Preface

STUDYING CORPORATE LIFE WITH DICTION

Between February 14th and 16th of 2013, some sixty scholars from a wide variety of disciplines including psychology, sociology, communication, journalism, political science, linguistics, public policy, criminology, transportation studies, foreign language instruction, economics, marketing, management, finance, and accounting came to Austin, Texas to exchange ideas about the language of institutions. Most of them had never met before and many had nothing in common except one thing – they had used the same computer program to do their work. The software they used, DICTION (www.dictionsoftware.com), analyzes large groups of texts and does so quickly, accurately, and reliably. In other words, these 50 carpenters had pounded on very different nails but used the same hammer when doing so. Their craftsmanship resulted in this book and its companion volume, Communication and Language Analysis in the Public Sphere.

Bringing together such a diverse set of scholars is all too rare in academic circles. Most scholars stay within their own disciplines, talking to people with kindred backgrounds. But for three days in early 2013, things were different. The researchers represented in these two volumes listened carefully and respectfully to one another, disagreeing when disagreement was warranted but mostly they asked questions: What can language tell us about complex institutions? Why are some words repeated with special frequency within a certain era and within a given organization by some social actors and not others? Why are some words never heard at all until they suddenly become dominant, words like Enron, Obamacare, occupy, drones, and QE2? Do these sudden appearances tell us the world has changed? What about words that are used all the time, words like hope and jobs? What does it mean when such words suddenly increase or decrease in frequency? If people stop talking about jobs, does it mean that employment is now bountiful or that workers have lost hope? DICTION can easily detect which words are being used in day-to-day life but it cannot say why. That is the task of the authors in this volume.

In an era featuring the World Wide Web, there are now available a great many programs for doing word searches. DICTION is one of the hardest and simplest and has been in use for some forty years. Researchers using the program have been especially interested in complex institutions. They have treated DICTION’s results as bellweathers to tell them which social arrangements seem to be unraveling and which seem newly emergent. There are other ways of measuring institutions, of course. One could track baseball attendance to see if the national pastime is still the national pastime. One could also look at the old rituals – the seventh inning stretch, hot dog sales, the number of kids in the stands, to see if the game is still revered. But one could also study baseball by asking whether its metaphors—a “home run,” a “close call,” “batting a thousand,” or “covering one’s bases”—remain part of the national argot. This latter way of studying things is DICTION’s way.
While the authors in this volume do not study baseball, they do study one of the most important institutions in society – business and corporate affairs. DICTION has also been used to study other institutions, including religion, science, diplomacy, entertainment, education, and the family, among others, but business researchers have especially profited from its capabilities. Even though language use is an individual thing—people know one another via their distinctive speech patterns—people also conform to linguistic norms because of the institutions surrounding them. So, for example, the newcomer on the job is recognized as a newcomer because she has not yet learned corporate-speak. In contrast, the aging CEO reaches into a bag of well-worn phrases—“We started as a mom-and-pop operation and we now span the globe”—to draw on cherished corporate memories. Words like these can have a magical quality to them when uttered by the right person in the right setting, but the wrong words—reacting defensively to a Wall Street report, promising a software upgrade too soon, or failing to promise an ethics overhaul in a timely manner—can cause a company to spin out of control. Words never seem to matter in business until, suddenly, they do.

WHY EXAMINE CORPORATIONS INSTITUTIONALLY?

Institutions, including for-profit corporations, have been called one of the least understood phenomena in the social sciences (Lammers & Barbour, 2006). With researchers so often focusing on personal variables like age, education, occupation, gender, etc. to the exclusion of large-scale variables like culture, the economy, and organizational traditions, the big, rich questions about how people form—and are formed by—social institutions often go unanswered. Institutions encourage their members to adopt specific practices and routines (Crona & Bodin, 2011) and, therefore, their most ardent devotees are characterized by low rates of social change. Not surprisingly, institutions become highly formalized over time (Davis & Marquis, 2005), driven as they are by highly rational motivations (Rodrick & Subramanian, 2003). As a result, institutions constantly tell their members what the institution stands for and how they should behave. Institutions teach them how to talk as well.

While institutions are therefore “structures of cooperation,” they are also “structures of power” that keep people from operating in random ways (Moe, 2005, p. 228). Institutions can also become “weapons of coercion” that let those in control—those who best understand an institution’s pathways of influence—“pursue their own interests” (Christiansen & Klitgaard, 2010, p. 185), a complaint often lodged against the U.S. Congress, for instance. Institutions are also “referees” that use predefined logics to decide who will win and who will lose (Scaraboto & Fischer, 2013, p. 1237). So, for example, scholars have found that when colonizers take over a given nation-state (e.g., when the U.S. invaded Iraq in 2003), the areas of the country with long-standing institutions are given more autonomy than areas with ersatz social structures (Gerring, et al., 2011).

However, institutions also use “soft power” to affect people’s interpretations of events. Institutions reduce our sense of uncertainty, says North (1990), by privileging some values and cognitions over others (Van Til, 2011; Huerta & Zuckerman, 2009). So, for example, even though the Social Security System in the U.S. is a lever used for redistributing resources (and quite coercively at that), it is surrounded by a veil of legitimacy that gives it special standing, especially for those who lived during the 1930s and 1940s. There is a special kind of invisibility to institutions as a result, say Mohr and Friedland (2008, p. 422). Rather like water is for fish, institutions are “everywhere” and “nowhere” at the same time. People
do what institutions tell them not because they are afraid of censure or even because they have a sense of moral obligation but simply because they cannot conceive of any other way of acting (Scott, 2008). Institutions teach us to “talk the talk” so that “walking the walk” becomes easier.

These customs, traditions, and codes of conduct make institutions naturally “conservative” (North, 1990) but they are sometimes changed by internal squabbles or unseemly scandals (Weyland, 2008). The EU, for example, remains vulnerable because of the nationalisms still in place with its nation-states (Kurzer & Cooper, 2007). Outside pressures (Burch, 2007) can also change institutions, as can internal social networks (Davis, 2005) and bureaucratic politics (Dodds & Kodate, 2012). However, monitoring such changes is not easy. Hence this book. The authors represented here agree with John Searle (2008, p. 458) that “language is the fundamental social institution” and hence a prism for seeing what surrounds us. Admittedly, economic and military forces are powerful, but so too are informal means of social regulation. By changing people’s vocabularies, says Searle (2008, p. 454), movement reformers can alter “the system of status functions” within a group and thereby pave the way for change. So, for example, when feminists drew a bead on “lady” and “gentleman” argot, says Searle, they took aim at a powerful a deontology. Similarly, addressing one another as “comrades” let Communists in Russia create new status functions and destroy old ones. Because it can both create and erode large social structures, then, the language of institutions deserves scrutiny.

AN ALTERNATIVE WAY OF STUDYING CORPORATE LIFE

While different from one another in many ways, the authors in this book confess to three basic beliefs: (1) that language matters, (2) that it signals institutional values, and (3) that language patterns are of special importance. But why did they use DICTION? One reason is that DICTION is easy to use no matter what one’s disciplinary background. It is a multi-platform program written in Java for both PCs and MACs that deploys some 10,000 search words in 33 word lists or dictionaries and that includes several calculated variables as well. None of the search terms is duplicated in these lists, which gives the user an unusually rich understanding of a text. The program also produces five master variables by combining (after standardization) the subaltern variables. The master variables were designed intentionally. The operating assumption was that if only 5 questions could be asked of a given passage, these 5 would provide the most robust understanding. Based on an analysis of some 50,000 verbal texts, no statistically significant relationship exists among any of these five master variables. Thus, each sheds unique light on the passage being examined. Figure 1 provides DICTION’s complete variable structure.

DICTION’s 5 master variables derive from work by others. Certainty, for example, originated in the work of the general semanticists, particularly Wendell Johnson (1946), who studied how language becomes rigid and what happens as a result. Definitionally, Certainty indicates resoluteness, inflexibility, and completeness and a tendency to speak ex cathedra. Optimism, language endorsing some person, group, concept or event or highlighting their positive entailments, and Activity, language featuring movement, change, and the implementation of ideas, were inspired by the work of Barber (1992) and Osgood et al. (1957). The fourth dimension is Realism, language describing tangible, immediate, recognizable matters that affect people’s everyday lives, and it taps into the Western pragmatism discussed by Dewey (1954). Finally, Commonality, language highlighting the agreed-upon values of a group and rejecting idiosyncratic modes of engagement, was inspired by the work of Etzioni (1993) and Bellah et al. (1991), although they were not language scholars per se.
DICTION users often embrace several key assumptions: (1) that institutional actors (even highly sophisticated ones like PR specialists and corporate attorneys) rarely monitor their lexical decisions; (2) that they have no ability at all to monitor their lexical patterns; (3) that they think they have control over such matters; and, hence, (4) that they encourage researchers to study that which they have deemed unworthy. This latter assumption shows why computer-assisted text analysis can be so powerful. After all, computers remember, ostensibly forever. If properly coached, computers can track associations across semantic space, note situational changes (and changes within those changes), and distinguish the characteristic word choices of one actor from another. Computers can also detect stabilities in language, the things that never change, a feature that is especially useful for students of complex institutions.

An especially handy feature of DICTION is that it lets users compare their results to a built-in normative database of previously examined texts, a feature that several of the authors in this volume have drawn on usefully. The program provides norms for some 40 genre (e.g., speeches, news coverage, advertisements, citizen commentary, corporate reports, financial documents, television drama, etc.), and, as a result, it is especially well suited to cross-disciplinary research (for a tolerably complete list of such researches see http://www.dictionsoftware.com/published-studies/).

DICTION also lets scholars build their own dictionaries for specialized purposes. A user may construct up to thirty such dictionaries (up to 5,000 words in each). For example, in political communication research, Hart (2000) constructed lists of Patriotic Terms (homeland, justice, liberty, pilgrims, etc.), (2) Party References (Democrats, Republican, etc.), (3) Voter References (constituents, electorate, citizenry, etc.), and (4) Leader References (Adams, Lincoln, Roosevelt, Perot, etc.). Many of this book’s authors have also created their own search lists to capture the specialized vocabularies in their disciplines.
DICTION also permits lexical layering, which involves standardizing the scores of individual dictionaries and then combining them to get at richer and deeper aspects of verbal tone. Such an approach trades on four assumptions: (1) Families of words have their own distinctive valence but become mutually implicative when combined; (2) tone becomes more identifiable when word families are co-mingled; (3) tone becomes more forceful when these families are repeatedly co-mingled; and (4) lexical layering explains differences among rhetorical genre. For example, Hart (2014) recently measured the “storytelling” qualities of texts by assuming that narratives involve (1) vivid descriptions of (2) people’s (3) activities at some particular (4) time and (5) place. Narratives are more than this of course—plot, characterization, motivations, etc.—but they are rarely less than this.

Operationally, Hart standardized the following variables prior to combining them in a single measure of Narrative Quality: Embellishment (ratio of adjectives-to-verbs) + Motion (bustle, jog, lurch, etc.) + Human Interest (cousin, wife, grandchild, etc.) + Temporal Terms (century, instant, mid-morning, etc.) + Spatial Terms (southwest, coastal, border, etc.). This measure powerfully distinguished among texts with narrative qualities (e.g., product ads) from more quotidian texts (e.g., business contracts). In short, although DICTION has only so many search terms and so many lexical categories, it provides an almost unlimited set of optics for the enterprising scholar.

**USING DICTION TO STUDY CORPORATE LIFE**

While all of the following chapters use DICTION, they do so in varied ways. Some employ lexical layering (e.g., Carroll & Entwiller, Chapter 15) but not all do. Some use DICTION descriptively to take a “first pass” at their data (e.g., Mobus, Chapter 14), while others test detailed theoretical propositions (e.g., Siklos, Chapter 17). Some authors use DICTION inductively, “wondering aloud” about questions not asked before (e.g., Golubovskaja, Chapter 16), while others use it deductively, testing hypotheses embedded in the scholarly literature (e.g., Guo, Chapter 12). Some authors use DICTION’s norms as referential guideposts (e.g., Craig & Amernic, Chapter 5), while others employ their own datasets patiently built up over the years (e.g., Tudor & Vega, Chapter 8). Some link DICTION’s findings to results from other CATA programs (e.g., Feldman, Govindajaj, Liu, & Livnat, Chapter 9), while other authors supplement DICTION with historical and textual investigations (e.g., Abdelrehim, Chapter 10). Particularly interesting is the work of Goel (Chapter 18), who uses her own custom dictionaries to track potential fraud in corporate filings.

The authors represented here also approach institutions from different perspectives. Some ask normative questions related to corporate responsibility (e.g., Cho, Patton, & Roberts, Chapter 13), while others look at more empirical matters, asking whether financial narratives can be trusted by stockholders (Henry & Leone, Chapter 3). Especially intriguing is the work of Eshraghi (Chapter 1) who links investment advisors’ overconfidence to real-world economic outcomes. Some authors put a “human face” on the corporation, asking how a given CEO may impact a company’s financial output. Broberg (Chapter 4) finds, for example, that a leader’s charisma can be inversely related to a company’s actual performance, while Linsley, Slack, and Edkins (Chapter 6) show the importance of a CEO’s rhetoric during times of financial crisis.

Several authors have used DICTION heavily during the years and amassed a vast dataset describing corporate practices. Elizabeth Demers, for example, now has definitive evidence connecting a company’s economic forecasts, financial reports, and stock market reactions to the messages it produces (cf. Demers
& Yu, Chapter 7). Similarly, Jeremy Short has looked at the language of business plans across time—and across a variety of corporations—and finds connections between linguistic concreteness and the amount of venture capital a business can raise (cf. Allison, McKenny, & Short, Chapter 2). In a similar vein, Nelson, Wang, Smith, and Blackford (Chapter 11) show that corporate rhetoric must now be taken seriously; they report a nuanced relationship between how well a company performs financially and the relative optimism of its annual reports.

This volume also provides numerous examples of how different scholarly “textures” can complement one another. Some authors present elaborate financial models connecting corporations’ self-presentations to their relative success. Others take a macro-sociological approach, looking at the connection between corporations and nation-based influences. Still others focus on corporate personalities, reasoning that “language-at-the-top” will affect a company’s customer relations, its shareholders’ expectations, and its treatment by the press.

The research presented here is particularly sensitive to the broader institutional forces affecting corporations. Increasing environmental strictures, for example, now impact corporate bottom lines and that turns CEOs into politicians, at least in part. Even in a sector emphasizing profitability above all else, history abides. Corporations are now caught up in an intricate network of relationships—some financial, some governmental, some cultural. In one country, for example, Corporation X must deal with activists camped outside its gates (Occupy Wall Street comes to mind), while in another country, Egypt, for example, Corporation Y must carry out its business with the military hovering about. Because of these complexities, CEOs speak many languages when they speak. DICTION helps track what they say.

The work contained in this volume hardly tells us all we need to know about the institutional dynamics of business. However, it does raise important questions: When should corporations be left alone to expand the supply of capital and when should they be reined-in by the larger society? Which of their communications can be trusted? Are financial forecasts to be believed? Year-end reviews? Social responsibility statements? How manipulative, or transparent, are CEOs when speaking to shareholders and the press? How do corporations respond to regime narratives during times of radical change?

Ideally, corporations should be left alone to create jobs and grow the economy but other institutions beckon. Politics and the press are among them, to be sure, but religious institutions also have opinions about corporate life (papal encyclicals on the dignity of work come to mind). The entertainment industry intrudes as well. 30 Rock, Outsourced, The Apprentice, Mad Men, and Barbarians at the Gate set our expectations for how business works or should work as well as why it succeeds or fails. Do “virtual businesses” like these affect how real businesses operate? Are Hollywood and Wall Street somehow interdependent? Interlocking directorates constrain what businesses can and cannot say, as do quasi-institutional players in the nonprofit community, in the legal sector, among NGOs, and in cross-national linkages. Today’s corporations are institutionalized but so too is the world around them.

As seen in this book, DICTION serves an important purpose when it encourages conversations across disciplinary lines. While most of the authors represented here did not know one another before arriving in Austin, Texas, in February of 2013, DICTION helped them transcend their intellectual boundaries. In doing so, it fostered new conversations in an era rethinking old disciplines. Nigel Thrift (2013, July 23) has argued that “proto-subjects” like genomics, materials science, behavioral economics, and evolutionary psychology are emerging throughout the academy. In the social sciences, especially, Big Data research is inspiring “a second quantitative revolution.” “As the world becomes covered with a skein
of numbers,” says Thrift, “it seems clear to me that being able to analyze them is likely to become [a crucial] part of the social scientist’s toolbox.” DICTION, one hopes, can facilitate that revolution, the possibilities for which are amply demonstrated by this volume’s authors.

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ENDNOTES

1 For a detailed description of DICTION’s variables see Hart (2000, pp. 245-251).