

Andrea Rocci (Università della Svizzera Italiana)

The role of requests of confirmation of inference in earnings conference calls

Andrea.rocci@usi.ch

Earnings conference calls (ECC) are discretionary disclosures employed by listed companies to communicate with investors. They consist in teleconferences held by corporate leaders with financial analysts immediately following the publication of the press release containing the quarterly earnings announcement. These events, which draw part of their genre structure from press conferences with a presentation followed by Q&A, have recently attracted the attention of researchers in Finance and, to a lesser extent in Applied Linguistics and Discourse Analysis (Crawford-Camiciottoli 2013). The financial literature on ECC focuses on trading data evidence that ECC are incrementally informative over the earning release, and applies Sentiment Analysis techniques to investigate the correlation between the linguistically expressed tone of the calls and market variables. Dialogue and discourse features of conferences have received comparatively little attention. Palmieri, Rocci and Kudrautsava (2014) formulate the hypothesis that calls' Q&A sessions are incrementally informative (as opposed to mere impression management occasion) with respect to earnings announcements and oral corporate presentations and that the increment can be traced back to their argumentative character. Through a manual annotation of dialogue moves, which is later further developed in Budzynska, Rocci and Yaskorska (2014), they find out that corporate representatives in Q&A argue defending *predictive, evaluative, explanatory* and *practical* standpoints. Analysts do shape these arguments with their questions but they rarely explicitly challenge corporate representatives to defend a standpoint, perhaps out of a relational concern for maintaining access to corporate executives. The present paper will focus on a qualitative argumentative analysis of a peculiar move that is found to occur with comparatively high frequency in ECC's Q&A. In these moves analysts present a line of argument from available data drawing a tentative conclusion and asking corporate representatives to confirm or disconfirm the soundness of their reasoning. This move appears to be particularly effective in eliciting information from corporate representatives and is consistent with what has been found in interviews of sell-side analysts (Brown et al. 2013) concerning the need of "checking one's reasoning".

Brown, L.D., A.C. Call, M.B. Clement, N.Y. Sharp (2013) Inside the "Black Box" of Sell-Side Financial Analysts. Working Paper: Electronic copy available at:
<http://ssrn.com/abstract=2228373>Electronic copy available at: <http://ssrn.com/abstract=2228373>

Budzynska K., A. Rocci and O. Yaskorska (2014) Argumentation in Earnings Conference Calls: From Corpus to Dialogue Protocol, paper accepted for presentation at the *ArgDiaP* conference.
<https://sites.google.com/site/argdiapen/12th-argdiap>

Camiciottoli, B. C. (2013) *Rhetoric in financial discourse. A linguistic analysis of ICT-mediated genres* NY, Amsterdam - New York.

Palmieri, R., A. Rocci, and N. Kudrautsava (2014) The function of argumentation in earnings conference calls, paper presented at the conference on *Discourse approaches to financial communication* (DAFC). <http://www.dafc.usi.ch/>