



Dialogic communication management theory and engagement with investors: a study of publicly listed organisations

AUTHOR(S)

Muriel Serfontein-Jordaan

University of Pretoria

ORCID: 0000-0003-1481-1624

Dawid Borman

University of Pretoria

ORCID: 0000-0001-6283-210X

PUBLISHED ONLINE

Volume 41 (1) July 2022

Pages 63-76

Submitted January 2021

Accepted January 2022

ISSN

ISSN 0259-0069

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 of 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 critically evaluate the current IR practices of JSE listed organisations; to determine whether these aforementioned organisations participate in dialogic engagement with investors. This was done by investigating investor relations theory within the broader context of dialogic theory. The research design employed in this study was an interpretive multiple case study qualitative inquiry. The findings are 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 organisations.

Keywords

Investor relations; investors; dialogical engagement; dialogic communication management theory; corporate communication management

INTRODUCTION

In recent times, the South African capital market has been plagued by regular corporate scandals, such as Steinhoff Africa Holdings Pty Ltd, Tongaat Hulett Ltd, and EOH Holdings Ltd being amongst the latest transgressors (Allan Gray, 2020). Understandably, stakeholders are increasingly sceptical about the accuracy and transparency of information being communicated to them by publicly listed organisations.

These corporate scandals serve as a reminder that all too many organisations take a myopic view of their enterprise, considering profit as the be-all and end-all of business. As with the Enron Corporation and other scandal-ridden corporations over the years, Steinhoff, Tongaat Hulett, and EOH appeared to comply with all the legal and listing requirements in their various jurisdictions—this resulted in a false sense of security for stakeholders (BusinessTech, 2019).

As a result, stakeholders have realised that annual reports and balance sheets considered in isolation are no longer sufficient proof. Organisations and stakeholders alike recognise the need for a more holistic approach to engaging, or communicating with stakeholder groups as an integral part of rebuilding trust in an organisation. However, as direct communication methods with stakeholders develop at a rapid pace, organisations are finding it difficult to ensure that all stakeholder groups are communicated with professionally, thoroughly and strategically (Mulder & Niemann-Struweg, 2015:6;

Swart, Hairbottle, Scheun, Erasmus-Kritzinger & Mona, 2019:8). Therefore, it can be argued that the focus 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, 2014:5).

One such stakeholder group, which forms an integral part of the success of an organisation, is its investors. Investors are one of the principal stakeholder groups of any publicly listed organisation, as they provide the base capital for the organisation's expansion (Hoffmann & Fieseler, 2018:405, Laskin, 2018a:75). It is essential that organisations provide investors with relevant and useful information—that is, investor relations (IR)—as these investors have increasing demands and specific information needs.

Considering that investors control the resources that enable an organisation to exist, (Dolphin, 2003:31) defines IR as the link between the organisation and its investors, and the communication of information relating to the organisation to investors. Laskin (2018a:4) and Schoonraad, Grobler and Gouws (2005:274) concur with the definition of IR, as formulated by the National Investor Relations Institute: "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 (2011:138) and Laskin (2011:307) believe that besides providing information, IR also entails developing and maintaining a good long-term relationship with these 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, 2011:307).

IR is often considered a subset of an organisations' corporate communication management function (Laskin, 2018a:77); hence, corporate communication can be considered the basis of IR. Corporate communication management can be defined as a set of activities involving the management and orchestration of all internal and external communication, aimed at creating and maintaining favourable relations with stakeholders on whom the company depends (van Riel and Fombrun, 2010:25). Corporate communication management consists of information dissemination by an organisation, with the common goal of enhancing the organisation's ability to retain its licence to operate (Slabbert and Barker, 2014:71, van Riel and Fombrun, 2010:25). Slabbert and Barker (2014:72) 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 (2006:115) 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 an organisation.

Hoffmann, Tietz and Hammann (2018:294) believe 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 (Hoffmann & Fieseler, 2012:184, Laskin, 2018a:76). This requires that organisations manage their communication behaviour. Chandler (2018:200) adds to this notion by stating that building and maintaining relationships are integral to IR. Failure to comprehend the importance of ensuring that the relationship with investors is 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 towards their investments, IR is faced with the need to evolve and actively engage and influence investors (Hoffmann & Fieseler, 2018:180). Rensburg and Botha (2014:144) reiterate that organisations are 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 themselves and the financial community (that is, investors) to enhance mutual understanding. It requires an 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:76).

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

Therefore, once an organisation has conformed to the regulations of the regulatory body for listing, such as the Johannesburg Stock Exchange (JSE), which is the sampling frame of this study, then it is in a position to trade its shares with the public (Bechan, 2011:138). 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, 2019:2).

The JSE (public) 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 company failing to comply may result in the JSE taking steps against it. The regulations regarding communication by JSE-listed companies are reviewed and explored in-depth at a later stage of this study.

The researchers acknowledge that the complexities associated with IR are global and not limited to South Africa. Therefore, to make the most significant contribution, one would ideally like to conduct the research with a broad, global focus 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 or securities exchange. Hence, IR—in a global context—cannot be generalised as there will always be an element of uniqueness depending on the specific context.

In the context of the above, it is notable that IR is vitally important to organisations. However, despite its importance, IR has not been thoroughly researched—particularly the communication aspect thereof. Laskin (2008:14) reaffirms this by elucidating that academic research in IR is insufficient and does not correlate with the high importance of IR's function in corporate practice. Moreover, studies of IR from a strategic communication standpoint are almost non-existent. At the same time, IR is currently undergoing a significant shift from financial reporting to building and maintaining relationships with shareholders (Laskin, 2008:13; Laskin, 2009:209).

Whitehouse, Palmieri and Perrin (2018) and Laskin (2014) promulgate that IR has not received the required scholarly attention in order to fully contribute to the body of knowledge in corporate communication—only limited attention has been given to the development and testing of IR frameworks and models. Laskin (2018b:339) and Argenti (2007:170) 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 only recently has a body of knowledge begun to develop (van Riel and Fombrun, 2010:183, Whitehouse et al., 2018).

In light of this, this study aimed to critically evaluate the current IR practices of JSE-listed organisations to determine whether they participate in dialogic engagement with investors.

THE EVOLUTION OF IR

Hockerts and Moir (2004:87) indicate that initially IR's role was to communicate the actions of the company; it then developed due to an increase in the attention to the financial function and financial results of the company. Currently, IR encourages investors to purchase or hold the company's stock whilst ensuring that the company is justly valued and respected. Thus, the history and evolution of IR can be separated into two distinct eras: the pre-professional era and the professional era. The professional era

can further be broken down into three eras: the communication era, the financial era, and the synergy era.

Pre-professional Era

IR is inextricably connected to the separation between ownership and management. In the past, when craftspeople ran their 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 began hiring additional employees; nonetheless, investors were typically the owners themselves. There was, thus, no separation between ownership and management (Laskin, 2018a:51).

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 (Laskin, 2018a:53):

- The growth of large industries stimulated unprecedented demands for capital;
- At the same time, increasing wealth among the middle class created a new source of capital that could be tapped into through public securities issuance; and
- Development in transportation and communication technology made widespread promotion and distribution of securities possible.

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

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 eras (Laskin, 2008; Laskin, 2010):

- The communication era, when the IR landscape was dominated by people with communication backgrounds;
- The financial era, when the field became dominated by professionals with financial and accounting backgrounds; and
- The synergy era (the current era), in which the industry is looking for a balance between the communication and financial fields of expertise (Laskin, 2018a:57; Dolphin, 2003:31).

Although both the communication and the financial eras contributed to the current standing of IR, this study focuses on the era in which IR currently finds itself—the synergy era.

The Synergy Era

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

The IR function of the synergy era will finally be what Morrill (1995) envisioned when he explains that the communication function and the finance function must merge to create a sophisticated and successful IR function (Laskin, 2008:74; Laskin, 2018a:70). Thus, the solution to the IR paradox lies somewhere between the 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 to provide corporations with feedback. This feedback is of vital importance, since the goal of IR is often considered to be reaching and hearing investors (Laskin, 2008:74; Laskin, 2018a:71). In addition, the modern IR function has an ever-growing responsibility: it must 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, 2008:75; Laskin, 2018a:71).

As with the previous eras of IR, the shift to the synergy era resulted from changes in the economic environment. The unexpected corporate failures of the early 21st century brought the whole model of corporations—globally—into question. Laskin (2007) and Allen (2002:207) 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 a competitive advantage by rebuilding investor confidence in a corporation. Dolphin (2003:40) suggests 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 publication of obligatory disclosure documents and has to be transparent in terms of reporting and communication with investors (Hockerts and Moir, 2004:95). 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 to ensure fair valuation of the corporation's share prices (Laskin, 2008:77; Laskin, 2018a:74).

To be successful, corporations must extend the scope of their IR function beyond the mere publication of annual and interim reports to more frequent, extensive, and proactive two-way communication (Laskin, 2008:80). IR is no longer only 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, and effectively manages such relationships (Kelly, Laskin & Rosenstein, 2010:183; Laskin, 2008:81; Laskin, 2018a:76).

The two-way model of communication appears to be at the epicentre of the current IR function. Grunig, L. Grunig, J. & Dozier (2002) suggest that the IR function should practice the two-way symmetrical model of communication because investors are influential stakeholders with significant power over corporations. Rosenstein, Kelley and Laskin (2007:17) established that most previous research studies in public relations found press agency and publicity to be the dominant models of practice; however, currently the two-way symmetrical model of communication should predominantly be practised in the IR function.

Two-way communication has become a key strategy in communication between corporations and investors. In the wake of various challenges, such as 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 change. In order to respond to these challenges and enhance mutual understanding, the IR function must combine the expertise of the finance and the communication functions, through public relations, to devise two-way symmetrical communication programmes that facilitate engagement and potential dialogue between a corporation and its financial stakeholders (Laskin, 2008:80; Laskin, 2018a:76). Furthermore, such challenges can result in the loss of investors, whereas, in contrast, enhancing mutual understanding through two-way symmetrical communication and formulating relationships amongst stakeholders increase the success and survival of an organisation (Kelly et al., 2010).

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, 2014:384); most prominent amongst these being 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, and

relational communication. The emergence of the theory and research on dialogue stems from theologian Martin Buber's seminal work, *I and Thou*. Buber was one of the first relational philosophers to elevate the relationship over the individual (Kent & Lane, 2017:569). Buber suggested that dialogue comprises of an effort to recognise the value of the other party involved, thus to see the other party as an end and not merely as a means to achieving the desired goal (Kent & Taylor, 2002:22). Following Buber's lead, many scholars in various domains have weighed in on the value of dialogic communication management.

Lane (2020:1-2) reiterates that "dialogue" is a complex construct, with many nuances, and in need of clarification. For centuries, dialogue has been a topic of philosophical discussion, with evidence leading back 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" (Lane, 2020:2; Kahn, 1998). Through these aforementioned enquiries and responses, the participants become knowledgeable regarding the topic discussed and come to share a deeper appreciation of one another (Paul & Elder, 2007).

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 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). Furthermore, this relational turn generated increased interest in the type of communication needed to build and maintain mutually beneficial relationships between an organisation and its stakeholders (Lane, 2020:3). Pieczka (2011:110) aptly states that even though relationships with stakeholders are built from not only communication but also other organisational actions, communication occupies a privileged position in the relationship-building process. Lane (2020:3) furthermore asserts that the two concepts—dialogue and relationships—are overtly and explicitly connected; that is, "Dialogic communication is relational" (McAllister-Spooner & Kent, 2009:223).

The dialogic theory of communication management has fundamentally altered how scholars and professionals think about corporate communication management (Kent, 2017:2). 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, 2014:384).

In the decades that followed, advanced information and communication technology (such as the Internet) have significantly shaped every aspect of the way in which society communicates and interacts. By tapping into the potential of the internet, which allows individuals to easily connect and exchange information, organisation-public dialogue has become a major focus area in corporate communication research and practice (Chen, Y., Hung-Baesecke & Chen, X., 2020:1).

A major factor differentiating 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, 2017:2). 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 five dialogic tenets: mutuality, empathy, propinquity, risk, and commitment (Heath, 2013:257). Thus, the organisation-public dialogue is not merely viewed as a communication activity, but as an ethical communication orientation that recognises stakeholders. It also values the co-creation of meaning and joint decision-making efforts, which nurtures the relationship between the organisation and its stakeholders (Chen et al., 2020:1-2; 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., 2020:1-2)—and this study is no exception.

The dialogic theory of communication management was 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 (IR), 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, 2018:11). Traditional approaches to IR have focused on disseminating 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). Organisations—through IR—must, therefore, maintain a constant, open and transparent dialogue with investors, whilst building trust and facilitating engagement to the meet expectations of investors (Penning, 2011:615; Uysal, 2018:101-102).

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, 2020:2). These include: the dialogic loop, usefulness of information, ease of interface, generation of return visits, and conservation of visitors. This is problematic because these studies actually measure the digital medium's affordances for dialogue rather than the dialogue conducted in the medium (Chen et al., 2020:3).

As aptly stated by Chen et al. (2020:4), research regarding the stakeholder or public perspectives in the organisation-public dialogue is lacking, and these authors define 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". Therefore, the five dialogic tenets approach posed by Kent and Taylor (2002) to measure an organisation's dialogic communication is the approach this study employed. The researchers believe that using these tenets would allow them to assess the organisation-public dialogue as a communication act rather than a mere communication orientation or a communication channel's affordances.

THE 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 researchers employed the understanding that dialogue and two-way symmetrical communication are not synonymous; however, the researchers argue that two-way symmetrical communication acts as a basic principle of the theory of dialogic communication management. Theunissen and Wan Noordin (2012) offer a critique of dialogue, namely that it is uncritically equated to two-way symmetrical communication—as if these two concepts were two sides of the same coin. In some instances where dialogue is mentioned, the focus remains on two-way communication rather than on dialogue per se (Kent & Lane, 2017:572). Due to this critique, the researchers paid special attention to not equating dialogue with two-way symmetrical communication, especially through the employment of the dialogic tenets. Communication can be imagined along a continuum, with propaganda or monologue at one end and dialogue at the other. 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 places emphasis on creating meaning, understanding, co-creation of reality, and empathetic interactions. There are stark differences in orientation at the opposite ends of the continuum: propaganda and asymmetrical communication are dedicated to achieving only the sender's goal, often sacrificing the integrity of the

message; in contrast, dialogic communication is dedicated to truth and mutual understanding (Taylor & Kent, 2014:388-390). Hence, dialogic engagement is arguably the most effective engagement strategy to enhance an organisation's relationship with its investors. Laskin (2006:69) further argues that fostering relationships with investors through communication provides a direct financial benefit to publicly listed organisations.

RESEARCH DESIGN AND METHODOLOGY

The research design for this study can be classified as an interpretive, multiple-case-study qualitative inquiry into the phenomenon of IR of the JSE (publicly) listed companies (Babbie, 2014:89; Babbie & Mouton, 2001:647). 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 are as follows:

- The non-empirical component
- Research Phase 1 consisted of an extensive literature review of the key concepts of this research, showcasing various conceptualisations and relationships. Ultimately, the literature review crystallised this study's conceptual framework against which communicative products were assessed. In addition, the framework assisted in developing the initial interview schedule used in Research Phase 3.

The empirical component, which consisted of two parts:

- Research Phase 2 consisted of a qualitative content analysis of the case organisation's communicative products, including Stock Exchange News Service (SENS) announcements, annual integrated reports, and websites. This analysis aimed to assess the status of the communicative products against the conceptual framework put forth in Research Phase 1 and therefore assisted in the refining of the interview schedule developed in Research Phase 1; and
- During Research Phase 3, in-depth semi-structured interviews were conducted with the IR officers 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 findings from the prior research phases.

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

The study population comprised all the companies listed on the JSE as at the end of 2019, 375 in total (Johannesburg Stock Exchange, 2020). All listed entities are classified into one of three broad sectors: resources, financials, or industrials. The sector classification is derived from the Industry Classification Benchmark (Johannesburg Stock Exchange, 2020), a globally used standard for categorising and comparing companies by industry and sector.

Although the aim of case study research is not generalisation, the researchers wanted the case organisations to be as representative as possible. Therefore, the selected case organisations represented the abovementioned three sectors, and two organisations from each sector constituted the case organisations. In addition, the researchers considered all JSE-listed companies according to their sector classification.

Data Collection

Following the case selection, the researchers began the data collection process, which consisted of Research Phases 2 and 3. The data collection process was planned and executed in accordance with the four principles suggested by Yin (2017:118-129): using multiple sources of evidence, creating a case study database, maintaining a chain of evidence, and exercising care when using data from electronic sources.

The credibility of the research was increased through data triangulation. This suggests that a

researcher uses more than one data source to investigate the same phenomenon (Venter, Van Zyl, Joubert, Pellissier & Stack, 2017:77). Myers (2011:10-11) suggests that 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 the following: sources of evidence in each case organisation (annual reports), organisational documents (that is, organisational communicative products), and semi-structured interviews with the Investor Relations Officers (IROs) within each case organisation

Sources of Evidence within Each Case Study

Bell, Bryman and Harley (2019:68) state that a comparative-case-study research design embodies the logic of comparisons by studying two or more cases and using more or less identical methods. Considering this, the researcher used the same sources of evidence within each case study, as listed in Table 1 below.

Table 1

Table 1: Sources of Evidence				
	(i) Phase 2			(ii) Phase 3
	SENS Announcements	Annual Integrated Reports	Website	Interview
Organisation A	✓	✓	✓	✓
Organisation B	✓	✓	✓	✓
Organisation C	✓	✓	✓	✓
Organisation D	✓	✓	✓	✓
Organisation E	✓	✓	✓	✓
Organisation F	✓	✓	✓	✓

Data Analysis

Data analysis in Research Phases 2 and 3 took on two distinctive data analysis methods, considered most suitable to each data set: qualitative content analysis and thematic analysis, respectively.

FINDINGS

As previously stated, this study aimed 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 (2013:257): risk, mutuality, propinquity, empathy, and 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 study rested on the confirmatory interviews conducted. Table 2 below highlights the link between the main themes identified in Research Phases 1 and 2, and the interview questions.

Table 2

Table 2: Link Between the Main Themes Identified and Interview Questions

Main Theme	Sub-Theme	Interview Question
Communication	Risk	Is your organisation willing to communicate with investors on their terms (that is, is your organisation willing to disclose uncomfortable, yet not confidential, information that an investor may request)?
	Mutuality	Does your organisation actively seek to collaborate and build relationships with its investors?
	Propinquity	Does your organisation take investor input into account when making decisions?
	Empathy	Are the goals of your organisation aligned to the goals of its investors?
	Commitment	Is your organisation committed to its interactions with its investors (that is, does your organisation truly listen to its investors, trying to find common ground, if not agreement)?

In order to provide further clarification, Table 3 below depicts the relationship between each dialogic tenet, the associated theory, and the interview question.

Table 3

Table 3: 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 lead to vulnerability and unexpected consequences.	Is your organisation willing to communicate with investors on their terms (that is, 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 and build relationships with its investors?
Propinquity	The temporality and spontaneity of interactions with stakeholders; eliciting and listening to stakeholders' input before the decision-making process can 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 mindset is necessary.	Are the goals of your organisation aligned to the goals of its investors?
Commitment	The degree to which an organisation gives itself 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 a middle ground.	Is your organisation committed to its interactions with its investors (that is, does your organisation truly listen to its investors, trying to find common ground, if not agreement)?

Table 4 below indicates, firstly, whether the interviewee regarded the organisation as engaging in dialogue with its investors, and secondly, whether the researchers found the specified tenets of dialogic communication to be present in the communication between the organisation and its investors.

Table 4

Table 4: Dialogic Engagement Comparison						
Organisation	A	B	C	D	E	F
Interviewee responses	✓	✓	✓	✓	✓	✓
Risk	✓	✓	✓	✓	X	X
Mutuality	✓	✓	✓	✓	✓	✓
Propinquity	✓	✓	✓	X	✓	✓
Empathy	✓	✓	✓	✓	X	✓
Commitment	✓	✓	✓	✓	✓	X

It became evident to the researchers that the interviewees from 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 researchers found that not all case organisations engaged in true dialogue. The researchers evaluated all case organisations according to the five tenets—if one of the five tenets was 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 was evident that although the interviewees from all case organisations believed that their organisation engages in dialogue with their investors, only three of the six case organisations engaged in true dialogue. Case Organisations A, B, and C had all five tenets of dialogic communication present in their communication with investors.

The following conclusion could thus be drawn: all case organisations believed that they engage in dialogue with their investors when, in fact, only half of the case organisations actually engaged in true dialogue with their investors. The implication is that it will be difficult to convince organisations not engaging in true dialogue to change their means, as they believe they are engaging in dialogue and will not recognise the urgency to change.

CONCLUSION

The researchers consider it necessary to reiterate the core problem as indicated in the introduction: the South African capital market has recently 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, highlighting the need for dialogic engagement by organisations with their investors. In accordance with this, the researchers 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 researchers. 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 [are] 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.

Upon concluding the interviews, the researchers asked each interviewee how they envisioned the future of the IR landscape for JSE (publicly) listed organisations. 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 concurs with the sentiment the researcher held when undertaking this study: it is high time and essential that academic research about IR be conducted, and thus, an attempt is made to contribute to the limited yet expanding academic body of knowledge. Ultimately, this could translate into a more effective execution of IR in practice.

REFERENCES

- (AllanGray. (2020). Putting the 'g' in esg: Lessons from sa - from steinhoff to tongaat [Online]. Botswana. Available: https://www.allangray.co.bw/globalassets/presentations/2021/putting-the-g-in-esg_rob-rose.pdf [Accessed 2021].
- Allen, C. (2002). Building mountains in a flat landscape: Investor relations in the post-Enron era. *Corporate Communications: An International Journal*, 7: 206-211.
- Ao, S. & Huang, Q. (2020). A systematic review on the application of dialogue in public relations to information communication technology-based platforms: Comparing english and chinese contexts. *Public Relations Review*, 46: 1-15.
- Argenti, P. (2007). *Corporate communication*. Boston, McGrawHill / Irwin.
- Babbie, E. (2014). *The practice of social research*. Boston, Cengage Learning.
- Babbie, E. & Mouton, J. (2001). *The practice of social research*. Cape Town, Oxford University Press.
- Bechan, N. (2011). Contextualisation of the function of investor relations from an institutional and private investor perspective. *Communicatio*, 37: 137-154.
- Bell, E., Bryman, A. & Harley, B. (2019). *Business research methods*, Oxford, Oxford University Press.
- Businesstech. (2019). *How fraud at some of south africa's biggest companies flew under the radar* [Online]. South Africa. Available: <https://businesstech.co.za/news/business/331341/how-fraud-at-some-of-south-africas-biggest-companies-flew-under-the-radar/> [Accessed].
- Chandler, C. (2018). More than a zero-sum game: Integrating investor and public relations to navigate conflict with activist investors. In: Laskin, A. (ed.) *The handbook of financial communication and investor relations*. Wiley-Blackwell.
- Chen, Y., Hung-Baesecke, C. & Chen, X. (2020). Moving forward the dialogic theory of public relations: Concepts, methods and applications of organization-public dialogue. *Public Relations Review*, 46: 1-6.
- Cornelissen, J., Van Bekkum, T. & Van Ruler, B. (2006). Corporate communications: A practice-based theoretical conceptualization. *Corporate Reputation Review*, 9: 114-133.
- Dolphin, R. (2003). Approaches to investor relations: Implementation in the British context. *Journal of Marketing Communications*, 9: 29-43.
- Falconi, T. (2010). *Global stakeholder relationship governance*. New York: Institute for Public Relations.
- Falconi, T., Grunig, J., Zugaro, E. & Duarte, J. (2014). *Global stakeholder relationships governance*. New York, Palgrave Macmillan
- Gackowski, T. (2017). The idea of investor relations in the modern economy: A communication approach. *Economic Research*, 30: 1-13.
- Grunig, L. (1992). Activism: How it limits the effectiveness of organisations and how excellent public relations departments respond. In: Grunig, J. (ed.) *Excellence in public relations and communication management*. New York: Routledge.
- Grunig, L., Grunig, J. & Dozier, D. (2002). *Excellent public relations and effective organizations*. New York, Routledge.
- Heath, R. (2013). *Encyclopedia of public relations*. SAGE.
- Hockerts, K. & Moir, L. (2004). Communicating corporate responsibility to investors: The changing role of the investor relations function. *Journal of Business Ethics*, 52: 85-89.
- Hoffmann, C. & Fieseler, C. (2012). Investor relations beyond financials: Non-financial factors and capital market image building. *Corporate Communications: An International Journal*, 17: 138-155.
- Hoffmann, C. & Fieseler, C. (2018). Shareholder activism and the new role of investor relations. In: Laskin, A. (ed.) *The handbook of financial communication and investor relations*. Wiley-Blackwell.
- Hoffmann, C., Tietz, S. & Hammann, K. (2018). Investor relations – a systematic literature review. *Corporate Communications: An International Journal*, 23: 294-311.
- Johannesburg Stock Exchange (JSE). (2019). JSE limited listings requirements. Johannesburg: LexisNexis.
- Johannesburg Stock Exchange (JSE). (2020). *History and overview* [Online]. Available: <https://www.jse.co.za/about/history-company-overview> [Accessed 2020].
- Kahn, C. (1998). *Plato and the Socratic dialogue. The philosophical use of a literary form*. Cambridge University Press.
- Kelly, K., Laskin, A. & Rosenstein, G. (2010). Investor relations: Two-way symmetrical practice. *Public Relations Research*, 22: 182-208.
- Kent, M. (2017). *Prospect of public relations science*, Beijing, Peking University Press.
- Kent, M. & Lane, A. (2017). A rhizomatous metaphor for dialogic theory. *Public Relations Review*, 43: 568-578.
- Kent, M. & Taylor, M. (1998). Building dialogic relationships through the world wide web. *Public Relations Review*, 24: 321-334.
- Kent, M. & Taylor, M. (2002). Toward a dialogic theory of public relations. *Public Relations Review*, 28: 21-37.
- Lane, A. (2020). The dialogic ladder: Toward a framework of dialogue. *Public Relations Review*, 46.
- Laskin, A. (2006). Investor relations practices at fortune 500 companies: An exploratory study. *Public Relations Review*, 32: 69-70.
- Laskin, A. (2007). *The value of investor relations: A Delphi panel investigation* [Online]. Gainesville: The Institute for Public Relations. Available: <https://instituteforpr.org/value-of-investor-relations/> [Accessed 2020/03/05].
- Laskin, A. (2008). *Investor relations: A national study of the profession*. Doctor of Philosophy University of Florida.
- Laskin, A. (2009). A descriptive account of the investor relations profession: A national study. *Journal of Business Communication*, 46: 208-233.
- Laskin, A. (2010). Investor relations. In: Heath, R. (ed.) *The Sage handbook of public relations. 2 ed.* Thousand Oaks: SAGE.
- Laskin, A. (2011). How investor relations contributes to the corporate bottom line. *Journal of Public Relations Research*, 23: 302-324.
- Laskin, A. (2014). Strategic financial communication. *International Journal of Strategic Communications*, 8: 127-129.
- Laskin, A. (2018a). *The handbook of financial communication and investor relations*. Wiley-Blackwell.
- Laskin, A. (2018b). The narrative strategies of winners and losers: Analyzing annual reports of publicly traded corporations. *International Journal of Business Communication*, 55: 338-356.
- Ledingham, J. & Bruning, S. (1998). Relationship management

- in public relations: Dimensions of an organization-public relationship. *Public Relations Review*, 24: 55-65.
- Macey, J. & Miller, G. (1991). Origin of blue sky laws. *Texas Law Review*, 70:347-397.
- McAllister-Spooner, S. & Kent, M. (2009). Dialogic public relations and resource dependency: New jersey community colleges as models for web site effectiveness. *Atlantic Journal of Communication*, 17: 220-239.
- Morrill, D. (1995). *Origins of niri* [Online]. Alexandria: National Investor Relations Institute Available: [https://www.niri.org/about-niri/history-of-niri-\(origins\)](https://www.niri.org/about-niri/history-of-niri-(origins)) [Accessed 2020/03/03 2020].
- Mulder, D. & Niemann-Struweg, I. (2015). *Strategic integrated communication*. Pretoria, Van Schaik.
- Myers, M. (2011). *Qualitative research in business and management*. Los Angeles, SAGE.
- National Investor Relations Institute (NIRI). (2020). About niri [Online]. National Investor Relations Institute. Available: <https://www.niri.org/about-niri> [Accessed].
- Paul, R. & Elder, I. (2007). Critical thinking: The art of socratic questioning. *Journal of Developmental Education*, 37.
- Penning, T. (2011). The value of public relations in investor relations: Individual investors' preferred information types, qualities, and sources. *Journalism and Mass Communication Quarterly*, 88: 615-633.
- Pieczka, M. (2011). Public relations as dialogic expertise? *Journal of Communication Management*, 15: 108-124.
- Post, J., Preston, I. & Sauter-Sachs, S. (2002). *Redefining the corporation: Stakeholder mangement and organisational wealth*. Stanford, Stanford University Press.
- Rao, H. & Sivakumar, K. (1999). Institutional sources of boundary-spanning structures: The establishment of investor relations departments in the Fortune 500 industrials. *Organisational Science*, 10: 27-42.
- Rensburg, R. & Botha, E. (2014). Is integrated reporting the silver bullet of financial communication? A stakeholder perspective from South Africa. *Public Relations Review*, 40: 144-152.
- Rosenstein, G., Kelly, K. & Laskin, A. (2007). Dimensions and models of investor relations practice: A national study of public relations' neglected specialisation. *Annual Convention of the Association for Education in Journalism and Mass Communication*. Washington.
- Schoonraad, N., Grobler, A. & Gouws, D. (2005). An inclusive and integrated approach to financial communication: A conceptual model. *Communicatio*, 31: 273-294.
- Slabbert, Y. & Barker, R. (2014). Towards a new model to describe the organisation-stakeholder relationship-building process: A strategic corporate communication perspective. *Communicatio*, 40: 69-97.
- Strauss, N. (2018). The role of trust in investor relations: A conceptual framework *Corporate Communications: An International Journal*, 23: 2-16.
- Swart, M., Hairbottle, M., Scheun, R., Erasmus-Krizinger, L. & Mona, V. (2019). *Advanced communication skills for organisational success*. Pretoria, Van Schaik.
- Taylor, M. & Kent, M. (2014). Dialogic engagement: Clarifying foundational concepts. *Journal of Public Relations Research*, 26: 384-398.
- Theunissen, P. & Wan Noordin, W. (2012). Revisiting the concept dialogue in public relations. *Public Relations Review*, 38: 5-13.
- Uysal, N. (2018). On the relationship between dialogic communication and corporate social performance: Advancing dialogic theory and research. *Journal of Public Relations Research*, 30: 100-114.
- Van Riel, C. & Fombrun, C. (2010). *Essentials of corporate communication*. Abingdon, Routledge.
- Venter, P., Van Zyl, D., Joubert, P., Pellissier, R. & Stack, L. (2017). *Economic and management research*. New York, Oxford University Press.
- Whitehouse, M., Palmieri, R. & Perrin, D. (2018). The pragmatics of financial communication: From public sphere to investors *International Journal of Business Communication*, 55: 267-274
- Yin, R. (2017). *Case study research and applications: Design and methods*. Thousand Oaks, SAGE.