the "Scope of the Report" section of the annual integrated report of Case Organisation D, the following is elucidated; "We have applied the following reporting frameworks and regulations in preparing this report; the Companies Act 71 of 2008, the International Financial Reporting Standards (with regards to the financial statements), the SA REIT Association best-practice recommendations, the King Code on Corporate Governance, and the JSE listing requirements".

Just to reiterate, the annual integrated reports of each Case Organisation were analysed accordingly based on these (i) guiding principles, and (ii) content elements;

for the sake of clarity and to avoid unnecessary repetition, these guiding principles and content elements were discussed in section 6.3.1.2.1 and section 6.3.1.2.2, and then the outcome of the analysis of each case organisation is simply indicated by means of a checkbox.

The table below depicts the guiding principles for Case Organisation D.

Table 6.23: Case Organisation D - Guiding Principles		
i)	Strategic focus and future orientation	✓
ii)	Connectivity of information	✓
iii)	Stakeholder relationships	✓
iv)	Materiality	✓
v)	Conciseness	✓
vi)	Reliability and completeness	✓
vii)	Consistency and comparability	✓

In the stakeholder engagement section of its annual integrated report, Case Organisation D states the following; “Our key relationships are with those stakeholders who have significant influence over how we do business, with whom we engage regularly. In the 2019 financial year, our updated stakeholder engagement policy was approved by the transformation, social and ethics committee. In line with King IV, we follow an inclusive approach and derive our strategy from understanding our stakeholders’ needs, interests and expectations. These relationships enable us to identify risks and opportunities, and address these proactively to create trust with our stakeholders”.

“The quality of our relationships supports or hamper our ability to operate, as almost every issue raised by our stakeholders can be a risk or opportunity in achieving our strategy. We classify the quality of our relationships in five categories; (i) one-way relationship [one-way communication], (ii) developing relationship [initiating two-way communication, a relationship still regarded as under development], (iii) good relationship [two-way communication and the company acts independently of the stakeholder], (iv) connected relationship [collaborative engagement with joint learning, decision-making, and actions], (v) strong relationship [integrating stakeholder into governance, strategy and operations management through meaningful collaboration]".

The key stakeholders of Case Organisation D were identified as; (i) community, (ii) employees, (iii) landlords, (iv) government, municipality, and regulators, (v) investors, (vi) shoppers, (vii) tenants, and (viii) suppliers.

Considering that the focus of this study falls on IR; the engagement with investors was further evaluated by the researcher. Case Organisation D identified; (i) how investors contribute to value creation, and (ii) organisational engagement with investors.

Investors contribute to the value creation of Case Organisation D by means of provision of equity and debt capital. Organisation D engages with investors by means of the following; (i) SENS announcements, (ii) roadshows, (iii) annual integrated reports, (iv) results presentations, and (v) the AGM. Case Organisation D realises the benefits of engagement with investors; (a) a larger shareholder base, increasing share liquidity and enhancing access to capital, and (b) access to debt capital – funding structures to support the business strategy. The table below indicates the content elements as found for Case Organisation D.

Table 6.24: Case Organisation D - Content Elements		
i)	Organisational overview and external environment	✓
ii)	Governance	✓
iii)	Business model	✓
iv)	Risks and opportunities	✓
v)	Strategy and resource allocation	✓
vi)	Performance	✓
vii)	Outlook	✓

Table 6.24: Case Organisation D - Content Elements		
viii)	Basis of presentation	✓

iii) Websites

As indicated the website of each Case Organisation was analysed by focusing on the general appearance, the home page main tabs, and which investors related requirements were or were not included. The table below depicts these findings.

Table 6.25: Case Organisation D – Website Analysis	
General appearance:	
Cluttered and difficult to navigate	
Home page main tabs:	
i)	Home
ii)	Business approach
iii)	Development
iv)	Portfolio
v)	Leasing
vi)	Governance
vii)	People
viii)	Impact
ix)	Investors
x)	Contact
Investor section content:	
i)	Our value proposition
ii)	Financial calendar
iii)	Financial results
iv)	Shareholder centre

Table 6.25: Case Organisation D – Website Analysis
v) SENS announcements vi) Analyst coverage vii) IR contact
IR officer contact details:
✓
Interim and provisional reports:
✓
Annual financial statements:
✓

6.4.4.3 Findings research phase three

Research phase three involved a semi-structured, confirmatory interview;

The confirmatory interview was conducted with the IRO of Case Organisation D. Interestingly, in previous years Case Organisation D had no dedicated IRO, however the importance of such a role was identified and the role was created. Thereafter, an internal appointment was made.

The interviewee considers IR to be a hybrid component of both communication management and financial management. However, currently the IR function of Case Organisation D is managed by the financial management division. The IRO has an MBA and significant financial experience; interestingly, the interviewee was the financial manager of Case Organisation D before becoming the dedicated IRO.

As indicated in the interview report of Case Organisation A, in accordance with the introduction and problem statement of the study, all interviewees were probed regarding their view of the current corporate landscape in South Africa. The IRO responded; *"Well definitely due to the scandals there are more rules and regulations being imposed on corporations. We recently had our year-end and the auditors made* *our lives a living hell, they are becoming very particular about very small things that may not matter in the bigger scheme of things. There are a lot more regulatory hoops that we need to jump through. Analysts and investors have become more sceptical about communication, scared that organisations are hiding something. Further, directors are becoming increasingly aware of their responsibility"*.

The IRO of Case Organisation D emphasises the fact that they aim to maintain continuous communication with their investors; *"We are constantly communicating with our investors"*. They went on to reiterate; *"You have to manage communication to get the desired outcome that you want. You have to make sure that you are getting the right message across"*.

When asked whether messages are formulated according to the specific information needs of investors, they responded; *"The organisation needs to tell an integrated story, messages need to be accurate and consistent. Usually we communicate the same core message to all our stakeholders, just from a different angle"*.

The organisation utilises various channels to communicate with its investors; *"We communicate with our investors through the annual integrated report, SENS announcements, results presentations, the sustainability report, phone calls, emails, roadshows, one-on-one interactions, and site visits"*. *"Given the recent corporate scandals, one-on-one interactions with major investors have become increasingly important. As developers, we are in the position to host interesting site visits for our investors and engage there informally"*.

The IRO of Case Organisation D mentions that investors can make or break an organisation; that the value investors attribute to an organisation is often based on the perceptions that investors hold, as opposed to the actual value of the organisation. *"I think it is highly important to have an open communication line with investors. If it weren't for your investors, your company wouldn't exist. We have very open lines with our investors especially our institutional investors, our responsibility towards them is to be open and honest with them; to say listen these are our risks, and these are our opportunities. This is where we are heading to. We want to give them both the good and the bad"*.

The interviewee believed that Case Organisation D does, in fact, engage its investors in dialogue; *"We engage in open two-way communication with our investors, we do our best to be honest, giving them both the good and the bad news"*.

It is evident that although the organisation ascribes such immense value to its investors, it does not conform to the desires of its investors; *"When management makes decisions, it needs to be in the best interest of the company, not necessarily just the best interest of the investor"*. This is a difficult concept to understand, considering that although the investors are in essence the owners of the company, they are not there to dictate how the company is run; *"… they (the investors) definitely influence our strategy but we can't always play to their call"*.

The management of Case Organisation D recognises the importance of building and maintaining relationships with investors; *"… when you have a relationship with your investors, you are able to sit down with them, ask their input and be honest with them. If something really bad were then to happen, you have already established a sense of trust with your investors and then they are more likely to stick it out with you"*.

The interviewee suggested the IR function of publicly listed organisations to be the voice of the organisation.

The IRO of Case Organisation D agrees with the notion that investors are the stakeholder group most integral to organisational success; *"Your investors are ultimately the people you work for; they are your bosses. So yes, unfortunately some stakeholders such as the investors are more important than others to our business"*.

Case Organisation D, in the opinion of the researcher has one of the most effective IR functions. Yet, interestingly the organisation does not have a definitive IR strategy in place. When asked if the organisation had a defined IR strategy, the IRO responded as follows; *"I would have to say no. In order to have a strategy you need to have a very clear end-goal and measurements in place. Sadly, at this stage we don't have a specific strategy yet, maybe it is because our IR function is still so young. But I do realise that it is very important, and it is something we are working on"*.

The IRO of Case Organisation D clarifies that the organisation does pre-identify and specifically target certain potential investors; *"You need to know who you want your investors to be. Investors invest for different reasons, some are in it for the long run,* *others for the short term. You need to remember that there is a limited investor pool in South Africa, and it becomes necessary to expand internationally"*.

When probed about the highly regulated JSE environment, the interviewee remarked; *"These rules and procedures are very important, the main intentions of these are the prevention of insider trading; people trading with knowledge that is not publicly available. These (rules and procedures) evens out the playing ground"*.

In conclusion, the IRO was asked to give their opinion regarding the future of the IR landscape for JSE (publicly) listed organisations; *"Communication is just going to become more and more important and the IR function will just continue to grow. People assess organisations for their integrity and not necessarily their true worth, therefore, one-on-one communication is becoming increasingly important"*.

6.4.4.4 Interpretation of case

As stated earlier, each individual case interpretation is discussed in terms of research objectives 4 and 5.

i) **Research objective 4:** To identify and assess the current IR practices that publicly listed organisations engage in

In an attempt to achieve the research objective as stated above, the researcher analysed the following communicative products of each Case Organisation; (i) the SENS announcements, (ii) the annual integrated report, and (iii) the organisational website. Additionally, confirmatory interviews were conducted with the most senior person in the organisation responsible for IR.

During the 18-month period, January 2019 to end-June 2020, Case Organisation D released 41 SENS announcements. All announcements made were in accordance to guidelines set out by the JSE listing requirements; however, similarly to Case Organisation A and Case Organisation B, Case Organisation D went beyond mere compliance with the guidelines to issue voluntary announcements, including a voluntary Covid-19 business update, in order to keep its investors and the market updated. Consequently, these SENS announcements can be considered as a credible source of information. The SENS announcements released by Case Organisation D have been formulated to realise the specific information needs of investors. Bearing in mind that the intended audience of SENS announcements is investors, these SENS announcements have been formulated on the assumption that the receiver (investors) have a certain capability of understanding. The SENS announcements released by Case Organisation D were in accordance with the timing prescription as per the JSE listing requirements. These announcements released can be considered as a continuous and consistent form of communication from Case Organisation D to its investors.

The annual integrated report of Case Organisation D was prepared in accordance with all regulations. The annual integrated report adheres to all guiding principles as prescribed by the IIRC's IIRF. Furthermore, it also contains all the content elements prescribed by the IIRC's IIRF. Even though the content of an organisation's annual integrated report is of particular interest to investors, this content is not formulated specifically to meet the information needs of investors. Since the intended audience of an annual integrated report comprises all the organisation's stakeholders, the content tends to be formulated in a more general manner. As previously stated, the timing of the communication by an organisation to its investors is strictly regulated, as a result, much of the information in the annual integrated report that is primarily considered by investors has already been published elsewhere; as is the instance for Case Organisation D. Annual integrated reports are an established channel of communication to all stakeholders, held in high esteemed. However, as a result of certain regulations, an annual integrated cannot be utilised as the sole communication channel for investor communication; investors require more frequent communication. Annual integrated reports are considered as a credible form of communication. Considering the complex nature of the information presented in an annual integrated report, it is essential that the message content be clear and simple, hence the consideration of the guiding principles and content elements prescribed by the IIRC's IIRF. Case Organisation D's annual integrated report can be considered to provide all stakeholders, including investors, with consistent and continuous (on an annual basis) information regarding the key aspects of the organisation's operations.

Case Organisation D's website is cluttered and difficult to navigate and the researcher is of the opinion that the first impression that the website might create with prospective investors may not be favourable. The website has a dedicated 'investors' tab on its home page; this 'investors' tab contains information useful to investors and potential investors, as stated previously the content found in the investors section of an organisation's website tend to be reflected in the annual integrated report. Further, as prescribed by the JSE listing requirements both the; (a) interim and provisional reports, and (b) annual financial statements, are made available to investors on the website. The content in the investor section of Case Organisation D's website, can be considered as being aimed at meeting investor needs and could possibly have little value to other stakeholder groups. The organisational website of Case Organisation D is not a communication channel utilised strictly to communicate with investors; however, the investor section of the website can be considered as a unique channel utilised to communicate with investor. However, as highlighted above, the website is cluttered and difficult to navigate, considering this, along with other components of noise and the resulting potential for misinterpretation, messages conveyed via the organisational website needs to be simple and clear. The messages conveyed on the website of Case Organisation D is in fact simple and clear. As stated previously, the timing of the communication by an organisation to investors is strictly governed, hence an organisation cannot publish certain information (i.e. price sensitive and material matters) on its website before a certain specified time. Still, there is perceived value in communicating via the organisational website, since it can be considered as creating a sense of continuity and consistency in the minds of stakeholders (investors).

Taking into account the analysis of the communicative products, and the confirmatory interview, it was subsequently concluded that Case Organisation D engages its investors by means of the following; (i) SENS announcements, (ii) roadshows, (iii) annual integrated reports, (iv) results presentations, (v) the AGM, (vi) one-on-one engagements, and (viii) site visits.

ii) **Research objective 5:** To determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory)

The communication of each Case Organisation was assessed based on the five tenets of the dialogic approach to communication, as proposed by Heath (2013, p. 257). This was done in order to determine whether the particular organisation engages in dialogue with its investors. These tenets include; (i) risk, (ii) mutuality, (iii) propinquity, (iv) empathy, and (v) commitment. (Refer back to point 6.4.1.4).

Table 6.26: Case Organisation D – Assessment of Research Objective 5	
Interviewee response to whether the organisation engages in dialogue with investors	✓
Risk • Is the organisation willing to communicate with investors on the term of the investors?	✓
Mutuality • Does the organisation actively seek to collaborate with, and build relationships with investors?	✓
Propinquity • Does the organisation take investor input into account when making decisions?	**X**
Empathy • Are the goals of the organisation aligned to the goals of the investors?	✓
Commitment • Does the organisation truly listen to investors, trying to find common ground if not agreement?	✓

Taking into account the analysis of the communicative products, and the confirmatory interview, it was subsequently concluded that Case Organisation D does not engage in true dialogue with its investors, within the premise of dialogic communication management theory. The tenet of propinquity is lacking in the communication between Case Organisation D and its investors.

6.4.5 Case E

6.4.5.1 Corporate profile

Corporate Profile - Case Organisation E
Sector classification:
Case Organisation E is situated within the Industrials sector
Overview:
Case Organisation E is a multi-format, multi-channel retailer with a diverse portfolio of stores. The consumer base consists largely of middle-income South Africans. Case Organisation E operates on both an owned and franchise basis and provides a wide range of products and value-added services that include an online offering.

6.4.5.2 Findings research phase two

Analysis of the Case Organisation's communicative products;

i) SENS Announcements

The table below displays the SENS announcements issued by Case Organisation E during the 18-month period, January 2019 to end-June 2020.

Table 6.27: Case Organisation E – SENS Announcements

Date:	Title:
08/04/2019	Trading Statement
26/04/2019	Final Results
26/04/2019	Retirement of Chief Financial Officer
29/04/2019	Dealing in Securities
07/06/2019	B-BBEE Compliance Report

Table 6.27: Case Organisation E – SENS Announcements	
Date:	**Title:**
10/06/2019	No Change Statement and AGM Notice
10/06/2019	Dealings in Securities by a Director
26/06/2019	No Change Statement and AGM Notice
28/06/2019	Dealing in Securities
30/07/2019	Report on AGM Proceedings
31/07/2019	Appointment of Chief Financial Officer
15/08/2019	Dealings in Securities by a Director
19/08/2019	Dealings in Securities by a Director
21/08/2019	Dealings in Securities by a Director
26/08/2019	Dealings in Securities by a Director
02/09/2019	Dealing in Securities
16/09/2019	Briefing to Stakeholders
25/09/2019	Implementation of IFRS 16
22/10/2019	Interim Results September 2019
29/10/2019	Interest in Securities
06/11/2019	Dealings in Securities by a Director
08/11/2019	Dealings in Securities by a Director
12/11/2019	Dealings in Securities by a Director
25/11/2019	Vesting of Share Options and Sale of Shares
06/12/2019	Dealing in Securities
05/02/2020	Vesting of Share Options and Sale of Shares
17/03/2020	Disclosure of Disposal of Securities in XXX
22/04/2020	Financial Results Publication

Table 6.27: Case Organisation E – SENS Announcements	
Date:	**Title:**
04/05/2020	Disclosure of Acquisition of Securities in XXX
12/05/2020	Final Results March 2020
14/05/2020	Dealings in Securities by a Director
18/05/2020	Director Appointments
20/05/2020	Dealing in Securities
25/06/2020	B-BBEE Annual Compliance Report

During the 18-month period, January 2019 to end-June 2020, Case Organisation E released 34 SENS announcements; 34 mandatory announcements and no voluntary announcements. All announcements made were in accordance to guidelines set out by the JSE listing requirements.

ii) Annual integrated report

In the "Scope of the Report" section of the annual integrated report of Case Organisation E, the following is elucidated; "Our reports comply with the following reporting standards and frameworks; the IIRF, the Companies Act, No 71 of 2008, the JSE listing requirements, the King IV Report on Corporate Governance for South Africa, and the Global Reporting Initiative's (GRI) Standards".

Just to reiterate, the annual integrated reports of each Case Organisation were analysed accordingly based on these (i) guiding principles, and (ii) content elements; for the sake of clarity and to avoid unnecessary repetition, these guiding principles and content elements were discussed in section 6.3.1.2.1 and section 6.3.1.2.2, and then the outcome of the analysis of each case organisation is simply indicated by means of a checkbox.

The table below depicts the guiding principles for Case Organisation E.

Table 6.28: Case Organisation E - Guiding Principles		
i)	Strategic focus and future orientation	✓
ii)	Connectivity of information	✓
iii)	Stakeholder relationships	✓
iv)	Materiality	✓
v)	Conciseness	✓
vi)	Reliability and completeness	✓
vii)	Consistency and comparability	✓

In the stakeholder engagement section of its annual integrated report, Case Organisation E states the following; “Our ability to create sustainable value depends on open and constructive engagement with our stakeholders. Stakeholders are parties that can affect, or be affected by, our activities, objectives and policies. We identify key stakeholders through ongoing engagement with individuals, groups and organisations”.

“Engagement enables us to; i) identify and act on issues affecting our stakeholders and our business, ii) improve our understanding of stakeholders’ expectations, aspirations and interests, iii) strengthen the transparency and accountability through which we have established valued relationships, and iv) consider the concerns and interests of stakeholders when determining our material and strategic response”.

The key stakeholders of Case Organisation E were identified as; (i) customers, (ii) communities, (iii) employees, (iv) investors, (v) suppliers, and (vi) franchisees.

Considering that the focus of this study falls on IR; the engagement with investors was further evaluated by the researcher. Case Organisation E identified (i) what their investors consider to be important, (ii) how the organisational strategy responds to these investor needs, and (iii) the engagement with investors.

Case Organisation E found the following to be important to investors; (i) improved and sustainable return on investment, (ii) understanding the business model, strategic direction and profit drivers, (iii) access to timely, accurate, transparent, and relevant information, (iv) good corporate governance, (v) sufficient free float of shares to trade, and (vi) ethical and social responsible conduct. In response to this, Case Organisation E aims to; a) generate consistent returns in a sustainable manner, b) operate according to the highest governance principles, c) follow innovative business practices at acceptable levels of risk, d) capital efficiency, and e) provide attractive returns on investment.

Organisation E engages with investors by means of the following; (i) at least four formal engagements a year; two financial results presentations, one AGM, and an investor day / strategic update, (ii) regular engagement with investors, analysts, and fund managers, (iii) direct engagement on proposed resolutions prior to annual and general meetings, and (iv) a dedicated IR team and investor website. The table below indicates the content elements as found for Case Organisation E.

Table 6.29: Case Organisation E - Content Elements		
i)	Organisational overview and external environment	✓
ii)	Governance	✓
iii)	Business model	✓
iv)	Risks and opportunities	✓
v)	Strategy and resource allocation	✓
vi)	Performance	✓
vii)	Outlook	✓
viii)	Basis of presentation	✓

iii) Websites

As indicated the website of each Case Organisation was analysed by focusing on the general appearance, the home page main tabs, and which investors related requirements were or were not included. The table below depicts these findings.

Table 6.30: Case Organisation E – Website Analysis
General appearance:
Cluttered and too many distractors
Home page main tabs:
i) This is us ii) Investor centre iii) Governance iv) Sustainability v) Media releases vi) Contact us
Investor section content:
i) Results, reports and presentations ii) SENS iii) Share price iv) Shareholders' information and AGM v) Corporate information
IR officer contact details:
✓
Interim and provisional reports:
✓
Annual financial statements:
✓

6.4.5.3 Findings research phase three

Research phase three involved a semi-structured, confirmatory interview;

Case Organisation E has two dedicated IROs. The confirmatory interview was conducted with one of these IROs; the head of IR of Case Organisation E.

The interviewee considers IR to be a hybrid component of both communication management and financial management. However, currently the IR function of Case Organisation E is managed by the financial management division. The head of IR in Case Organisation E has a financial background and significant corporate experience.

As indicated previously, in accordance to the introduction and problem statement of the study, all interviewees were probed regarding their view of the current corporate landscape in South Africa. The IRO of Case Organisation E was of the following opinion; *"In general, the corporate landscape is mature, with institutions with strong history and strong corporate governance. There have been a handful of corporate scandals over the past two to three years – but this should not be seen as indicative of a broader problem of ethics. South Africa has a strong regulatory framework governing listed institutions in this country"*.

Case Organisation E, being a retailer makes for an interesting case. This is because the organisation is constantly communicating with its stakeholders, especially the consumers who could be seen as the largest stakeholder group. However, this communication often holds little to no value for the investors.

The IRO of Case Organisation E highlights that the communication within the organisation is tricky to navigate; *"We have our communication to our consumers which contributes nothing to our investment case and can be seen more as marketing, and then we have our communication to our investors which is of no value to our consumers"*. As a result, the IR function of Case Organisation E operates in isolation, away from both the corporate communication and marketing functions, and is housed in the financial division.

The interviewee deems the role of the IR function as being; *"To ensure our business and our investment case, including our financial position, performance and all risk opportunities facing the business are well understood by investors and potential investors. To maintain open and transparent engagement with our investor* *community"*. When prompted regarding the opinion by some that investors are the stakeholder group most integral to organisational success, particularly in the case of publicly listed companies, a rapid, affirmative response followed; *"Agreed. In our organisation equity finance is vital to ensure growth, our investors provide that equity finance"*.

When communicating with investors, the interviewee confirms that the messages are formulated according to the needs of the investors, hence the assumption is also made that the audience (i.e. the investors) have a certain capacity of understanding; *"We here in the IR function are only concerned about our investors, we know what they want to hear and see and that is what we give to them. The other fluffy messages are not our responsibility"*.

Considering the extreme focus of the IR function of Case Organisation E exhibited in the statement made above, the IRO was asked whether they maintain continuous and consistent communication with investors, or whether communication with investors mainly take place at certain times; *"We do try to communicate with our investors as often as possible, but unfortunately the reality is that it is not always possible and as a result investor communication tends to be more at certain times"*.

Organisation E engages with investors by means of the following; *"we have at least four formal engagements per year consisting of two financial results presentations, one annual general meeting, and an investor day"*. Additionally, the organisation aims to have regular engagement with major investors and financial analysts, and have a dedicated investor website, managed by a dedicated IR team. Interestingly, Case Organisation E was the only organisation that has a separate dedicated investor website, this again highlights the fact that the stakeholders of Case Organisation E have significant information needs.

When prompted as to whether they actively seek to engage with and receive feedback from investors, the IRO responded; *"Engagement with our investors enable us to identify and act on issues affecting our investors, improve our understanding of their (the investor's) expectations, and strengthen our valued relationships with them (the investors)"*. The investors are afforded the opportunity to provide feedback directly to the dedicated IR team via email and also at the abovementioned engagements events, yet the interviewee confirms; *"We mainly receive feedback from institutional investors,* *it is rare that we receive feedback from a private investor, perhaps they are wary to engage, perhaps they think that their feedback won't matter considering the magnitude of our organisation. Who knows?"*. Through engagement, Case Organisation E is able to consider the concerns and interests of its investors when determining its strategic response.

It can be assumed from the above that Case Organisation E values having a relationship with its investors. To confirm this, the researcher asked the interviewee whether the organisation strives to create a relationship with its investors; *"Yes, absolutely. Long-term 'sticky' investors are valuable to our organisation because it protects the share price from short-term volatility. Relationships with long-term investors also provide a valuable external perspective as to what they expect from management teams. Furthermore, building open engagement with 'potential investors' provides the business with a pipeline of future shareholders- and promotes liquidity in the share. Liquidity and volume can provide a value premium for the share"*. This also clarifies that Case Organisation E has a well-defined IR strategy, which includes targeting pre-defined potential investors; *"Our ability to create sustainable value depends on open and constructive engagement with our investor. We identify key investors and potential investor through ongoing engagement with individuals, groups and other organisations"*.

Yet again, considering that this study is situated in the dialogic theory of communication management, each interviewee was asked to provide their understanding of the term 'dialogic communication'. Unexpectedly, the interviewee responded; *"I have never heard of it. I suppose it has something to do with engaging in a dialogue"*.

Returning to the earlier statement that through engagement, Case Organisation E is able to consider the concerns and interests of its investors when determining its strategic response, the IRO was asked whether the goals of the organisation are aligned to the goals of the investors; *"That is a difficult one to answer, yet again you need to remember that due to the nature of our business the goals of our core business is not necessarily perfectly aligned to those of our investors. We serve our different stakeholders in different ways"*.

In the stakeholder engagement section of its annual integrated report, Case Organisation E states that it found the following to be important to investors; (i) improved and sustainable return on investment, (ii) understanding the business model, strategic direction and profit drivers, (iii) access to timely, accurate, transparent, and relevant information, (iv) good corporate governance, (v) sufficient free float of shares to trade, and (vi) ethical and social responsible conduct. The IRO confirmed this; *"We worked hard to determine, and clearly define what is important to our investors. We also put a lot of thought into how we would meet these expectations"*.

The interviewee reiterates that the organisation has the responsibility toward its investors to provide them with information which enables them to make reasonable and well-informed investment decisions. The information provided must be; *"accurate and correct, presented in a consistent and comparable manner, in line with all regulations and standards, provided regularly and in a transparent fashion. Put all of that in your proposed framework and you will have a winner"*. Case Organisation E is aware that investors have a need for regular, transparent and accurate reporting that allows these investors the necessary insight into the business to make informed investment decisions.

Having been listed for several decades, Case Organisation E is the longest listed Case Organisation in the study, and it is safe to assume that it knows how to navigate its way around the regulatory environment of the JSE. The interviewee mentioned there have been significant changes to the regulatory environment during the past few decades. When asked if they believe the regulatory measures put in place to be a form of censorship, they responded; *"No, there is no censorship of information, but rules govern how information is disseminated in a fair and equitable manner, so as not to see certain investors advantaged over others. Material information, that which could have an impact on an investor's investment decision, should be fairly and equitably distributed to all investors at the same time. No investor should be privy to material or price sensitive information that is not available to all"*.

In conclusion, the IRO were asked to give their opinion regarding the future of the IR landscape for JSE (publicly) listed organisations. The IRO of Case Organisation E is of the following opinion; *"We (listed organisations) have become increasingly engaged with our investor community over the last decade. During the next decade, I foresee* *greater transparency of information, greater regulation of engagement and greater accountability to stakeholders"*.

6.4.5.4 Interpretation of case

As stated earlier, each individual case interpretation is discussed in terms of research objectives 4 and 5.

i) **Research objective 4:** To identify and assess the current IR practices that publicly listed organisations engage in

In an attempt to achieve the research objective as stated above, the researcher analysed the following communicative products of each Case Organisation; (i) the SENS announcements, (ii) the annual integrated report, and (iii) the organisational website. Additionally, confirmatory interviews were conducted with the most senior person in the organisation responsible for IR.

During the 18-month period, January 2019 to end-June 2020, Case Organisation E released 34 SENS announcements. All announcements made were in accordance with guidelines set out by the JSE listing requirements, but no additional voluntary announcements were made. These SENS announcements can be considered as a credible source of information. The SENS announcements released by Case Organisation E were formulated with the purpose of realising the specific information needs of investors. Bearing in mind that the intended audience of SENS announcements is investors, these SENS announcements have been formulated on the assumption that the receiver (investors) have a certain capability of understanding. The SENS announcements released by Case Organisation E were in accordance with the timing prescription as per the JSE listing requirements. These announcements released can be considered as a continuous and consistent form of communication from Case Organisation E to its investors.

The annual integrated report of Case Organisation E was prepared in accordance with all regulations. The annual integrated report adheres to all guiding principles as prescribed by the IIRC's IIRF. Furthermore, it also contains all the content elements prescribed by the IIRC's IIRF. As highlighted earlier, the content of an organisation's annual integrated report is of particular interest to investors; however, it is not formulated specifically to meet the information needs of investors. Since the intended audience of an annual integrated report comprises all the organisation's stakeholders, the content tends to be formulated in a more general manner. The timing of the communication by an organisation to its investors is strictly regulated, as a result, much of the information in the annual integrated report that is primarily considered by investors has already been published elsewhere; this hold true for Case Organisation E. Annual integrated reports are an established channel of communication to all stakeholders, held in high esteemed. However, as a result of certain regulations, an annual integrated cannot be utilised as the sole communication channel for investor communication; investors require more frequent communication. Annual integrated reports are considered as a credible form of communication. Bearing in mind the complex nature of the information presented in an annual integrated report, it is essential that the message content be clear and simple, hence the consideration of the guiding principles and content elements prescribed by the IIRC's IIRF. Case Organisation E's annual integrated report can be considered to provide all stakeholders, including investors, with consistent and continuous (on an annual basis) information regarding the key aspects of the organisation's operations.

Interestingly, Case Organisation E is the only organisation that has a separate dedicated investor website, this could be ascribed to the fact that the organisation's main stakeholder group is considered to be its consumers; the communication disseminated to the consumers of the organisation contributes nothing to the investment case of the organisation. Although the organisation has a dedicated investor website, the website still appears cluttered and has too many distractors. This dedicated website further has a devoted 'investor centre' tab on its home page; this 'investors centre' tab contains information useful to investors and potential investors, as stated previously the content found in the investor section of an organisation's website, or in the case of Case Organisation E the dedicated investor website tend to be reflected in the annual integrated report. Further, as prescribed by the JSE listing requirements both the; (a) interim and provisional reports, and (b) annual financial statements, are made available to investors on the dedicated investor website.

Taking into account the analysis of the communicative products, and the confirmatory interview, it was subsequently concluded that Case Organisation E engages its investors by means of the following; (i) at least four formal engagements a year; (a) two financial results presentations, (b) the AGM, and an (c) investor day / strategic update, (ii) regular engagement with investors, analysts and fund managers, (iii) direct engagements, (iv) SENS announcements, and (v) a dedicated IR team and investor website.

ii) **Research objective 5:** To determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory)

The communication of each Case Organisation was assessed based on the five tenets of the dialogic approach to communication, as proposed by Heath (2013, p. 257). This was done in order to determine whether the particular organisation engages in dialogue with its investors. These tenets include; (i) risk, (ii) mutuality, (iii) propinquity, (iv) empathy, and (v) commitment. (Refer back to point 6.4.1.4).

Table 6.31: Case Organisation E – Assessment of Research Objective 5	
Interviewee response to whether the organisation engages in dialogue with investors	✓
Risk • Is the organisation willing to communicate with investors on the term of the investors?	**X**
Mutuality • Does the organisation actively seek to collaborate with, and build relationships with investors?	✓
Propinquity • Does the organisation take investor input into account when making decisions?	✓
Empathy • Are the goals of the organisation aligned to the goals of the investors?	**X**
Commitment • Does the organisation truly listen to investors, trying to find common ground if not agreement?	✓

Taking into account the analysis of the communicative products, and the confirmatory interview, it was subsequently concluded that Case Organisation E does not engage in true dialogue with its investors, within the premise of dialogic communication management theory. The tenets of risk and empathy are lacking in the communication between Case Organisation E and its investors.

6.4.6 Case F

6.4.6.1 Corporate profile

Corporate Profile - Case Organisation F
Sector classification:
Case Organisation F is situated within the Industrials sector
Overview:
Case Organisation F is a company with diverse businesses, operational within the education and recruitment industries in South Africa, Botswana, Angola, Mauritius and Kenya. Through its three business units; (i) schools, (ii) tertiary education, and (iii) resourcing, Case Organisation F houses twenty-six (26) brands in total, encompassing over one hundred (100) trusted education, training and recruitment sites across Africa.

6.4.6.2 Findings research phase two

Analysis of the Case Organisation's communicative products;

i) SENS Announcements

Table 6.32 displays the SENS announcements issued by Case Organisation F during the 18-month period, January 2019 to end-June 2020.

Table 6.32: Case Organisation F – SENS Announcements	
Date:	**Title:**
17/01/2019	Resignation of Group Company Secretary
18/03/2019	Preliminary Audited Results for the Year Ended December 2018
08/04/2019	XXX Acquisition Finalised
30/04/2019	No Change Statement and Notice of AGM
21/05/2019	Disclosure of Acquisition of Securities
30/05/2019	Results of 2019 AGM
02/07/2019	Appointment of Acting Company Secretary
21/08/2019	Trading Statement
29/08/2019	Interim Results June 2019
23/10/2019	Dealings in Securities by a Director
25/10/2019	Dealings in Securities by a Director
25/11/2019	Change to the Board of Directors
06/01/2020	Disclosure of Acquisition of Securities
17/02/2020	Retirement of Director
19/02/2020	Business Update
04/03/2020	Trading Statement for the Year Ended December 2019
09/03/2020	Appointment of Group Company Secretary and Head of Investor Relation
23/03/2020	Results for the Year Ended December 2019
27/03/2020	Disclosure of Disposal of Securities
17/04/2020	Appointment of Independent Non-Executive Director and Member of the Audit Committee
30/04/2020	No Change Statement and Notice of AGM

Table 6.32: Case Organisation F – SENS Announcements	
Date:	**Title:**
14/05/2020	Withdrawal of Resolutions to be Tabled at AGM
27/05/2020	Dealings in Securities by a Prescribed Officer
27/05/2020	Voluntary Business Update and Feedback from the Board Meeting
28/05/2020	Correction Announcement - Dealings in Securities by a Prescribed Officer
29/05/2020	Results of the 2020 AGM
01/06/2020	Dealings in Securities by a Director

During the 18-month period, January 2019 to end-June 2020, Case Organisation F released 27 SENS announcements; 26 mandatory announcements and 1 voluntary announcement. All announcements made were in accordance with guidelines set out by the JSE listing requirements. Case Organisation F released the least amount of SENS announcements of all the Case Organisations comprising this study.

ii) Annual integrated report

In "Scope of the Report" section of the annual integrated report of Case Organisation F, the following is elucidated; "Our annual integrated report has been prepared in accordance with the IIRC's Integrated Reporting Framework. To guide and inform our decisions during the preparation of this report, we applied the principles and requirements contained within various regulations, codes and standards; the Companies Act 71 of 2008, the JSE listing requirements, and King IV Report on Corporate Governance for South Africa. The annual financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS)".

Just to reiterate, the annual integrated reports of each Case Organisation were analysed accordingly based on these (i) guiding principles, and (ii) content elements; for the sake of clarity and to avoid unnecessary repetition, these guiding principles and content elements were discussed in section 6.3.1.2.1 and section 6.3.1.2.2, and then the outcome of the analysis of each case organisation is simply indicated by means of a checkbox.

The table below depicts the guiding principles for Case Organisation F.

Table 6.33: Case Organisation F - Guiding Principles		
i)	Strategic focus and future orientation	✓
ii)	Connectivity of information	✓
iii)	Stakeholder relationships	X
iv)	Materiality	✓
v)	Conciseness	✓
vi)	Reliability and completeness	✓
vii)	Consistency and comparability	✓

Case Organisation F does not address stakeholder engagement in its annual integrated report. Stakeholder engagement is addressed in the separate corporate responsibility report.

In the stakeholder engagement section of the corporate responsibility report, Case Organisation F states the following; "It is important to engage with our key stakeholders as they inform the group's strategy and material matters, and form part of our value creation process. Our interaction varies according to each stakeholder and their concerns are considered and actioned as appropriate."

"We appreciate that our operations have an impact on the communities where we operate, and we encourage active stakeholder engagement and constructive feedback. We use various engagement platforms depending on each stakeholder's interests and monitor social media platforms to ensure external stakeholder matters are identified and addressed. Our stakeholder engagement policy guides our stakeholder interaction to ensure consistent messaging across the group."

The key stakeholders of Case Organisation F were identified as; (i) community, (ii) investors, (iii) students and parents, (iv) alumni, (v) media, (vi) recruitment candidates and clients, (vii) employees / independent contractors, and (viii) regulatory bodies and government.

Considering that the focus of this study falls on IR; the engagement with investors was further evaluated by the researcher. Case Organisation F recognise that investors have a shared interest in the group's success; these investors contribute fiscal support to the business and thus enable growth. Case Organisation F went on to identify, (i) stakeholder interest, and (ii) engagement with investors.

Case Organisation F found the following to be of interest to investors; (i) growth prospects, (ii) profitable and sustainable business, (iii) management remuneration, (iv) policies, (v) strategy, (vi) sustainability, (vii) compliance with JSE listing requirements, and (viii) corporate governance.

Accordingly, Case Organisation F engages with investors by means of the following; (i) regular financial results presentations, (ii) annual integrated report and interim financial results publication, (iii) corporate responsibility report, (iv) SENS announcements, (v) media releases, (vi) engagements with investors and analysts, (vii) investor site visits, (viii) the AGM, and (ix) King IV compliance reports. The table below indicates the content elements as found for Case Organisation F.

Table 6.34: Case Organisation F - Content Elements

i)	Organisational overview and external environment	✓
ii)	Governance	✓
iii)	Business model	✓
iv)	Risks and opportunities	✓
v)	Strategy and resource allocation	✓
vi)	Performance	✓
vii)	Outlook	✓
viii)	Basis of presentation	✓

iii) Websites

As indicated the website of each Case Organisation was analysed by focusing on the general appearance, the home page main tabs, and which investors related requirements were or were not included. The table below depicts these findings.

Table 6.35: Case Organisation F – Website Analysis
General appearance:
Dull, lacking appeal, nonetheless organised
Home page main tabs:
i) About Us ii) Investor Information iii) Governance iv) Media v) Contact Us vi) Careers
Investor section content:
i) Financial results ii) Analysts Presentations iii) 5 Year Review iv) SENS v) Shareholder Diary vi) Annual General Meeting vii) Shareholder Analysis viii) Share Price ix) Transfer Secretaries x) Investor Contact
IR officer contact details:
✓

Table 6.35: Case Organisation F – Website Analysis
Interim and provisional reports:
✓
Annual financial statements:
✓

6.4.6.3 Findings research phase three

Research phase three involved a semi-structured, confirmatory interview;

The confirmatory interview was conducted with the Chief Executive Officer (CEO) of Case Organisation F. Interestingly, although Case Organisation F has a dedicated IRO, who also acts as the Company Secretary, when the request for an interview was made to the organisation, the CEO indicated that they would prefer to do the interview.

The interviewee considers IR to be a hybrid component of both communication management and financial management. However, currently the IR function of Case Organisation F is managed by the financial management division. The IRO has vast experience in the field of IR and corporate governance, as well as being a founding member of the South African IR Society. The CEO has an MBA, coupled with years of corporate management experience.

As previously indicated, in accordance to the introduction and problem statement of the study, all interviewees were probed regarding their view of the current corporate landscape in South Africa. The CEO of Case Organisation F responded; *“Generally, governance standards in South Africa are good. It is a pity that a few regrettable cases adversely affect the reputation of corporate South Africa”*.

It was interesting to hear the views of the CEO, as opposed to the view of IROs of the other Case Organisations. When asked whether the organisation believes that their investors have a certain capability of understanding; *“Yes, especially the institutional investors, which comprises the majority of our investors”.*

The interviewee does not consider it necessary to constantly inform the investors regarding everything that happens within the organisation since it does not necessarily contribute to the value creation of the organisation; *"… we try to keep all investors informed on the material issues while complying with the JSE regulations on disclosure… we try to avoid an unnecessary information overload"*. However, they state that the intention of the organisation is always to communicate material information in clear and simple terms but confirm that unfortunately sometimes aspects come across unclear. *"Our stakeholder engagement policy guides our interaction with investors, to ensure consistent messaging. We take into account the interests and needs of our investors"*.

When consulted as to whether the organisation actively seeks feedback from its investors; *"Yes, we receive feedback from the investment community and where possible try to take cognisance of that feedback. Formal feedback sessions are conducted twice a year and individual meetings as and when appropriate or requested"*.

The organisation strives to engage with investors and as a result attempts to establish relationships. It recognises that it is important to engage with investors since they inform the group's strategy and material matters, and ultimately form part of the value creation process; *"We understand that all our operations and decisions have an impact on our investors and so we encourage active engagement and constructive feedback"*.

The interviewee considers the responsibility of the organisation towards its investors to be; *"…provide accurate, transparent and valuable information on the company's goals, objectives and performance"*. According to them, investors have the need to better understand the market, the competitive environment and the organisation's strategy, performance and prospects.

The CEO feels the role of the IR function in a listed organisation, such as theirs to be; *"To promote the company and its objectives to the financial community. To explain the strategy, market position, prospects and performance in order to ensure that the value is attributable to the organisation"*. They concur with the view that investors are an integral part of the success of the organisation, hence the IR practices of Case Organisation F are aligned with the general goals and strategy of the organisation.

Keeping in mind that this study is situated in the dialogic theory of communication management, each interviewee was asked to provide their understanding of the term 'dialogic communication'. The interviewee responded; *"Two-way communication, conducting a dialogue"*. The follow up question was then posed whether they believe that their organisation engages in dialogue with its investors; *"Yes, I believe so. We talk to and listen to our investors"*.

Considering their expertise and many years of experience, the researcher found the sentiment of the CEO, regarding the regulatory environment of the JSE to be insightful; *"These regulations should rather be seen as guidelines and not restrictions, it sets out the minimum communication necessary to allow some form of comparability"*.

In conclusion, the interviewee was asked to give their opinion regarding the future of the IR landscape for JSE (publicly) listed organisations. The IRO of Case Organisation F is of the following opinion; *"There is a willingness among corporations to increase the degree of transparency will continue to increase significantly. Previously, companies disclosed as little information as possible and are now prepared to share far more than before"*.

6.4.6.4 Interpretation of case

As stated earlier, each individual case interpretation is discussed in terms of research objectives 4 and 5.

i) **Research objective 4:** To identify and assess the current IR practices that publicly listed organisations engage in

In an attempt to achieve the research objective as stated above, the researcher analysed the following communicative products of each Case Organisation; (i) the SENS announcements, (ii) the annual integrated report, and (iii) the organisational website. Additionally, confirmatory interviews were conducted with the most senior person in the organisation responsible for IR.

During the 18-month period, January 2019 to end-June 2020, Case Organisation F released 27 SENS announcements. All announcements made were in accordance to guidelines set out by the JSE listing requirements, only one additional voluntary announcement regarding a business update was made. The SENS announcements released by Case Organisation F can be considered as a credible source of information. These SENS announcements have been formulated to realise the specific information needs of investors. Considering that the intended audience of SENS announcements is investors, these SENS announcements have been formulated on the assumption that the receiver (investors) have a certain capability of understanding. The SENS announcements released by Case Organisation F were in accordance with the timing prescription as per the JSE listing requirements. These announcements released can be considered as a continuous and consistent form of communication from Case Organisation F to its investors.

The annual integrated report of Case Organisation F was prepared in accordance with all regulations. The annual integrated report adheres to all guiding principles as prescribed by the IIRC's IIRF, except for guiding principle (iii), stakeholder relationships. Case Organisation F does not address stakeholder engagement in its annual integrated report; stakeholder engagement is addressed in a separate corporate responsibility report. However, the annual integrated report of Case Organisation F contains all the content elements prescribed by the IIRC's IIRF. While the content of an organisation's annual integrated report is of particular interest to investors it is not formulated specifically to meet the information needs of investors. Since the intended audience of an annual integrated report comprises all the organisation's stakeholders, the content tends to be formulated in a more general manner, as is evident in the annual integrated report of Case Organisation F. As mentioned before, the timing of the communication by an organisation to its investors is strictly regulated, as a result, much of the information in the annual integrated report that is primarily considered by investors has already been published elsewhere; as is the instance for Case Organisation F. Annual integrated reports are an established channel of communication to all stakeholders, held in high esteemed. However, as a result of certain regulations, an annual integrated cannot be utilised as the sole communication channel for investor communication; investors require more frequent communication. Annual integrated reports are considered as a credible form of communication. Bearing in mind the complex nature of the information presented in an annual integrated report, it is essential that the message content be clear and simple, hence the consideration of the guiding principles and content elements prescribed by the IIRC's IIRF. An organisation's annual integrated report can be considered as providing all stakeholders, including investors, with consistent and continuous (on an annual basis) information regarding the key aspects of the organisation's operations.

The website of Case Organisation F is organised, nonetheless it is dull and lacking appeal. The website has a dedicated 'investor information' tab on its home page; this 'investors information' tab contains information useful to investors and potential investors, as stated previously the content found in the investors section of an organisation's website tends to be reflected in the annual integrated report. Further, as prescribed by the JSE listing requirements both the; (a) interim and provisional reports, and (b) annual financial statements, are made available to investors on the website. The content found in the investor section (i.e. investor information) of Case Organisation F's website, is intended to meet the needs of investors and usually has little value to other stakeholder groups. Case Organisation F's organisational website is not a communication channel utilised strictly to communicate with investors; however, the investor section (i.e. investor information) of the website can be considered as a unique channel utilised to communicate with investor. However, considering the component of noise and the resulting potential for misinterpretation, messages conveyed via an organisational website needs to be simple and clear. As mentioned before, the timing of the communication by an organisation to investors is strictly governed, hence an organisation cannot publish certain information (i.e. price sensitive and material matters) on its website before a certain specified time. Yet, there is still value in communicating via the organisational website, since it can be considered as creating a sense of continuity and consistency in the minds of stakeholders (investors).

Taking into account the analysis of the communicative products, and the confirmatory interview, it was subsequently concluded that Case Organisation F engages its investors by means of the following; (i) regular financial results presentations, (ii) annual integrated report and interim financial results publication, (iii) corporate responsibility report, (iv) SENS announcements, (v) media releases, (vi) engagements with investors and analysts, (vii) investor site visits, (viii) the AGM, and (ix) the King IV compliance report.

ii) **Research objective 5:** To determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory)

The communication of each Case Organisation was assessed based on the five tenets of the dialogic approach to communication, as proposed by Heath (2013, p. 257). This was done in order to determine whether the particular organisation engages in dialogue with its investors. These tenets include; (i) risk, (ii) mutuality, (iii) propinquity, (iv) empathy, and (v) commitment. (Refer back to point 6.4.1.4).

Table 6.36: Case Organisation F – Assessment of Research Objective 5	
Interviewee response to whether the organisation engages in dialogue with investors	✓
Risk • Is the organisation willing to communicate with investors on the term of the investors?	**X**
Mutuality • Does the organisation actively seek to collaborate with, and build relationships with investors?	✓
Propinquity • Does the organisation take investor input into account when making decisions?	✓
Empathy • Are the goals of the organisation aligned to the goals of the investors?	✓
Commitment • Does the organisation truly listen to investors, trying to find common ground if not agreement?	**X**

Taking into account the analysis of the communicative products, and the confirmatory interview, it was subsequently concluded that Case Organisation F does not engage in true dialogue with its investors, within the premise of dialogic communication management theory. The tenets of risk and commitment are lacking in the communication between Case Organisation F and its investors.

6.5 HOLISTIC CASE STUDY COMPARISON

The findings represented in the above individual interpretations, are employed to analyse the Case Organisations collectively and comparatively. Each individual case interpretation was discussed in terms of research objectives 4 and 5. Research objective 6 is now addressed in holistic case study comparison, while research objective 7 will be discussed and concluded in the following chapter; Chapter 7.

6.5.1 Comparison of Research Objective 4

Research objective 4 is stated as follows; to identify and assess the current IR practices that publicly listed organisations engage in. Table 6.37 below indicates the means used by the respective Case Organisations to engage with investors.

Table 6.37: IR Engagement Comparison

	Case A	Case B	Case C	Case D	Case E	Case F
SENS Announcement	✓	✓	✓	✓	✓	✓
Annual Integrated Report	✓	✓	✓	✓	✓	✓
Website	✓	✓	✓	✓	✓	✓
AGM	✓	✓	✓	✓	✓	✓
Results Presentations	✓	✓	✓	✓	✓	✓
Roadshows / Investor Days	✓	✓	X	✓	✓	X
Site Visits	✓	✓	X	✓	X	✓
Direct Engagements*	✓	✓	X	✓	✓	✓
One-on-one Meetings*	X	X	X	✓	✓	X

*Applicable only to institutional investors

After the analysis, it became evident to the researcher that current IR practices that publicly listed organisations engage in are similar across all Case Organisations, with minor differences in some cases. The general forms of engagement, evident in all Case Organisations include, (i) SENS announcements, (ii) annual integrated reports, (iii) the organisational websites, (iv) the AGMs, and (v) results presentations. Although the general forms of engagement are similar across all Case Organisation, the consistency of this engagement differs. The three most common forms of engagement, (i) SENS announcement, (ii) annual integrated reports, and (iii) organisational websites, also the focus of the analysis of this study, is deliberated below.

With regards to (i) SENS announcements; findings confirmed that SENS announcements are considered as a credible source of information. These SENS announcements have been formulated with the purpose of realising the specific information needs of investors. Since the intended audience of SENS announcements is investors, these SENS announcements have been formulated on the assumption that the receiver (investors) have a certain capability of understanding. The SENS announcements must be in accordance with the timing prescription as per the JSE listing requirements. These announcements can be considered as a continuous and consistent form of communication from an organisation to its investors.

Pertaining to (ii) annual integrated reports; the content of an organisation's annual integrated report is of particular interest to investors; however, it is not formulated specifically to meet the information needs of investors. Considering that the intended audience of an annual integrated report comprises all the organisation's stakeholders, the content thereof tends to be formulated in a more general manner. As reiterated throughout this study, the timing of the communication by an organisation to investors is strictly regulated, as a result, much of the information in the annual integrated report, that is primarily considered by investors has already been published elsewhere. The annual integrated report is an established channel of communication to all stakeholders, held in high esteemed. However, as a result of certain regulations, an annual integrated cannot be utilised as the sole communication channel for investor communication; investors require more frequent communication. Still, annual integrated reports are considered to epitomise ethics and credibility, as such an annual integrated report is considered as credible, and in turn enhances the credibility of the organisation. Bearing in mind the complex nature of the information presented in an annual integrated report, it is essential that the message content be clear and simple, hence the consideration of the guiding principles and content elements prescribed by the IIRC's IIRF. An organisation's annual integrated report provides all stakeholders, including investors, with consistent and continuous (on an annual basis) information regarding the key aspects of the organisation's operations.

Regarding (iii) organisational websites; the content found in the investor section of an organisation's website can be considered as being aimed at meeting investor needs and thus usually has little value to other stakeholder groups. An organisational website is generally not a communication channel utilised strictly to communicate with investors, with the exception of Case Organisation E which, as a result of the nature of its business, has a dedicated investor website. However, the investor section of an organisational website can be considered as a unique channel utilised to communicate with investor. Considering the component of noise and the resulting potential for misinterpretation, messages conveyed via an organisational website needs to be simple and clear. As repeatedly stated, the timing of the communication by an organisation to investors is strictly governed, hence an organisation cannot publish certain information (i.e. price sensitive and material matters) on its website before a certain specified time. Nevertheless, there is value in communicating with investors via the organisational website, since it can be considered as creating a sense of continuity and consistency in the minds of stakeholders (investors).

Additional forms of engagement that some of the Case Organisations employ include; (i) investor days or roadshows, (ii) investor site visits, (iii) direct engagements with investors, and (iv) one-on-one investor meetings. As indicated in the table above, the latter two forms of engagements are only employed when engaging institutional investors.

The interviewees of all Case Organisations confirmed that the main forms of engagement employed to disperse information to investors include; (i) SENS announcements, (ii) annual integrated reports, (iii) the organisational website. The main forms of engagement employed to receive feedback include; (i) AGMs, (ii) results presentations, (iii) roadshows or investor days, and (iv) investor site visits.

The interviewee of Case Organisation F reiterates; *"… we try to keep all investors informed on the material issues while complying with the JSE regulations"*. As mentioned before, there are certain regulations stipulated by the JSE, in the JSE listing requirements, which state that all communication regarding price sensitive and material information must take place first and foremost through the Stock Exchange News Service, by means of a SENS announcement. These regulations have been put in place in order to ensure full, equal and timeous public disclosure of information to all holders of securities, as well as the general public regarding the activities of an issuer that are price sensitive.

Upon analysis of the engagement of investor by the Case Organisations, it became evident to the researcher that institutional investors and private investors are not engaged equally or in a similar manner. Engagement with institutional investors tend to be more frequent and more personalised.

6.5.2 Comparison of Research Objective 5

Research objective 5 is stated as follows; to determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory). The communication of each Case Organisation was assessed based on the five tenets of the dialogic approach to communication, as proposed by Heath (2013, p. 257). The communication of each Case Organisation was specifically assessed based on these five tenets of the dialogic approach to communication (i.e. (i) risk, (ii) mutuality, (iii) propinquity, (iv) empathy, and (v) commitment). This was done in order to determine whether the particular organisation engages in dialogue with its investors. As highlighted earlier, the outcome of this objective rests on the confirmatory interviews conducted, hence the narrative account of the interview conducted for each Case Organisation provides an elaborate account per the specific interview questions (please refer to Table 5.5: *Link Between the Main Themes Identified and Interview Questions*) as to whether the Case Organisation does in fact engage in dialogue with its investors. In order to provide further clarification, the researcher has added Table 6.38 below to illustrate the relation between each dialogic tenet, the associated theory, and the interview question. In light of this, and for the sake of clarity and ease of interpretation, the assessment and outcome of research objective 5 is depicted by means of a checkbox related to the dialogic tenets. (Refer back to point 6.4.1.4).

Table 6.38: Relation Between Dialogic Tenets, Theory, and Interview Questions

Dialogic Tenet	Theory	Interview Question
Risk	The intention and willingness, to communicate with stakeholders on their terms. The amount and type of information shared with the other party leads to vulnerability and unexpected consequences.	Is your organisation willing to communicate with investors on their terms (i.e. is your organisation willing to disclose uncomfortable, yet not confidential, information that an investor may request)?
Mutuality	The recognition of the organisation-stakeholder relationship, without stakeholders, organisations have no purpose. Seeking collaboration with stakeholders through dialogue will contribute towards successful relationship building.	Does your organisation actively seek to collaborate with, and build relationships with its investors?
Propinquity	Propinquity; the temporality and spontaneity of interactions with stakeholders, eliciting and listening to stakeholders' input before the decision-making process could be beneficial.	Does your organisation take investor input into account when making decisions?
Empathy	The supportiveness and confirmation of stakeholder goals and interests. Support is essential, being able to collaborate with stakeholders to maintain a communal mind-set is necessary.	Are the goals of your organisation aligned to the goals of its investors?
Commitment	The degree to which an organisation gives itself over to dialogue, interpretation, and understanding in its interactions with stakeholders. Even if one party does not agree with the views of another, these views must be acknowledged, and an attempt must be made to find middle ground.	Is your organisation committed to the interactions it has with its investors (i.e. does your organisation truly listen to its investors, trying to find common ground if not agreement)?

The table below indicates, firstly, whether the interviewee regarded the organisation as engaging in dialogue with its investors, and secondly, whether the researcher found the specified tenets of dialogic communication to be present in the communication between the organisation and its investors.

Table 6.39: Dialogic Engagement Comparison

	Case A	Case B	Case C	Case D	Case E	Case F
Interviewee responses	✓	✓	✓	✓	✓	✓
Risk	✓	✓	✓	✓	X	X
Mutuality	✓	✓	✓	✓	✓	✓
Propinquity	✓	✓	✓	X	✓	✓
Empathy	✓	✓	✓	✓	X	✓
Commitment	✓	✓	✓	✓	✓	X

As is evident from the table above, the interviewees of all Case Organisation believed that their organisation engages in dialogue with its investors. However, when evaluating the five tenets of dialogic communication to determine if true dialogue is present, the researcher found that in fact not all Case Organisations do engage in true dialogue. The researcher evaluated all Case Organisations according to the five tenets; if one of these five tenets were not present in the organisation's engagement with investors, the organisation was regarded as not engaging in true dialogue with their investors.

From the above evaluation, it became evident that although the interviewees of all the Case Organisations were of the opinion that their organisation engages in dialogue with their investors, only three of the six Case Organisation actually do (i.e. employing and applying all five the tenets of dialogic communication). Case Organisations A, B and C have all five the tenets of dialogic communication present in its communication to investors. Case Organisation D has four of the five tenets present; however, it is lacking the propinquity tenet. Case Organisation E and F each have three of the five tenets present in its communication to investors, with Case Organisation E lacking the risk and empathy tenets, whilst Case Organisation F lacked the risk and commitment tenets.

The following conclusion can thus be drawn; all Case Organisations believe that they are engaging in dialogue with their investors, when in actual fact only half of the Case Organisations were actually engaging in true dialogue with its investors. The implication of this is that it will be difficult to convince these organisations not engaging in true dialogue to change their means, since they believe that they are in fact engaging in dialogue and will not recognise the urgency to change.

Upon comparing the Case Organisations on the outcomes of research objective 4 and research objective 5, certain issues evident. Even though all these organisations operate within the same general and regulatory environment there is a difference in the IR practices engaged in by these organisations. There are the general, basic prescribed engagements practiced by all and then there are those organisations that go beyond.

Further, it also became evident that each interviewee had a different understanding of what it means to engage in dialogue with investors. All were of the opinion that their organisation does engage in dialogue with investors; however, considering the different meanings ascribed to dialogic engagement by the organisations, it came as no surprise that only half of the Case Organisations do in fact engage in true dialogue with its investors

The outcome of this comparison once again alluded to the need for an investor focused communication strategy framework to act as a form of guidance and to provide for a sense of standardisation.

6.6 ADDITIONAL SIGNIFICANT FINDINGS

Apart from the findings identified in the interpretations and comparison above, the following findings of significance were identified by the researcher;

i) One-way communication by an organisation to its investors is compulsory, whereas two-way communication is voluntary. However, listed organisation are increasingly realising the need for two-way engagement with its investors;

ii) IR is mostly practiced by financial specialists, as opposed to communication specialists. Consequently, most organisations still approach IR with a more financial focus rather than a communication focus. The IR function of all the Case Organisations analysed in this study is managed by the financial management department of the organisation.

iii) Organisations view investors as being more important than other stakeholder groups. As the interviewee of Case Organisation F pointed out; *"… investors are critical to any company; private or listed. They (the investors) are at the top of the stakeholder tree. Without funding (i.e. investors) there is no future for any company"*. In accordance with this, the interviewees of Case Organisations B and D respectively maintained; *"Organisations that are listed mainly did so to raise capital for expansion. We get that capital from our investors…"*; *"…investors are ultimately the people you work for; they are your bosses"*.

iv) During the course of the study, it became evident that not all investors are treated or considered as equal by organisations. There is a distinct difference in the way in which organisations communicate and engage with private investors as opposed to institutional investors. Institutional investors receive a higher regard and communication to these investors tend to be more personalised. The researcher is thus of the opinion that the same approach to engagement and communication cannot be used by an organisation for both private and institutional investors; this will be further elaborated on in the following chapter; and

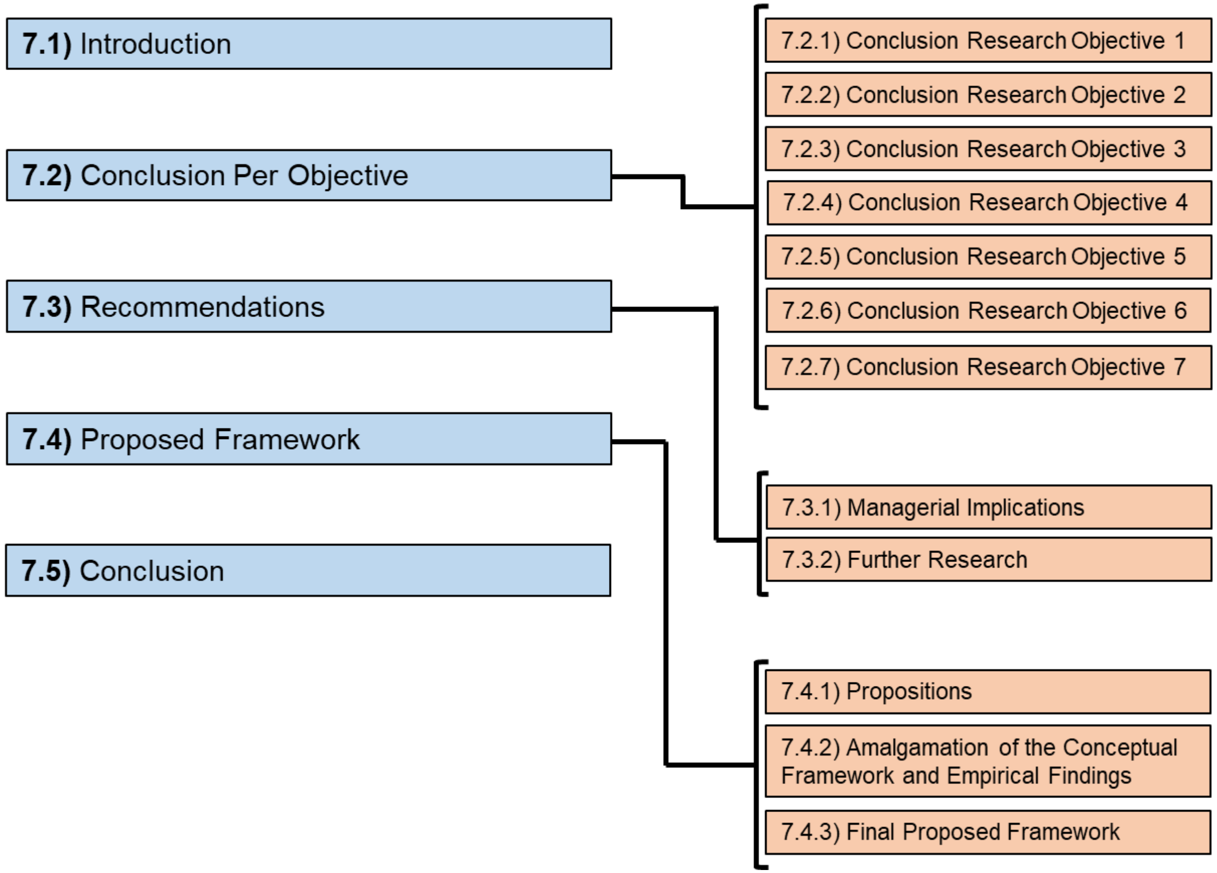
v) The size of an organisation influences the interaction between the organisation and its investors. Smaller organisations tend to have more engagement with their investors.

6.7 SUMMARY

Chapter 6 focused on the reporting and interpretation of the empirical evidence of the study by presenting and clarifying the study's data collected for each Case Organisation. The findings, results, and interpretations for each individual Case Organisation were put forth and discussed. Following these individual interpretations, the findings were employed to analyse the Case Organisations collectively and comparatively. Furthermore, following the holistic case study comparison, additional findings of significance were stated.

The next and final chapter, Chapter 7 concludes the study; drawing conclusions, making recommendations, and putting forth the proposed framework. Findings are explored in relation to each research objective and relevant conclusions regarding these objectives are drawn. Recommendations are made with regards to; (i) management implications, and (ii) further research. Furthermore, this chapter concludes the study by proposing a communication strategy framework based on the results.

CHAPTER 7: PROPOSED FRAMEWORK, CONCLUSIONS AND RECOMMENDATIONS



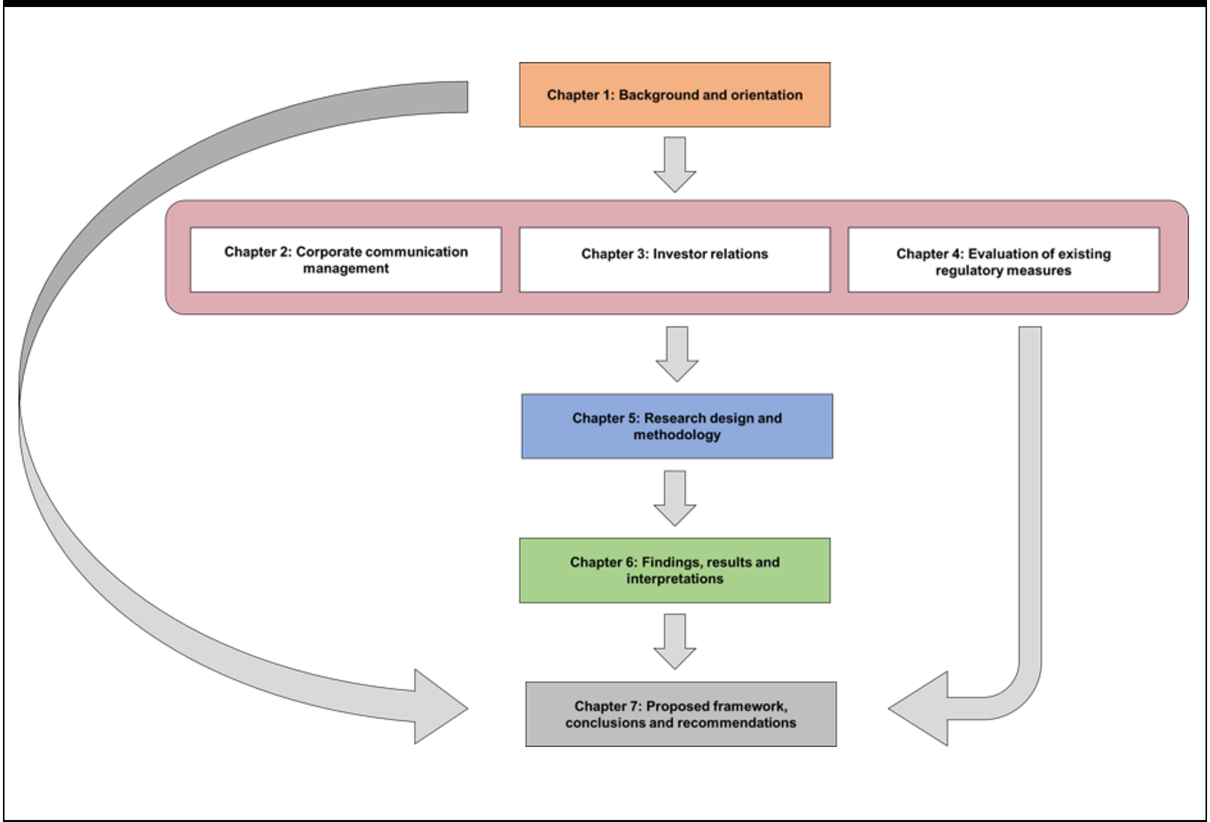
7. PROPOSED FRAMEWORK, CONCLUSIONS AND RECOMMENDATIONS

7.1 INTRODUCTION

The demarcation of chapters below, illustrates that Chapters 2, 3, and 4 form the theoretical foundation of this study. Chapter 2, elucidating corporate communication management, established a foundation and provided context for understanding Chapter 3, an investigation into the phenomenon of IR. Chapter 3, clarifying the phenomenon of IR paved the way for Chapter 4, the evaluation of existing regulatory measures. Chapter 5 moves to consider the methodological orientation of the study, by providing a discussion of the qualitative methodological orientation, as well as strategic choices employed in the empirical phase of this study. Chapter 6 focuses on the reporting and interpretation of the empirical evidence of the study, as well as presenting and clarifying the study’s data collected for each Case Organisation.

Chapter 7 concludes the study by; drawing conclusions, making recommendations, and putting forth the proposed framework. Findings are explored in relation to each research objective and relevant conclusions regarding these objectives are drawn. Recommendations are made with regards to; (i) management implications, and (ii) further research. Furthermore, this chapter concludes the study by proposing a communication strategy framework based on the results.

Demarcation of Chapters



7.2 CONCLUSION PER OBJECTIVE

As previously mentioned, Venter *et al.* (2017, p. 48), define research objectives as being "specific, goal-directed statements of the research intent". The authors go on to suggest that the overall research aim of the study can be achieved by means of the research objectives (Venter *et al.*, 2017, p. 41). For the purpose of this study, the researcher made the explicit decision not to formulate research questions, but to instead only formulate research objectives. The researcher is of the opinion that these "specific, goal-directed statements of research intent", better suit the research aim and intended outcome of this study.

The research objectives of the study are stated in Table 7.1 below.

Table 7.1: Research Objectives	
Ro1:	To describe the origin, history and development of IR
Ro2:	To explain the relevance and applicability of the dialogic theory of communication management to IR
Ro3:	To identify and assess the current IR regulations (i.e. rules of conduct) that publicly listed organisations have to adhere to
Ro4:	To identify and assess the current IR practices that publicly listed organisations engage in
Ro5:	To determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory)
Ro6:	To compare the IR practices of multiple publicly listed organisations
Ro7:	To propose an investor focused communication strategy framework based on dialogic theory, for publicly listed companies in South Africa

Table 7.2 below indicates how each of the research objectives are addressed per research phase.

Table 7.2: Research Objective in Relation to the Research Phases	
Research objective:	**Research phase:**
Ro1: To describe the origin, history and development of IR	(i) research phase one - Literature review

Table 7.2: Research Objective in Relation to the Research Phases	
Research objective:	**Research phase:**
Ro2: To explain the relevance and applicability of the dialogic theory of communication management to IR	(i) research phase one - Literature review
Ro3: To identify and assess the current IR regulations (i.e. rules of conduct) that publicly listed organisations have to adhere to	(i) research phase one - Literature review
Ro4: To identify and assess the current IR practices that publicly listed organisations engage in	(ii) research phase two - Qualitative content analysis of communicative products (iii) research phase three - Thematic analysis of semi-structured interviews
Ro5: To determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory)	(ii) research phase two - Qualitative content analysis of communicative products (iii) research phase three - Thematic analysis of semi-structured interviews
Ro6: To compare the IR practices of multiple publicly listed organisations	(ii) research phase two - Qualitative content analysis of communicative products (iii) research phase three - Thematic analysis of semi-structured interviews
Ro7: To propose an investor focused communication strategy framework based on dialogic theory, for publicly listed companies in South Africa	(i) research phase one - Literature review (ii) research phase two - Qualitative content analysis of communicative products

Table 7.2: Research Objective in Relation to the Research Phases	
Research objective:	**Research phase:**
	(iii) research phase three - Thematic analysis of semi-structured interviews

7.2.1 Conclusion Research Objective 1

Research objective 1 is stated as; to describe the origin, history and development of IR. Research objective 1 was addressed in research phase one, the literature review of IR; Chapter 3.

It is necessary to note that this conclusion provides a summation of the content most pertinent to the objective, it is not a repetitive recollection of all the literature discussed in the relevant literature review chapter.

As stated previously, Laskin (2018a, p. 4) and Schoonraad *et al.* (2005, p. 274) concur the definition of IR as formulated by the National Institute of Investor Relations; "IR is a strategic management responsibility that integrates finance, communication, marketing and legal compliance in order to enable the most effective two-way communication between an organisation, the financial community, and other stakeholders" (NIRI, 2020).

Laskin further suggests that IR is the strategic communication process that builds mutually beneficial relationships between organisations and their investors (Laskin, 2018a, p. 4). IR improve the availability and quality of information, assisting investors to develop more reliable expectations (Ragas *et al.*, 2014, p. 186).

As discussed in Chapter 3, there are three eras of IR. Table 7.3 below provides an overview and comparison of these three eras of IR.

Table 7.3: Historical Eras of IR			
Characteristic	***Communication Era***	***Financial Era***	***Synergy Era***
Dates	1945 – 1975	1975 – 2005	2005 – present
Comparison with public relations models	Press Agentry model and Public Information model	Two-way Asymmetrical model	Two-way Symmetrical model
Purpose	Promotion and dissemination of information	High valuation	Fair valuation
Direction of communication	From the organisation	Two-way	Two-way
Intended beneficiary	Organisation	Organisation	Both the organisation and investors
Nature of communication	Reactive	Reactive	Proactive
Focus	Short-term	Short-term	Both long-term and short-term
Foundation	Communication and journalism	Finance and accounting	Both communication and finance
Source: *Adapted from Laskin* (2008, p. 81)			

The history and evolution of IR can be separated into two distinct eras; firstly, the pre-professional era, and secondly, the professional era. In addition, the professional era can further be broken down into three eras; (i) the communication era, (ii) the financial era, and (iii) the synergy era.

IR is inextricably connected to the separation of ownership and management. In the past, when craftspeople ran their own businesses, there was no need to communicate financial information or build relationships with potential investors, since there was no separation between ownership and management (Laskin, 2018a, p. 51).

At the beginning of the 20th century, investments in the securities companies became popular, Macey and Miller (1991) explain this development by pointing to a variety of factors occurring simultaneously; (i) the growth of large industries stimulated unprecedented demands for capital; (ii) at the same time, increasing wealth among the middle class created a new source of capital that could be tapped into by means of public securities issuance, and finally, (iii) the development in transportation and communication technology made widespread promotion and distribution of securities possible (Laskin, 2018a, p. 53).

A surge of public investment followed, however at this time, the securities markets had a severe informational problem; it was near impossible to verify the claims made by organisations. Since investors could not rely on the truthfulness of statements made by organisations regarding securities transactions, the whole investment market was placed in jeopardy (Laskin, 2018a, p. 54). Further, defining events such as World War I, the Great Depression, and World War II halted the development of financial markets, as well as the development of IR (Laskin, 2018a, p. 55).

The history of the professional period of IR began after the end of World War II. This period can be divided into three historical eras (Laskin, 2008; Laskin, 2010a); (i) the communication era; when the IR landscape was dominated by people with communication backgrounds; (ii) the financial era; when the pendulum swung the other way and the field became dominated by professionals with financial and accounting backgrounds; and, finally, the current era, (iii) the synergy era; in which the industry is looking for a balance between the communication and financial fields of expertise (Laskin, 2018a, p. 57).

The communication era of IR was characterised by the domination of public relations and communication professionals in performing the duties related to IR (Laskin, 2008, p. 57; Laskin, 2018a, p. 58).). The earliest allusion to the IR function can be traced back to General Electric. In 1953 General Electric created a division charged with shareholder communication (Gackowski, 2017, p. 6; Kelly *et al.*, 2010, p. 186; Morrill, 1995). Gradually, in the later part of the 1950's and 1960's, more and more IR departments became apparent at several large organisations.

The financial era of IR was primarily focused on institutional investors and analysts. This led to corporations hiring former analysts and professional investors in the function of IR, and although these individuals had an excellent understanding of the financials, they lacked public relations knowledge and skills (Laskin, 2008, p. 73; Laskin, 2018a, p. 69).

It is unmistakable that the role and scope of IR will further change in future. This era of synergy requires expertise in both communication (public relations) and finance (Gackowski, 2017, p. 8). Protecting corporations through persuasion and advocacy may finally be giving way to dialogue and the development of long-term understanding (Laskin, 2008, p. 73; Laskin, 2018a, p. 70). This shift indicates a return of communication (public relations) back to the IR function.

The IR function of the synergy era will finally be what Morrill (1995) envisioned when he explained that both the communication (public relations) function and the finance function must merge in order to create a sophisticated and successful IR function (Laskin, 2008, p. 74; Laskin, 2018a, p. 70). The solution to the IR paradox lies somewhere between the two extremes of the communication era and the financial era.

The IR function of the synergy era does not merely advocate for the corporation, it listens to investors and analysts, in order to provide corporations with feedback. This feedback is of vital importance since the goal of IR is often considered as reaching and hearing investors (Laskin, 2008, p. 74; Laskin, 2018a, p. 71). The modern IR function has an ever-growing responsibility; it is the responsibility of the IR function to pay attention to and act on marketplace rumblings, and further it must attempt to understand exactly what analysts and investors want, but may not be getting from official disclosures (Laskin, 2008, p. 75; Laskin, 2018a, p. 71).

As with the previous eras of IR, the shift to the synergy era was a result of changes in the economic environment. The unexpected corporate failures of the early 21st century brought the whole model of corporations, globally, into questions. Laskin (2007) and Allen (2002, p. 207), suggest that the collapse of Enron was a wake-up call for the IR function of corporations that now had to assume more responsibilities than ever before. Suddenly, IR became a key activity that could make or break a corporation; the IR function was no longer considered an auxiliary function, but a function that could create competitive advantage by rebuilding investor confidence in a corporation.

In order to be successful, corporations need to extend the scope of its IR function beyond the mere publication of annual and interim reports to more frequent, extensive, and proactive two-way communication (Laskin, 2008, p. 80). IR is no longer just about numbers, the modern IR function is about building and maintaining relationships; IR activities in the synergy era focus on long-term relationship building. IR has become a proactive activity based on two-way symmetrical communication between the corporation and the financial community (Laskin, 2008, p. 81; Laskin, 2018a, p. 76).

7.2.2 Conclusion Research Objective 2

Research objective 2 is stated as; to explain the relevance and applicability of the dialogic theory of communication management to IR. Research objective 2 was addressed in research phase one, the literature review; Chapter 1 and Chapter 2, Background and Introduction, and Corporate Communication Management.

It is necessary to note that this conclusion provides a summation of the content most pertinent to the objective, it is not a repetitive recollection of all the literature discussed in the relevant literature review chapter.

The relevance of dialogue to corporate communication management became evident with the rise of the relational paradigm (Ledingham & Bruning, 1998). Once organisational studies took a relational turn it forced a re-evaluation of the subjective views of stakeholders. Stakeholders were repositioned as being vital in determining the organisation's future. The relational paradigm proposed that an organisation and its stakeholders are inextricably entangled in relationships based on mutual dependency (Post *et al.*, 2002). This relational turn furthermore, generated increased interest in the type of communication needed to build and maintain mutually-beneficial relationships between an organisation and its stakeholders (Lane, 2020, p. 3). Pieczka (2011, p. 110) aptly states that even though relationships with stakeholders are not only built from communication, but also other organisational actions, that communication occupies a privileged position in the process of relationship-building. Ledingham and Bruning (1998), highlight that dialogue is positioned within the relational paradigm as the communication method of choice. Lane (2020, p. 3), furthermore, asserts that the two concepts, namely; (i) dialogue, and (ii) relationships, are overtly and explicitly connected; "Dialogic communication is relational" (McAllister-Spooner & Kent, 2009, p. 223).

Dialogic engagement is about the relationship that develops and emerges through communication. The dialogic approach to corporate communication management essentially represents a shift from the mass communication orientation of traditional corporate communication, to a more relational approach, in line with the notion of stakeholder engagement (Taylor & Kent, 2014, p. 384).

A major differentiating factor between the dialogic theory of communication management and other theoretical approaches to communication management is that dialogic engagement places the communicative emphasis on the needs of stakeholders, thus attempting to build genuine relationships with stakeholders, rather than using communication primarily to serve organisational goals (Kent, 2017, p. 2). Based on the conceptualisation provided by Kent and Taylor (2002), organisation-public dialogue is a specific two-way conversation between an organisation and its stakeholders, whereby the two interacting parties adhere to the following tenets; (i) mutuality, (ii) empathy, (iii) propinquity, (iv) risk, and (v) commitment (Heath, 2013, p. 257). Thus, the organisation-public dialogue is not merely viewed as a communication activity, but instead as an ethical communication orientation that recognises stakeholders and which values co-creation of meaning and joint decision-making efforts, which in turn nurtures the relationship between the organisation and its stakeholders (Chen *et al.*, 2020, pp. 1-2; Kent & Taylor, 2002). The aforementioned conceptualisation of organisation-public dialogue is widely accepted by scholars who adopt the dialogic theory of communication management in their research (Chen *et al.*, 2020, pp. 1-2), this study is no exception.

The dialogic theory of communication management is considered relevant and applicable to IR as it emphasises relationship building efforts and the co-creation of meaning – central concepts associated with corporate communication and IR. Grunig (1992) pointed out that organisations should engage in dialogue with investors since these investors provide the organisation with the capital necessary to operate. The notion of engagement with stakeholders is directly related to the Excellence Theory and particularly to two-way symmetrical communication practices (Strauss, 2018, p. 11). Organisations must maintain constant, open and transparent dialogue with investors. Dialogue has increasingly become part of IR (Uysal, 2018, pp. 101-102). Traditional approaches to IR have simply focused on then dissemination of accurate and necessary information required by the various regulators to investors to enable the evaluation of companies (Rao & Sivakumar, 1999). However, as mentioned earlier, the scope of IR has evolved in recent years due to financial scandals (Hockerts & Moir, 2004). Laskin (2011) appropriately states that the role of IR has expanded to include building trust and maintaining relationships with investors (Penning, 2011, p. 615), as well as facilitating engagement to meet expectations (Uysal, 2014, p. 215).

As stated above, according to Heath (2013, p. 257) the dialogic approach to communication includes five basic tenets, as proposed by Kent and Taylor (2002):

i) Risk; the intention and willingness to communicate with stakeholders on their terms. The amount and type of information shared with the other party leads to vulnerability and unexpected consequences),
ii) Mutuality; the recognition of the organisation-stakeholder relationship, without stakeholders, organisations have no purpose. Seeking collaboration with stakeholders through dialogue will contribute towards successful relationship building,
iii) Propinquity; the temporality and spontaneity of interactions with stakeholders, eliciting and listening to stakeholders' input before the decision-making process could be beneficial,
iv) Empathy; the supportiveness and confirmation of stakeholder goals and interests. Support is essential, being able to collaborate with stakeholders to maintain a communal mind-set is necessary, and
v) Commitment; the degree to which an organisation gives itself over to dialogue, interpretation, and understanding in its interactions with stakeholders. Even if one party does not agree with the views of another, these views must be acknowledged, and an attempt must be made to find middle ground.

7.2.3 Conclusion Research Objective 3

Research objective 3 is stated as; to identify and assess the current IR regulations (i.e. rules of conduct) that publicly listed organisations have to adhere to. Research objective 3 was addressed in research phase one, the literature review of the Evaluation of Existing Regulatory Measures; Chapter 4.

It is necessary to note that this conclusion provides a summation of the content most pertinent to the objective, it is not a repetitive recollection of all the literature discussed in the relevant literature review chapter.

The message content, the timing of the message, and channel of dissemination related to communication by organisations to investors are regulated by various rules and regulations. In order to provide a crystallised understanding, the rules and regulations governing IR in South Africa have been unpacked and discussed at length in the literature review section of this study; Chapter 4. This evaluation of existing regulatory measures provides a crucial backdrop against which the study was conducted.

Traditionally, corporate disclosure obligations attempt to ensure transparency in terms of the financial soundness of a corporation to instil trust in its long-term viability. Accordingly, a significant part of IR can be understood as compliance efforts (Hoffmann *et al.*, 2018, p. 301). Yet, beyond mere compliance, the IR function proactively addresses strategically relevant issues. IR is especially sensitive to differences in regulatory standards (Hoffmann *et al.*, 2018, p. 301).

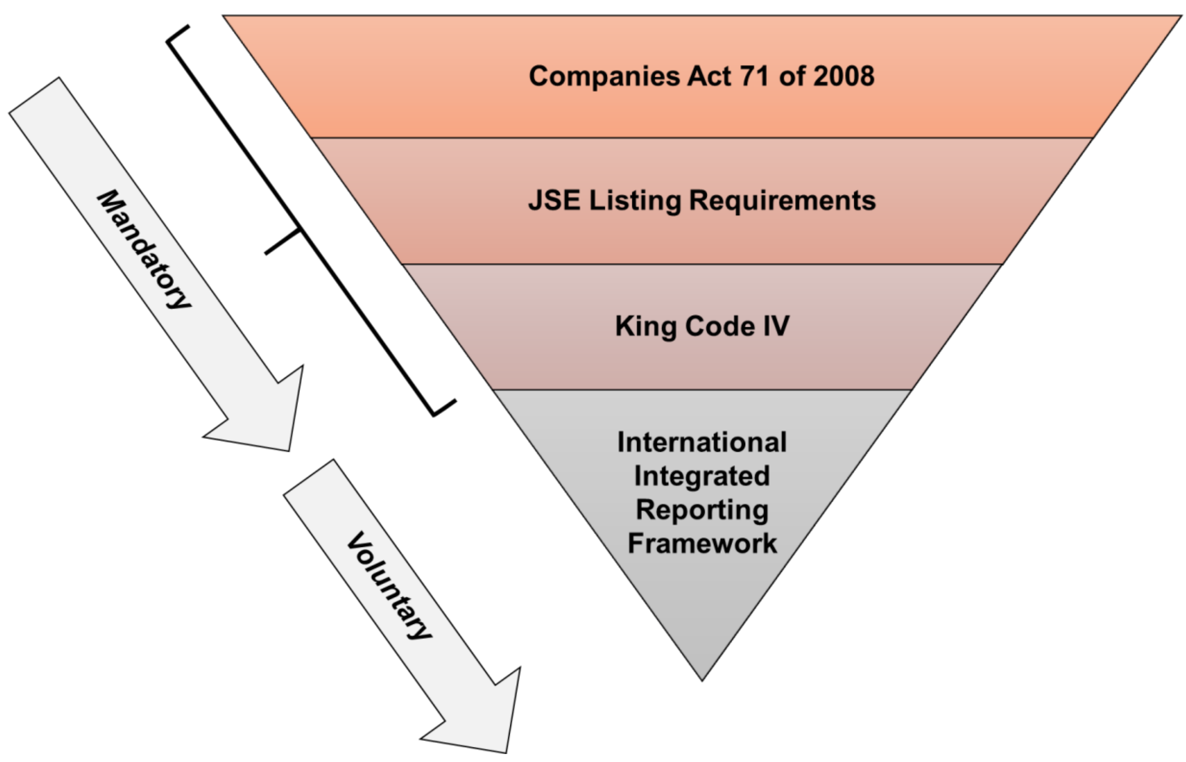
The unrestricted access to information regarding an organisation plays a decisive role when it comes to the effectiveness of the investment process. According to the regulatory framework, all participants in the market should have access to the information regarding the general condition of listed companies. Therefore, it is evident that IR are not only a matter of corporate image or an ability to win over potential investors; it is also a matter of compliance with legal regulations and the underlying business principles.

It is however important to differentiate between the circumstance in which IR function; (i) compulsory (i.e. legal) and (ii) optional (i.e. self-regulatory). Considering the different circumstances, it is understandable that the scope of activities carried out by IR may differ and involve a varying combination of basic obligatory activities, and optional self-regulating activities.

Basic, minimum obligatory activities mean complying with legal requirements and fulfilling the duty of at least one-way communication with stakeholders. Whereas, optional self-regulating activities concern the bilateral communication between an organisation and its investment community (Gackowski, 2017, p. 4; Hoffmann *et al.*, 2018, p. 298). The obligatory scope of IR activities is defined by the rules put forth in various regulation, in the case of this study the Companies Act 71 of 2008, and the JSE listing requirements. In this instance, the range of flexibility and freedom of a listed company is strictly limited when it comes to communication with investors, and other stakeholders, in terms of content, scope, form, date, and channel utilised. However, these listed companies, pursuant to applicable laws, do not have to respond to signals from the investor community. In accordance with regulations, the transmission of information from a company to its investor community may be one-sided, any possible reactions of investors are simply ignored. One-way communication is usually used by corporations whose actions are not entirely transparent. Listed companies cannot afford such a dismissive attitude towards their investor community. In other words, the obligatory scope of IR activities is not enough in the case of listed companies that depend on ongoing capital raising and, therefore, want to maintain good relations with their shareholders and potential investors (Gackowski, 2017, p. 4; Hoffmann *et al.*, 2018, p. 298). The importance of IR increased explicitly during the financial crisis of the early 21st century, as public companies suddenly had to face stricter rules, new disclosure obligations were imposed and, perhaps above all, tightened sanctions for the improper fulfilment of these obligations were introduced (Gackowski, 2017, p. 7).

The broad regulatory environment within which JSE listed companies function is considered to consist of the following regulatory measures; (i) the Companies Acts 71 of 2008, (ii) the JSE listing requirements, (iii) the King IV code, and (iv) the IIRC's IIRF It is important to note that a thorough in-depth investigation into these regulatory measures does not fall within the scope of this study. The study aimed to highlight the parts of each of these that are deemed applicable to, and important for, the focus of this study (i.e. investor relations aspects). Figure 7.1 below illustrates the broad regulatory environment.

Figure 7.1: Regulatory Environment



Source: Own Conceptualisation

7.2.4 Conclusion Research Objective 4

Research objective 4 is stated as; to identify and assess the current IR practices that publicly listed organisations engage in. Research objective 4 was addressed in research phase two, the qualitative content analysis of communicative products, and research phase three, the thematic analysis of semi-structured interviews.

After the analysis, it became evident to the researcher that current IR practices that publicly listed organisations engage in are similar across all Case Organisations, with minor differences in some cases. The general forms of engagement, evident in all Case Organisations include, (i) SENS announcements, (ii) annual integrated reports, (iii) the organisational websites, (iv) the AGMs, and (v) results presentations. Although the general forms of engagement are similar across all Case Organisation, the consistency of this engagement differs. The three most common forms of engagement, (i) SENS announcement, (ii) annual integrated reports, and (iii) organisational websites, also the focus of the analysis of this study, is deliberated below.

With regards to (i) SENS announcements; findings confirmed that SENS announcements are considered as a credible source of information. These SENS announcements have been formulated with the purpose of realising the specific information needs of investors. Since the intended audience of SENS announcements is investors, these SENS announcements have been formulated on the assumption that the receiver (investors) have a certain capability of understanding. The SENS announcements must be in accordance with the timing prescription as per the JSE listing requirements. These announcements can be considered as a continuous and consistent form of communication from an organisation to its investors.

Pertaining to (ii) annual integrated reports; the content of an organisation's annual integrated report is of particular interest to investors; however, it is not formulated specifically to meet the information needs of investors. Considering that the intended audience of an annual integrated report comprises all the organisation's stakeholders, the content thereof tends to be formulated in a more general manner. As reiterated throughout this study, the timing of the communication by an organisation to investors is strictly regulated, as a result, much of the information in the annual integrated report, that is primarily considered by investors has already been published elsewhere. The annual integrated report is an established channel of communication to all stakeholders, held in high esteemed. However, as a result of certain regulations, an annual integrated cannot be utilised as the sole communication channel for investor communication; investors require more frequent communication. Still, annual integrated reports are considered to epitomise ethics and credibility, as such an annual integrated report is considered as credible, and in turn enhances the credibility of the organisation. Bearing in mind the complex nature of the information presented in an annual integrated report, it is essential that the message content be clear and simple, hence the consideration of the guiding principles and content elements prescribed by the IIRC's IIRF. An organisation's annual integrated report provides all stakeholders, including investors, with consistent and continuous (on an annual basis) information regarding the key aspects of the organisation's operations.

Regarding (iii) organisational websites; the content found in the investor section of an organisation's website can be considered as being aimed at meeting investor needs and thus usually has little value to other stakeholder groups. An organisational website is generally not a communication channel utilised strictly to communicate with investors, with the exception of Case Organisation E which, as a result of the nature of its business, has a dedicated investor website. However, the investor section of an organisational website can be considered as a unique channel utilised to communicate with investor. Considering the component of noise and the resulting potential for misinterpretation, messages conveyed via an organisational website needs to be simple and clear. As repeatedly stated, the timing of the communication by an organisation to investors is strictly governed, hence an organisation cannot publish certain information (i.e. price sensitive and material matters) on its website before a certain specified time. Nevertheless, there is value in communicating with investors via the organisational website, since it can be considered as creating a sense of continuity and consistency in the minds of stakeholders (investors).

Additional forms of engagement that some of the Case Organisations employ include; (i) investor days or roadshows, (ii) investor site visits, (iii) direct engagements with investors, and (iv) one-on-one investor meetings. As indicated in the table above, the latter two forms of engagements are only employed when engaging institutional investors.

The interviewees of all Case Organisations confirmed that the main forms of engagement employed to disperse information to investors include; (i) SENS announcements, (ii) annual integrated reports, (iii) the organisational website. The main forms of engagement employed to receive feedback include; (i) AGMs, (ii) results presentations, (iii) roadshows or investor days, and (iv) investor site visits.

The interviewee of Case Organisation F reiterates; *"… we try to keep all investors informed on the material issues while complying with the JSE regulations"*. As mentioned before, there are certain regulations stipulated by the JSE, in the JSE listing requirements, which state that all communication regarding price sensitive and material information must take place first and foremost through the Stock Exchange News Service, by means of a SENS announcement. These regulations have been put in place in order to ensure full, equal and timeous public disclosure of information to all holders of securities, as well as the general public regarding the activities of an issuer that are price sensitive.

Upon analysis of the engagement of investor by the Case Organisations, it became evident to the researcher that institutional investors and private investors are not engaged equally or in a similar manner. Engagement with institutional investors tend to be more frequent and more personalised.

Table 7.4 below depicts the various Case Organisations' IR engagement comparison.

Table 7.4: IR Engagement Comparison

	Case A	Case B	Case C	Case D	Case E	Case F
SENS Announcement	✓	✓	✓	✓	✓	✓
Annual Integrated Report	✓	✓	✓	✓	✓	✓
Website	✓	✓	✓	✓	✓	✓
AGM	✓	✓	✓	✓	✓	✓
Results Presentations	✓	✓	✓	✓	✓	✓
Roadshows / Investor Days	✓	✓	X	✓	✓	X
Site Visits	✓	✓	X	✓	X	✓
Direct Engagements*	✓	✓	X	✓	✓	✓
One-on-one Meetings*	X	X	X	✓	✓	X

*Applicable only to institutional investors

As evident in Table 7.4 above, the general forms of engagement are similar across all Case Organisations, but the consistency of this engagement differs.

7.2.5 Conclusion Research Objective 5

Research objective 5 is stated as; to determine whether publicly listed organisations engage in dialogue with their investors (within the premise of dialogic communication management theory). Research objective 5 was addressed in research phase (ii) two, the qualitative content analysis of communicative products, and research phase (iii) three, the thematic analysis of semi-structured interviews. The communication of each Case Organisation was assessed based on the five tenets of the dialogic approach to communication, as proposed by Heath (2013, p. 257). The communication of each Case Organisation was specifically assessed based on these five tenets of the dialogic approach to communication (i.e. (i) risk, (ii) mutuality, (iii) propinquity, (iv) empathy, and (v) commitment). This was done in order to determine whether the particular organisation engages in dialogue with its investors. As highlighted earlier, the outcome of this objective rests on the confirmatory interviews conducted, hence the narrative account of the interview conducted for each Case Organisation provides an elaborate account per the specific interview questions (please refer to Table 5.5: *Link Between the Main Themes Identified and Interview Questions*) as to whether the Case Organisation does in fact engage in dialogue with its investors. In order to provide further clarification, Table 7.5 below depicts the relation between each dialogic tenet, the associated theory, and the interview question. In light of this, and for the sake of clarity and ease of interpretation, the assessment and outcome of research objective 5 is depicted by means of a checkbox related to the dialogic tenets. (Refer back to point 6.4.1.4).

Table 7.5: Relation Between Dialogic Tenets, Theory, and Interview Questions

Dialogic Tenet	Theory	Interview Question
Risk	The intention and willingness, to communicate with stakeholders on their terms. The amount and type of information shared with the other party leads to vulnerability and unexpected consequences.	Is your organisation willing to communicate with investors on their terms (i.e. is your organisation willing to disclose uncomfortable, yet not confidential, information that an investor may request)?

Table 7.5: Relation Between Dialogic Tenets, Theory, and Interview Questions

Dialogic Tenet	Theory	Interview Question
Mutuality	The recognition of the organisation-stakeholder relationship, without stakeholders, organisations have no purpose. Seeking collaboration with stakeholders through dialogue will contribute towards successful relationship building.	Does your organisation actively seek to collaborate with, and build relationships with its investors?
Propinquity	Propinquity; the temporality and spontaneity of interactions with stakeholders, eliciting and listening to stakeholders' input before the decision-making process could be beneficial.	Does your organisation take investor input into account when making decisions?
Empathy	The supportiveness and confirmation of stakeholder goals and interests. Support is essential, being able to collaborate with stakeholders to maintain a communal mind-set is necessary.	Are the goals of your organisation aligned to the goals of its investors?
Commitment	The degree to which an organisation gives itself over to dialogue, interpretation, and understanding in its interactions with stakeholders. Even if one party does not agree with the views of another, these views must be acknowledged, and an attempt must be made to find middle ground.	Is your organisation committed to the interactions it has with its investors (i.e. does your organisation truly listen to its investors, trying to find common ground if not agreement)?

The table below indicates, firstly, whether the interviewee regarded the organisation as engaging in dialogue with its investors, and secondly, whether the researcher found the specified tenets of dialogic communication to be present in the communication between the organisation and its investors.

Table 7.6: Dialogic Engagement Comparison

	Case A	Case B	Case C	Case D	Case E	Case F
Interviewee responses	✓	✓	✓	✓	✓	✓
Risk	✓	✓	✓	✓	X	X
Mutuality	✓	✓	✓	✓	✓	✓
Propinquity	✓	✓	✓	X	✓	✓
Empathy	✓	✓	✓	✓	X	✓
Commitment	✓	✓	✓	✓	✓	X

It became evident to the researcher that the interviewees of all Case Organisations believed that their organisation engages in dialogue with its investors. However, when evaluating the five tenets of dialogic communication to determine if true dialogue is present, the researcher found that in fact not all Case Organisations do engage in true dialogue. The researcher evaluated all Case Organisations according to the five tenets; if one of these five tenets were not present in the organisation's engagement with investors, the organisation was regarded as not engaging in true dialogue with its investors.

From the above evaluation, it became evident that although the interviewees of all the Case Organisations were of the opinion that their organisation engages in dialogue with their investors, only three of the six Case Organisations engage in true dialogue. Case Organisations A, B and C have all five the tenets of dialogic communication present in their communication to investors. Case Organisation D has four of the five tenets present; however, it is lacking the propinquity tenet. Case Organisations E and F each have three of the five tenets present in their communication with investors, with Case Organisation E lacking the risk and empathy tenets, whilst Case Organisation F lacked the risk and commitment tenets.

The following conclusion can thus be drawn; all Case Organisations believe that it engages in dialogue with their investors when in fact only half of the Case

Organisations were actually engaging in true dialogue with its investors. The implication of this is that it will be difficult to convince these organisations not engaging in true dialogue to change their means, as they are of the opinion that they are in fact engaging in dialogue and will not recognise the urgency to change.

7.2.6 Conclusion Research Objective 6

Research objective 6 is stated as; to compare the IR practices of multiple publicly listed organisations. Research objective 6 was addressed in the holistic case study comparison in Chapter 6. The findings represented in the individual interpretations of each case, were employed to analyse the Case Organisations collectively and comparatively. It is important to take note that the outcome of research objective 6 is intertwined with, and dependent on, that of research objective 4 and research objective 5, therefore to allow for the best insight, these three research objectives (research objective 4, 5, and 6) should ideally be considered together.

Upon comparing the Case Organisations on the outcomes of research objective 4 and research objective 5, the following became evident; even though all these organisations operate within the same general and regulatory environment there is a difference in the IR practices engaged in by these organisations. There are the general, basic prescribed engagements practiced by all and then there are those organisations that go beyond.

Furthermore, it also became evident that each interviewee had a different understanding of what it means to engage in dialogue with investors. All believed that their organisation does engage in dialogue with investors; however, considering the different meanings ascribed to dialogic engagement by the organisations, it came as no surprise that only half of the Case Organisations do in fact engage in true dialogue with their investors.

The outcome of this comparison once again alluded to the need for an investor focused communication strategy framework to act as a form of guidance and to provide for a sense of standardisation.

7.2.7 Conclusion Research Objective 7

Research objective 7 is stated as; to propose an investor focused communication strategy framework based on dialogic theory, for publicly listed companies in South Africa. Research objective 7 is the culmination of this study; it was addressed in research phase one, the literature review; research phase two, the qualitative content analysis of communicative products; and research phase three, the thematic analysis of semi-structured interviews. The outcome of research objective 7 is addressed in section 7.4 below; the proposed framework.

7.3 RECOMMENDATIONS

Recommendations are made with regards to both management implications of the research, as well as recommendations further research.

7.3.1 Managerial Implications

The researcher deems it necessary to clarify that the managerial implications are stated not for the purpose of consideration by researchers or academics, but for managerial consideration;

i) The focal point of IR should move to building relationships with investors, through dialogue, in order to improve the quality of organisational decision-making by listening to investors' expectations.

ii) It is essential that organisations provide investors with relevant and useful information (i.e. IR), as these investors have increasing demands and specific information needs.

iii) Organisations have to devise two-way symmetrical engagement programmes to facilitate dialogue between an organisation and its investors to enhance mutual understanding.

iv) The organisation must extend the scope of its interaction with investors from the mere publication of obligatory annual and interim reports to more frequent and proactive two-way interaction and communication.

v) Organisations need to stay up to date with the developments in its external environment and should have contingency plans which might come into effect when a crisis such as the Covid-19 pandemic hits. This is in order to make sure that investors are always in the loop and that the organisation can ensure that the latest requirements are being met in terms of what is expected from both investors and the regulatory environment.

7.3.2 Further Research

i) As explained earlier, making reference to the "A systems view of problem solving" model proposed by Mitroff *et al.* (1974, p. 48), the scope of this study is limited to (i) circle I; the identification of a real-world problem situation, with (ii) activity I; conceptualisation, and (iii) circle II; putting forth a conceptual model. The development of a scientific model that can be validated and implemented does not fall within the parameters of this study. Mitroff *et al.* (1974, p. 53) argues that a single research project rarely covers all the circles and activities, rather, various combinations of these circles and activities are utilised. This creates the opportunity for further research on the topic of this study. The researcher is of the opinion that the remaining components of the model, (or a combination thereof), can be explored, including circle III; putting forth a scientific model, and circle IV; proposing a solution. Thus, the researcher proposes that the conceptual model put forth as a result of this study, by means of; (i) circle I; the identification of a real-world problem situation, with (ii) activity I; conceptualisation, and (iii) circle II; putting forth a conceptual model, can be translated into circle III; putting forth a scientific model, and circle IV; proposing a solution, through the activities of modelling, model solving and implementation.

ii) The propositions put forth by the researcher, which serves as one of the original contributions of this study, can be individually tested empirically within various contexts.

iii) To allow for global comparison, providing insight of significant value, the study could be repeated in the context of other stock exchanges globally.

iv) The researcher is of the opinion that it could be of great value to consider the topic of this study from the perspective of the investors. If the aforementioned suggestion materialises, then the results of such a study and the results of this study could be compared in order to identify gaps between reality, and both perceptions and expectations.

7.4 PROPOSED FRAMEWORK

Research objective 7 is the culmination of the study; to propose an investor focused communication strategy framework based on dialogic theory, for publicly listed companies in South Africa. This proposed framework is the outcome of a synthesis of both the non-empirical, in-depth literature review component of the study, as well as the empirical findings of the study. At the end of each literature chapter, the researcher put forth a conceptualisation of the literature reviewed and how it will ultimately contribute to designing the proposed framework; as also indicated earlier in section 6.2, these conceptualisations act as the basis for the proposed framework, supplemented by empirical findings. Based on the aforementioned, the researcher put forward propositions which informed the suggested framework. These propositions and the proposed framework serve as the original contribution of this study.

As highlighted earlier, research is considered as being a continuous process. According to the model put forth by Mitroff *et al.* (1974, p. 48) the research process can start in any of the four circles depicted in the model, it is however postulated that a single research project rarely covers all the circles and activities, rather, various combinations of these circles and activities are utilised (refer to figures 1.5 and 5.4). It is important to reiterate that the scope of this study is limited to (i) circle I; the identification of a real-world problem situation, with (ii) activity I; conceptualisation, and (iii) circle II; putting forth a conceptual model (i.e. the proposed framework).

As indicated in the opening chapter of this study, a communication strategy can be defined as a framework for guiding the process of creating, sustaining and managing meaning between an organisation and its stakeholders. Ströh (2007, p. 215) indicates that it may be time to move away from the traditional linear approach to formulating communication strategies, toward a more participative and nonlinear approach.

McKie (2001), suggests that the field of corporate communication management is too concerned with the need to establish measurable goals and objectives, and the quantitative measuring thereof. In current times, it is not these measurable goals and objectives that create true long-term value for the organisation, but instead, the creation of long-term value lies in focusing on the process of relationship building (Ströh, 2007, p. 213). Ströh (2007, p. 213) future states that it would, therefore, be beneficial for the field of corporate communication management to shift the focus from measuring outputs, to the relationship processes; that is, the process of engagement and enrichment through constant dialogue. This confirms the premise on which this study is founded.

7.4.1 Propositions

Based on the findings of the empirical component of this research (i.e. research phase two – the content analysis of communicative products, and research phase three – the thematic analysis of the interviews), the researcher formulated the propositions discussed below in order to provide a link between the non-empirical (i.e. research phase one - the literature review which informed the conceptual framework) and empirical phases of the study. The conceptual framework (i.e. the outcome of research phase one), as presented in section 6.2, acts as the foundation on which the proposed framework is built, the formulated propositions then further inform the proposed framework, based on the empirical findings of the study.

i) The process of engagement between an organisation and its investors can be considered in three spheres; (a) the communication process, (b) IR, and (c) the regulatory environment. Each of these spheres are influenced by and in turn exerts influence on each other. Thus, for engagement to be successful, these spheres cannot be considered in isolation.
ii) Communication between an organisation and its investors should take place in the sphere of influence of dialogic communication, as dialogue builds relationships and mutual understanding.
iii) Investors increasingly demand more information from organisations.
iv) Investors consider the credibility of the organisation when receiving the message.
v) Investors associated a degree of credibility with certain channels.
vi) Organisations need to build relationships with the investor by means of engagement.
vii) Continuous and consistent engagement with investors helps the organisation maintain relationships and trust between it and its investors.
viii) Organisations need to consider the specific information needs of investors when communicating with investors.
ix) The three stages of the roles (functions) of IR should be considered continuously in a non-linear manner to ensure successful engagement. It is impractical to view

these functions in an individual, chronological manner, instead, these functions should be considered as part of a collective within a continuous loop process.

x) The outcome of the IR strategy formulations stage is a strategy that reflects the organisation's overall strategy and goals. IR should be conducted strategically, this can only be achieved if the IR strategy is non-static, absorbing and adapting to the feedback received through the other two stages.

xi) The channel and timing of the communication between an organisation and its investors will be dependent on and is regulated by the regulatory measures in the regulatory environment of the specific stock exchange.

xii) The various regulatory measures that comprise the regulatory environment in which JSE listed organisations operate, function is complementary synergy with the aim of providing guidance to organisations.

7.4.2 Amalgamation of the Conceptual Framework and Empirical Findings

The researcher believes that in order to contribute to the clarity of the final proposed framework presented, it is necessary to discuss the conceptual framework once more, this time together with the empirical research findings. Once this discussion has been offered, the final proposed framework will be presented.

The conceptual framework presented earlier in section 6.2, indicates that the proposed framework will consist of intricate elements represented in three spheres that are influenced by, and in turn, exert influence on each other. At the core of the conceptual framework, and hence the proposed framework, in the central sphere, lies the communication process. As explained before, these three spheres; (i) the communication process, (ii) IR, and (iii) the regulatory environment need to be considered as a holistic unit. Each of these spheres are influenced by and in turn exerts influence on each other. Thus, in order for engagement as per the proposed framework to be successful, these spheres cannot be considered in isolation.

The discussion that follows first acts to illuminate the intricate elements of the central sphere; the communication process, followed by a similar discussion regarding the middle sphere; investor relations, and the outer sphere; the regulatory environment.

At the core of the communication process lies the transactional model of communication, this is the foundation on which the rest of the process builds. With the transactional model of communication at the core, the researcher went on to apply the seven guidelines for effective communication as proposed by Cutlip et al. (2006) to the model. Further, bearing in mind that the aim of the study is to propose a framework based on dialogic theory, the researcher goes on to place this enhanced model in a sphere of influence of the five key components (tenets) of dialogue.

It is necessary to reiterate that the transactional model of communication is based on the concept that both communicators act as sources of communication and are simultaneously influencing each other, and in this are developing meaning from the various messages shared during the exchange of information. Thus the researcher regards the transactional model of communication as fitting to act as the point of departure for designing an investor focused communication strategy framework. The transactional model of communication takes into account elements such as; (i) the communicators' field of reference, (ii) the channel utilised, (iii) the message conveyed, (iv) the noise influencing the communication process, and (v) the constant feedback loop.

In accordance with the focus of this study, the seven guidelines of effective communication are applied to the transactional model of communication as follows;

i) In regard to the communicators;

a. credibility - both communicating parties need to have a sense of credibility, hence both the organisation, as well as the investors need to be considered credible, however in the context of this study the credibility of the communicating organisation is critical;

The empirical findings of the research confirm that the credibility of the communicating organisation is a critical consideration for investors.

b. capability of the receiver (audience) - communication must always take into account the capability of the receiver (audience), from the perspective of the communicating organisation, it can be assumed that the investors (receiver) have a certain level capability to ensure understanding.

During the confirmatory interviews conducted in research phase three, it was confirmed by the interviewees of all the Case Organisations that the organisation assumes its investors to have a certain capacity of understanding;

ii) In regard to the message;

a. content - the message must have meaning for the receiver (audience), investors have specific information needs, thus the message formulated for and communicated to them must be relevant to their (the receiver's) situation.

Interviewees concurred that as a result of their sheer importance as a stakeholder group, the messages communicated to investors are formulated with their specific information needs in mind. During the research process it was found that aspects that are important to investors may not necessarily be considered important to other stakeholder groups, and vice versa.

b. clarity - the message must be put in simple terms, investor communication often deals with complex matters, this must be compressed into simple, clear messages;

During the empirical phase of the research it was confirmed, given the complexity associated with IR, messages need to be kept as simple and clear as possible to avoid misunderstanding.

iii) In regard to the context; communication must consider the reality of its environment, the context of the communication must provide for participation and playback, the context of the communication investigated in this study is organisational communication. In the context of organisational communication, the concern is not only with the effectiveness of the individual communication, but rather with the role of communication in contributing to the effective functioning of the organisation;

The empirical research confirmed how important communicating with investors is to the effective function of the organisation.

iv) In regard to the channel; established channels that are respected and are being used by the receiver (audience) should be utilised. Receivers associate different values with the various channels of communication, this must be kept in mind by the sender (organisation) when selecting the appropriate channel through which to send the message. Additionally, when communicating with investors, the selected channels of communication is not only influenced by the above but also certain rules and regulations, as discussed in detail in Chapter 4.

During the study it was found that the Case Organisations mostly used the same channels to communicate with their investors, this could be ascribed to the abovementioned rules and regulations. Yet some of the Case Organisations go beyond mere compliance and seek out additional channels to allow for true dialogic engagement;

v) In regard to the communication process; continuity and consistency - communication is a never-ending process, it requires repetition to achieve mutual understanding (shared meaning). An organisation aims to achieve mutual understanding between itself and its investors, leading to the establishment of a relationship, thus continuous and consistent communication with investors is imperative.

The empirical research reaffirmed the need for both continuous and consistent engagement, in order to both establish and maintain mutually beneficial relationships.

As mentioned above, this adapted model (i.e. the transactional model of communication with the seven guidelines of effective communication applied to the components thereof) is then placed in a sphere of influence of the five key tenets (components) of dialogue; (i) risk, (ii) mutuality, (iii) propinquity, (iv) empathy, and (v)commitment. Meaning that these five tenets, comprising the aforementioned sphere of influence, exert influence on the communication model, having the power to affect and essentially control this communication process. This is evident in both Figure 2.7 and Figure 7.3, by means of the arrows pointing from each of the tenets towards the adapted model.

i) Risk; the intention (and willingness) to communicate with stakeholders on their terms. An organisation needs to be willing to communicate with its investors on the terms of the investors. It is evident from the empirical research findings that not all organisations do, or are willing to adhere to the risk tenet of dialogic communication;

ii) Mutuality; the recognition of the organisation-stakeholder relationship, without stakeholders, organisations have no purpose. Seeking collaboration with stakeholders through dialogue will contribute towards successful relationship building. For the purpose of this study the focus falls on investors in particular as a stakeholder group, it can thus be argued that organisations should seek collaboration with investors through dialogue. The findings of this study indicate that all Case Organisations adhere to the mutuality tenet of dialogic communication. This is the only tenet that all organisation seemingly adheres to;

iii) Propinquity; the temporality and spontaneity of interactions with stakeholders, eliciting and listening to stakeholders' input before the decision-making process could be beneficial. Considering that investors, through their investment decisions, control the capital of an organisation it is not only beneficial, but necessary for an organisation to elicit input from its investors before making decisions. The empirical findings of the study indicate that not all organisations do, or are willing to adhere to the propinquity tenet of dialogic communication;

iv) Empathy; the supportiveness and confirmation of stakeholder goals and interests. Investors need to be assured that an organisations goals and interests are aligned with their own goals and interests. The empirical findings of the study suggest that not all organisations do, or are willing to adhere to the empathy tenet of dialogic communication;

v) Commitment; the degree to which an organisation gives itself over to dialogue, interpretation, and understanding in its interactions with stakeholders. Even if one party does not agree with the views of another, these views must be acknowledged, and an attempt must be made to find middle ground. Organisations need to be committed to the interactions that they have with their investors; the investors must feel that they are heard by the organisation even if the organisation does not necessarily agree with the views of the investors. Conversely, investors must also acknowledge the views of the organisation even if they do not agree. An attempt must be made by the organisation and investors to find a middle ground. However, the empirical findings of the study indicate that not all organisations do or are willing to adhere to the commitment tenet of dialogic communication.

The researcher proposes that cognisance be taken of the above guidelines, suggesting that these be followed when formulating the communication process component of investor engagement.

Next, the researcher moves to discuss the middle sphere of the proposed framework; IR. In the middle sphere of the conceptual framework, and hence the proposed framework, lays the linking component, the component at the heart of this study; IR. The central sphere (i) the communication process can be considered a function of the middle sphere (ii) IR. In turn, the middle sphere (ii) IR functions within the outer sphere (iii) the regulatory environment. Thus, it is evident why the middle sphere, IR, is viewed as the linking component; if this sphere is removed from the framework, it will not make sense.

The discussion below acts to illuminate the intricate elements of this middle sphere. It should be noted that the conceptualisation of IR as put forth at the end of Chapter 3, was adapted based on the insights gathered by the researcher during research phase two and research phase three.

When addressing the IR sphere, the researcher still employed the three stages of the roles (i.e. functions) of IR, as well as the accompanying best practices, as the base of the conceptualisation. These three stages are stated as; (i) IR strategy formulation, (ii) investor identification and interaction, and (iii) investor feedback. However, during the course of the study, the researcher came to the insight that in fact all three these stages of the roles (i.e. functions) of IR should be considered continuously in a non-linear manner to ensure successful engagement. It is impractical to view these functions in an individual, chronological manner, instead these functions should be considered as part of a collective within a continuous looped process.

The outcome of the IR strategy formulations stage is a strategy that reflects the organisation's overall strategy and goals. IR should be conducted strategically, based on the empirical findings of this research, the researcher is of the opinion that this can only be achieved if the IR strategy is non-static, absorbing and adapting to the feedback received through the other two stages.

The investor identification and interaction stage include four distinct roles, namely; (i) investor identification, (ii) investor targeting, (iii) investor engagement, and (iv) investor guidance. The investor identification and investor targeting roles ensures the widest pool of possible investors for the organisation. In order to do this effectively the IR function should have a clear understanding of the organisation's investment proposition and the type of investors that the organisation might find attractive. An organisation must ensure that its appeal is aligned to investor needs.

When conducting the confirmatory interviews in research phase three, the interviewee of Case Organisation D aptly pointed out the fact that an IR strategy cannot be formulated if the organisation does not know who it is engaging with. This indicates the importance of the investor identification and investor targeting roles.

Two of the components of the investor identification and interaction stage; investor engagement and investor guidance, as well as the third stage, investor feedback, are grouped (classified) as part of the communication process, which refers back to and should be guided by the aspects of the central sphere of the proposed framework. The IR function acts as a conduit between the organisation and all investors or potential investors. Investor engagement can take place through various different forms of communication including; investor roadshows, investor presentations, integrated reports, financial statements, websites, and SENS announcements. It is expected of the IR function to provide investors with guidance. Organisations should further actively seek feedback from investors, a pragmatic approach to this is to develop a relationship with investors, so that issues can be raised by investors as and when these occur.

Furthermore, the inclusion of four (4) of the five (5) elements of uniqueness of IR were proposed to be incorporated in the communication process. The uniqueness element relating to knowledge and skills is considered to be the basis of the other elements of uniqueness, and therefore will not be included as a standalone element. The elements of uniqueness to be included are; (i) information needs, (ii) channel, (iii) timing, and (iv) message;

i) The target audiences of IR have specific information needs, which usually are of little value or interest to other stakeholder groups.

ii) The channels utilised to communicate with, and reach investors are unique, such as; investor roadshows, investor presentations, integrated reports, financial statements, websites, and SENS announcements.

iii) The timing of the communication by an organisation to investors is governed by law (Companies Act, 1973), the listing requirements of the JSE, as well as guided by regulations related to the King IV code, and the IIRC's IIRF.

iv) Due to the legal and statutory requirements, organisations are obliged to disclose information (communicate a message) that might not always be in its best interest at the time.

During the empirical phase of the research, these four (4) abovementioned elements repeatedly became evident, thus confirming the importance of the consideration and inclusion thereof in the proposed framework.

IR then leads the organisation to its desired outputs including; (i) access to capital, (ii) fair valuation, and (iii) liquidity.

For the sake of confirmation, the interviewees of the analysed Case Organisations were asked what they believe the role of the IR function to be. All the various responses had the same underlying core sentiment; in essence to be the voice of the organisation, to act as a conduit between investors and the organisation. As responded by one of the interviewees; “It (the IR function) has a dual role, first, to make sure that the investor community receives clear information from the organisation, and second, to make sure that the organisation understands the needs of the investors”.

The researcher now moves to address the final sphere that forms part of the proposed framework; the outer sphere, the regulatory environment. The researcher now moves to address the final sphere that forms part of the proposed framework; the outer sphere, the regulatory environment. The regulatory environment sphere highlights the regulatory measures (both mandatory and voluntary), that comprises the regulatory environment in which JSE (publicly) listed organisations operate. These include; (i) the Companies Act 71 of 2008, (ii) the JSE listing requirements, (iii) the King IV code, and (iv) the IIRC’s IIRF. Essentially, all four of these aforementioned regulatory measures are to a certain extent influenced by the other. These regulatory measures function in a complementary synergy to provide guidance for JSE listed companies.

When probed regarding the influence that the regulatory environment exerts on the IR and communication by JSE listed organisations, Case Organisation interviewees confirmed that the IR practices and communication by publicly listed companies in South African is strictly regulated. However, when asked whether they considered these rules and regulation put in place in the regulatory environment to be a form of censorship, the response was a resounding no. All the interviewees shared the sentiment that these rules and regulations are absolutely necessary. The interviewee of Case Organisation E made the following insightful comment; *“No, there is no censorship of information, but rules govern how information is disseminated in a fair* *and equitable manner, so as not to see certain investors advantaged over others. Material information, that which could have an impact on an investor's investment decision, should be fairly and equitably distributed to all investors at the same time. No investor should be privy to material or price sensitive information that is not available to all"*.

IR functions within the larger regulatory environment, and in turn, the regulatory environment exerts influence on IR. This brings the framework full circle, reiterating the notion put forth that the three spheres need to be considered as a holistic unit, bearing in mind that each of these spheres is influenced by and in turn exerts influence on the others. In order for engagement as per the proposed framework to be successful, these three spheres cannot be considered in isolation, but rather in a holistic all-encompassing manner.

7.4.3 Final Proposed Framework

As highlighted above in section 7.4.2, the proposed framework consists of intricate elements represented in three spheres that are influenced by, and in turn, exert influence on each other. It would therefore be impractical to try and represent this proposed framework in one figure, as also previously indicated in section 6.2. Instead, the researcher decided to depict the three spheres in their totality and then zoom in on the details related to each sphere. Figure 7.2 below depicts the three spheres; (i) the communication process, (ii) IR, and (iii) the regulatory environment, in a holistic manner, as well as depicting the influence that these spheres exert on each other. The figure which follows, Figure 7.3, depicts the intricate elements of the central sphere; the communication process. These three spheres will be explicated working from the inside, outwards.

Figure 7.2: Proposed Framework – Holistic Depiction

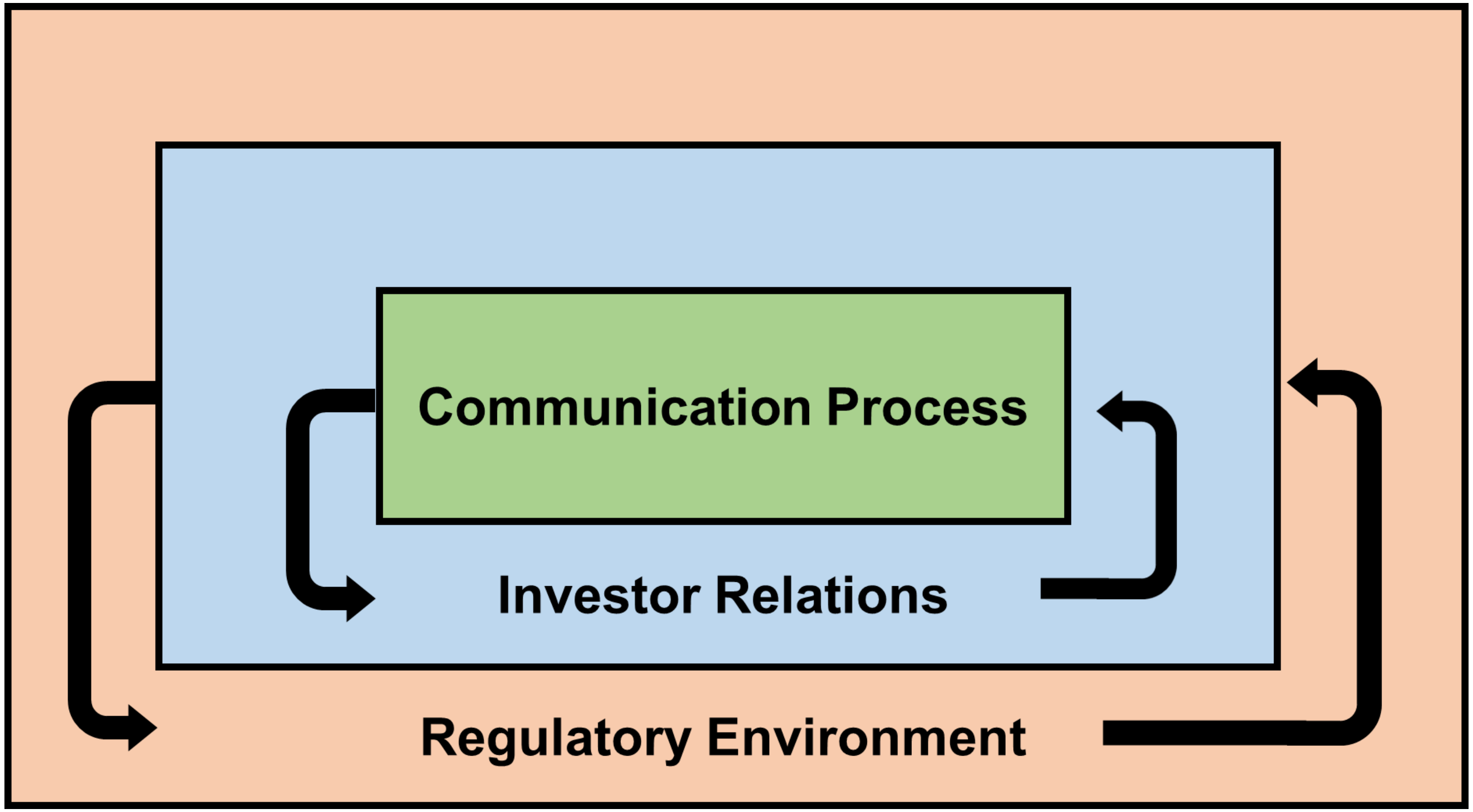
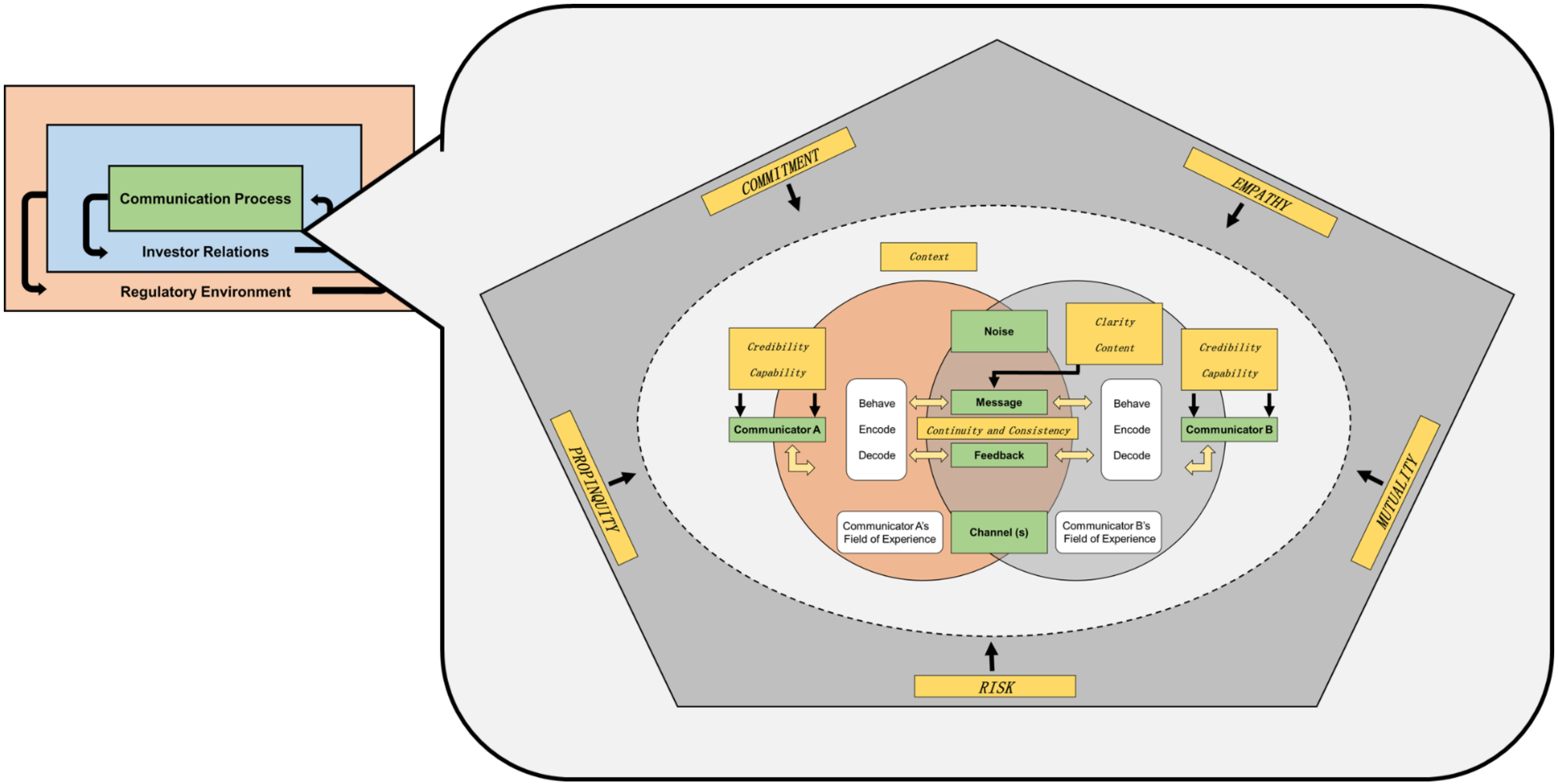


Figure 7.3: Proposed Framework – Communication Process



The empirical research findings of the study confirmed the formulation of the centre sphere, relating to the communication process, as put forth in research phase one. As a result, the centre sphere of the final proposed framework, as illustrated in Figure 7.3 above, is rather similar to the centre sphere as depicted in the conceptual framework. At the core of the communication process lies the transactional model of communication, this is the foundation on which the rest of the process builds. With the transactional model of communication at the core, the researcher went on to apply the seven guidelines for effective communication as proposed by Cutlip et al. (2006) to the model. Further, bearing in mind that the aim of the study is to propose a framework based on dialogic theory, the researcher goes on to place this enhanced model in a sphere of influence of the five key components (tenets) of dialogue.

It is necessary to reiterate that the transactional model of communication is based on the concept that both communicators act as sources of communication and are simultaneously influencing each other, and in this are developing meaning from the various messages shared during the exchange of information. The transactional model of communication takes into account elements such as; (i) the communicators' field of reference, (ii) the channel utilised, (iii) the message conveyed, (iv) the noise influencing the communication process, and (v) the constant feedback loop.

In accordance with the focus of this study, the seven guidelines of effective communication are applied to the transactional model of communication as follows;

i) In regard to the communicators;

  a. credibility - both communicating parties need to have a sense of credibility, hence both the organisation, as well as the investors need to be considered credible, however in the context of this study the credibility of the communicating organisation is critical;

  b. capability of the receiver (audience) - communication must always take into account the capability of the receiver (audience), from the perspective of the communicating organisation, it can be assumed that the investors (receiver) have a certain level capability to ensure understanding;

ii) In regard to the message;

a. content - the message must have meaning for the receiver (audience), investors have specific information needs, thus the message formulated for and communicated to them must be relevant to their (the receiver's) situation.

b. clarity - the message must be put in simple terms, investor communication often deals with complex matters, this must be compressed into simple, clear messages;

iii) In regard to the context; communication must consider the reality of its environment, the context of the communication must provide for participation and playback, the context of the communication investigated in this study is organisational communication. In the context of organisational communication, the concern is not only with the effectiveness of the individual communication, but rather with the role of communication in contributing to the effective functioning of the organisation. Communicating with investors is vital to the effective functioning of an organisation;

iv) In regard to the channel; established channels that are respected and are being used by the receiver (audience) should be utilised. Receivers associate different values with the various channels of communication, this must be kept in mind by the the sender (organisation) when selecting the appropriate channel through which to send the message. Additionally, when communicating with investors, the selected channels of communication is not only influenced by the above but also certain rules and regulations, as discussed in detail in Chapter 4.

v) In regard to the communication process; continuity and consistency - communication is a never-ending process, it requires repetition to achieve mutual understanding (shared meaning). An organisation aims to achieve mutual understanding between itself and its investors, leading to the establishment of a relationship, thus continuous and consistent communication with investors is imperative.

As previously indicated, this adapted model (i.e. the transactional model of communication with the seven guidelines of effective communication applied to the components thereof) is then placed in a sphere of influence of the five key tenets (components) of dialogue; (i) risk, (ii) mutuality, (iii) propinquity, (iv) empathy, and (v)commitment. Meaning that these five tenets, comprising the aforementioned sphere of influence, exert influence on the communication model, having the power to affect and essentially control this communication process. This is evident in both Figure 2.7 and Figure 7.3, by means of the arrows pointing from each of the tenets towards the adapted model. It is suggested by the researcher that organisations ultimately adhere to these dialogic communication tenets when communicating with investors.

i) Risk; the intention (and willingness) to communicate with stakeholders on their terms. An organisation needs to be willing to communicate with its investors on the terms of the investors;

ii) Mutuality; the recognition of the organisation-stakeholder relationship, without stakeholders, organisations have no purpose. Seeking collaboration with stakeholders through dialogue will contribute towards successful relationship building. For the purpose of this study the focus falls on investors in particular as a stakeholder group, it can thus be argued that organisations should seek collaboration with investors through dialogue;

iii) Propinquity; the temporality and spontaneity of interactions with stakeholders, eliciting and listening to stakeholders' input before the decision-making process could be beneficial. Considering that investors, through their investment decisions, control the capital of an organisation it is not only beneficial, but necessary for an organisation to elicit input from its investors before making decisions;

iv) Empathy; the supportiveness and confirmation of stakeholder goals and interests. Investors need to be assured that an organisations goals and interests are aligned with their own goals and interests;

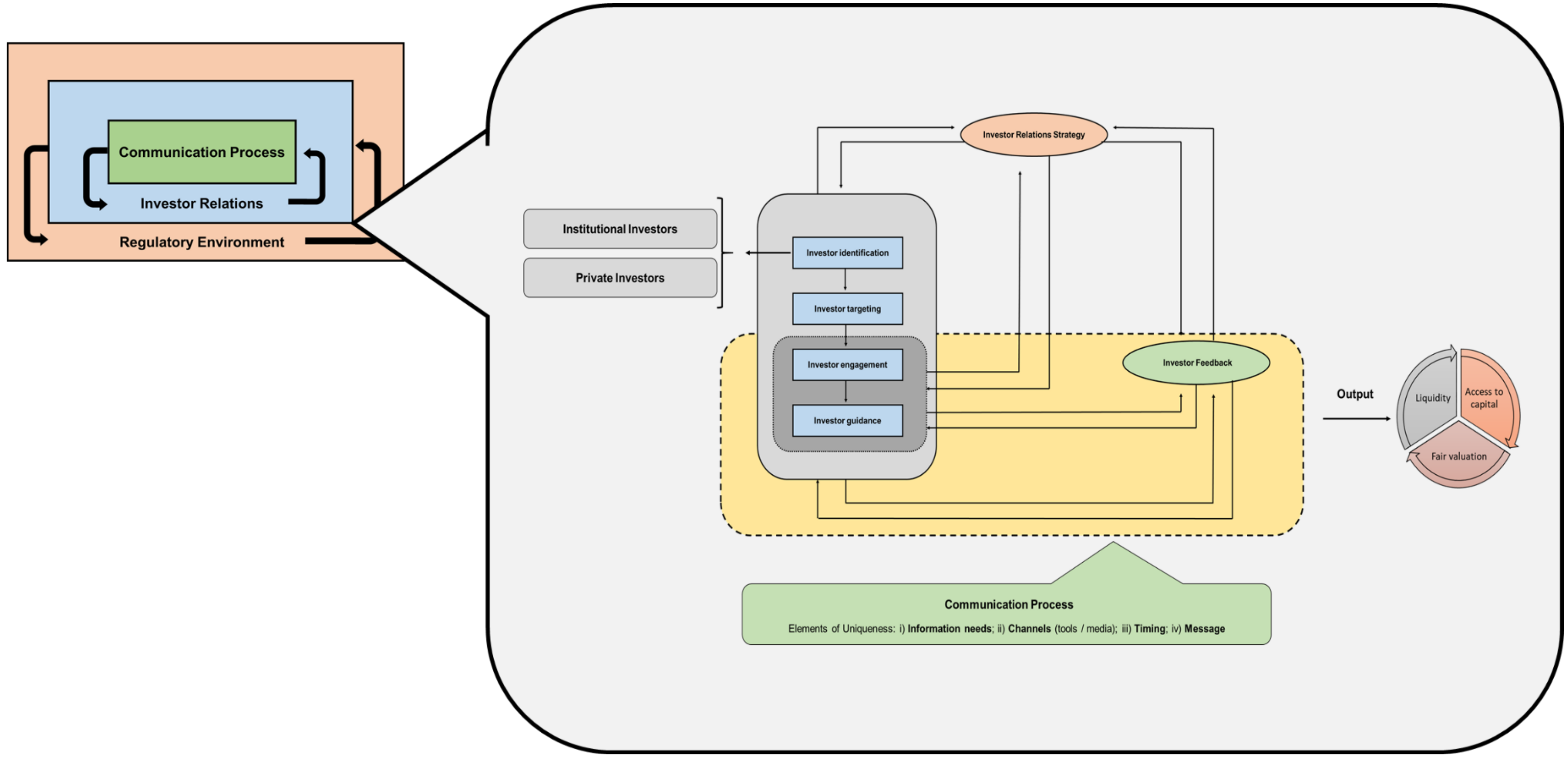
v) Commitment; the degree to which an organisation gives itself over to dialogue, interpretation, and understanding in its interactions with stakeholders. Even if one party does not agree with the views of another, these views must be acknowledged, and an attempt must be made to find middle ground. Organisations need to be committed to the interactions that they have with their investors; the investors must feel that they are heard by the organisation even if the organisation does not necessarily agree with the views of the investors. Conversely, investors must also acknowledge the views of the organisation even if they do not agree. An attempt must be made by the organisation and investors to find a middle ground.

The researcher proposes that cognisance be taken of the above guidelines, suggesting that these be followed when formulating the communication process component of investor engagement.

The researcher recommends that the above guidelines be followed when formulating the communication process component of investor engagement.

Next, the researcher moves to discuss the middle sphere of the proposed framework; IR. Figure 7.4 depicts the intricate elements of the IR sphere.

Figure 7.4: Proposed Framework – IR



In the middle sphere of the proposed framework lays the linking component, the component at the heart of this study; IR. As explained before, these three spheres; (i) the communication process, (ii) IR, and (iii) the regulatory environment need to be considered as a holistic unit because each of these spheres is influenced by and in turn exerts influence on each other. Thus, in order for engagement as per the proposed framework to be successful, these spheres cannot be considered in isolation. The central sphere (i) the communication process can be considered a function of the middle sphere (ii) IR. In turn, the middle sphere (ii) IR functions within the out sphere (iii) the regulatory environment. Thus, it is evident why the middle sphere, IR, is viewed as the linking component; if this sphere is removed from the framework, it will not make sense.

The discussion below acts to illuminate the intricate elements of the middle sphere; IR, as depicted in Figure 7.4. It should be noted that the conceptualisation of IR as put forth in the conceptual framework, was adapted based on the insights gathered by the researcher during research phase two and research phase three.

The discussion below acts to illuminate the intricate elements of this middle sphere. It should be noted that the conceptualisation of IR as put forth at the end of Chapter 3, was adapted based on the insights gathered by the researcher during research phase two and research phase three.

When addressing the IR sphere, the researcher still employed the three stages of the roles (i.e. functions) of IR, as well as the accompanying best practices, as the base of the conceptualisation. These three stages are stated as; (i) IR strategy formulation, (ii) investor identification and interaction, and (iii) investor feedback. However, during the course of the study, the researcher came to the insight that in fact all three these stages of the roles (i.e. functions) of IR should be considered continuously in a non-linear manner to ensure successful engagement. It is impractical to view these functions in an individual, chronological manner, instead these functions should be considered as part of a collective within a continuous looped process. This modification is visually depicted in Figure 7.4 above.

The outcome of the IR strategy formulations stage is a strategy that reflects the organisation’s overall strategy and goals. IR should be conducted strategically, based on the empirical findings of this research, the researcher is of the opinion that this can only be achieved if the IR strategy is non-static, absorbing and adapting to the feedback received through the other two stages.

The investor identification and interaction stage include four distinct roles, namely; (i) investor identification, (ii) investor targeting, (iii) investor engagement, and (iv) investor guidance. The investor identification and investor targeting roles ensures the widest pool of possible investors for the organisation. In order to do this effectively the IR function should have a clear understanding of the organisation's investment proposition and the type of investors that the organisation might find attractive. An organisation must ensure that its appeal is aligned to investor needs.

Two of the components of the investor identification and interaction stage; investor engagement and investor guidance, as well as the third stage, investor feedback, are grouped (classified) as part of the communication process, which refers back to and should be guided by the aspects of the central sphere of the proposed framework. The IR function acts as a conduit between the organisation and all investors or potential investors. Investor engagement can take place through various different forms of communication. It is expected of the IR function to provide investors with guidance. Organisations should further actively seek feedback from investors, a pragmatic approach to this is to develop a relationship with investors, so that issues can be raised by investors as and when these occur.

As previously indicated, the inclusion of four (4) of the five (5) elements of uniqueness of IR were proposed to be incorporated in the communication process. The uniqueness element relating to knowledge and skills is considered to be the basis of the other elements of uniqueness, and therefore will not be included as a standalone element. The elements of uniqueness to be included are; (i) information needs, (ii) channel, (iii) timing, and (iv) message;

i) The target audiences of IR have specific information needs, which usually are of little value or interest to other stakeholder groups.

ii) The channels utilised to communicate with, and reach investors are unique, such as; investor roadshows, investor presentations, integrated reports, financial statements, websites, and SENS announcements.

iii) The timing of the communication by an organisation to investors is governed by law (Companies Act, 1973), the listing requirements of the JSE, as well as guided by regulations related to the King IV code, and the IIRC's IIRF.

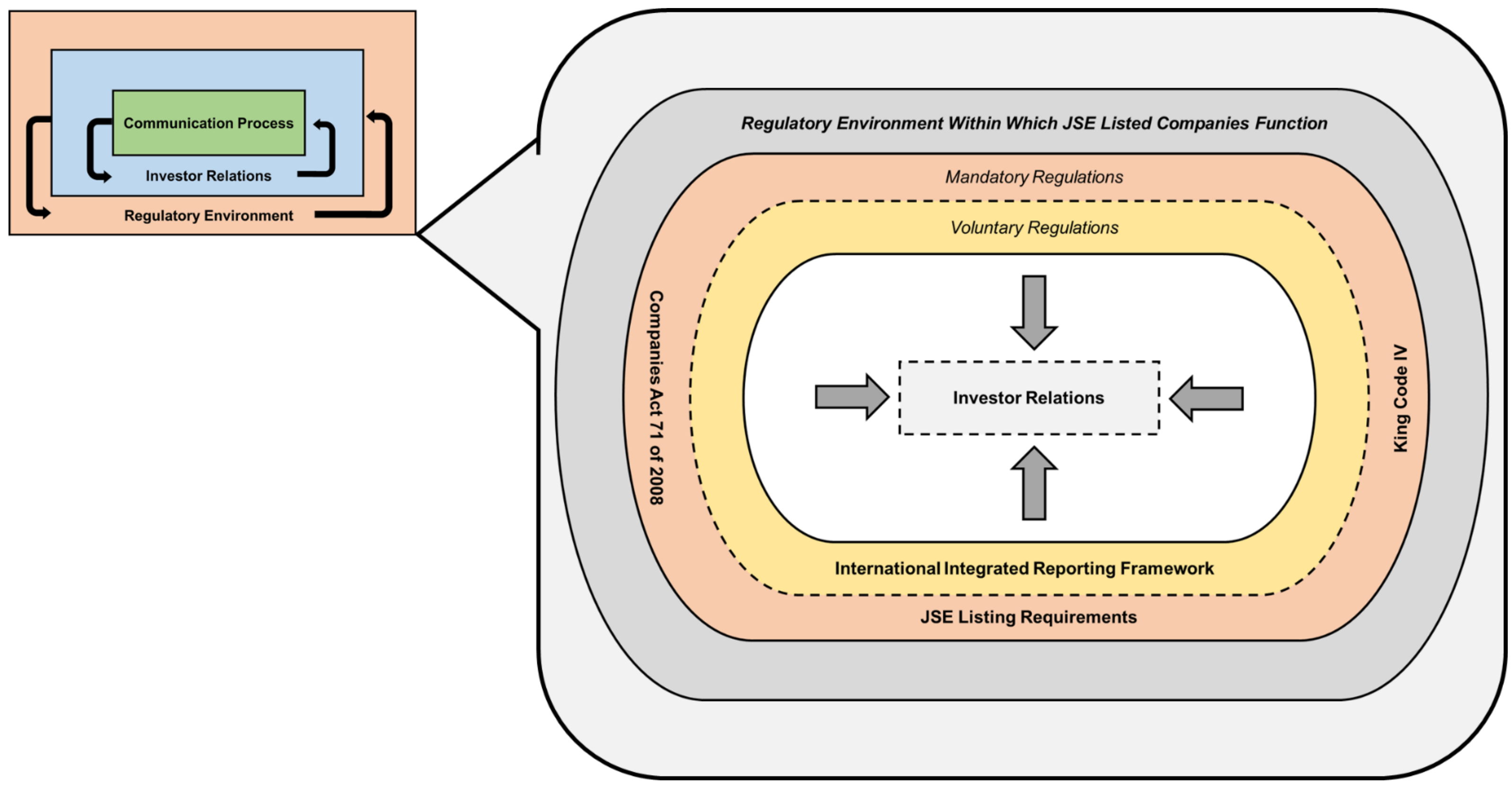
iv) Due to the legal and statutory requirements, organisations are obliged to disclose information (communicate a message) that might not always be in its best interest at the time.

During the empirical phase of the research, these four (4) abovementioned elements repeatedly became evident, thus confirming the importance of the consideration and inclusion thereof in the proposed framework.

IR then leads the organisation to its desired outputs including; (i) access to capital, (ii) fair valuation, and (iii) liquidity.

The researcher now moves to address the final sphere that forms part of the proposed framework; the outer sphere, the regulatory environment.

Figure 7.5: Proposed Framework – Regulatory Environment



The regulatory environment sphere highlights the regulatory measures (both mandatory and voluntary), that comprises the regulatory environment in which JSE (publicly) listed organisations operate. These include; (i) the Companies Act 71 of 2008, (ii) the JSE listing requirements, (iii) the King IV code, and (iv) the IIRC's IIRF. Essentially, all four of these aforementioned regulatory measures are to a certain extent influenced by the other. These regulatory measures function in a complementary synergy to provide guidance for JSE listed companies. Ultimately, the regulations in this regulatory environment, regulate all interaction and engagement between an organisation and its investor. The regulations governing the behaviour (i.e. communication) of publicly listed entities add an extra dimension of complexity to IR. These regulations are context specific and could vary significantly depending on the specific country and stock (securities) exchange. Each country has its own distinct laws with regards to public companies, and similarly each stock (securities) exchange has its own unique set of rules and regulations applicable to entities listed on it. Hence, it is, and never will be possible to generalise every aspect of IR globally, there will always be an element of uniqueness depending on the specific context.

Figure 7.5 above illustrates how IR functions within the larger regulatory environment, and how in turn, the regulatory environment exerts influence on IR. This brings the framework full circle, reiterating the notion put forth that the three spheres need to be considered as a holistic unit, bearing in mind that each of these spheres is influenced by and in turn exerts influence on the others. In order for engagement as per the proposed framework to be successful, these three spheres cannot be considered in isolation, but rather in a holistic all-encompassing manner.

7.5 CONCLUSION

In conclusion, the researcher considers it necessary to reiterate the core problem as indicated in the introduction and problem statement of this study. Recently, the South African capital market has been plagued by regular corporate scandals. As a result, stakeholders are understandably, ever more sceptical about the accuracy and transparency of information being communicated to them by publicly listed organisations. In accordance with this, the researcher probed all Case Organisation interviewees regarding their view of the current corporate landscape in South African. The general sentiment of these interviewees concurred with that of the researcher.

The interviewee of Case Organisation A made a defining comment; *"The vast majority of South African organisations' problems are caused by poor communication. Communication needs to be improved and standards need to be established"*. This served as confirmation of the premise on which this study was built. The interviewee of Case Organisation B expressed the following opinion in this regard; *"Over the past decade the South African corporate landscape has been stained by a series of scandals, each demonstrating a clear lack of ethics. Unfortunately, this created the impression that ethics and ethical behaviour is not an integral part of South African organisational cultures, and unfortunately as a result, business confidence in South Africa is lacking. However, I believe that the tide has turned, and corporations have come to understand that ethical behaviour and accountability are no longer optional"*.

Considering the aforementioned, a specific stakeholder group which forms an integral part in the success of an organisation is its investors, it is thus essential that organisations provide investors with relevant and useful information. Additionally, Bechan (2011, p. 138) and Laskin (2011, p. 307) highlight that besides providing information, IR also entails developing and maintaining good long-term relationships with investors. This opinion was concurred by the interviewees of all Case Organisations. The interviewee of Case Organisation F is of the following opinion; *"… investors are critical to any company; private or listed. They (the investors) are at the top of the stakeholder tree. Without funding (i.e. investors) there is no future for any company"*. In accordance with this, the interviewees of Case Organisations B and D respectively maintained; *"Organisations that are listed mainly did so to raise capital for expansion. We get that capital from our investors…"*; *"…investors are ultimately the people you work for; they are your bosses"*.

Upon concluding the interviews, the researcher asked each interviewee how they envisioned the future of the IR landscape for JSE (publicly) listed organisation. The interviewee of Case Organisation D aptly stated; *"Communication is just going to become more and more important and the IR function will just continue to grow. People assess organisations for their integrity and not necessarily their true worth, therefore, one-on-one communication is becoming increasingly important"*. This statement echo's that of Rensburg and Botha (2014, p. 144), who maintain that organisations are being forced to critically re-evaluate how they communicate with investors, requiring of the organisation to extend the scope of interaction from the mere publication of obligatory annual and interim reports to more frequent and proactive two-way interaction and communication (Laskin, 2018a, p. 76). This, in turn, concurs the sentiment held by the researcher when undertaking this study, that it is not only high time, but also essential to conduct academic research about IR and thus attempt to contribute to the limited, yet expanding the academic body of knowledge, through the development of a framework. Ultimately, this could then in turn translate into more effective execution of IR in practice.

At the conclusion of this study, the researcher considers the aim of the research to have been achieved; to propose an investor focused communication strategy framework based on dialogic theory, for publicly listed companies in South Africa – by investigating IR theory within the broader context of dialogic theory and crystallising the most critical constructs to include in a communication strategy.

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ANNEXURE A:

Letter of Informed Consent

UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA
Faculty of Economic and Management Sciences

Dept. of Business Management

Designing an investor focused communication strategy framework based on dialogic theory: A study of publicly listed companies in South Africa

Research conducted by:
Ms Muriel Serfontein
Student number: u11020009
Contact number: 0823569895

Dear Participant

You are invited to participate in an academic research study conducted by **Muriel Serfontein**, Doctoral (PhD) student from the Department of Business Management at the University of Pretoria, Republic of South Africa.

The purpose of the study is to propose an investor focused communication strategy framework based on dialogic theory, for publicly listed companies in South Africa – by investigating investor relations theory within the broader context of dialogic theory and crystallising the most critical constructs to include in a communication strategy.

Please note the following:

- This study involves a semi-structured interview (or the completion of a digital qualitative questionnaire). Your name and that of your organisation will not appear in the final research report and the answers you give during the interview will be treated as strictly confidential. You cannot be identified in person based on the answers you give.
- Your participation in this study is very important to the researcher. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences.
- The interview duration will be a minimum of thirty (30) minutes and a maximum of ninety (90).
- The results of the study will be used for academic purposes only and may be published in an academic journal. The researcher will provide you with a summary of our findings on request.
- Please contact my study leader, Dr D. Bornman; dawie.bornman@up.ac.za if you have any questions or comments regarding the study.

Please sign the form to indicate that:

- You have read and understand the information provided above.
- You give your consent to participate in the study on a voluntary basis.

__________________________ ____________________

Participant's signature **Date**

ANNEXURE B:

Interview Schedule

INTERVIEW SCHEDULE

Dear Interviewee Thank you for agreeing to participate in this study; Designing an investor focused communication strategy framework based on dialogic theory: A study of publicly listed companies in South Africa. As discussed, (i) the interview will have an estimated duration of between 60 minutes to 90 minutes, (ii) the interview will be recorded, and (iii) all information gathered will be kept confidential and be used strictly for academic purposes. Thank you for your time.

Demographic details:

Organisation:	
Job title:	
Highest academic qualification:	
Name and surname*:	
Email address*:	

*Information used exclusively for administrative purposes

Interview questions:

Section A:

A1.	In recent times the South African market has been plagued by regular corporate scandals. What is your opinion regarding the state of the corporate landscape in South Africa?

Section B:

B1.	Please shortly explain what you understand the role of the investor relations function in a publicly listed organisation to be?

B2.	Considering your above explanation, do you believe this to be the role of the investor relations function in your organisation?

B3.	Do you consider investor relations to be; i) a component of financial management ii) a component of communication management iii) a hybrid component of both communication management and financial management

B4.	In your organisation, by which department / division is the investor relations function managed?

B5.	Many are of the opinion that investors are the stakeholder group most integral to organisational success, particularly in the case of publicly listed companies, do you agree? Please elaborate.

Section C:

C1.	How does your organisation establish and maintain credibility with investors?

C2.	When communicating with investors, is it assumed by your organisation that the receivers (investors) have certain capabilities (capacity of understanding)?
C2.1.	If so, what are these capabilities?

C3.	When communicating with investors, is the message formulated according to the specific information needs of the investors? Please elaborate.

C4.	Do you consider the communication by your organisation to investors to be clear and in simple terms?

C5.	Do you consider the communication by your organisation, to investors, to contribute to the effective functioning of the organisation?

C6.	Which channels are used by your organisation to communicate with investors?

C7.	Does your organisation maintain continuous and consistent communication with investors, or does communication with investors mainly take place at certain times (i.e. such as at the time of release of annual financial results)?

C8.	Does your organisation engage in dialogue with its investors? Please elaborate.

C9.	Is your organisation willing to communicate with investors on their terms (i.e. is your organisation willing to disclose uncomfortable, yet not confidential, information that an investor may request)?

C10.	Does your organisation actively seek to collaborate with, and build relationships with its investors?

C11.	Does your organisation take investor input into account when making decisions?

C12.	Are the goals of your organisation aligned to the goals of its investors?

C13.	Is your organisation committed to the interactions it has with its investors (i.e. does your organisation truly listen to its investors, trying to find common ground if not agreement)?

Section D:

D1.	Does your organisation have a specific defined investor relations strategy?

D2.	Are your organisation's investor relations activities aligned to the organisation's overall strategy?

D3.	Does your organisation pre-identify and specifically target certain potential investors (i.e. is there a process of investor identification and investor targeting)?

D4.	Do you consider your organisation's investor relations activities to provide guidance to investors?

D5.	Does the organisation actively engage with, and seek feedback from, its investors?

Section E:

E1.	Which regulatory measures form part of the regulatory environment in which JSE listed organisations operate?

E2.	Do you consider these regulatory measures to be a form of censorship in terms of both the channels used to communicate, as well as the message content communicated to investors?

E3.	In terms of communication, what do you believe the organisation's responsibility towards its investors to be?

E4.	What have you found the main communication need of investors to be?

Section F:

F1.	Do you consider there to be a need for an investor focused communication strategy framework (such as the aim of this study), that could be applied by publicly listed organisations? Please elaborate.

F2.	If you were to assist in formulating such a proposed framework, what are the main components that you would address?

Section G:

G1.	How has the investor relations landscape for JSE (publicly) listed organisations changed over the past 10 years?

G2.	How do you see the investor relations landscape for JSE (publicly) listed organisations evolving over the next 10 years?

G3.	Are there any final thoughts that you would like to add?