

กลยุทธ์การรายงานเชิงสำนวนการรายงานผลการควบคุมภายใน Reporting Strategies of Rhetoric on the Effectiveness of Internal Control Reports

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บทคัดย่อ

งานวิจัยฉบับนี้มีวัตถุประสงค์เพื่อวิเคราะห์รูปแบบกลยุทธ์การเขียนสำนวนเกี่ยวกับการรายงานประสิทธิภาพการควบคุมภายในของผู้บริหาร โดยในการวิเคราะห์ที่ใช้ส่วนของ Aristotle ซึ่งประกอบด้วย ความน่าเชื่อถือ (Ethos), เหตุผล (Logos), และการโน้มน้าว (Pathos) ทำการวิเคราะห์แบบ Content analysis ทั้งนี้เก็บตัวอย่างจากบริษัทที่มีการซื้อขายสูงสุดในแต่ละปีจำนวน 3 ปี คือ กลุ่ม Set50 ปีละ 50 บริษัท รวมทั้งสิ้น 150 บริษัท ผลการศึกษาพบว่าผู้บริหารของบริษัทจดทะเบียนนิยมเขียนรายงานด้วยสำนวนความน่าเชื่อถือ (Logos) มากที่สุด ส่วนการอธิบายความน่าเชื่อถือและการโน้มน้าวมีบ้างเล็กน้อย หมายถึงทุกบริษัทนิยมเขียนสำนวนการรายงานผลการควบคุมภายในด้วยการอธิบายเหตุผลและกระบวนการทำงานมากกว่าที่จะเขียนเพื่อสร้างความน่าเชื่อถือและโน้มน้าวใจให้เชื่อถือผู้บริหารและบริษัทซึ่งแสดงให้เห็นว่าบริษัทส่วนมากปฏิบัติตามกฎหมายว่าด้วยการรายงานการควบคุมภายในของตลาดหลักทรัพย์แห่งประเทศไทย

คำสำคัญ : กลยุทธ์การรายงาน, กลยุทธ์เชิงสำนวน, รายงานการควบคุมภายใน, รายงานประจำปี

Abstract

The purpose of this research is to analyze the rhetorical strategies of the executive on the effectiveness of internal control. Content analysis is through the rhetoric of Aristotle, which contained as Ethos, Logos, and Pathos. The samples of the companies are collected the SET that has the highest trading volume in each year. They are Set50, each company have 50 and totaling 150 companies in 3 years. The results show that, the executives of the listed companies are most likely to write reports with logos. There is little to explain the credibility and persuasion. This act means that every company is more likely to write internal control reports by explaining the reasons and processes than writing them to build credibility and persuade them to trust the executives and companies. It shows that most companies comply with the law governing the internal control of the Stock Exchange of Thailand.

Key words: Reporting strategies, Rhetoric, Internal Control Reports, Annual Report

Introduction

The internal control system is a key part of corporation governance. It is extremely important mechanism and management tool (Li & Zhang,

2014; Leventis et al., 2005; Owusu-Ansah, 2000).

The main purpose of maintaining internal control system is management to run an efficient business, safeguard assets, protect against error

and fraud, and prepare accurate, complete and timely accounting records (Nogueira & Jorge, 2016). Moreover, the most important is that it supports to ensure credible financial reporting information and that firms comply with laws and regulations (El-Mahdy & Park, 2014; Jones, 2008). The good internal control is considered to be an important factor in achieving good quality financial reporting. It is a cause of corruption in financial reporting. For example, Enron Corporation in the United States of America regarding its financial reporting (balance sheet scandals) collapses to happen in its internal control (Hunziker, 2013).

In case Enron company and many company in America affect to arise the section 302 and section 404 which mandates that firms must disclose information about the quality of their internal controls (Lin et al. & Huang, 2014) and the external independent auditor is responsible for issuing a report on the effectiveness of internal control over financial reporting and an attestation report on management's assessment of internal controls (Chan, Farrell, and Lee, 2008). In order to enhance the transparency of U.S. capital markets and investor confidence in the reliability of financial statements (Wu & Tuttle, 2014; Krishnan, 2005).

From these regulations, it is chance of top management that use to reporting strategy with linguistic rhetorical (Leibbrand, 2015) if companies have the internal control weaknesses. They have to write by rhetoric for beautiful internal control system report. In the past researchers found that the effect of material internal control weaknesses is relation with manager of earning management behavior (Chan,

Farrell, & Lee, 2008; Doyle, Ge, & McVay, 2007). Top managers may be tempted to override internal control systems or take full advantage of material internal control weaknesses to achieve better performance or higher compensation if shareholders cannot effectively monitor their behavior.

Another view, if company has the internal control weaknesses, managers will apply communication strategy for restoration image. Reporting strategy is one part of communication strategies are used to "manage meaning, represent the organization, build trust and credibility, and manage uncertainty. Reporting strategy is one problem of agency theory. Namely, agency theory predicts that, there is conflict between the incentives of the principal and agent, the agent will tend to do self-interest when is provided the opportunity such as an informational advantage is over the principal (Jensen & Meckling, 1976). Hence management has bad information that can conceal with the shareholder or the investor. As management may be write the report for the shareholder by linguistic rhetorical that reader (shareholder) confuses in the company of information. Reporting strategy of company information is the information asymmetry that exists between reader and writer (shareholder and top manager). Accordingly accounting researchers consider the relation between asymmetric information and cost of capital. They show that the greater information asymmetry leads to higher costs of capital (Hughes, Liu & Liu, 2007).

Theory of Benoit argues that based on the assumption that, if negative image, the communicator will be motivated to attempt to

restore its image as one of the goals of its communication to the stakeholder (Benoit, 1995; Erickson, Weber, & Segovia, 2011). Consequently top managers can create an adequate reporting strategy of internal controls in order to present their company's achievements and drive organizational change. For these reasons, Top manager's rhetoric is fundamental not only to report facts but also to influence future corporate strategic choices (Hung, 2011).

Most researchers in the past emphasize on disclosing or reporting weaknesses of internal controls that will affect the company's performance. Actually, it's not just about disclosing the weaknesses of internal control. Executives or top managements must describe cover the effectiveness of internal control to shareholders. So, it is few the research on reporting strategy of internal control. It may be possible. Researchers have the idea that the use of rhetorical narrative reporting strategies may affect the performance of the company. Rhetorical narrative reporting strategies are a tool that interested shareholders can read for insights. Especially this paper, researcher focuses on internal control system rhetorical choices. Top managements have to determine how to the right rhetorical choices

As mentioned, Researcher interests the linguistic rhetoric of executive that to write the internal control report to shareholder and investors. So the objective of this research explores executive of the reporting strategy effectiveness of internal control system in the Stock Exchange of Thailand. Which this research is appropriate with context of Stock Exchange of Thailand. Because of listed companies are mandated by SEC to write the report to describe

the effectiveness of internal control system. The benefits of this paper will provide a template for management that has how to of discourse in writing an internal control effectiveness report. In the other word, shareholders and investors understand with how to read reporting strategy of internal control. The regulators can improve consistent the internal control reporting provisions. In addition this research is the initial of narrative research on internal control reporting. Its research can serve as a guideline for future research, such as the studying the determinant and consequence of the rhetorical reporting for internal control.

Literature Review

Theories of reporting strategy

This research is early research to explore the strategic styles of reporting on internal control effectiveness. Therefore, this study concentrates the communication of internal control effectiveness to stakeholders. Management of the company can create a beautiful language to write the report to the reader is satisfied with their performance. The agency theory can explain internal control reporting for reduced the party asymmetry information. Reporting strategy is one problem of agency theory. Agency theory predicts that, there is conflict between the incentives of the principal and agent, the agent will tend to do self-interest when has the opportunity. While the principal is detect his interest (Jensen & Meckling, 1976).

This problem affects the principal with the information asymmetry. Principals need to use process for arranging the interests of agents, reducing the scope of information asymmetries,

thus monitoring stakeholders reduce this aspiring behavior agent (Chung, Firth, and Kim, 2005). Namely, management has the opportunity to be written annual report with rhetorical to build credibility for themselves. Information asymmetries are less more if shareholder recognizes the rhetoric of the annual report.

Background reporting of the internal control system

The internal control is the importance element in managing organization. It is the processes and procedures that management put to work to make sure protection of assets, and that all business activities are in line with those policies and procedures (Radebaugh et al., 2006). The processes of internal control help to monitor policies and procedures, to enforce them better as well as to help reduce errors and fraud (Zakaria & Talet, 2014). Commonly internal control system is integrated as part of each system that management uses to regulate and guide its activities. Internal control system is controlled by an entity's board of directors, management and other personnel. Or it is called as management of tool.

Key factor in this duty is making sure that appropriate controls are put in place. Adequate internal control supports managers to delegate responsibilities to their subordinates and contractors with reasonable assurance that the work will be done as per policies and procedures. System designing provides reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations, (2) reliability of financial reporting, and (3) compliance with applicable laws and regulations. The overall internal control

systems of many companies have to address the demands of improved financial reporting internal control consists of five interrelated components.

The components are: the control environment, risk assessment, control activities, information and communication, and monitoring.

On July 30, 2002, President of the United States signed the Sarbanes-Oxley Act into law it as critically needed corporate reform to restore public confidence in the U.S. financial markets (The White House, 2002). The act is dubbed SOX. It is the public company reform and investor protection. The Acts are created in the wake of a corporate and accounting scandal that impaired public confidence in the integrity of corporate governance, financial reporting, and the public accounting profession (Public Company Accounting Reform and Investor Protection Act, 2002). The Securities and Exchange Commission (SEC) recently adopted rules, concerning management's report on its "internal controls over financial reporting" and certification of disclosure. Under the Act, public companies must develop new practices involving corporate governance and financial reporting. One of the most challenging aspects of SOX's requirements is a company's responsibility for internal controls, which requires public companies to report annually on their internal controls over financial reporting. This for the reason, SOX is the most important legislation for the accounting profession (Niemoetko, 2003).

The SOX acts are intended to improve and preserve the quality and integrity of financial reporting and audits, and restore the confidence of investors and other users in the financial reporting. Under SOX, corporate executives,

directors, auditors, accountants, attorneys, and regulators are all held to more stringent standards of accountability (Public Company Accounting Reform and Investor Protection Act). Especially SOX of section 302 and section 404.

For section 404 assigned that public companies have to get responsibility for maintaining an effective internal control system and for reporting on the system's effectiveness. The rule is aimed at helping companies prevent financial reporting mistakes and fraud. Section 404 of SOX requires most publicly registered companies and their independent auditors to report on the effectiveness of the company's internal controls over financial reporting. After a company's managers review the internal controls, its external auditor must perform an independent assessment and report whether it agrees with management's conclusions on the review.

Meanwhile, Section 302 of SOX, Management is required to evaluate the effectiveness of controls and disclosed all significant deficiencies and material weaknesses to the auditors and audit committee, and reported significant changes in the company's internal controls. For the material weakness is a significant deficiency, or a combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. The significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the company's ability to initiate, authorize, record, process, or report external financial data reliably in accordance with generally accepted accounting principles such that there is more

than a remote likelihood that a misstatement of the company's annual or interim financial statements that is more than inconsequential will not be prevented or detected.

Reporting strategies through rhetorical choice

In this paper, the reporting strategies are a communication of internal control effectiveness. Moreover communication is through rhetorical method. Understanding the definition of rhetoric leads to questioning about whether the communication of internal control effectiveness are used as a rhetorical story to mask the reality of the company. The rhetorical method is that language takes to persuade the reader by masking a reality with literary devices and wordy flourishes for the purpose of hiding a reality. However, it can be argued that rhetoric does not always convey such views. Indeed, rhetoric can look from a positive side.

Types of rhetorical: Ethos, Logos, and Pathos are used by Aristotle and Plato who created categories of persuasive discourse and rules for creating good rhetoric. Plato and Aristotle interested in almost all subjects, including the art of persuasion. Rhetoric can be called the art of arousing emotion which may not be related to the facts. Aristotle of the assumption aimed to win arguments and not to find the truth, but that it is the art of finding arguments that persuade people to agree that something is true or usually true. According to Aristotle suggested three ways to use persuasion: Ethos, Logos, and Pathos. Aristotle described first that people with positive characteristics tend to be successful in persuasion. Secondly, giving pleasure to audiences naturally affects their judgments. Third, speech may prove the truth by reasoning. To

conclude, he suggested that logical reasoning (logos), understanding human character and goodness (ethos), and understanding emotions (pathos) are essential abilities for effective persuasion (Higgins & Walker, 2012; Sa-adkaew, 2011).

Rhetoric of financial reporting is designed to tell a true story of an organisational reality being described in an annual report. In general, rhetoric is a term dealing with the use of both writing and verbal language to persuade a reader. Rhetoric is the art of using language to persuade others; writing expressed in terms calculated to impress; language characterized by artificial. In this definition, rhetoric refers to a language that is intended to persuade someone to feel, think or do something for an ostensible reason when the actual reason is different (Chariri, 2007).

There are other researchers who study about the rhetoric of financial reporting include: For example, in research of Marais (2012) identifies three types of CEO CSR rhetorical categories: Values CSR rhetoric ("pathos" rhetorical style) is very common. When CEOs use this CSR rhetorical category, they try to improve their company's moral legitimacy by mobilizing emotional arguments and by creating a shared positive vision of its mission. CSR values are often defined in terms of relational performance as described by Mercier (2001). Humanism, benevolence, diversity and openness to others are good examples of this type of value. Normative CSR rhetoric ("ethos" rhetorical style) is used. It is only devoted to societal stakeholders and it increases with stakeholder satisfaction with the quality of management, leadership and governance. In this case, CEOs search to create

trust among partners. They do not use rational arguments but simply make statements regarding CSR that are expected of them; for example, the expression of broad principles about sustainability. Instrumental CSR rhetoric ("logos" rhetorical style) is mainly used by boards of directors, financial investors and shareholders. Its importance increases with stakeholder satisfaction with the CSR but decreases with stakeholder satisfaction with financial performance and corporate vision/strategy. For research of Higgins, C., & Walker, R. (2012) focus on Aristotle's rhetorical: ethos (credibility), logos (reason), and pathos (emotion). Ethos rhetorical proofs refer to the persona, or projected character of a speaker/communicator, including their credibility and trustworthiness. Particular analytical categories that identify appeals to ethos include similitude, deference, expertise, self-criticism and the appeal to the inclination to succeed. In the context of organisational reports, these persuasive devices attempt to gain credibility for the role, positioning and characterisation of the organisation (Hartelius & Browning, 2008). Logos refers to the clarity and integrity of the argument. It stresses logic and the appeal to reason. With respect to other appeals to logos, It is consideration the textual components suggestive of argumentation and systems of reasoning. Also of the significance is justifications and defenses for activities undertaken. Pathos refers to the audience's feelings and relies for persuasive effect on triggering audience emotions such as happiness, sadness, satisfaction, pity, or fear. Major metaphors and other non-literal language and imagery, including photographic and artistic

images, work to construct appeals to pathos – the emotional appeals that link to identification (Clatworthy & Jones, 2006).

CSR and sustainability are usually applied as introductory terms or in the first part of the reports, lending some kind of “ethos” to the report itself. Logos assures the audience that although they care for the common prosperity, they are doing their best to provide shareholders benefits. The first category that calls the positivistic rhetoric includes the following codes: operationalization, reputation, innovation, strategic link, governance. Pathos is close to the values and beliefs of their stakeholders. As argued by Waddock (2004), the companies using those enthymemes apply moral legitimacy strategies as the enthymemes used are related to social issues and they imply an ethical concern about their activities. Moral judgments of “doing good” for society and the environment are at the basis of the enthymemes such focus on the issue and social contribution. These include the codes: global standards, citizenship, accountability, global agenda, partnership, and focus on the issue, inclusivity and social contribution. Wæraas & Ihlen (2009) and Baumlin (2001) Focus on the role of verbal communication, are integrated insights from rhetorical theory with strategic and institutional approaches to legitimacy. Ethos refers to the character of a speaker constructed primarily through language. It is considered as the elements of a speech or text that present the rhetor as trustworthy. The construction of a trustworthy ethos occurs through three strategies, demonstrating: (1) practical wisdom; (2) virtue; and (3) goodwill towards the audience. Virtue: justice, courage, self-control, liberality, magnanimity, magnificence, prudence, wisdom,

and gentleness good moral character. Wisdom: knowledge, intelligence expertise. Goodwill: identification with the audience, showing how their needs have been taken into consideration. Logos involves the use of reasoning to construct logically valid arguments and may include appeals to facts, numbers, examples, and statistics, arguments, facts, numbers, examples, and statistics. Pathos appeals to emotions to influence the audience, for example, love, hate, fear, and identification. For example, love, hate, fear, and identification. Last person, M. Brennan & M. Merkl-Davies (2014) adopts Aristotle’s triangular framework of the rhetorical situation. The analysis focuses on the strategies (i.e. moves and their rhetorical realisations) in the form of logos (appealing to logic), ethos (appealing to authority), and pathos. Ethos is used to persuade audiences by either appealing to the authority of the speaker/writer, the authority of another social actor (e.g. an expert, an independent authority or a person of high social or moral standing in the community). Logos aims to convince audiences by using facts and figures to back up a claim. It involves using discourse from the domains of science, technology, bureaucracy, law and business to persuade audiences of the validity and legitimacy of the claim. In the context of environmental reporting, Pathos is the influencing audience attitudes by evoking an emotional response. It involves the use of figurative language, particularly metaphor

Research Methodology

Sample and Data Collection

This research studies the styles of reporting strategy the effectiveness of internal control.

Researcher explores in Aristotle's rhetoric of reporting of internal control. The content of research data consist an assessment of the effectiveness of internal control of the firms. The content of the data appear in the report of the listed firms that are as follows: the annual report (56-2), Information filed with SEC (56-1). The internal control information is collected only set 50 from a sample of listed firms on the stock exchange of Thailand in year 2014-2016. The reason of collecting set 50 in 2014-2016 is that the latest years and set 50 is popular for the investor.

Reporting strategy through rhetoric analysis

Measure of reporting strategy, this paper is both Qualitative content analysis and Quantitative analysis. Researcher used qualitative content analysis that focuses on the characteristics of language as communication with attention to the content or contextual meaning of the text by categories rhetoric of Ethos, Logos and pathos (Hsiu-Fang et al. 2005). In this study, researcher applied paper of Marais (2012), Sa-adkaew (2011) for the guidance

researching. In addition, researcher counts occurrence the frequency of Ethos, Logos and Pathos in each sentence. The procedure is as follows: 1) Synthesizing related research, including reporting strategies in annual reports, Rhetorical strategies. 2) Defining a rhetorical strategy, it is adopted by Aristotle's discourse: Ethos, logos and Pathos. 3) Defined expressions such as Ethos, Logos, and Pathos in order to be consistent with this research. 4) Defined the contents of the internal control report to collect the data. 5) Verifying validation created definition of rhetoric. There are 3 experts, one analyst and two accounting professors. 6) Check the reliability of the definition from 3 lecturers and 1 researcher. 7) Researcher analyses content of the internal control report. And collects data by myself.

In this research, researcher determines definition (ethos logos and pathos) of the reporting strategy of the internal control effectiveness. Definition of rhetorical is verified by expertise on validity and reliability. The rhetoric of reporting strategy is defined as follows table1.

Table 1: Elements of rhetorical appeals

Appeal	Sentences of persuasive :
<p>Ethos is Role in Reliability of the company, executive board, audit committee, internal audit.</p> <p>Phrasing is used to include:</p>	<ul style="list-style-type: none"> - Boards have ethics and integrity on internal controls conducting. - Boards have directly the knowledge, experience and expertise in the relevant of business. Such as the energy sector executives should have knowledge of coal, etc. - The company is success in the field of internal control such as awards received from government agencies, etc. - Boards of Director participate in the internal control activities such as attending a meeting to set policies on internal control.

	- The company carries its reputation, which is accepted by the shareholders.
Logos is boards of director that write to describe process of the internal control, the reason for the operation which is clearly to shareholder with evidence supporting. Such as:	<ul style="list-style-type: none"> - The company is compliance with the internal control of laws, policies. - The company identifies with numbers, statistics, examples, activities that are in relevance the internal control activities.
Pathos is boards of directors that care to feel of the shareholders. Sentences often consist of.	<ul style="list-style-type: none"> - The company believes a positive operating result for their shareholders. - The company is aware of the importance of the commitment regarding internal control activities. - The company is committed to the needs, expectations, be beneficial to shareholders.

Research Results

The objective of this paper in orders to explore the reporting strategy of management which is through choosing the type of Aristotle of rhetoric (Ethos, Logos, and Pathos). The results of the study appear as follows. The Stock Exchange of Thailand divides 8 sectors industries as Agro & Food, Industry, Consumer Products, Financials, Industrials, Property & Construction, Resources, and Services.

Table 2, It is overall. The examples of service sectors are most 24.70% and resources sectors are secondly (20%). Third, they are financials sectors (15.30%) which are most Bank industries. But, Consumer product sectors are not ranked in the SET50. However, there are most service groups it's caused by integration industries such as Services, Commerce, Health Care Services, Professional Services, Tourisms & Leisure, and Transportation & Logistics.

Table 2: number of companies with study

Industry Sectors	Total		2014		2015		2016	
	Number	%	Number	%	Number	%	Number	%
Agro&Food	13	8.67	3	6	5	10	5	10
Consumer Products	0	0	0	0	0	0	0	0
Industrials Products	7	4.67	2	4	2	4	3	6
Property&Construction	22	14.7	6	12	8	16	8	16
Resources	30	20	10	20	10	20	10	20
Services	37	24.7	14	28	12	24	11	22
Technology	18	12	7	14	6	12	5	10
Financials	23	15.3	8	16	7	14	8	16
Grand Total	150	100	50	100	50	100	50	100

Table 3 Overall 3 years shows the frequency of rhetoric reporting types. All industry is highest Logos rhetoric in the internal control report as Agro&Food (77.61%), Industrials (86.08%), Property&Construction (68.18%), Resources (74.77%), Services (70.41%), Technology (0.81%), and Financials (78.57%). While it is very different from using the Ethos and Pathos. Almost industry sectors are low the rhetoric of Ethos and Pathos. For Ethos and Pathos rhetoric type appear respectively such as Agro&Food (10.45%, 11.94%), Industrials (5.70%, 8.23%) Property&Construction (7.47%, 24.35%), Resources (15.20%, 10.03%), Services (14.56%, 15.03%), Technology (0.08%, 0.11%), and Financials (8.40%, 13.03%).

(14.56%, 15.03%), Technology (0.08%, 0.11%), and Financials (8.40%, 13.03%).

These data indicate that, listed companies do not report the internal control information beyond what is required by regulations and standards. The average of amount rhetoric type of the samples (not shown in the table): Ethos, Logos, and Pathos are at 2.63, 17.04, and 3.06 respectively. It presents that almost industry favorite to write the internal control reports by rhetoric type of the Logos. But rhetoric type of Ethos and Pathos are less.

Table 3: Rhetoric of reporting in each the industry

Industry Sectors	Frequency of rhetoric reporting types					
	Ethos	%	Logos	%	Pathos	%
Agro&Food	21	10.45	156	77.61	24	11.94
Industrials	9	5.70	136	86.08	13	8.23
Property&Construction	23	7.47	210	68.18	75	24.35
Resources	100	15.20	492	74.77	66	10.03
Services	153	14.56	740	70.41	158	15.03
Technology	25	0.08	239	0.81	31	0.11
Financials	40	8.40	374	78.57	62	13.03

For Table 4 shows the frequency of use parlance in each industry. For Ethos: Industry sectors are Agro&Food, Industrials, Property & Construction, Resources, Services, Technology, and Financials (2.1, 1.5, 1.77, 3.70, 3.4, 1.79, and 1.74 respectively). For Logos (15.6, 22.67, 16.15, 18.22, 16.44, 17.07, 16.26) and the Pathos (2.4, 2.17, 5.77, 2.44, 3.51, 2.21, 2.70).

The information about group industry indicates that listed companies concentrate the Logos style more than Ethos and Pathos style in the internal control reporting. As described in Table 4, data is same to Table 3, namely all the popular formats with written expressions Logos. It is concluded that. All executives love to write Logos styles.

Table 4: the frequency of use parlance in each industry.

Industry Sectors	Ethos		Logos		Pathos	
	Mean	Std Dev.	Mean	Std Dev.	Mean	Std Dev.
Agro&Food	2.1	3.02	15.6	8.18	2.4	2.11
Industrials	1.5	2.93	22.67	8.58	2.17	2.19
Property&Construction	1.77	2.61	16.15	7.78	5.77	3.49
Resources	3.70	4.87	18.22	11.67	2.44	1.95
Services	3.4	4.75	16.44	9.32	3.51	3.30
Technology	1.79	2.45	17.07	13.28	2.21	1.42
Financials	1.74	2.75	16.26	8.81	2.70	2.18

Discussion and Conclusion

This research is narrative and content analysis and data is corrected only Set50 from a sample of listed firms on the stock exchange of Thailand in year 2014-2016. The reason of collecting Set50 in 2014-2016 is that the latest years and set 50 is popular for the investor. The objective of this paper in orders to explore the executive with reporting strategy of the internal control effectiveness, which is through choosing the type of Aristotle of rhetoric (Ethos, Logos, and Pathos). Ethos means expression of reliability of the company, executive board, audit committee, internal audit to the internal control. Logos is boards of director that write to describe process of the internal control, the reason for the operation which is clearly to shareholder with evidence supporting. Pathos is boards of directors that care to feel of the shareholders. It also calls Ethos (Credibility), Logos (Reason), and Pathos (Persuade)

This research results can be concluded that the executive with reporting strategy of the internal control effectiveness, they are popular to

write on rhetoric of the Logos style. It means that the executive describe a process; the reasons about internal controls (Remer, 2012). Therefore the executive all of firms have to write similar expressions. Every company clarifies the facts. They do not in any way create the credibility or the emotion of the reader to believe in the mind of the management.

The result of research in the internal control report is different research of CSR rhetoric that the executive need to use Ethos and Pathos rhetoric to develop moral legitimacy, to improve cognitive legitimacy, and to enhance pragmatic legitimacy (Marais, 2012). And different research of CEO statement to shareholders that is favorite with Ethos and Pathos rhetoric to persuade shareholder (Smith and Taffler, 2000).

For future research, this research is the initial of narrative research on internal control reporting. Its research can serve as a guideline for future research in Thailand, such as the studying determinant and consequence about rhetoric reporting strategies for internal control.

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