

Discursive Strategies and the Maintenance of Legitimacy

Marc Hasbani¹ & Gaétan Breton¹

¹ École des sciences de la gestion, Université du Québec à Montréal, Montréal, Canada

Correspondance: Gaétan Breton, École des sciences de la gestion, Université du Québec à Montréal, 315, Ste-Catherine est, Montréal, Qc, H2X 3X2. E-mail: breton.gaetan@uqam.ca

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Abstract

Any organization, to fulfill its mandate from the society, needs to have the legitimacy to use collective resources. Conferred almost automatically at the birth of the organization, it has to be maintained and even repaired when necessary. Legitimacy appears then as a conversation between the organization and the general public. Noticeably, this continuous conversation is sustained through the media and also through documents issued by the firm, particularly the annual report. The firms use discursive strategies to entertain their legitimacy.

Using semiotic analysis in the frame of a multiple cases study (6 firms over 5 years), this paper isolates the different stories in the annual reports, including the images that are integrated parts of these narrations. We apply the semiotic instrument to these stories to deconstruct the content and expose the actor filling actantial roles. We found a substantial amount of stories (187 in 30 reports) containing the categories developed by Greimas & Bremond from the work of Propp, implying an intensive use of the report in the conversation maintaining legitimacy.

Keywords: legitimacy, maintenance, semiotic, case study, annual reports, storytelling

1. Introduction

Legitimacy is an unavoidable asset (Pfeffer & Salancik, 2003) for an industry (Hasbani & Breton, 2013). It is originally granted through a series of papers officialising the existence of the organization and its belonging to a particular sector exerting an activity recognized of public interest (Suchman, 1995) and having ways to do it that are generally accepted (Hasbani & Breton, 2013).

The maintenance of the legitimacy is not always problematic. In the sector of appliances, for instance, the activity is recognized as useful and there had been no controversy around the way it is conducted. But other sectors are more visible and not only because of the size of the firms (Watts & Zimmerman, 1986) but also because what they do is considered more crucial or how they do it hardly acceptable. Nike having been accused of making young children to work in third world countries is an example of the legitimacy challenged because of the way the activities are conducted. The pharmaceutical sector is among those having an activity impossible to question although the practices remain open to criticism. A casual observation allows to naming some of these sectors: pharmaceuticals, medicine, oil and gas, etc. Other sectors will gain visibility because of their potential negative effect on the environment and public health: chemicals, pulp and paper, tobacco etc.

Legitimacy concerns by the public are no matter to be settled in a week or a month. If we take the case of the tobacco industry, we see that this activity having no real opposition fifty years ago is now widely attacked from all sides. However, it still continues to exist for a period difficult to estimate. Therefore, the movement to ban tobacco, if it wins some day, will have taken near a century to concretize its victory. From these examples, we may propose that legitimacy is like a conversation between an industrial sector and the general public (Hasbani & Breton, 2013).

Legitimacy has also an accounting side. Sectors having a high sensitivity to legitimacy fluctuations, conduct activities that are conferred a high degree of importance. This importance will allow them to exhibit a greater flexibility in the processes they use. These sectors maybe highly profitable, because of this flexibility; however, at a certain level, they will be considered as able to do anything for profits. This is the accounting component of the legitimacy. This is also connected with the discourse of Watts & Zimmerman (1986) because these firms may try then to avoid criticisms by diminishing their disclosed profits.

The firm is a discursive reality (Boje, 2001). It can have tangible assets or not, but contrary to a “physical person”, the existence of this “moral person” is ultimately the effect of a consensus. Therefore, its very existence and its potential possession of intangible assets, like legitimacy, are all the effect of some discursive process. We then argue that the maintenance of the legitimacy is a discursive activity and must be studied through discursive approaches. Then, our study follows researches like those of Davison (2008), or Froud et al. (2006) aiming at understanding the use of organizational discourse wanting to influence the perception of users and those following them.

Our study is structured firstly around the notion of legitimacy. Then we present the pharmaceutical sector, followed by the method and the results. Finally, we draw some conclusions.

1.1 Legitimacy

Although the legitimacy has been widely discussed through the years, the concept, when applied to organizations, has not been very much developed. There are many form of legitimacy. Figure 1 shows a characterisation of the legitimacy, applied to firms, to differentiate the different periods, objects and sources (Hasbani & Breton, 2013).

Legitimacy from the citizens

Fundamental recognition that a firm enter in a sector socially important

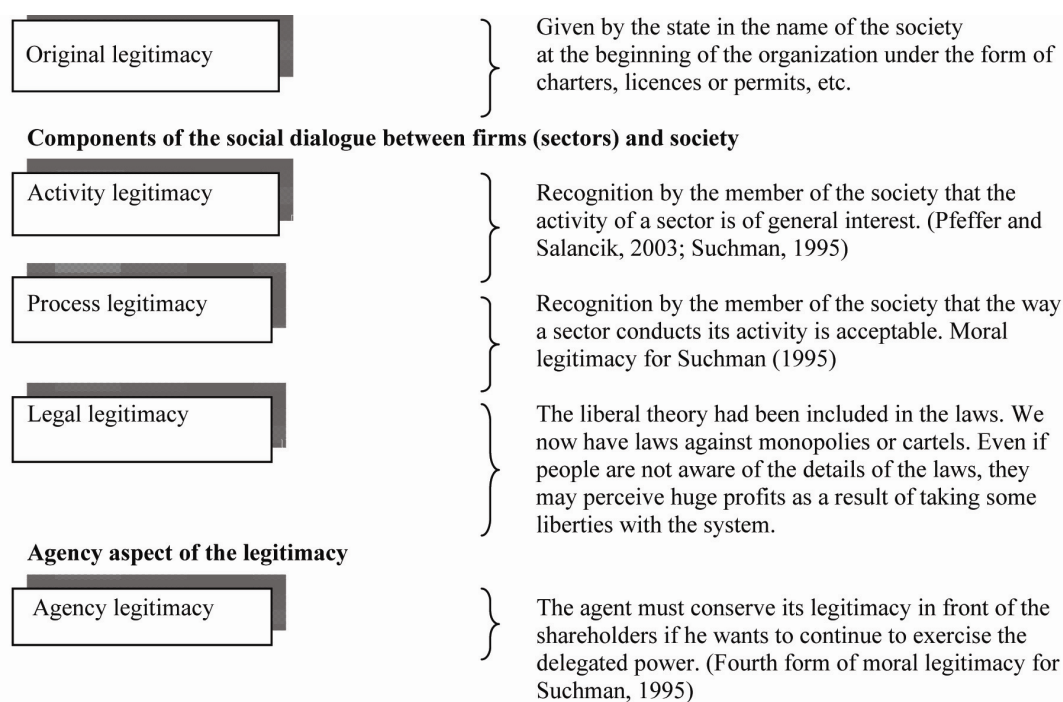


Figure 1. Types of legitimacy related with the sector and with the organisation

Legitimacy is given firstly at the birth of the firm, through legal documents. It is given by the authorities, based on the declaration of the firm that it will work in a sector that is recognized as socially acceptable. Suchman, (1995), define legitimacy as a *generalized perception or assumption that the actions of an entity are desirable proper or appropriate* in a given society. That is the beginning of the conversation about legitimacy that is continued on the public place.

Each sector does not have the same importance in this conversation. Some are more visible and other less. This visibility is related to the size of the firms (Watts & Zimmerman, 1986), to their appearance of being “naturally” there (Weber, 1971), like a restaurant, for instance or their perceived importance for the life of the society. In this latter category we may place the pharmaceutical industry and all the sectors related with health, energy, banking, etc. In these sectors, the activity is never discussed but the processes may be put into question. These sectors will often allow themselves some liberties with the processes because their activities are considered to be crucial, not just acceptable. It would probably be possible to make a kind of index of the activities considered crucial, acceptable or barely tolerable by the society. This index will most probably shows that the oil and gas sector is

allowed to make huge profits and is not really disturbed by huge environmental catastrophes (for instance: the profit figures of British Petroleum during and after the Gulf of Mexico oil spill).

Legitimacy must be maintained at all time to a certain level. There will be many aspects of this maintenance, many fronts on which to conduct the battle. One front will take the form of a conversation between the sector and the citizens. Such conversation will last forever even if, in the period of the crisis, it will intensify. Even during a crisis, the conversation continues until the sector is closed and even then, it can continue even if the activity has been banned, like in the case of the prohibition in the US. This conversational battle takes place in the medias where both sides arguments will be reflected and in other publications of the firm, and, lately, on Internet. This conversation implies the use of discursive strategies.

1.2 Discursive Strategies

Legitimacy is mainly a matter of discourse. It is a kind of endless conversation between an industry and the general public. The public is expressing its perception of the social importance of the activity of an industry and how this activity is conducted (Hasbani & Breton, 2013), through the media. The sector (firms and lobbies) is trying to influence this perception.

The organisation can adapt its output, goals, and methods of operation to conform to prevailing definitions of legitimacy; the organisation can attempt, through communication, to alter the definition of social legitimacy so that it conforms to the organisation's present practices, output and values; and/or; the organisation can attempt through communication to become identified with symbols, values or institutions which have a strong base of legitimacy. (Dowling & Pfeffer, 1975, p. 127)

Discursive strategies, for Dowling & Pfeffer, (1975), are more important than changing the actions. Lindbloom (1994) and Massey (2001) also propose discursive strategies to maintain and regain legitimacy. Guthrie & Parker (1989) add that the annual report is a designated place to do this work. The pharmaceutical sector has developed particularly efficient rhetorical strategies to perform this task.

1.3 The Pharmaceutical Sector

As we said before, the legitimacy of this sector's activity is very high. Therefore, the sector might be inclined to take liberties with the procedural or the legal aspect of the legitimacy (Figure 1). Firstly, we will look at the position of the sector in the economy and then we will discuss the main elements around which their discourse is evolving.

1.3.1 The Profitability of the Sector

The sector conserves an average net profit of 20% between 2006 and 2010. During those five years, the sales have increased by 40%.

Table 1. Sales of the largest pharmaceutical companies for 2006 and 2010 and their rank in 2010

Rank	Company	2006*	2010*
108	Johnson & Johnson	50.5	61.9
140	Pfizer	51.4	50.0
153	Roche Group	28.5	47.1
160	Novartis	32.2	45.1
163	GlaxoSmithKline	39.4	44.2
169	Sanofi-Aventis	35.4	43.4
226	Astra Zeneca	24.0	32.8
250	Abbott	22.3	30.8
294	Merck	22.0	27.4
396	Eli Lilly	14.6	21.8
405	Bristol-Myers Squibb	20.2	21.6

Source: *Fortune Magazine*, Global 500—Annual ranking of the world's largest corporations, 20-07-2010 and 24-07-2006.

Note. *In billions of US dollars.

In term of sales, these firms are quite well placed in the world's first five hundreds. However, they do even better in term of net profit.

Table 2. Profit/sales of the largest pharmaceutical companies for 2006 and 2009 and their rank in 2009

Rank	Company	2006*	2009**
2	Merck	21.0	32.7
8	Bristol-Myers Squibb (BMS)		24.6
18	Johnson & Johnson	20.6	20.3
23	Novartis	19.0	19.8
25	Wyeth	19.5	19.3
26	AstraZeneca	19.6	19.3
28	GlaxoSmithKline	22.2	18.9
29	Roche Group	16.3	18.7
37	Pfizer	15.7	16.8
38	Abbott		16.5

Source: *Fortune Magazine*, Global 500—Annual ranking of the world's largest corporations, 20-07-2009 and 24-07-2006.

Note. *Profit in proportion of the sales. **Last year *Fortune* published this information (Highest return on revenues) in its annual survey.

These companies seem to resist quite well to the crisis with 10 of them figuring in the 50 most profitable enterprises in the world. Probably because in difficult times, drugs are considered an essential expense given priority. This goes in the direction of a high level of legitimacy of the activity.

This sector is one of the most profitable:

Table 3. List of the sectors in order of profitability in 2009

Rank	Sectors	Profits (% of sales)
1	Mining, Crude-Oil Production	19.8
2	Pharmaceuticals	19.1
3	Tobacco	12.3
4	Food Consumer Products	11.9
5	Household and Personal Products	9.9
6	Telecommunications	7.5

Source: *Fortune Magazine*, Global 500—Annual ranking of the world's largest corporations, 20-07-2009.

Interestingly enough, the tobacco sector for instance, despite its legitimacy crisis, report large profit margins possibly reflecting the information about incorporating more addictive substances into their products. So, those who are still smoking are more strongly addicted than ever. Therefore, the users consider this product of first necessity, even during an economic crisis period.

1.3.2 The Discourse of the Pharmaceutical Industry

Historically, these industries have justified their high level of profit by the necessity of financing research & development (R&D). Accountingly speaking, this argument has no basis, as the profit is calculated after deducting research & development expenses. However, it is not destined to accountants, but to the general public.

In fact, the sector spends twice as much for marketing, sales and administrative expenses than for R&D. Moreover, taking into consideration that doing R&D implies investing in fixed assets (laboratories and up-to-date equipment), the sector is disinvesting considering that its fixed assets have decreased in proportion of total assets by more than five percent between 2006 and 2010. Large pharmaceutical companies have merged and bought other ones, shredding the sector and decreasing the competition. This lost competition (legal legitimacy in Figure 1) is compensated by discourse:

Overall GSK's strategy is one keeping things going (by merger) for the stock market, in a world where multiple and contested narratives are as important as the financial numbers. (Froud et al., 2006, p. 151)

The discourse is then essential to maintain the level of legitimacy despite practices (R&D level of expense or reducing the market through mergers and acquisitions) opposed to what the general public finds legitimate. The discourse is perverting the meaning of actions isolating itself from any referential connection, evolving in a schizophrenic relation with the "reality" that Baudrillard (1981) named hyperreality.

The importance given to the narratives to replace facts lead to an extensive usage of the storytelling to frame the

activity of industrial sectors. Storytelling has invaded every parts of our life (Barthes, 1957) including the annual report. To substantiate this, let's look at the practices of TAXI, a public relation firm producing many annual reports.

Whatever the media used, Taxi is telling captivating stories. From the televised advertising to the internet site, in passing through our famous publicity schemes, we are guided by out of common perspectives inspiring us with smashing ideas having durable effects. (TAXI, 2010) (Our translation)

Consequently, we need a method to analyze stories told in the annual report through the texts, obviously, but also through the pictures that are reputed to worth a thousand words.

Proposition 1: the firm are using discursive strategies to maintain their legitimacy

Proposition 2: these strategies are conducted through the media and the documents produced by the firms, noticeably, the annual report

Proposition 3: the use of the storytelling helps to format the information in a way to influence the perception of the public

2. Methods

As we are exploring new areas, we opted for a multiple cases study approach. This section explains the way we selected our cases and how we analyzed the annual report of these firms.

2.1 An Embedded Case Study

Following Yin (2009), we opted for a simple case study with six embodied units of analysis: Johnson & Johnson, Pfizer, Merck, Bristol-Myers Squibb, Eli Lilly, & Abbott, reducing our group to US based firms. Our choice of studying the six US leaders is based on the idea that smaller firms in a sector will have a tendency to align on the practices of the leaders (DiMaggio & Powell, 1983) and that these leaders will control the lobbying activity in their sector if only by financing it.

As we look for the discourse of the sector, our source of data will be mainly documentary. We will focus on the annual report of these firms, to see how they maintain the legitimacy of the sector.

However, the documents are not, in a scientific perspective, immediately accessible in all their dimensions for the casual reader. Consequently, we need a method to extract the content of the texts or images. There are some of them on the market (Breton, 2009). To conduct our analysis, we have decided to use some semiotic instruments (Hasbani & Breton, 2013).

Firstly, our analysis lays on the use of storytelling in the organizational discourse, verbal or written. This use has been discussed by many authors: Salmon (2007), Gendron & Breton (2013).

2.2 The Semiotic Tools

Courtès (2007) describes the situation as follows:

We will understand then that it is possible to oppose a “realistic” discourse—which appealing to the traditional five senses, give an impression of “truth”—to a treaty of logic, or more widely of philosophy from the conceptual universe. (...). At this level, we must recognize that the figurative discourse is always more convincing than the thematic one, and, if we want inculcate to children one or another system of values, the best is obviously to present it in a figurative manner, reaching the “realism” style. (Courtès, 2007, p. 107)

This discursive principles had been deeply understood by those in charge of the communication in the firms (Salmon, 2007).

To substantiate that storytelling has invaded the business world, and present it in a figurative manner, we have a paragraph from the *Annual report 2006* of Johnson & Johnson presented as Figure 2. Therefore, the annual report is presented as a collection of stories showing, more than telling, what are the company and mostly the people in it.



Figure 2. Presentation of the storytelling activity by a pharmaceutical firm

For a more complete description of the use of semiotics analysis on texts we will refer the reader to Breton (2009) and Hasbani & Breton (2013). However, we will use two analytical instruments from the semiotics toolbox. The first will be the actantial structure (Greimas, 1976), and the second will be the function (Propp, 1965; Bremond, 1964, 1966).

Propp studied folktales. He was interested in a level of autonomous signification, doted of a structure that can be isolated from the content *per se*, and that Bremond called the narration (le récit) (Bremond, 1964). This is not the form in classical linguistics terms, this level, analogically with Hjelmslev, can be termed the form of the content while the events reported will be the substance of the content. While the substance of the content is changing for each story, its structure, the “form of the content” remains relatively stable. The actantial structure of Greimas is one of those persistent structures. This level of analysis is precisely where lies the semiotics, recognizing the recurrent structures in the narratives and taking this study as the basis for a linguistic of a higher order (Barthes, 1966).

The transformation (Everaert-Desmedt, 2000) leads to a state of happy stability from a situation of crisis initiating the narration. This “happy ever after” situation is characteristic of the maturity consisting in a wise government of self, leading to happiness (Bettelheim, 1976). For Courtés (1976), it is not the end; it is an empowerment necessary for realizing the desired social ascension. Whatever the interpretation proposed of the “happy” end, it will occur out of the narration. So, as in the US TV series, for the story to restart the next week, this state has to be delayed indefinitely. This is also what the firm do in the annual report (Hasbani & Breton, 2013).

Our analysis will evolve around those two tools, the semiotic function as redefined by Bremond (1964, 1966) after Propp (1965), and the actantial structure, as proposed by Greimas (1976).

2.3 Our Corpus

We use the documentary approach on a series of communication from a number of leaders of the pharmaceutical industry. The main studied document is the annual report. In figure 2, we see that J&J talk of stories, implying that their annual report contains more than one. Actually we have 6 companies, with 5 reports each, meaning a total of 30 reports presenting a total of 187 stories. For a part of the text to be qualified of “story”, it must contain an actantial structure and a diegesis. Table 4 presents some statistics about our corpus.

Table 4. Characteristics of the annual reports in our corpus*

Companies	Nb. of pages** ²	Narrative sections*** ³	Nb. of stories	Nb. Of pictures going along the stories
J&J	48.2	18.8	12.8	13.6
BMS	41.4	10.2	8.2	10.6
Abbott	38.2	36.0	9.6	11.2
Eli Lilly	11.0	2.6	1.0	2.0
Merck	18.2	6.0	1.8	3.0
Pfizer	44.2	18.7	6.7	6.7

Note. *The statistics are the means of the variables for the 5 years under study. **The number of pages of the report excluding the financial statements and the notes. ***The number of pages before the MD&A section, including the front cover and the page inside it.

We identified 187 stories in our sample. However, they are not coming in equal proportions from the firms. Table 4 shows that the narrative sections, in average for each firm, have a large standard deviation. Eli Lilly has 2 pages while Abbott has 36. It must be noticed that the 18.8 pages of J&J contain more stories (12.8) than the 36 of Abbott (9.6).

3. Results

This section will be in two parts. Firstly we will provide example of the analysis we have done. Secondly we will present statistics on the presence of the targeted characteristics in the retained corpus.

3.1 Examples of Analyses

Firstly, we want to identify the actants in the stories. Table 5 shows the category of actor filling the function of hero in our 187 narrations.

Table 5. Frequency of the different type of actors having the actantial role of the hero

Characters playing the hero	Raw frequency	%
Patient	79	42.2
Employees-Research staff	27	14.4
Management and marketing staff	27	14.4
Doctors in medicine	26	14.0
Foundation created by the firm	10	5.3
Parents of a sick child	8	4.3
Employees—other	4	2.1
Nurse	3	1.6
NGO	2	1.1
Government	1	0.6
Total	187	100.0

The patient is, by far, the most popular hero. Interestingly enough, the management and marketing staff have the second place *ex-aequo* with the research staff. However, when this information is connected with the fact that pharmaceutical firms spend more money in marketing than in research, we understand that these people are quite important. Figure 3 shows the cover of the 2006 *Annual report* of Merck.

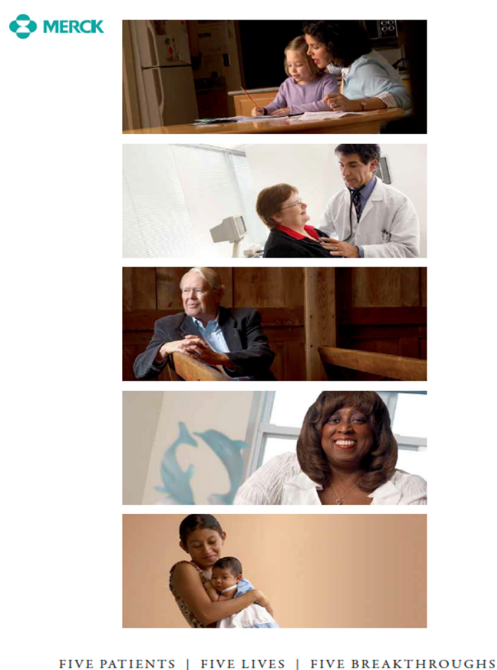


Figure 3. Merck's cover of an *Annual Report*

Five pictures imply five stories. The fourth story will be described that way:

For much of her adult life, JAMILLA COLBERT suffered from the disfiguring effects of CUTANEOUS T-CELL LYMPHOMA... Most people have never heard of cutaneous Tcell lymphoma (CTCL). But for those who have this form of cancer, which affects the skin, every day is a challenge: pain and discomfort, stares from unthinking strangers, frustration that nothing provides real relief. It's been 25 years since Jamilla Colbert noticed the first signs of CTCL—itchy skin, followed by growths on every part of her body that wouldn't go away. Over the years, Jamilla's search for relief led to one disappointment after another. From topical ointments and chemotherapy to fullbody radiation and surgical removal of tumors, nothing proved completely satisfactory. Although she got relief from some of these treatments, over time she still experienced symptoms of her CTCL. "I felt so alone," Jamilla recalls. "The doctors had no idea what more they could do for me." Then, two years ago, her doctor learned about a Merck clinical trial for the treatment of CTCL, and immediately thought of Jamilla. She enrolled and had very positive results from treatment with the drug, called Zolinza. And while not all patients respond as favorably as Jamilla has, Zolinza has definitely improved her life. As Jamilla will tell you, "I have been blessed. There is hope out there." (Merck, 2006, p. 14)

Table 6 shows the results of the application of the semiotic tools to this story:

Table 6. Application of the semiotic tools to the story of Jamilla Colbert

Actantial structure		
Destinator	Object	Receiver
Merck	Health	Jamilla Colbert and other patients
Adjuvant	Hero	Opponent
Merck	Jamilla Colbert	CUTANEOUS T-CELL LYMPHOMA
Her doctor		
Functional structure		
Initial situation	Transformation	Final situation
"I felt so alone," Jamilla recalls. "The doctors had no idea what more they could do for me."	Zolinza has definitely improved her life	"I have been blessed. There is hope out there."

We have the typical structure of a story with a negative situation at the beginning, then a transformation (melioration, Bremond, 1966), helped by the adjuvant, leads to a much more satisfactory situation at the end. This happy ending is also the defeat of the opponent, the sickness and the resulting miserable life.

Such story is legitimizing the pharmaceutical sector in many ways. Firstly, by eliminating the sickness, the pharmaceutical industry appears to fulfill its social contract and to redeem its right to use public resources. Secondly, the industry is sending back to society important resources that were not performing because of the illness. Therefore, the pharmaceuticals are rending back what they take. The sick person is the main agent of her recovery. Merck is just helping and bringing health to the people, as it is its mission. Figure 4 presents some extracts of the mission statements of some pharmaceutical firms as found on their Internet sites.

Abbott : «We are here for the people we serve in their pursuit of healthy lives. This has been the way of Abbott for more than a century – passionately and thoughtfully translating science into lasting contributions to health.»

BMS : «Our mission is to help patients prevail over serious diseases. It's a simple mission, but a powerful one.»

Eli Lilly : «The 10th largest pharmaceutical company in the world, Lilly, has remained dedicated to creating medicines that help improve peoples' quality of life for more than 135 years. At the heart of Lilly's operations are its core values - excellence, integrity and respect for people.»

J&J : «We believe our first responsibility is to doctors, nurses and patients, to mothers and fathers and all others who use our products and services...»

Merck : «As an organization, our core values are driven by a desire to improve human life, achieve scientific excellence, operate with the highest standards of integrity, expand access to our products and employ a diverse workforce that values collaboration.»

Pfizer : «At Pfizer, we apply science and our global resources to improve health and well-being at every stage of life. We strive to set the standard for quality, safety and value in the discovery, development and manufacturing of medicines for people and animals...»

Figure 4. Extracts of companies' mission as expressed on their Internet sites

For illustrative purposes, let us consider a case of a doctor being the hero.



Figure 5. Image of a satisfied doctor after having changed the life of one patient

The analysis of pictures is not well developed. Barthes (1964) did some famous example although not totally convincing. Since, we learn a few things about what we really see and what our brain constructs in an image (Groupe μ , 1992). A publicity picture is constructed in such a way that the eye will focus on the surfaces where the key information is placed (Joly, 2009). For Péninou (1970), there are four principal configurations in the construction of publicity pictures. The *focalized construction* places the product where all the lines are converging. The *axial construction* places the product at the center of the picture. The *construction in depth* integrates the product into a scene although it is placed at the first level. Finally the *sequential construction* places the product at the end of the path the eye is following. Normally, in our societies where we read from left to right the look will follow a kind of Z form, starting at the left top to scan the top then following a diagonal from the top right to the bottom left and then going to the bottom right (Péninou, 1970). We must also consider the light, because it will play a role in directing the attention. The fact that we have a high angle or a low angle shot also influences our perception of the image. In marketing they have developed some understanding of the

use of pictures in messages. Even in health communication, those findings had been applied (Stones, 2013). Following Levie & Lentz (1982), illustrations have four fundamental functions presented in Table 7.

Table 7. Functions of text illustrations

Attentional	1- attracting attention to the material
	2- directing attention within the material
Affective	3- enhancing enjoyment
	4- affecting emotions and attitude
Cognitive	5- facilitating learning text content via
	a. improving comprehension
	b. improving retention
	6- providing additional information
Compensatory	7- accommodating poor readers

Source: Stones, 2013, p. 87.

In marketing, all these functions lead to the formation of a positive attitude toward what the firm is selling. In the images we present here, the affective function is quite prominent, provoking emotional response.

The term “affective” design refers to empathetic, meaningful design that intends to evoke affect. Carliner (2000) added the term “affective” design to a framework for information Design, referring to it as “designing the communication product for its optimum emotional impact.”(...). The terms then relate strongly to products that are either bought or selected/used over key competitors, with positive affection playing a role in that selection criteria or continued use. (Stones, 2013, p. 87)

These affects will be felt through a certain way of “reading” the pictures.

In our case, the image is clearly made to be read following the “Z” pattern. The first thing in the spot is the face of the researcher. We can describe his *jocondial* smile as expressing his satisfaction. Then we go down and see, from the smock he is wearing, that he is a scientist. If we do not understand at first glance, it is written on it. And, finally, we go toward the computer that we recognized mainly by the keyboard. The message is: “It’s wonderful to make a difference in someone’s life”. The picture is also slightly low angle giving the superior place to Doctor Hess, the great researcher. We are at the bottom of the picture and, at the top, the Doctor is looking up, inside himself in fact, for new great ideas that we are too low to conceive but that will have wonderful effects on our lives. Table 8 presents the elements of our analysis of this story.

Table 8. Application of the semiotic tools to the story of Doctor Hess

Actantial structure		
Destinator	Object	Receiver
J&J	Health	Unidentified patients
Adjuvant	Hero	Opponent
Doctor Hess	Doctor Hess	Scoliosis and other spinal deformities
J&J		
Functional structure		
Initial situation	Transformation	Final situation
Many have an uneven waist, asymmetrical shoulders or a large hump. Some are in such great pain that they’re barely able to walk.	“The vision we have is to use Harmonic technology as the cornerstone of a growing energy franchise that will offer multiple benefits to surgeons and patients in any procedure.”	“It makes a difference in the care I can provide for my patients.” »

Here again, it is about having fulfilled the mandate given to the industry to help people recovering health, and spreading this goodwill as widely as possible.

But, the profits of the pharmaceuticals are huge. Therefore, firstly, to justify this situation, they claim to need such high profits to make more R&D. But, also, they create foundations to produce an impression of redistribution. In this category of stories, the foundation will be the hero. Figure 6 provides an example of a picture illustrating such story.



Figure 6. Image of a young African now playing with his friends, because of the action of the firm in African countries

A rhetorical strategy consists in creating a reality effect (Barthes, 1968). Aristote, in his *Rhétorique* (1991), said “believable is preferable to truth, as the truth is not always believable” (our translation). So, to create an effect of truth, it is important to show real people, to name them and to provide details of their life that is giving them a real existence.

Figure 6, shows more than a real child, it shows, through the other silhouettes in the background, that he is playing, therefore happy and in reasonable good health taking into account the terrible illness he is carrying.

The Baylor College of Medicine—Abbott Fund Children’s Clinical Centre of Excellence—Malawi is the country’s first outpatient clinic dedicated to serving children and families living with HIV. Brian is one of many children receiving medical care at the center through a comprehensive program. To date, Abbott and Abbott Fund’s programs have assisted more than 600,000 children and families impacted by HIV/AIDS in the developing world. (Abbott, 2006, p. 40)

Table 9 shows the semiotic categories applied to this story.

Table 9. Application of the semiotic tools to the story of Doctor Hess

Actantial structure		
Destinator Abbott	Object Access to medicines	Receiver Unidentified patients personified in Brian
Adjuvant Abbott	Hero Abbott Foundation	Opponent Problems to access drugs in some countries
Functional structure		
Initial situation Children have no access to drugs and treatment despite their serious state of health	Transformation (...) clinic dedicated to serving children and families living with HIV	Final situation To date, Abbott and Abbott Fund’s programs have assisted more than 600,000 children and families impacted by HIV/AIDS in the developing world.

Semiotic analysis may focus on the use of children in such story. Children are reputed to be innocent. Therefore, if the sickness can be resulting from something adults did, it is not the case for children making their sickness more revolting and the help someone can bring more admirable. The use of children is wide spread to create a dramatic effect. Now that we have illustrated our method let’s see the results.

3.2 Systematic Analysis

After these examples, we may provide some results encompassing the 187 stories from the six pharmaceutical firms. This analysis will start with the pictures, as it is of public notoriety that every one worth 1000 words. We found 222 pictures illustrating the 187 stories. However, in term of social role (as opposed to actantial role) we will have more than 222 as photos can contain many peoples. Table 10 shows the frequencies of the social role of the persons on the pictures. While the pictures go along the stories, every appearing person is not necessarily

referred to in the text.

Table 10. Social roles of the persons appearing on the pictures

Social roles	Number
Patient	203
Employee	87
Member of the patient's family	36
Doctor	14

It is obvious that the patient (potential or actual) is the main target of the message. Therefore, the report shows principally patients' stories. When we find employees' stories, they are mostly researchers (Table 12 below). Doctors form a category of researchers or some foggy category of scientific, as Doctor Hess. However the fourteen doctors found in our table are not employees of the firm but outsiders having benefited of the innovations from the company. Consequent with this finding, three quarters of the persons on the pictures come from outside the firm as shown in table 11.

Table 11. Origin of the characters presented on the pictures

Origin	Number	%
Internal	90	24
External	287	76
Total	377	100

On the 90 persons internal to the organization, we have 87 employees fulfilling different functions as shown in Table 12.

Table 12. Functions of the employees presented in the pictures

Department	Number	%
Research	47	54
Administration	17	19
Packaging and distribution	6	7
Sustainable development	5	6
Marketing and sales	4	5
Unidentified	4	5
Cleaning	2	2
Engineering	1	1
Nurse	1	1
Total	87	100

Even if, in budgetary terms, as we saw when presenting the industry, research is far from being the most important activity of the firm, it is by far the most widely represented in the stories and the pictures in the annual report. Following Froud et al. (2006) only 14% of the employees in the pharmaceutical sector work in research departments. They are over represented in the report. Conversely, administration and marketing represent 53% of the employees and manufacturing 33%. These departments are clearly underrepresented in the report. Acknowledging that the annual report has no obligation to present the different categories of workers proportionally, the realized proportions shows which part of the activity of the firm the management wants to place under the spotlights.

These choices are made to create a particular image, which is not encompassing the ensemble of the situation. The lucrative aspect of the activity is mostly obliterated to create the image of a beneficial organization, almost a charitable one enhancing the public acceptance of the firm and therefore maintaining its legitimacy.

4. Discussion and Conclusion

Suchman (1995) proposes a series of strategies to maintain legitimacy classified into two groups: perceiving future changes and protecting past accomplishments.

Our findings show at least a huge effort to protect past accomplishments. The firms are saying that they help people regaining health for decades. They say that by systematically telling stories about patients recovering from a severe illness and returned to normal life after taking some treatments offered by the firms.

By showing researchers at the top of their discipline, they also orientate the perception of future changes. They demonstrate that they are well placed to continue to be at the leading position in the race for new drugs and new treatments.

Our results also go in the direction of the propositions extracted from previous studies. The multiple stories found in the annual report of the six firms studied over five years (30 firms/years) support the studies having found an increasing number of such stories in firms' written documentation and verbal discourses. We can conclude that storytelling is widely used in the pharmaceutical sector opening the way to an extensive survey of such narrative form in annual reports and other firms' publications.

This narrative form is a privilege tool formatting the message into a format that is easy for the reader to adhere to rather than understand. As we have seen, the pictures and the short texts add to produce an effect and carry the message than the firm has for first goal to help people being as healthy as possible while the numbers, to some extent, says the contrary. For instance, the Africans are overrepresented in those pictures regarding the effort that is done to care for their specific illnesses (malaria, etc). In a way, taking into account the cost of medicine in US, African-Americans are also overrepresented. Consequently, our three propositions enounced previously are, at least, not contradicted by our results.

For the theory of legitimacy, we propose to acknowledge that legitimacy is related to an industry rather than a particular firm. It is an activity that is losing legitimacy not a firm, which may be losing its reputation. When the process is challenged, rather than the activity, it is also at the industry level. We also propose that legitimacy does not work the same for exposed industries and those who are not. As health can be considered very sensitive for the population, the pharmaceutical industry is quite under the spotlights therefore having to constantly maintain its legitimacy in an endless conversation with the citizens.

Further research may be interested in building an index of the industries in order of sensitivity to legitimacy fluctuations. Such research may also be interested in analyzing pictures more extensively which is actually quite ignored in the studies of annual reports or even of Internet sites. Such researches will also have to consider a wider spectrum of sources, maybe placing the emphasis on more widely spread sources than the annual report.

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