

Straight From the Horses' Mouth: Determinants and Consequences of Managers' Conference Call Participation

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Abstract:

We examine how firms decide which managers participate in their earnings conference calls and whether this choice affects the information content of the calls. We find significant variation in the managers who participate in the presentation and Q&A portions of the call. Moreover, in 15% (13%) of firm-quarters, a new manager speaks during the presentation (Q&A) who did not speak in the prior quarter's presentation (Q&A). Thus, the managers who participate in conference calls also vary over time. We further find that firms are more likely to add a manager to the call in firm-quarters with unusual firm events that likely increase information demands. However, firms recognize the cost of adding a new manager – they are less likely to add a manager if they have fewer managers that are familiar to market participants or if there are concerns about establishing the credibility of the managers typically on the call. We also find that adding a manager is negatively associated with analysts' forecast accuracy and timeliness. Overall, our findings suggest that managers with more direct knowledge of certain firm events are viewed by the firm as more effective at communicating this information; however, the presence of a new manager may make processing the information more difficult for market participants.

Keywords: Corporate disclosure, conference calls, analyst forecast properties, manager style.

JEL codes: M41, L20, D80, M40

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1. Introduction

Earnings conference calls are arguably one of the most important mechanisms firms have to communicate with their external stakeholders. In their survey of Investor Relations Officers, Brown et al. (2019) report that IR officers rank conference calls as the “most important tool for conveying their company’s message to institutional investors” and prior studies have demonstrated the importance of conference calls as a disclosure mechanism (Frankel et al., 1999; Bowen et al., 2002; Bushee et al., 2003; Matsumoto et al., 2011). Subsequent studies have also explored numerous dimensions of conference calls including textual characteristics such as tone (Price et al., 2012; Davis et al., 2015; Huang et al., 2014), the use of deceptive or avoidant language (Hollander et al., 2010; Larcker and Zakolyukina, 2012; Lee, 2016), topic modeling (Huang et al., 2018), as well as participation by analysts and institutional investors (Mayew, 2008; Jung et al., 2017; Heinrichs et al., 2019; Mayew et al., 2020). To our knowledge, what has not been explored thus far in the literature are how firms decide which managers to put forth as representatives for the firm and whether that decision matters. The purpose of this study is to fill this void.

One of the more unique features of conference calls as a voluntary disclosure mechanism is the fact that information is conveyed directly by managers. Thus, the disclosure is impacted by and associated with the manager, and it is likely that both the nature of the information disclosed and the interpretation of the information by recipients will be impacted by who delivers the message. The idea that managers are not interchangeable is consistent with Upper Echelons Theory (Hambrick and Mason, 1984), which suggests that managers’ experiences and personalities influence their perspectives and decisions.¹ Given that managers are not interchangeable, it seems

¹ A large body of archival research supports the notion that individual managers affect firm outcomes (Bertrand and Schoar, 2003; Bamber et al., 2010; Dyreng et al., 2010; Ge et al., 2011; Davis et al., 2015; Moon, 2021; see also Hanlon et al., 2021 for a review of the literature).

reasonable that firms carefully consider which managers should represent the firm in delivering corporate disclosures.

We first provide detailed descriptive evidence on which managers participate in earnings conference calls. Over a third (37.1%) of calls have managers other than the CEO, CFO, and IR manager who speak in the presentation. In addition, over 30% of calls include additional managers who only speak in the Q&A section and these managers are most commonly divisional or regional managers. Thus, a large proportion of conference calls include managers outside the traditional CEO/CFO/IR roles. In addition, approximately 15% (13%) of calls in our sample have a new manager added to speak in the presentation (Q&A only) that did not speak in the presentation (Q&A only) in the prior quarter (hereafter, “added manager”). Thus, there is significant variation in the managers who participate in earnings calls, and these decisions, while sticky, are not static.

Our first analysis focuses on the costs and benefits of the decision to add a manager to the conference call.² One benefit of adding a manager to the call is to provide additional information to external market participants. While information could be gathered, conveyed, and ultimately discussed on the conference call by the management team that traditionally participates in the conference call (e.g., the CEO and CFO), details and nuances – i.e., soft information – is notoriously difficult to communicate (Liberti and Mian, 2009; Campbell et al., 2019; Liberti and Petersen, 2019). Moreover, disclosures that come from managers who have more direct knowledge of events giving rise to the increased uncertainty are likely to be viewed as more credible (Mercer, 2004). Thus, we hypothesize that firms add managers to calls during periods when information demands are likely to be higher. However, there are also costs to adding managers to the call. First,

² Our analyses are focused on the decision to *add* a manager and not on the decision to remove a manager who was on the call in the prior period. We make this choice because we suspect that the costs to removing managers, especially the presentation speakers, could be higher because of the stickiness of disclosure choices. Additionally, based on informal interviews with IR managers, there are often additional managers present during the call who do not speak but we do not focus on these managers in our study.

external participants might be uncertain about the expertise and trustworthiness of an unfamiliar manager and managerial idiosyncrasies can complicate the communication process. Thus, we hypothesize that firms are more likely to add managers to the earnings call if they have a larger pool of managers who external participants are already familiar with and/or managers who have some experience participating in conference calls. Another cost of adding a manager is that it might imply that the primary managers on the call do not have a complete understanding of the business and potentially undermines perceptions of their capability. Thus, we hypothesize that CEOs with greater credibility concerns are less likely to add managers to the call.

Our analysis is based on a sample of 44,055 quarterly earnings conference calls made between 2002 and 2019. Overall, we find support for our three predictions regarding the determinants of adding a manager to conference calls. With respect to our first hypothesis, we find that firms are more likely to add a manager to the presentation section (hereafter referred to as “presentation speaker”) in quarters with firm events that increase information demands, such as restatements and internal control weaknesses, seasoned equity offerings, shareholder litigation, and CEO turnover.³ We also find that shareholder litigation and CEO/CFO turnover are associated with firms adding a manager to the Q&A section only (hereafter referred to as “Q&A only speaker”). This evidence is consistent with firms attempting to meet the information demands of their external stakeholders by having new managers speaking on the call.

We also find that firms with more managers who have participated in prior non-earnings conference calls (e.g., conference presentations) and/or firms who have previously introduced managers on their earnings calls but who did not speak (non-speaking managers) are more likely

³ The turnover of a CEO or CFO could mechanically result in the addition of a manager if the transition is planned and the old CEO (CFO) remains on the call in order to introduce the new CEO (CFO). We adjust our measurement of whether a firm adds a manager to a call to exclude the addition of only a CEO (CFO) in firm-quarters with CEO (CFO) turnover events to avoid this mechanical relation. Thus, the added managers in the turnover quarters are managers with different roles in the organization that are presumably added to provide additional expertise and/or credibility to the information conveyed on the call due to the presence of a new CEO/CFO.

to add managers to the call. This result is consistent with our second hypothesis that firms are more likely to add managers when they are able to draw on a larger pool of managers who the external call participants have previously engaged with and/or managers who have experience with the earnings call. Finally, we find that firms with new, young CEOs are less likely to add managers to the call, consistent with our third hypothesis that adding a new manager could potentially undermine the credibility of the managers who are typically on the call.

If firms add managers to their conference calls in order to convey more information to stakeholders, we expect calls with added managers to exhibit different textual characteristics. We examine four textual characteristics: length, use of specific language, use of opinion words, and use of qualitative forward-looking statements. We assume that more specific language is more informative, as are soft disclosures such as managerial opinions and qualitative forward-looking disclosures (Hope et al., 2016; Liberti and Mian, 2009; Lu, 2022). We conduct our analysis on an entropy-balanced sample to control for the determinants of adding a manager (documented in our previous analysis) as well as other differences in firm characteristics. We find that firm-quarters with added presentation speakers display an increase in overall call length, as well as an increase in the use of specific language, opinion words, and qualitative forward-looking statements. This evidence is consistent with firms adding managers to the presentation line-up to provide additional information. When a Q&A only speaker is added, the length of the Q&A increases, specificity of the language used increases, but the use of opinion words and qualitative forward-looking statements decline. This evidence is consistent with these managers being added to provide specific information without nuance or “color.” Overall, our evidence suggests that the mix of managers on the call impacts the information that is conveyed.

Our final set of analyses examines the effect of adding managers on one of the primary consumers of conference call information – financial analysts – as well as overall stock market

outcomes. On the one hand, adding managers are associated with increases in the amount and type of information disclosed on the call. Thus, we would expect adding managers to be associated with improved financial analyst outputs (e.g., the timeliness, accuracy, and dispersion of forecasts) as well as capital market outcomes (e.g., larger market returns, increased liquidity, and faster price discovery). However, it is possible that adding a non-regular manager to the call could make it more difficult to interpret the disclosures made on the call due to the manager's idiosyncratic style, thereby worsening analyst outputs and capital market outcomes. We again conduct our analysis on an entropy-balanced sample. Overall, we find some evidence that analyst forecast timeliness and accuracy declines, absolute market returns decrease, and information asymmetry increases in firm-quarters with added managers.

Our study contributes to two streams of literature. First, we add to the large literature on conference call disclosures. To our knowledge, we are the first study to examine whether and how firms organize the team of managers that participate in conference calls, one of the most important disclosures firms make. Our evidence suggests that when firms anticipate increased information demands associated with uncertainty-inducing firm events, they are more likely to add managers to the call, presumably because they have more direct understanding of the events and can add credibility to the disclosures. This evidence is consistent with prior research that suggests soft information is difficult to separate from the collector of the information (Liberti and Petersen, 2019) and is more effectively delivered by managers more directly involved in the events. However, we also find that firms consider the costs of adding a new manager – adding a manager can undermine the credibility of the managers typically on the call and adding an unfamiliar manager can introduce additional uncertainties.

Our study also adds to the growing literature on individual manager effects. This literature posits that managers are not interchangeable and that manager-specific factors can influence firm

outcomes. If this conjecture is true, it stands to reason that stakeholders would be interested in hearing directly from individual managers and that, in addition to *what* the manager says, *who* says it also matters. Our evidence suggests that firms behave as if they believe this is true—that it matters which managers participate in a call. Our evidence also suggests that adding a manager to the call changes the nature of the information disclosed and that it may make it more difficult for analyst and market participants to process the information provided by new managers. However, we recognize that our results are based on associations (albeit with an entropy-balanced sample) and causal interpretations should be made with caution.

The remainder of the paper is organized as follows. In the next section, we discuss prior literature and present arguments supporting our hypotheses. Section three describes our sample and provides descriptive analyses. Section four discusses the empirical design and results of testing the determinants of adding a manager. Section five discusses the empirical design and result of testing the effects on analysts' forecasts and capital market outcomes. Section six concludes.

2. Prior Literature and Hypothesis Development

A significant stream of literature in accounting and finance supports the notion that managers are not interchangeable but bring unique, idiosyncratic experiences and personalities to their positions (see Hanlon et al., 2021 for a review of the literature). To the extent this is true, we conjecture that firms carefully consider the benefits and costs of adding a manager to the conference call “line up”. We discuss these benefits and costs below.

The first benefit of adding a new manager to the call is to increase the amount of information conveyed during the call. Every manager of an organization has a specific managerial role with a certain scope of responsibilities. Thus, for any given issue facing the firm, the managers typically on the call may have limited direct knowledge of the issue and the firm faces two options:

either they can attempt to convey the necessary information to the managers who typically speak on the call and have them discuss the information and/or answer questions, or they can add a manager with more direct knowledge of the information on the call.⁴ The difficulty with the first option is that much of the information that is discussed on conference calls is “soft information” and soft information is considerably more difficult to communicate than “hard information” (Liberti and Mian, 2009; Campbell et al., 2019; Liberti and Petersen, 2019).⁵ While hard information such as the prior quarter’s financial performance and earnings forecast might also be conveyed on calls, much of this information is conveyed in the earnings release; thus, the value of conference calls likely lies in the communication of soft information. For example, IR Magazine (2009) advises companies to give conference calls that provide “color on the important business drivers and how the current period meshes with ...long-term themes and strategy.” Given the difficulty of conveying this type of information, there is likely to be more information loss should the firm choose the first option.

In addition, a long stream of literature on “source credibility” (Hovland and Weiss, 1951) demonstrates that the credibility of the communicator is an important factor in changing the opinions of the receiver. The two factors most often associated with source credibility are trustworthiness and expertise (Hovland et al., 1953; Birnbaum and Stegner, 1979; McGinnies and Ward, 1980). A manager whose specific job responsibilities encompass the information in question

⁴ Even CEOs and CFOs, who are the managers most typically on an earnings call, have a myriad of responsibilities and are unlikely to have direct knowledge of the intricacies of many aspects of the organization’s activities (Li et al., 2014). Moreover, as our descriptive data show, CEOs and CFOs are not always on conference calls and might be added in quarters in which their knowledge/expertise is needed to convey certain information. For example, Verizon Communication’s CEO Hans Vestberg (who was not on the prior quarter’s conference call) was added to the Q4 2018 call to discuss the growth strategy following the quarter’s restructuring events: “Verizon’s strategic priorities for 2019 are clear. I have outlined five priorities with my team that focus on our customers, financial performance, 5G leadership our valued employees and Verizon’s role in creating benefits for our society.”

⁵ According to Liberti and Petersen (2019) soft information (as opposed to hard information) has three characteristics: 1) soft information is less quantifiable (i.e., is harder to express numerically without loss of information), 2) soft information is highly contextual, incorporating the thought process, knowledge, experience and opinions of the original collector of the information, and 3) soft information is difficult to separate from the collector because the collector knows what information is important and why it is valuable.

might be viewed as having more knowledge/expertise and hence, more source credibility to update the information set of conference call participants.

Consistent with these conjectures, Appendix 1 provides several examples from conference calls with added managers. In each case, a manager is added and provides detailed information about a specific issue facing the firm and about which the managers who are traditionally on the call (e.g., the CEO or CFO) are unlikely to have direct knowledge (e.g., the tax implications of a write-off, a new customer contract resulting from a merger, a legal injunction in China). Some of these examples also highlight how the information conveyed is often “soft” in nature and likely difficult to communicate up the chain of command. For example, in the Monsanto anecdote, the CTO describes how a particular product (the 61:21 hybrid seed) performed poorly because of specific weather conditions that were not conducive to the product’s performance. Some of the examples also highlight the potential to add a manager with specific expertise that might be viewed as more credible (e.g., the CAO discussing the tax implications of a write-off or the general counsel discussing the legal injunction). Overall, these examples are consistent with our conjecture that added managers can bring unique knowledge and credibility to the call that would be difficult for the traditional managers to accomplish even with advanced planning.

Prior research demonstrates that failing to disclose information in a conference call or using scripted language to avoid disclosure (as might occur if a manager speaks on a topic about which s/he does not have direct knowledge) can lead to negative market outcomes such as stock price declines and increases in bid-ask spread (Hollander et al., 2010; Lee, 2016). Thus, we expect that firms will choose to add managers to a conference call when information demands are high:

H1: The probability of a firm adding a manager to the conference call increases in quarters with higher information demands.

However, adding managers to conference calls is not without costs. To the extent the added manager is unfamiliar to external participants, there might be uncertainty around the manager’s

expertise and trustworthiness. Moreover, prior research demonstrates that managers have idiosyncratic “styles” in their use of language on conference calls (Davis et al., 2015) and the idiosyncratic style of an unfamiliar manager is likely to be particularly challenging to discern. Firms likely differ in the extent to which they involve a broad set of managers in other interactions with external market participants (e.g., in investor days), which provide opportunities for these market participants to become familiar with other firm managers. In addition, while prior research suggests that conference calls are highly orchestrated events (Amel-Zadeh et al., 2019), an added manager who is inexperienced with participating on the call might express themselves in an unexpected way, with unintended consequences.⁶ It is possible these unanticipated effects can be mitigated to a degree through rehearsals and coaching. Nevertheless, we expect it to be less costly for firms to add managers if there are more managers that are experienced with the conference call and/or familiar to market participants:

H2: The probability of a firm adding a manager to the conference call is higher for firms with more experienced and familiar managers.

Finally, another potential cost of adding a manager to the call is that it could be perceived as an indication that the managers traditionally on the call lack understanding or knowledge in some aspect of the business, which could undermine their credibility going forward. Such concerns are likely greater when the managers are who are typically the spokespersons for the firm (i.e., the CEO and CFO) are more inexperienced. Thus, we expect firms whose typical representatives on the call are less experienced will perceive higher costs to adding a manager to the call:

H3: The probability of a firm adding a manager to the conference call is higher for firms whose typical representatives on the call are less experienced.

⁶ See the final anecdote from Appendix A for an example of how adding a manager can be costly. Greif Inc. added a CAO to the Q1 2019 call to answer questions regarding costs related to a recent M&A, but the added manager provided the wrong information.

The prior arguments also have implications about the potential *effects* of adding managers to conference calls on the participants of the calls. If firms add managers to their conference calls in order to provide richer, more nuanced information to participants, we might expect improved outcomes. For example, one of the primary participants on these calls are financial analysts and we might expect that higher quality disclosures should allow them to issue forecasts more quickly, and with greater accuracy and less dispersion. We would also expect larger price reactions, increased liquidity, and faster price discovery. On the other hand, it is possible that the idiosyncratic style of an unfamiliar manager might make processing the additional information more difficult. Moreover, because of the added manager's expertise, the information he/she provides might be more complex and difficult to process. Given these two possibilities we state our fourth hypothesis in null form:

H4: Adding a manager to the conference call does not affect analyst and market outcomes.

3. Sample construction and descriptive analyses

3.1. Sample construction and data

Table 1 summarizes our sample selection process. We first identify conference calls that pertain to quarterly earnings conference calls from Thompson Reuters StreetEvents for the years 2002-2019. After merging with Compustat and deleting observations lacking basic identifying information and parsable text, we have 130,078 firm-quarter observations. Using this firm-quarter level dataset, we construct a corresponding manager-firm-quarter level dataset with 429,717 observations by parsing the call transcript header for 'Corporate Participants' which reports the name and role of each manager attending the earnings conference call.⁷ We restrict our sample to

⁷ This list of participants includes both managers who speak on the call (either in the presentation section or the Q&A section) as well as managers who are simply in attendance. Managers in attendance are identified, presumably, because they are introduced as being present on the call. Anecdotally, other managers are frequently present on the call but are

observations where the name and job title of each manager on the conference call are identifiable and classify them based on job titles into one of the following roles: CEO, CFO, IR, divisional or regional (Div/Reg), COO, other finance, accounting, or tax (OtherFin/Acct/Tax), sales or marketing (Sale/MKT), board, strategy or acquisition (STRAT), legal (Leg), IT, HR, and other. Our detailed methodology for categorizing job titles is described in Appendix 2. We require our sample of conference calls to have at least one CEO, CFO, or IR manager present on the call to ensure that our results are not driven by atypical conference calls (only 0.77% of conference calls do not include at least one of these managerial roles).

We gather data for our tests from various sources: financial accounting information from Compustat; stock return data from the Center for Research in Security Prices (CRSP) database; manager data from BoardEx; analyst information from I/B/E/S; securities litigation event data from the Stanford Law School's Securities Class Action Clearinghouse; restatement, internal control weakness, and comment letter data from Audit Analytics; mergers and acquisition and seasoned equity offering data from SDC Platinum; and data breach information from Privacy Rights Clearinghouse. After requiring all data to be available to calculate variables used in our determinants tests, our main sample consists of 44,055 firm-quarter observations corresponding to 151,344 manager-firm-quarter observations.

3.2. Measurement of add variables

To examine whether firms respond to an increase in information demand by adding a manager to speak on the call, we identify managers in our sample who are added to speak during the earnings conference call *relative to the prior quarter*. We identify both managers who are added to speak in the presentation section as well as managers who are new speakers in the Q&A

not introduced. We conducted informal interviews with four IR managers and asked about non-speaking participants in the conference call. They all indicated that several non-speaking participants are present at the time of the call.

section only. It is possible that the determinants and consequences of adding a manager with a designated speaking role (i.e., presentation speakers) differ from those of adding a manager without such a role (i.e., Q&A only speakers). Managers with designated speaking roles in the presentation play more prominent roles in the call and often participate in significant preparations for the call. Thus, adding a manager to that position is a more visible and significant change. Firms may choose to make such a change when information demands are heightened to preempt analyst or investor questions. Managers who are added to participate in the Q&A only are likely called upon to address specific issues raised by analysts. While these managers possibly undergo some level of preparation for the call, the less scripted nature of the Q&A likely leads to greater managerial idiosyncrasies being communicated by these managers (Davis et al., 2015). Given these differences, we separately identify added presentation speakers and added Q&A only speakers. *Add_Pres* (*Add_Q&A_Only*) equals one for firm-quarters with at least one added presentation (Q&A only) speaker on the call, and zero otherwise.⁸

3.3. Descriptive statistics on managerial participation

We report descriptive statistics for our sample in Table 2. Panel A reports the frequency of earnings conference calls by the number of managers participating on the call. The first set of columns show frequencies of all managers on the call (speaking and non-speaking). Although we do not focus on non-speaking managers in our main analysis, we provide some statistics here for descriptive purposes. Among the 44,055 firm-quarter calls in our sample, 62.8% of the calls (0.5%+17.2%+45.1%) have three or fewer managers on the call and 5.9% of the calls have six or

⁸ As discussed previously, our focus is on the decision to add a manager and not on the decision to remove a manager because we suspect that adding a manager could be a sticky disclosure choice. In untabulated analysis, we find that roughly 60% (41%) of added presentation (Q&A only) speakers in quarter *t* are also presentation (Q&A only) speakers in *t*+1.

more managers, indicating that there is variation in the number of managers attending calls. The average number of managers on a call is 3.4 and ranges from 1 to 18 (untabulated).

The next three sets of columns report the frequency of calls by presentation speakers, Q&A only speakers, and non-speakers, respectively. The average number of presentation speakers is 2.9 and having three presentation speakers is the most common format in our sample of calls (53.2%). However, there is still variation in the number of presentation speakers – 3.9% of calls have only one speaker and over 18% have more than three speakers. In roughly 70% of calls, there are zero Q&A only speakers (i.e., only presentation managers speak in the Q&A). However, having non-presentation managers answer questions in the Q&A is not uncommon (29.8%). Introducing non-speaking managers as being present is rare (2% of calls); however, based on anecdotal reports, other non-speaking managers are frequently present at the call but not introduced.

Panel B tabulates the distribution of managerial roles in our sample for presentation speakers and Q&A only speakers. Not surprisingly, of the 128,124 managers speaking on the calls in our sample, CEOs, CFOs and IR managers comprise the largest proportions of presentation speakers (32.6%, 30.7%, and 20.7%, respectively). Divisional/regional managers and COOs are the most common managerial roles of Q&A only speakers (34.2% and 14.0%, respectively).

Panel C presents the frequency of calls that include managers in certain managerial roles in either the presentation or Q&A only. We find that most calls have CEOs and CFOs speaking in the presentation (93.2% and 89.1% of calls, respectively). There is more variation in the managerial roles of Q&A only speakers. Of the 13,117 calls with a Q&A only speaker, 39.7% have divisional/regional managers, 22.9% have COOs, 20.8% have CFOs, and 14.1% have CEOs speaking only in the Q&A.

Panels D reports the common combinations of managerial roles of presentation speakers. When there is only one presentation speaker on the call, the manager is most likely to be a CEO

(45.5%), followed by a CFO (24.5%), and an IR manager (22.6%). Similarly, when there are two presentation speakers on the call, it is most likely the CEO and CFO (69.6%), although occasionally it is the CEO and IR manager (12.9%) or the CFO and IR manager (6.4%). For a call with three presentation speakers, the most common combination of managerial roles is a CEO, CFO, and IR manager (70.1%), which is also the most common combination across all calls (37.3%). The next most common combinations are CEO, CFO, and either 1) a finance/accounting/tax manager (5.8%), 2) a COO (4.1%), or 3) a divisional/regional manager (3.9%). When there are four presentation speakers, the combinations become more varied. The most common combinations are 1) CEO, CFO, IR and COO; and 2) CEO, CFO, IR and divisional/regional manager. However, these combinations comprise only 30.5% and 18.7% of the calls with four designated speakers, respectively. For calls with more than five presentation speakers, it becomes more common to see participation by divisional/regional managers, COOs, or a sales or marketing manager in the presentation section.⁹

Overall, these descriptive statistics demonstrate that while CEOs and CFOs are common speakers in conference calls, other managers frequently participate as both designated speakers in the presentation as well as non-designated Q&A only speakers. Of the 44,055 conference calls in our sample, more than a third (37.1%) include presentation speakers other than just CEOs, CFOs and IR managers (in some combination). In addition, a fairly large proportion of calls (29.8%) have non-presentation managers speaking in the Q&A only and these are most commonly divisional/regional managers and COOs.

Panel E reports the frequency of calls with added managers. Of the 44,055 firm-quarter earnings conference calls, 6,468 firm-quarters (14.7%) have a new presentation speaker and 5,912

⁹ We do not provide a similar table for Q&A only speakers as the combinations are highly variable. However, for calls with only one Q&A only speaker, that speaker is most commonly a divisional/regional manager (23.6% of the 7,606 calls with one Q&A only speaker), followed by a COO (20.0%), and a CFO (16.6%)

firm-quarters (13.4%) have a new Q&A only speaker. Finally, we present the distribution of added managerial roles on the call in Panel F. CEOs and CFOs are the most commonly added presentation speakers on calls, whereas divisional/regional managers and COOs are the most commonly added Q&A only speakers on calls.

4. Determinants of adding managers to the call

4.1. Variable Measurement

H1 predicts that firms are more likely to add managers to conference calls in quarters with higher information demands. As our proxy, we identify firm-specific events that occurred during the quarter that likely increase information uncertainty. Specifically, we identify nine events that are related to either firm operations, financial reporting, financing, litigation, or changes in management (see Appendix 3 for variable definitions):

- Operational events: Reporting material special items (*SPI*), announcing or closing mergers and acquisitions (*M&A*), or reporting instances of data breaches (*Databreach*).
- Financial reporting events: Issuing a restatement or reporting an internal control weakness (*RS&ICW*), or receiving comment letters (*CL*) from the SEC.
- Financing events: Announcing seasoned equity offerings (*SEO*).
- Litigation related events: Filing of a securities litigation against the firm (*Litigation*).
- Changes in management: Turning over a CEO (*NewCEO*) or CFO (*NewCFO*).

Each event variable is an indicator variable that takes the value of 1 if an event occurred during the quarter and zero otherwise.

H2 predicts that firms are more likely to add a manager to the call if the firm has more managers who are familiar to market participants and/or who are experienced in participating in the conference call. We include three proxies to capture this effect. First, some firms host other

conference calls or events that involve other managers, during which participants have the opportunity to become familiar with the manager. Thus, we measure the number of managers participating in non-earnings conference calls over the past four quarters (*NonEA_CC_Mgrs*). Second, as discussed previously, firms occasionally introduce managers who do not speak on the call. We conjecture that firms are more likely to introduce managers as present even though they do not have a speaking role if the market participants are already familiar with the manager.¹⁰ In addition, these non-speaking managers have some experience with the conference call process. Thus, we measure the number of non-speakers in the prior quarter's conference call (*Lag_NoSpeak*). Finally, because one of the primary responsibilities of the IR function is to prepare the executive team for the conference call, we argue that managers of firms with formal IR functions are more likely to be experienced with and prepared for the call. We use the presence of an IR manager on the call as a proxy for a formal IR function at the firm (*IR*).

Finally, H3 predicts that firms whose typical representatives are less experienced are less likely to allow a new manager to participate on the call. Since the CEOs are typically the primary spokesperson of the call we focus on CEOs. Young CEOs have less general experience while new CEOs (to the firm) have less firm-specific experience. We combine these two dimensions and identify CEOs with below the median years of experience at the firm and below the median in age. However, we exclude founder CEOs from this category because while they might be young, they are unlikely to be concerned with establishing their credibility. We define a variable identifying new, young, non-founder CEOs (*NYNF_CEO*).¹¹

4.2. Research design

¹⁰ As an example, managers who participated in or attended analyst/investor conferences may have previously interacted with external call participants and, as such, the CEO or IR manager might be more inclined to introduce them as being present on the call.

¹¹ As noted previously, CEOs do not participate in roughly 7% of conference calls. If a firm has a new, young, non-founder CEO, but that CEO does not participate in the call, *NYNF_CEO* equals zero.

To test our H1-H3, we estimate the following logistic Model (1):

$$\begin{aligned}
Add_{i,t} = & \beta_0 + \beta_1 \Delta SPI_{i,t} + \beta_2 \Delta M\&A_{i,t} + \beta_3 \Delta Databreach_{i,t} + \beta_4 \Delta RS\&ICW_{i,t} + \beta_5 \Delta CL_{i,t} + \beta_6 \Delta SEO_{i,t} + \\
& \beta_7 \Delta Litigation_{i,t} + \beta_8 \Delta NewCEO_{i,t} + \beta_9 \Delta NewCFO_{i,t} + \beta_{10} NonEA_CC_Mgrs_{i,t} + \\
& \beta_{11} Lag_NoSpeak_{i,t} + \beta_{12} IR_{i,t} + \beta_{13} NYNF_CEO_{i,t} + \beta_{14} \Delta Size_{i,t} + \beta_{15} Age_{i,t} + \beta_{16} \Delta lnEmp_{i,t} + \\
& \beta_{17} \Delta BTM_{i,t} + \beta_{18} \Delta MBE_{i,t} + \beta_{19} \Delta Loss_{i,t} + \beta_{20} \Delta ROA_{i,t} + \beta_{21} \Delta lnBusseg_{i,t} + \\
& \beta_{22} \Delta lnGeoseg_{i,t} + \beta_{23} \Delta RetVol_{i,t} + \beta_{24} \Delta R\&D_{i,t} + \beta_{25} \Delta Lev_{i,t} + \beta_{26} \Delta lnAnalyst_{i,t} + \\
& \beta_{27} \Delta Instown_{i,t} + \beta_{28} CEO_Over60_{i,t} + \beta_{29} Q4_{i,t} + Industry_i + Quarter_t + \varepsilon_{i,t}, \quad (1)
\end{aligned}$$

The dependent variable *Add* refers to the two *Add* variables described in Section 3.2, *Add_Pres* and *Add_Q&A_Only*. In order to capture the effect of *new* information demands, we measure the occurrence of *new* events – i.e., each event variable described in Section 4.1. is equal to 1 if the event occurred in this quarter and not last quarter, and zero otherwise.¹² Positive coefficients on these variables would support H1. We also expect positive coefficients on *NonEA_CC_Mgrs*, *Lag_NoSpeak*, and *IR* in support of H2 and a negative coefficient on *NYNF_CEO* in support of H3.

Further, we control for firm-quarter characteristics that are likely to impact who speaks on the call in a given quarter. Specifically, we examine measures of:

- size and maturity because larger and more established firms are likely to have larger and more dispersed knowledge pools to draw from (Ajinkya et al., 2005; Hollander et al., 2010; Li et al., 2014): firm size (*Size*), firm age (*Age*), the natural log of one plus the number of employees (*lnEmp*), and book-to-market ratio (*BTM*)
- performance because negative performance increases the uncertainty of firms' prospects (requiring more explanation) but may also incentivize managers to “control the message” by reducing the number of managers speaking on the call (Matsumoto et al., 2011; Hollander et

¹² We label these variables with a Δ (e.g., ΔSPI) even though the variables are not exactly changes; events that occur in t-1 but not in t are coded as 0 rather than -1. This is consistent with our definition of *Add*, where firm-quarters that do not have managers on the call who spoke in the prior quarter are coded as zero.

al., 2010; Allee and DeAngelis, 2015): an indicator variable for whether the firm meets or beats earnings (*MBE*), an indicator variable for losses (*Loss*), and return on assets (*ROA*)

- business complexity because complex operations likely result in more managerial specialization and localized knowledge (Pertusa-Ortega et al., 2010): the natural log of one plus the number of business segments (*lnBusseg*), the natural log of one plus the number of geographic segments (*lnGeoseg*), return volatility (*RetVol*), and R&D expenditures scaled by quarterly assets (*R&D*)
- stakeholder sophistication because sophisticated stakeholders are more likely to participate on the call and demand information from managers (Ajinkya et al., 2005): leverage (*Lev*) (as a proxy for sophisticated debtholders), the natural log of one plus the number of analysts following (*lnAnalyst*), and the percent of institutional ownership (*Instown*)

We control for these firm-quarter characteristics in change form, to control for changes in firm characteristics that might result in the addition of a manager on the call.¹³ We also include an indicator variable for firms with CEOs over age 60 (*CEO_Over60*) because succession planning is one reason for including a new manager on the call (to introduce them to the Street). Finally, we include an indicator for the fourth fiscal quarter (*Q4*), which potentially includes more complex disclosures, and include industry and calendar quarter fixed effects. Detailed variable definitions are provided in Appendix 3. All continuous variables are winsorized at the 1st and 99th percentiles to mitigate the effect of outliers. We cluster standard errors by firm.

4.3. Empirical results

Table 3 Panel A reports the descriptive statistics for our sample and Panel B displays the correlation between the variables. At the univariate level, we find that certain events are positively correlated with adding a presentation speaker (*Add_Pres*): restatement and internal control

¹³ We include the levels of *Age* as this variable only changes in the fourth quarter.

weaknesses (ΔRS_ICW), seasoned equity offerings (ΔSEO), litigation ($\Delta Litigation$), and CEO turnover ($\Delta NewCEO$). With the exception of ΔRS_ICW , these events are also positively correlated with adding a Q&A only speaker ($Add_Q\&A_Only$) as is a CFO turnover event ($\Delta NewCFO$). Additionally, consistent with expectations, manager participation on non-earnings conference calls ($NonEA_CC_Mgrs$) and the number of non-speakers in the prior quarter's call ($Lag_NoSpeak$) are positively correlated with adding managers to the call (both Add_Pres and $Add_Q\&A_Only$). Also consistent with our predictions, having a new, young, non-founder CEO on the call ($NYNF_CEO$) is negatively correlated with both Add_Pres and $Add_Q\&A_Only$. On the other hand, IR presence on the call (IR) is negatively correlated with Add_Pres but positively correlated with $Add_Q\&A_Only$. The latter is consistent with our expectations, while the former is not.

Panel C columns (1) and (2) present the results of estimating Model (1) for Add_Pres , including 1) only explanatory variables and 2) explanatory and control variables together, respectively. Results are not sensitive to the inclusion of control variables; thus, we focus our discussion on the coefficient estimates in column (2). We find that Add_Pres is significantly positively associated (at the 5% level or better) with 1) reporting restatements and internal control weaknesses (ΔRS_ICW), 2) receiving comment letters (ΔCL), 3) issuing seasoned equity offerings (ΔSEO), 4) having a lawsuit filed against them ($\Delta Litigation$), and 5) experiencing CEO turnovers ($\Delta NewCEO$). These results are consistent with our prediction that firms respond to increases in information demand events by adding designated speakers on the call.¹⁴

¹⁴ We do not find significant coefficients on ΔSPI , $\Delta M\&A$, and $\Delta Databreach$. It is possible that events that give rise to special items (e.g., restructuring charges, goodwill impairments) as well as M&A activities, are within the scope of the CFO's responsibilities and since CFO's are on 89% of conference calls, firms are unlikely to add a manager to discuss these events. Databreaches are events that are likely outside the scope of the typical managers on the call; however, the events are very rare, occurring in only 0.4% of our sample firm quarters.

The marginal effects of these changes, reported in the last column of Panel C, indicate that many of these events result in economically meaningful increases in the probability of adding a presentation speaker on the call. The likelihood a firm adds a presentation speaker on the call ranges from 1.1% (for ΔCL) to 4.0% (for $\Delta NewCEO$). Given that the overall probability of adding a presentation speaker is 14.7%, these effects are economically significant.

Further, we find that *Add_Pres* is positively associated (at the 1% level) with 1) the number of managers participating on non-earnings calls in the past four quarters (*NonEA_CC_Mgrs*,) and 2) the lagged number of non-speaking managers on the call (*Lag_NoSpeak*), consistent with our expectation that firms with more managers that are familiar to market participants and/or experienced participating in the conference call are more likely to add a manager to the call (H2). However, we also find a negative coefficient on *IR* (significant at the 1% level), which is inconsistent with our conjecture that IR involvement in the call alleviates concerns about new managers participating in the presentation. In contrast, IR involvement appears to *reduce* the likelihood of adding a manager to speak during the presentation, perhaps because IR facilitates the gathering of information, drafting of a script for the presentation, and rehearsing these prepared remarks with managers who are typically on the call (Brown et al., 2019). Overall, the effects are economically meaningful – the likelihood a firm adds a presentation speaker on the call increases by 0.4% with each manager participating on a non-earnings call in the past four quarters and increases by 19.7% with each lagged non-speaking manager on the call.¹⁵ IR involvement on the call decreases the probability of adding a manager to the presentation by 3.4%.

¹⁵ The interquartile range for *NonEA_CC_Mgrs* is 3, which translates into a 1.2% change in the probability of adding a manager when moving from the first to third quartile. The large marginal effect for *Lag_NoSpeak* is due to the rarity of announcing managers who don't speak as discussed previously (mean = 0.062). Our results suggest that firm-quarters that introduce such managers are significantly more likely to add a manager in the next quarter.

Finally, *Add_Pres* is negatively associated with the presence of a new, young, non-founder CEO (*NYNF_CEO*, significant at the 10% level), consistent with H3. Firms whose typical representatives are less experienced are less likely to allow a new manager to participate on the call, arguably because they are trying to establish their own credibility. Firm quarters with new, young, non-founder CEOs are 1% less likely to add a manager in the presentation.

Panel D reports the results of estimating Model (1) using *Add_Q&A_Only*. We find that when firms face litigation ($\Delta Litigation$) and when there is a CEO turnover ($\Delta NewCEO$), firms are not only more likely to add presentation speakers, but also more likely to add Q&A only speakers. Moreover, firms are more likely to add a Q&A only speaker if experiencing a CFO turnover ($\Delta NewCFO$). Given that the overall probability of adding a Q&A only speaker is 13.4%, the events have economically significant effects, increasing the likelihood of adding a Q&A only speaker by 2-3%. However, it is notable that fewer of our events are associated with the decision to add a manager to the Q&A only, relative to adding a manager to the presentation. It is possible that firms prefer to add managers to the presentation to better control the disclosure.

Further, similar to our findings with respect to adding a presentation speaker, we find that *Add_Q&A_Only* is positively associated (at the 1% level) with 1) the number of managers participating on non-earnings calls in the past four quarters (*NonEA_CC_Mgrs*) and 2) the lagged number of non-speaking managers on the call (*Lag_NoSpeak*), consistent with H2; and negatively associated with the presence of a new, young, non-founder CEO (*NYNF_CEO*, significant at the 5% level), consistent with H3. The likelihood a firm adds a Q&A only speaker on the call increases by 0.6% with each manager participating on a non-earnings call in the past four quarters, increases by 5.1% with each lagged non-speaking manager on the call, and decreases by 1.4% when a new, young, non-founder CEO is on the call.

For both *Add* measures we find strong positive associations between having a CEO close to retirement (*CEO_Over60*) and the probability of adding a manager to the call, suggesting succession planning is an additional explanation for including new managers on the call.¹⁶

Overall, the results are generally consistent with our hypotheses. Firms appear to add managers to conference calls during quarters with important firm events that increase information uncertainty. However, firms also appear to consider potential costs of adding inexperienced or unfamiliar managers to the call and/or of undermining the credibility of a new, young CEO. We next consider the consequences of adding a new manager to the conference call.

4.4 Adding a manager and conference call textual properties

If firms add managers to the conference call to meet heightened information demands (as our prior evidence suggests), we expect to see this reflected in the content of the call. In particular, we would expect longer calls with more specific disclosures. We would also expect greater disclosure of soft information, such as manager opinions/commentary and discussions of high-level expectations or plans for the future, as this type of information is more difficult to communicate between managers. In addition, managers that are more familiar/experienced with conference calls likely feel more comfortable communicating this type of information and our prior evidence suggests firms add managers to the call when they have more familiar/experienced managers to add. Thus, to corroborate our prior findings, we examine whether firm-quarters with added managers are longer and include more specific language. We also examine whether more managerial opinions are expressed as well as more qualitative forward-looking statements, as measures of soft disclosures.¹⁷

¹⁶ Consistent with our findings, two IR managers we interviewed indicated that demonstrating “bench strength” was one potential reason for involving additional managers on the call, which is likely particularly important when a CEO is nearing retirement.

¹⁷ We do not view providing more specific disclosures and providing soft information as being mutually exclusive. Disclosures can be specific while still containing soft information as the prior Monsanto example demonstrates (i.e., referring to a specific product while still discussing qualitative forward-looking information).

We run our analyses on an entropy balanced sample because our prior results suggest certain firm events and characteristics are associated with adding a manager to a call. Entropy balancing allows us to use a continuous scale to weight treatment and control observations based on determinants of adding a manager and covariate balance on these dimensions (Hainmueller, 2013; McMullin and Schonberger, 2020).

We estimate the following Model (2) using OLS on our entropy-balanced sample:

$$\text{TextualPrpty}_{i,t} = \beta_0 + \beta_1 \text{Add}_{i,t} + \beta_2 \text{AbsSurpDec}_{i,t} + \beta_3 \text{AbsRevSurpDec}_{i,t} + \beta_4 \text{lnMF}_{i,t} + \text{Controls}_{i,t} + \text{Industry}_i + \text{Quarter}_t + \varepsilon_{i,t}, \quad (2)$$

TextualPrpty refers to the various textual properties of the conference call (length, specificity, opinion words, and qualitative forward-looking statements). Our main independent variable of interest (*Add*) captures the addition of a presentation speaker (*Add_Pres*) or the addition of a Q&A only speaker (*Add_Q&A_Only*). Given that new speakers in the presentation section can also answer questions, and that disclosures provided in the presentation section affect the content of the subsequent Q&A section, we look at textual properties of the *entire* call when examining the effects of *Add_Pres*. However, when examining the effects of *Add_Q&A_Only*, we measure the textual properties of the Q&A section only. We expect β_1 to be positive.

Length is measured as the natural log of the word count of the entire call and the Q&A section (*lnLength* and *lnLength_Q&A*, respectively). To measure the specificity of manager comments, we follow Hope et al. (2016) and use the Stanford Named Entity Recognition (NER) algorithm to extract proper nouns and capture whether the manager comments use general language or specific language (e.g, our main competitor vs. Apple).¹⁸ We scale by the total word spoken by managers, either over the entire call or in the Q&A section only (*Specificity_Call* and

¹⁸ The Stanford Named Entity Recognition (NER) algorithm offers seven entity categories from the pre-trained classifier, that is (1) location, (2) person, (3) organization, (4) money, (5) percent, (6) date, and (7) time. We sum the specific words from the seven categories to measure the number of specific words in managers' comments.

Specificity_Q&A). To capture the expression of managerial opinions, we use the Hu and Liu (2004) opinion wordlist and scale by total words spoken by managers (*Opinion_Call* and *Opinion_Q&A*).¹⁹ We follow the methodology in Bozanic et al. (2018) to identify sentences with qualitative forward-looking statements and scale by the total sentences spoken by managers (*FLS_Qual* and *FLS_Qual_Q&A*). See Appendix 3 for exact variable definitions.

We include additional controls to ensure we capture any unexpected economic surprises that likely affect textual properties of the call. Specifically, we include decile ranks of the absolute earnings surprise (*AbsSurpDec*) and absolute revenue surprise (*AbsRevSurpDec*).²⁰ We also control for the natural log of the number of management forecasts issued concurrent with the conference call date (*lnMF*). To the extent firms issue explicit guidance in response to increased information demands and these forecasts are accompanied by additional disclosures, we expect to see a positive relation between *lnMF* and textual properties of the call.²¹ We further include the variables used in our entropy balancing as well as industry and calendar quarter fixed effects.

As an alternative specification to using an entropy balancing approach, we also conduct our analysis using a firm fixed effects approach by replacing the industry fixed effects with firm fixed effects. All continuous variables are winsorized at the 1st and 99th percentiles to mitigate the effect of outliers. We cluster standard errors by firm.

Table 4 Panel A reports the descriptive statistics for our sample related to changes in textual properties of the call and other firm-quarter characteristics. The median length of calls in our

¹⁹ We note that the opinion wordlist developed by Hu and Liu (2004) is based on customer product reviews and is not geared specifically towards a financial setting. One concern when using general use wordlists is that they might contain words that are misclassified or ambiguous in a financial setting (Henry and Leone, 2016). Therefore, we exclude words that may express an opinion in a general setting but not in an accounting and finance setting (e.g., liability, appreciated, risk, positive, negative, etc.).

²⁰ We take the absolute value of these measures since our textual property variables do not necessarily capture directional performance.

²¹ We note that adding these variables to our logit regression of determinants of adding a manager does not qualitatively change our inferences.

sample are 8,842 words, with 5,553 words coming from the Q&A section. The median specificity of the entire call (Q&A section) is 3.1% (2.0%). The median percent of manager opinion words relative to total words is 4.0% (4.3%) in the entire call (Q&A section). Further, the median percent of qualitative forward-looking statements in the entire call (Q&A section) is 13.3% (11.3%).

Panel B displays the correlations between the variables. At the univariate level, consistent with expectations, we find that *Add_Pres* is positively correlated with total conference call length (*lnLength*) as well as the specificity (*Specificity_Call*) and percent of forward-looking statements (*FLS_Qual*) of the entire call. Further, *Add_Q&A_Only* is positively correlated with Q&A length (*lnLength_Q&A*) as well as the specificity of the Q&A section (*Specificity_Q&A*). Interestingly, *Add_Q&A_Only* is negatively correlated with the percent of opinions spoken by managers in the Q&A section (*Opinion_Q&A*).

Panel C presents results of covariate balancing on all three moments of control observations (mean, variance, and skewness). After entropy balancing, as shown in Panel C, control observations (*Add_Pres* or *Add_Q&A_Only* = 0) are successfully balanced against treatment observations (*Add_Pres* or *Add_Q&A_Only* = 1) on all three moments.

Panel D presents the results of estimating Model (2) for our four textual variables using *Add_Pres*. The odd columns present results using entropy balancing with industry fixed effects and the even columns present results using the firm fixed effects model. Across our four textual measures and two specifications, the coefficient on *Add_Pres* is significant at the 5% level or better. These results are consistent with our expectations that adding managers to the presentation results in longer calls with more specific disclosures, more managerial opinions, and more qualitative forward-looking discussions.

Panel E reports the results of estimating Model (2) using *Add_Q&A_Only*. The odd columns present results using entropy balancing and the even columns present results using the

firm fixed effects model. Similar to the inferences from adding a presentation speaker, we find that when firms add a Q&A only speaker, Q&A length ($\ln Length_Q\&A$) and specificity ($Specificity_Q\&A$) both increase (significant at the 1% level). However, in columns (5) and (6), we find that the percent of manager opinions in the Q&A section ($Opinion_Q\&A$) is lower when firms add a Q&A only speaker (significant at the 1% level). Similarly, in column (8), we find some evidence that adding a Q&A only speaker is negatively associated with qualitative forward-looking statements (significant at the 10% level). Overall, our results suggest that adding a Q&A only speaker is associated with more *specific* disclosures but less *soft* information during the call.

5. Analyst and market consequences of adding a manager to the call

Our next set of analyses examine whether adding a manager impacts financial analysts and market outcomes in general. If adding managers to the call improves the information set for analysts and investors, we expect analysts to issue forecasts more quickly following the conference call and for the accuracy (dispersion) of their forecasts to increase (decrease). We also expect larger stock price reactions, reductions in bid-ask spread, and faster price discovery. Alternatively, it is possible that either the presence of a new manager on the call and/or the complexity of the information the manager provides impedes analysts' and investors' ability to process the information. Given these possibilities, we do not have strong predictions about the effect of adding managers to a call on analysts' forecast properties or capital market outcomes.

5.1. Effect on analyst outputs

To test the effect on analyst outputs, we estimate the following Model (3) using OLS:

$$AnalystsFCPrpty = \beta_0 + \beta_1 Add_{i,t} + \beta_2 AbsSurpDec_{i,t} + \beta_3 AbsRevSurpDec_{i,t} + \beta_4 \ln MF_{i,t} + Controls_{i,t} + Industry_i + Quarter_t + \varepsilon_{i,t} , \quad (3)$$

$AnalystsFCPrpty$ refers to one of three properties of analyst forecasts discussed above:

1) the percent of analysts who revise their forecasts on the day of the call (or the day after, if the call is held afterhours) (*QuickRevision*); 2) an indicator variable equal to one if the consensus forecast error (for quarter $t+1$) after the call is smaller than before the call ($\Delta FC Acc$); 3) an indicator variable equal to one if dispersion in forecasts (for quarter $t+1$) is smaller after the call than before the call ($\Delta Disp$). Each measure of analyst forecast properties is calculated on a sample of analysts who have issued a forecast for a given firm-quarter in our sample within 100 days of the call (the pre-period), as we consider these analysts to be actively following the firm at the time of the call.²² To calculate $\Delta FC Acc$ and $\Delta Disp$, we restrict our analyst-firm-quarter observations to those that have an accompanying forecast within one week after the call (the post-period). Adopting a short window after the call helps us to ensure that changes in analyst forecast properties around the call are driven by the conference call content while covering roughly 90% of the analyst following in our sample.²³ Detailed variable definitions are provided in Appendix 3.

Similar to Model (2), we control for the additional measures of firm performance and concurrent disclosures (*AbsSurpDec*, *AbsRevSurpDec*, *lnMF*) to capture unexpected economic surprises and any additional information disclosed within and concurrently with the call that may correlate with analyst forecast properties. We continue to control for the variables used in our entropy balancing and include industry and calendar quarter fixed effects in all specifications. We also use the firm fixed effect approach as an alternative specification to entropy balancing, replacing the industry fixed effects with firm fixed effects. All continuous variables are winsorized at the 1st and 99th percentiles to mitigate the effect of outliers. We cluster standard errors by firm.

²² This is generally consistent with prior literature that have used 90 days as a pre-period cutoff (Lehavy et al., 2011; Bozanic et al., 2015).

²³ This is generally consistent with prior literature that looks at changes in analyst forecast properties around a disclosure (deHaan et al., 2017).

Table 5 Panel A reports descriptive statistics. The average firm-quarter in our sample has just under half (49.2%) of its analyst revise their forecasts on the day of the call (or the day after, if the call is held afterhours) (*QuickRevision*). Further, approximately 60.3% (47.6%) of firm-quarters in our sample experience increased forecast accuracy (decreased forecast dispersion) after the call. Panel B displays the correlation between the variables. The negative correlations between *Add_Pres* and *QuickRevision* and $\Delta Disp$; as well as between *Add_Q&A_Only* and $\Delta FCAcc$ suggest that adding a manager to the call might not always help improve the forecast properties of analysts.

Panel C presents the results of estimating Model (3) using *Add_Pres*. The odd columns present results using the entropy balanced model and the even columns present results using the firm fixed effects model. In columns (1) and (2), we find that *Add_Pres* is *negatively* related to the percent of analyst following revising quarter t+1 forecasts on the conference call date (*QuickRevision*, significant at the 10% level). Further, columns (3) and (4) show a negative relation between *Add_Pres* and changes in forecast accuracy around the call ($\Delta FCAcc$, significant at the 5% and 10% level, respectively). These results suggest that adding a presentation speaker on the call makes it more difficult for analysts to process information disclosed during the call, perhaps due to less familiarity with the disclosure style of the added presentation speaker, or the quantity and complexity of the information they bring on to the call. We do not find that firms that add a presentation speaker experience a significant change with analyst dispersion ($\Delta Disp$).

Panel D reports the results of estimating Model (3) using *Add_Q&A_Only*. In Column (4), we find that adding a Q&A only speaker on the call is negatively related to forecast accuracy ($\Delta FCAcc$, significant at the 5% level), consistent with results of adding a presentation speaker.

Overall, our findings are more consistent with added managers making the interpretation of disclosures more difficult, possibly due to idiosyncrasies in expression and linguistic style and/or a change in the complexity of the information disclosed in calls with added managers.²⁴

5.2 Effect on market prices

To test whether adding a manager is associated with capital market effects, we estimate a model similar to Model (3) above:

$$Market_{i,t} = \beta_0 + \beta_1 Add_{i,t} + \beta_2 AbsSurpDec_{i,t} + \beta_3 AbsRevSurpDec_{i,t} + \beta_4 lnMF_{i,t} + Controls_{i,t} + Industry_i + Quarter_t + \varepsilon_{i,t}, \quad (4)$$

Market refers to one of three capital market consequences: 1) the absolute abnormal market returns on the conference call date, (*AbsCAR*); 2) the change in relative bid-ask spread between the conference call date and the day prior (ΔBA), and 3) the speed of price discovery measured as the Intra-Period Efficiency (IPE) on and 5 days subsequent to the conference call date (*IPE*) (Blankespoor et al., 2020).²⁵ Detailed variable definitions are provided in Appendix 3. Controls variables and other regression specifications are the same as our prior estimation of Model (3).

Table 6 Panel A reports the descriptive statistics. Based on our sample means, the average absolute abnormal market return on the conference call date is 4.1% (*AbsCAR*). Further, the average firm-quarter in our sample experiences a close to zero decrease in relative bid-ask spread around the conference call date. The mean IPE in our sample is about 0.6, comparable to similar measures around earnings announcements in recent literature (Blankespoor et al., 2020). Panel B

²⁴ In an attempt to disentangle these two arguments, we re-run Model (3) including the conference call textual traits examined in Section 4. In untabulated results, we find that the inclusion of these variables results in qualitatively similar inferences. One interpretation of this result is that it is not *what* managers are saying on the call that affects analyst forecast properties but *who* is saying it (i.e., that it is the managers' idiosyncrasies that are driving the results on analyst outputs); however, we recognize that our measures of textual properties are noisy and incomplete measures of the information disclosed during the call so we consider this evidence as *suggestive* of such an effect.

²⁵ We do not use intraday data to measure these effects because doing so would require us to limit our sample to calls that are held within trading hours, which reduces our sample by roughly 25%. Focusing on these firms may also introduce selection biases related to the decision to hold conference calls during trading hours. Further, prior research documents the noisiness of using word counts per minute to estimate conference call start and end times (when audio files are not available) (Chen et al., 2018).

displays the correlation between the variables. The univariate correlations do not indicate a strong correlation between adding managers and capital market outcomes, with the exception of a -0.04 correlation between *AbsCAR* and *Add_Q&A_Only*.

Panel C presents the results of estimating Model (4) using *Add_Pres*. As before, odd columns present results using the entropy balanced model and the even columns present results using the firm fixed effects model. Overall, we do not find evidence suggesting that adding a presentation speaker to the call has capital market consequences.

Panel D reports the results of estimating Model (4) using *Add_Q&A_Only*. In the entropy balanced model in Column (1), we find calls with an added Q&A only speaker are associated with lower absolute abnormal market returns on the conference call date (*AbsCAR*, significant at the 10% level). In columns (3) and (4) we also find these calls are positively associated with the change in relative bid-ask spread (ΔBA , significant at the 5% level and 10% level, respectively). We do not find evidence that *Add_Q&A_Only* affects the speed of price discovery (*IPE*).

Overall, we find some evidence that adding a Q&A only speaker to the call decreases market-based measures of information content and increases information asymmetry. As with analysts, the findings suggest that the addition of a manager makes interpreting disclosures more difficult due to managerial idiosyncrasies in expression and linguistic style and/or the complexity of the information these managers provide.²⁶

6. Conclusion

This study provides evidence that firms are intentional about which managers are allowed to speak in their earnings conference calls, suggesting that managers designated as spokespersons

²⁶ Similar to our analysis of analyst forecast properties, including the conference call textual traits as additional controls produces qualitatively similar results, again suggesting that manager idiosyncrasies may be driving the results rather than the content of the disclosures.

for the firm are not interchangeable. We find that over a third of conference calls involve managers other than the CEO, CFO, and IR speaking in the presentation section of the call and adding managers to the call is not uncommon. We find that in firm-quarters with unusual firm events, when information demands are likely higher, firms are more likely to add a manager to the call. This evidence is consistent with the notion that managers with more direct knowledge of certain firm activities are more effective at communicating this information. We also find that firm-quarters with new presentation speakers have conference calls that are longer, have greater specificity, more managerial opinions and more forward-looking qualitative statements; although adding Q&A only speakers is associated with less managerial opinions and qualitative forward-looking statements. We also find that adding a manager is negatively associated with the percent of quick revisions, analyst forecast accuracy, and market-based measures of information content in the call. It is possible that despite the fact that the new manager is able to provide more information about firm events, the manager's idiosyncratic disclosure style and/or the complexity of the information they provide makes it more difficult for analysts and market participants to process this information.

Our study is the first study (to our knowledge) to carefully examine a firm's choice of which managers to include as speakers on the earnings conference call. Given that conference calls are a disclosure medium in which managers are directly involved in delivering information to stakeholders, it stands to reason that the choice of which manager delivers the information matters, consistent with the notion from Upper Echelons theory that managers are not interchangeable. We add to our understanding of how firms plan for and conduct their earnings conference calls, demonstrating that considering the "line up" of managers on the call is an important consideration. Our evidence also suggests that having managers who are traditionally on the call deliver specific or nuanced information about events for which they have limited direct knowledge is difficult,

consistent with prior evidence that soft information is difficult to separate from the collector. Overall, our study expands our understanding of earnings conference call to consider not just *what* information is disclosed but also *who* discloses it.

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Appendix 1. Examples of conference call transcripts

Excerpt of conference call transcript from Alexander & Baldwin Inc. for the fiscal quarter ended on December 31, 2018 (a quarter in which SPI newly occurred and CFO turnover took place)

Analyst: “And then an accounting question on that. Does the impairment that you took give you any tax benefit? or if you do something strategic with grace or sell an asset, does that impairment enable you to shelter gains or not?”

CAO (Added Q&A only speaker categorized as OtherFin/Acct/Tax): “This is [CAO name]. the impairment itself is a noncash book entry. And so any tax impact that would be generated would result from an actual transaction itself. And so in this case, because it was just a fair-valuing exercise that happened, there really isn't any tax consequence to the company as a result of us remeasuring it to fair value.”

SPI (impairment) newly occurred in this quarter and a CFO turnover took place which led to a new interim CFO to participate as well. The interim CFO only spoke once during the call and the other seven questions were answered by the CAO, an added Q&A only speaker.

Excerpt of conference call transcript from NV5 Global Inc. for the fiscal quarter ended on September 30, 2018 (a quarter with an M&A announcement)

COO (Added presentation speaker to the presentation categorized as COO): “Our infrastructure vertical continues to grow organically with large contract awards in our east and west regions. Specifically, in Q3, we were awarded a \$5 million contract with the New Jersey Department of Transportation, a \$10 million contract with the New York City Department of Transportation and a \$20 million contract with California Transportation District 10. Nv5 has a long history with our department of transportation clients, and our diverse expertise allows us to provide services from the design phase through construction and throughout the life cycle of the asset. Our transportation experience is also recognized by the cities and counties, and in Q3, we were awarded 3 municipal contracts totaling over \$11 million. Our infrastructure group has expanded into the southeast with the acquisition of Calyx, a 200-person infrastructure engineering and survey company with offices in North Carolina, South Carolina and Georgia. And we were selected for the North Carolina department of transportation 2019 to 2020 location and surveys limited services contract for \$17 million.”

The COO was added as a presentation speaker to discuss the M&A in the presentation section.

Excerpt of conference call transcript from Monsanto Co. for the fiscal quarter ended on August 31, 2010 (a quarter with a litigation filing)

Analyst: “Just on Smartstax, [CEO name], how do you set the damage to the brand, if any, from the farmers who planted the 61-21 and had the poor results? And does that have long legs to it?”

CEO: “Yes, I'll let [CTO name] talk about 61-21. My experience over the years is if a grower has an issue and you get on that farm quickly and acknowledge that issue then you've got a customer for the following year. And the proof of that is in the work we did in soybeans last year. But 61-21, it has been a good workhorse seed in the past. So [CTO name], maybe a word on reputation and how 61-21 and its lineage, how it's showing up?”

CTO (Added presentation speaker categorized as IT): “Yes. So just a couple things there. and as you said, recognizing and certainly we acknowledge there's been a challenge with 61-21 and the sales team has really addressed it. The thing, I guess, the couple of points I'd make is we talk about Smartstax and that's the sound bite here, but from a grower's experience, Smartstax is really 30 individual hybrids. And in the particular case of hybrid 61-21, the performance has been spotty this year, and that's disappointing to us. The precursor genetics to 61-21, which is the 61-19 family, have performed extremely well in that same geography both in 2008 and 2009. But as you know, this year was different and we had really warm weather in that geography and particularly we had very high nighttime temperatures which neither 61-21 or 61-19 liked. So both of them were down that year. That type of variability happens but the performance was clearly below our expectation. One of the things I always just like to point out from how a grower perceives that, so know there was an issue with 61-21 and 61-19, but overall, even as the performance wasn't what we expected, 61-21 still beat the competitive hybrids about half the time when you looked at all the trials. So it was a pretty decent product. and I think as we position our offerings for next year, 61-21 will still be a significant component of the pipeline, probably in a little bit more of a northern geography.”

A litigation was filed in this quarter. The CEO re-directs the question asked to the CTO, the added presentation speaker, who also answered questions in the Q&A.

Excerpt of conference call transcript from Outback Steakhouse for the fiscal quarter ended on September 30th, 2003 (a quarter in which a restatement occurred)

CFO (Added presentation speaker classified as a CFO): “Let's talk about before we go through the numbers for the quarter let's talk about the accounting change...As we said in the release the SEC staff during a routine review of our filing said that they viewed our partnership programs as compensation. Even though the buyouts benefit us from the future periods, they felt that to characterize these people as employees you're stuck with compensation accounting...So I guess we're just going to have to live with this kind of change. There's almost no accounting literature to guide us on partnership accounting and when you get into a gray area when it deals with compensation the commission is taking the position that expense is always a good thing. So that's where we are.”

A restatement occurred in this quarter and a CFO was added as a presentation speaker to discuss the restatement.

Excerpt of conference call transcript from QUALCOMM Inc. for the fiscal quarter ended on June 30, 2018 (a quarter with a litigation filing and a comment letter issuance)

Analyst: “The second question is on the potential to get an injunction in China against apple. I think there’s a practical process around you to validate your IP. So my question is, what is the process? and whether you check all the boxes so that if you did want to pursue that, you could?”

General Counsel (Added Q&A only speaker categorized as Legal): “[Analyst name], this is [GC name]. So your question was about China and our patent litigation there against Apple. And the answer is, yes, we are seeking injunctive relief there. In some cases, in China, you’re not only entitled to permanent injunctions, but you’re entitled to preliminary injunctions on occasion. But China is definitely a jurisdiction which is willing to enjoin infringers or patent infringement.”

A litigation was filed in this quarter and a Legal manager was added as a Q&A only speaker and answered questions regarding the current litigation.

Excerpt of conference call transcript from Emergent BioSolutions Inc. for the fiscal quarter ended on September 30, 2018 (a quarter with an M&A announcement)

Analyst: “Just on the competitive landscape, how are you guys shaping up?”

CEO: “Yes. so good question. We have [Manager name], who is the head of the business unit for devices. [Manager name], maybe just a little perspective on the branded Naloxone.”

Head of Devices Business Unit (Added Q&A only speaker categorized as Div/Reg): “Sure. thanks, [CEO name]. Yes, we continue to evaluate the marketplace and understand that there are other companies that are doing work and studies with plans to enter the market. We have anticipated that through our initial analysis and valuation as part of the acquisition. And we believe that Narcan is a very strong brand and that based on our current position. We feel very strongly about our ability to maintain a strong position in the marketplace.”

A Division/Regional manager was added as a Q&A only speaker and answered questions regarding the M&A.

Excerpt of conference call transcript from Brickell Biotech Inc. for the fiscal quarter ended on March 31, 2003 (a quarter in which SPI newly occurred)

CEO: “As we are waiting for our questions from the audience, there were pre-submitted questions and let me go through those questions. The first question is, can you explain further what's behind the write-down...and how much exposure you have there?”

CFO (Added Q&A only speaker categorized as CFO): “Of course. We received our initial -- our original investment in the preferred stock of vascular genetics which is a privately held company in exchange for a license to use our technology for a specific angiogenesis application. Last year YGI, or Vascular Genetics, announced plans to merge with Gemstar Therapeutics which was a publicly traded company. At that time, we were able to determine a market value for our investment which caused us to take the initial write down in the third quarter. After completing the merger in February, the shares of the new entity...were also publicly traded allowing us to track the ongoing market value of our investments. At the end of the first quarter, the value of our shares was substantially below the value carried on our balance sheets. reflecting the market's assessment of the company's prospects. As a result, we wrote down the difference between the book value and the market value

The CFO was a Q&A only speaker and answered questions regarding the SPI.

Excerpt of conference call transcript from Greif Inc. for the fiscal quarter ended on January 31, 2019 (a quarter with an M&A announcement)

Analyst: “...related to the adjusted free cash flow and adjusted ebitda, how much costs are you planning to exclude from this adjusted free cash flow?...”

CFO: “...I don't know, [CAO name], do you remember the number of acquisition-related costs?”

CAO (Added Q&A only speaker categorized as OtherFin/Acct/Tax): “It's \$77 million”

CFO: “No, that's the integration cost. That's integration-related cost.”

IR: “If you go to the back of the release, Adam, there's a reconciliation to future free cash flow. You'll see that estimate at the back.”

An Other financial/accounting/tax manager was added as a Q&A only speaker and answered a question regarding the M&A but provided the wrong information.

Appendix 2. Methodology used to classify managerial roles

Based on the role information provided by Thompson Reuters StreetEvents conference call transcripts, we form a list of roles and manually read through the roles to construct our list of flag words that is used to categorize the managers into certain roles. Our list of flag words for each role is as follows:

Role	Flag words
CEO	CEO, Chief Executive
CFO	CFO, Chief Fin
COO	COO, Chief Operat, Operat
IR	IR, Investor, Investor, Public Relation, Corporate/Corp/Corporation Relation, Director of Relations, External Relation, External Affair, Business Affair, Corporate Affair, Public Affair, Spokeman/woman/person, Shareholder, Communication
Sales/Marketing	Sales, Revenue, Pricing, Marketing, Advertising, Commercial
	Exclude; Internet Advertising, International Advertising, International Marketing, Internet Marketing, because these are considered Divisional Roles
HR	HR, Human Resource, Human Capital, People, Talent, Chief Officer Staff, Chief of Staff, Culture Officer, Administration, Admin, Employee, Employer, Labor Relations
Other Finance/Accounting/Tax	Controller, CAO, Accounting, Accountant, Tax, Reporting, Internal Control, Internal Audit, Corporate Auditor, Tresur, Financ, Risk, Investm, Actuar
Legal	Legal, Law, Counsel, Attorney, Regulat, Claims, General Council, Inhouse Council, Compliance
IT	CIO, CTO, Technology, Information
Strategy/Acquisition	Strateg, Acquisiti, Business Development, Corporate/Corporation Development, Planning, Business Transformation, President of Development, VP (of) Development, Development Officer, Development Director, Sustainable Development, Head of Development, Growth
	Exclude; Network, Product, Financial
Divisional/Regional	Division, Region, Area Manager, Segment, Business Unit, Group, Subsidiary, Market Area, Section, Global, International, Country, Worldwide, President, VP, Vice President, General Manager, Director
	Names of continent, country, city
Board	Board, Chair, Managing Director, Non-Executive Director, Independent Director, Lead Director, Advisory, Committee, Audit Co, Nominating, Member

Some managers have more than one unique role. In other words, there are managers with multiple roles during the firm quarter. We give priority to certain roles as follows.

- 1) Functional role takes priority over Divisional/Regional role for managers other than CEO, CFO, and COO.

- 2) CEO, CFO, COO roles take priority over other functional roles other than Divisional/Regional. Division/regional role takes priority over CEO, CFO, and COO roles (i.e., CEO, CFO, COO roles with Divisional/Regional role are considered as Divisional/Regional role).
- 3) CFO role takes priority over Other Financial/Accounting/Tax roles.
- 4) IR role takes priority over Other Financial /Accounting/Tax roles (The rationale is that the manager is on the conference call primarily because of the IR role and not for the Other Financial/Accounting/Tax roles).
- 5) Board role takes priority over other functional roles except CEO, CFO, COO, and IR.
- 6) For Managing directors (Board) who also hold other roles, Board role takes priority over functional roles except CEO, CFO, COO, Division/Regional, and IR.
- 7) For any remaining managers with multiple roles, we consider the manager to have the first role listed.

If a manager's role does not include any of the flag words above, it is considered to have an "Other" role. Examples of "Other" roles include Chief Scientific Officer, Chief Medical Officer, and Chief Lending Officer.

Appendix 3. Variable definitions

Variables for manager participation	
<i>Add_Pres</i>	Indicator variable with value 1 if a firm adds a manager to speak in the presentation section of the call in time t and 0 otherwise
<i>Add_Q&A_Only</i>	Indicator variable with value 1 if a firm adds a manager to speak in the Q&A section of the call in time t and 0 otherwise
Determinants and Controls	
ΔSPI	An indicator variable with value 1 if there were any material special items (Compustat variables doq, rcpq, wdpq, gdwlipq, spiopq) in time t and not quarter t-1, and 0 otherwise. Materiality is determined based on 0.5% of quarterly sales or 1% of lagged total assets (Riedl and Srinivasan, 2010)
$\Delta M\&A$	An indicator variable with value 1 if there were any mergers and acquisitions activity announced or closed (became effective) during time t and not time t-1, and 0 otherwise
$\Delta Databreach$	An indicator with value 1 if there were any data breach incidents reported during time t and not time t-1, and 0 otherwise
$\Delta RS\&ICW$	An indicator with value 1 if there were any restatements or internal control weaknesses reported during time t and not time t-1, and 0 otherwise
ΔCL	An indicator with value 1 if there were any comment letters received at time t and not time t-1, and 0 otherwise
ΔSEO	An indicator with value 1 if there were any seasoned equity offerings issued during time t and not time t-1, and 0 otherwise
$\Delta Litigation$	An indicator with value 1 if there were any securities litigation filed during time t and not time t-1, and 0 otherwise
$\Delta NewCEO$	An indicator with value 1 if there were any changes in CEO during time t and not time t-1, and 0 otherwise
$\Delta NewCFO$	An indicator with value 1 if there were any changes in CFO reported during time t and not time t-1, and 0 otherwise
<i>NonEA_CC_Mgrs</i>	The number of managers participating on non-earnings conference calls in the last four quarters
<i>Lag_NoSpeak</i>	The number of non-speaking managers on the call in time t-1
<i>IR</i>	An indicator with value 1 if an IR was on the call and 0 otherwise
<i>NYNF_CEO</i>	An indicator with value 1 if the CEO on the call was at the firm longer than one year but less than the median CEO tenure, below the median CEO age, and not a founder and 0 otherwise
<i>SIZE</i>	The natural log of 1+ total quarterly assets
<i>Age</i>	Firm age measured as the current calendar year less the first calendar year in which the firm appeared on Compustat
<i>lnEmp</i>	The natural log of 1+ the number of employees in the firm
<i>BTM</i>	Book to market value of equity. Negative values are deleted.
<i>MBE</i>	An indicator variable with value 1 if the firm beats analyst consensus EPS in time t and 0 otherwise

<i>Loss</i>	An indicator variable with value of 1 if net income before extraordinary items is negative, and zero otherwise
<i>ROA</i>	Return on assets, measured as net income before extraordinary items scaled by lagged total quarterly assets
<i>lnBusseg</i>	The natural log of 1+ the number of a firm's business segments
<i>lnGeoseg</i>	The natural log of 1+ the number of a firm's geographic segments
<i>RetVol</i>	Return volatility calculated over the 3 months in quarter t
<i>R&D</i>	R&D intensity, measured as quarterly R&D expenditures divided by total quarterly assets. Missing observations are filled in with pro-rated annual data, otherwise set to 0
<i>Lev</i>	The book value of long term debt deflated by total quarterly assets
<i>lnAnalyst</i>	The natural log of 1+ the number of analyst following per firm-quarter
<i>Instown</i>	Percent of holdings owned by institutional owners
<i>CEO_Over60</i>	An indicator with value 1 if the CEO on the call was over 60 years of age and 0 otherwise
Textual Properties	
<i>lnLength</i>	Total conference call length measured as the natural log of the total number of words
<i>lnLength_Q&A</i>	Conference call Q&A length measured as the natural log of the number of words in the Q&A section
<i>Specificity_Call</i>	The number of specific words in managers' comments based proper nouns identified by the Stanford Named Entity Recognition (NER) algorithm scaled by total words spoken by managers
<i>Specificity_Q&A</i>	The number of specific words in managers' comments in the Q&A section based proper nouns identified by the Stanford Named Entity Recognition (NER) algorithm scaled by total words spoken by managers in the Q&A section
<i>Opinion_Call</i>	The number of opinion words (Hu and Liu 2004) throughout the entire call spoken by managers scaled by total words spoken by managers
<i>Opinion_Q&A</i>	The number of opinion words (Hu and Liu 2004) in the Q&A section spoken by managers scaled by total words spoken by managers in the Q&A section
<i>FLS_Qual</i>	The number of qualitative forward-looking sentences spoken by managers scaled by total sentences spoken by managers
<i>FLS_Qual_Q&A</i>	The number of qualitative forward-looking sentences in the Q&A section spoken by managers scaled by total sentences spoken by managers in the Q&A section
Consequences and Controls	
<i>QuickRevision</i>	The percentage of analysts following the firm in the pre-period (100 days before rdq) who revise on the conference call date (or day +1 if the conference call is conducted after hours)

$\Delta FCAcc$	An indicator with value 1 if the forecast error (calculated as the difference between actual EPS and the analyst EPS consensus, scaled by lagged price) in the conference call post-period is smaller than the forecast error in the pre-period and 0 otherwise
$\Delta Disp$	An indicator with value 1 if dispersion in the conference call post-period is smaller than the forecast error in the pre-period and 0 otherwise
$AbsCAR$	Absolute value of abnormal returns on the date of the conference call
ΔBA	Change in relative bid-ask spread (calculated as $(ask - bid) / ((ask + bid) / 2)$) between the conference call date and the day before
IPE	The speed of price discovery on and subsequent to the conference call date, calculated as the average of $[1 - (AbRet_5 - AbRet_t) / AbRet_5]$ measured over days $[0,5]$ relative to the disclosure date, adjusted for after-hours calls. $AbRet_t$ is the buy-and-hold market-adjusted return over $[0,t]$
$AbsSurpDec$	The decile ranking of the absolute value of earnings surprise $((\text{median analyst consensus EPS} - \text{actual}) / \text{lagged closing price})$
$AbsRevSurpDec$	The decile ranking of the absolute revenue surprise, calculated as the absolute value of the difference between sales at time t and sales at time $t - 4$, scaled by lagged price
$\ln MF$	The natural log of 1 + the number of management forecasts occurring concurrently with the conference call

Table 1. Sample construction

	Firm-quarter level Obs	Manager-firm- quarter level Obs
Available Thompson Reuters StreetEvents conference call transcripts from 2002 to 2019	430,139	
Less: Observations not pertaining to quarterly earnings conference calls	(135,873)	
Less: Observations not merged with Compustat <i>gvkey</i> , <i>datadate</i> , <i>rdq</i> and <i>atq</i>	(127,535)	
Less: Observations with transcripts with unparseable text	(36,653)	
	130,078	429,717
Less: Observations with unidentifiable manager name and role	(458)	(3,426)
Restricting the sample to conference calls where at least a CEO, CFO, or IR is present	(996)	(2,749)
	128,624	423,542
Less: Observations with missing data on determinants and prior quarter data to calculate change variables	(84,569)	(272,198)
Main Sample:	44,055	151,344

This table reports the sample selection procedure for the firm-quarter level and manager-quarter level sample during the sample period of 2002 Q1-2019 Q4.

Table 2. Sample description

Panel A. Frequency of calls by the number of managers

Frequency of Calls (firm-quarter level)								
No. of managers	Total Managers on Call		Presentation Speakers		Q&A Only Speakers		Non-Speaking Managers	
0	-	-	0	0.00%	30,938	70.23%	43,258	98.19%
1	241	0.55%	1,724	3.91%	7,606	17.26%	651	1.48%
2	7,577	17.20%	10,823	24.57%	3,207	7.28%	105	0.24%
3	19,855	45.07%	23,461	53.25%	1,460	3.31%	28	0.06%
4	9,472	21.50%	6,281	14.26%	541	1.23%	6	0.01%
5	4,296	9.75%	1,435	3.26%	218	0.49%	4	0.01%
6 or more	2,614	5.93%	331	0.75%	85	0.19%	3	0.01%
Total	44,055	100%	44,055	100%	44,055	100%	44,055	100%
Mean (Median)	3.4 (3)		2.9 (3)		0.5 (0)		0.0 (0)	

This table presents the frequency of distinct calls based on the total number of managers on the call, the number of managers who speak in the presentation section, the number of managers who speak in the Q&A section only, and the number of managers who do not speak on the call, respectively.

Panel B. Distribution of managerial roles

Managerial role	Presentation speakers		Q&A only speakers	
	Frequency of managers	Percentage (%)	Frequency of managers	Percentage (%)
CEO	41,773	32.6%	2,244	10.1%
CFO	39,390	30.7%	2,767	12.5%
IR	26,503	20.7%	500	2.3%
Div/Reg	6,042	4.7%	7,594	34.2%
COO	5,348	4.2%	3,113	14.0%
OtherFin/Acct/Tax	3,212	2.5%	1,709	7.7%
Board	1,299	1.0%	462	2.1%
Other	1,160	0.9%	883	4.0%
Strat	1,123	0.9%	587	2.6%
Sale/MKT	948	0.7%	1,259	5.7%
Leg	885	0.7%	509	2.3%
IT	248	0.2%	492	2.2%
HR	193	0.2%	94	0.4%
Total	128,124	100.0%	22,213	100.0%

This table presents the frequency of distinct managerial roles of presentation speakers and Q&A only speakers.

Panel C. Frequency of calls with certain managers

Call with	Presentation speakers		Q&A only speakers	
	Frequency of calls	Percentage (%) out of 44,055	Frequency of calls	Percentage (%) out of 13,117
CEO	41,047	93.2%	1,847	14.1%
CFO	39,234	89.1%	2,730	20.8%
IR	26,321	59.7%	483	3.7%
Div/Reg	4,911	11.1%	5,204	39.7%
COO	5,263	11.9%	3,007	22.9%
OtherFin/Acct/Tax	3,117	7.1%	1,528	11.6%
Sale/MKT	920	2.1%	1,231	9.4%
Other	1,114	2.5%	762	5.8%
Board	1,287	2.9%	420	3.2%
Strat	1,122	2.5%	560	4.3%
Leg	884	2.0%	500	3.8%
IT	248	0.6%	487	3.7%
HR	193	0.4%	94	0.7%

This table presents the distribution of calls with certain managerial roles of presentation speakers and Q&A only speakers.

Panel D. Common combinations of managerial roles of presentation speakers on the call

Total number of presentation speakers	Frequency	% out of Group Total	% out of Sample Total (44,055)
1			
CEO	785	45.5%	1.8%
CFO	423	24.5%	1.0%
IR	390	22.6%	0.9%
Other combinations	126	7.3%	0.3%
Total	1,724	100.0%	3.9%
2			
CEO,CFO	7,535	69.6%	17.1%
CEO,IR	1,401	12.9%	3.2%
CFO,IR	689	6.4%	1.6%
CEO,OtherFin/Acct/Tax	223	2.1%	0.5%
CEO,COO	144	1.3%	0.3%
Other combinations	831	7.7%	1.9%
Total	10,823	100.0%	24.6%
3			
CEO,CFO,IR	16,439	70.1%	37.3%
CEO,CFO,OtherFin/Acct/Tax	1,356	5.8%	3.1%
CEO,CFO,COO	973	4.1%	2.2%
CEO,CFO,Div/Reg	909	3.9%	2.1%
CEO,CFO,Strat	580	2.5%	1.3%
Other combinations	3,204	13.7%	7.3%
Total	23,461	100.0%	53.3%
4			
CEO,CFO,IR,COO	1,917	30.5%	4.4%
CEO,CFO,IR,Div/Reg	1,175	18.7%	2.7%
CEO,CFO,IR, Board	251	4.0%	0.6%
CEO,CFO,COO,OtherFin/Acct/Tax	222	3.5%	0.5%
CEO,CFO,IR,Sale/MKT	222	3.5%	0.5%
Other combinations	2,494	39.7%	5.7%
Total	6,281	100.0%	14.3%
5			
CEO,CFO,IR,Div/Reg,Div/Reg	287	20.0%	0.7%
CEO,CFO,IR,COO,Div/Reg	203	14.1%	0.5%
CEO,CFO,IR,COO,Sale/MKT	63	4.4%	0.1%
CEO,CFO,IR,Div/Reg,Sale/MKT	58	4.0%	0.1%
CEO,CFO,IR,COO,Board	47	3.3%	0.1%
Other combinations	777	54.1%	1.8%
Total	1,435	100.0%	3.3%
6			
CEO,CFO,IR,Div/Reg,Div/Reg,Div/Reg	51	18.7%	0.1%

CEO,CFO,IR,COO,Div/Reg,Div/Reg	23	8.4%	0.1%
CEO,CFO,IR,IR,OtherFin/Acct/Tax,OtherFin/Acct/Tax	12	4.4%	0.0%
CEO,CFO,Div/Reg,Div/Reg,IR,OtherFin/Acct/Tax	10	3.7%	0.0%
CEO,CFO,IR,IR,Div/Reg,Div/Reg	9	3.3%	0.0%
Other combinations	168	61.5%	0.4%
Total	273	100.0%	0.6%

This table presents the common combination of managerial roles of presentation speakers by the total number of presentation speakers.

Panel E. Frequency of firm-quarter calls with added managers

Call with	Frequency of calls	Percentage (%)
New Presentation speaker (where <i>Add_Pres</i> = 1)	6,468	14.7%
New Q&A only speaker (where <i>Add_Q&A_Only</i> = 1)	5,912	13.4%
Total	44,055	

This table presents the frequency of distinct calls based on existence of newly speaking managers on the call.

Panel F. Distribution of added managerial roles on the call at the firm-quarter call level

Added role	Frequency of firm-quarters adding presentation speakers	Percentage (%) out of 6,468	Frequency of firm-quarters adding Q&A only speakers	Percentage (%) out of 5,912
CEO	2,222	34.4%	591	10.0%
CFO	2,115	32.7%	768	13.0%
Div/Reg	1,137	17.6%	2,181	36.9%
COO	807	12.5%	981	16.6%
OtherFin/Acct/Tax	525	8.1%	805	13.6%
Sale/MKT	192	3.0%	394	6.7%
Other	252	3.9%	383	6.5%
Board	224	3.5%	212	3.6%
Strat	183	2.8%	249	4.2%
Leg	136	2.1%	296	5.0%
IT	70	1.1%	174	2.9%
HR	41	0.6%	44	0.7%

This table presents the frequency of distinct managerial roles for added managers on the call at the firm-quarter call level. The table is presented in the order of the frequency of added managerial roles for presentation speakers and the frequency of added managerial roles for Q&A only speakers.

Table 3. Determinants of adding a presentation speaker on the call**Panel A. Descriptive statistics**

<i>Variable</i>	N	Mean	Std Dev.	1%	25%	Median	75%	99%
<i>Add_Pres</i>	44,055	0.147	0.354	0	0	0	0	1
<i>Add_Q&A_Only</i>	44,055	0.134	0.341	0	0	0	0	1
<i>ΔSPI</i>	44,055	0.164	0.370	0	0	0	0	1
<i>ΔM&A</i>	44,055	0.096	0.294	0	0	0	0	1
<i>ΔDatabreach</i>	44,055	0.004	0.062	0	0	0	0	0
<i>ΔRS&ICW</i>	44,055	0.020	0.141	0	0	0	0	1
<i>ΔCL</i>	44,055	0.106	0.308	0	0	0	0	1
<i>ΔSEO</i>	44,055	0.014	0.116	0	0	0	0	1
<i>ΔLitigation</i>	44,055	0.008	0.088	0	0	0	0	0
<i>ΔNewCEO</i>	44,055	0.036	0.186	0	0	0	0	1
<i>ΔNewCFO</i>	44,055	0.034	0.182	0	0	0	0	1
<i>NonEA_CC_Mgrs</i>	44,055	2.358	4.213	0	0	0	3	22
<i>Lag_NoSpeak</i>	44,055	0.062	0.407	0	0	0	0	2
<i>IR</i>	44,055	0.624	0.484	0	0	1	1	1
<i>NYNF_CEO</i>	44,055	0.215	0.411	0	0	0	0	1
<i>ΔSize</i>	44,055	0.018	0.070	-0.168	-0.010	0.011	0.037	0.316
<i>Age</i>	44,055	26.308	14.348	4	15	24	37	55
<i>ΔlnEmp</i>	44,055	0.007	0.040	-0.125	0	0	0	0.220
<i>ΔBTM</i>	44,055	0.001	0.135	-0.494	-0.040	-0.003	0.036	0.521
<i>ΔMBE</i>	44,055	-0.003	0.594	-1	0	0	0	1
<i>ΔLoss</i>	44,055	0.002	0.352	-1	0	0	0	1
<i>ΔROA</i>	44,055	0.000	0.022	-0.083	-0.005	0.000	0.005	0.081
<i>ΔlnBusseg</i>	44,055	0.002	0.058	0	0	0	0	0.357
<i>ΔlnGeoseg</i>	44,055	0.007	0.094	0	0	0	0	0.693
<i>ΔRetVol</i>	44,055	0.000	0.069	-0.190	-0.035	0.001	0.036	0.191
<i>ΔR&D</i>	44,055	0.000	0.036	-0.100	0	0	0	0.106
<i>ΔLev</i>	44,055	0.001	0.031	-0.097	-0.007	0.000	0.004	0.139
<i>ΔlnAnalyst</i>	44,055	0.005	0.165	-0.511	-0.065	0	0.080	0.511
<i>ΔInstown</i>	44,055	0.002	0.072	-0.152	-0.012	0	0.017	0.144
<i>CEO_Over60</i>	44,055	0.260	0.439	0	0	0	1	1
<i>Q4</i>	44,055	0.255	0.436	0	0	0	1	1

This table provides descriptive statistics on the determinants of adding a new speaker on the call.

Panel C. Determinants of adding a presentation speaker to the call

	<i>Add_Pres</i>		<i>Marginal effects</i>
	(1)	(2)	
ΔSPI	0.034 (0.822)	0.023 (0.557)	0.003 (0.558)
$\Delta M\&A$	0.025 (0.516)	0.020 (0.422)	0.002 (0.422)
$\Delta Databreach$	0.082 (0.370)	0.088 (0.400)	0.010 (0.400)
$\Delta RS\&ICW$	0.190** (1.980)	0.188** (1.963)	0.021** (1.965)
ΔCL	0.097** (2.088)	0.095** (2.045)	0.011** (2.050)
ΔSEO	0.231** (1.980)	0.234** (1.986)	0.026** (1.986)
$\Delta Litigation$	0.303** (2.113)	0.292** (2.040)	0.032** (2.045)
$\Delta NewCEO$	0.366*** (5.023)	0.362*** (4.937)	0.040*** (4.973)
$\Delta NewCFO$	0.095 (1.166)	0.093 (1.133)	0.010 (1.134)
<i>NonEA_CC_Mgrs</i>	0.033*** (6.541)	0.034*** (6.632)	0.004*** (6.611)
<i>Lag_NoSpeak</i>	1.785*** (22.298)	1.788*** (22.387)	0.197*** (23.649)
<i>IR</i>	-0.321*** (-6.634)	-0.311*** (-6.378)	-0.034*** (6.300)
<i>NYNF_CEO</i>	-0.130*** (-2.583)	-0.092* (-1.784)	-0.010* (1.785)
$\Delta Size$		0.144 (0.640)	0.016 (0.640)
<i>Age</i>		-0.001 (-0.706)	-0.000 (0.707)
$\Delta \ln Emp$		0.287 (0.777)	0.032 (0.776)
ΔBTM		0.342*** (2.899)	0.038*** (2.903)
ΔMBE		0.032 (1.429)	0.004 (1.430)
$\Delta Loss$		0.120** (2.435)	0.013** (2.430)
ΔROA		0.022 (0.031)	0.002 (0.031)
$\Delta \ln Busseg$		0.022 (0.077)	0.002 (0.077)

<i>ΔlnGeoseg</i>		0.007 (0.038)	0.001 (0.038)
<i>ΔRetVol</i>		-0.073 (-0.360)	-0.008 (0.360)
<i>ΔR&D</i>		-0.529 (-1.391)	-0.058 (1.392)
<i>ΔLev</i>		0.455 (0.962)	0.050 (0.962)
<i>ΔlnAnalyst</i>		-0.130 (-1.571)	-0.014 (1.574)
<i>ΔInstown</i>		-0.390** (-2.071)	-0.043** (2.074)
<i>CEO_Over60</i>		0.119** (2.347)	0.013** (2.343)
<i>Q4</i>		0.069 (1.439)	0.008 (1.440)
<i>Constant</i>	1.128 (0.852)	0.853 (0.674)	
<i>Calendar Quarter FE</i>	YES	YES	
<i>Industry FE</i>	YES	YES	
Observations	44,041	44,041	
Pseudo R ² (%)	10.30%	10.40%	

This table reports an analysis of the determinants of adding a presentation speaker to the quarterly earnings conference call. It summarizes the results of a logistic regression of new presentation speakers on the call on changes in firm events and firm-level characteristics. Column (3) provides marginal effects for each independent variable. Robust z-statistics are in parentheses. ***, **, and * denote significant at the 1%, 5% and 10% levels, respectively, based on the two-tailed tests. All variables are defined in Appendix 3.

Panel D. Determinants of adding a Q&A only speaker to the call

	<i>Add_Q&A_Only</i>		<i>Marginal effects</i>
	(1)	(2)	
ΔSPI	0.038 (0.823)	0.036 (0.764)	0.004 (0.764)
$\Delta M\&A$	-0.065 (-1.206)	-0.068 (-1.268)	-0.007 (1.269)
$\Delta Databreach$	-0.193 (-0.760)	-0.206 (-0.819)	-0.022 (0.819)
$\Delta RS\&ICW$	0.011 (0.104)	0.009 (0.086)	0.001 (0.086)
ΔCL	0.056 (1.205)	0.055 (1.197)	0.006 (1.196)
ΔSEO	0.013 (0.094)	0.050 (0.374)	0.005 (0.375)
$\Delta Litigation$	0.292* (1.927)	0.275* (1.789)	0.030* (1.786)
$\Delta NewCEO$	0.195*** (2.721)	0.184** (2.558)	0.020** (2.558)
$\Delta NewCFO$	0.204*** (2.623)	0.213*** (2.727)	0.023*** (2.727)
<i>NonEA_CC_Mgrs</i>	0.055*** (9.512)	0.053*** (9.102)	0.006*** (9.025)
<i>Lag_NoSpeak</i>	0.465*** (12.048)	0.465*** (11.997)	0.051*** (11.760)
<i>IR</i>	0.056 (0.884)	0.054 (0.855)	0.006 (0.857)
<i>NYNF_CEO</i>	-0.211*** (-4.007)	-0.132** (-2.500)	-0.014** (2.493)
$\Delta Size$		-0.215 (-0.889)	-0.023 (0.889)
<i>Age</i>		0.004 (1.533)	0.000 (1.530)
$\Delta \ln Emp$		0.899** (2.326)	0.098** (2.317)
ΔBTM		0.234** (2.065)	0.025** (2.069)
ΔMBE		-0.011 (-0.508)	-0.001 (0.508)
$\Delta Loss$		-0.056 (-1.321)	-0.006 (1.321)
ΔROA		0.030 (0.041)	0.003 (0.041)
$\Delta \ln Busseg$		-0.011 (-0.037)	-0.001 (0.037)
$\Delta \ln Geoseg$		0.089	0.010

		(0.470)	(0.470)
<i>ΔRetVol</i>		-0.041	-0.004
		(-0.187)	(0.188)
<i>ΔR&D</i>		-0.426	-0.046
		(-0.954)	(0.954)
<i>ΔLev</i>		1.360***	0.148***
		(2.863)	(2.858)
<i>ΔlnAnalyst</i>		0.021	0.002
		(0.262)	(0.262)
<i>ΔInstown</i>		0.095	0.010
		(0.498)	(0.498)
<i>CEO_Over60</i>		0.232***	0.025***
		(4.070)	(4.067)
<i>Q4</i>		0.069	0.008
		(1.606)	(1.607)
<i>Constant</i>	-0.331	-0.442	
	(-0.276)	(-0.346)	
<i>Calendar Quarter FE</i>	YES	YES	
<i>Industry FE</i>	YES	YES	
Observations	44,055	44,055	
Pseudo R ² (%)	5.01%	7.02%	

This table reports an analysis of the determinants of adding a Q&A only speaker to the quarterly earnings conference call. It summarizes the results of a logistic regression of new Q&A only speaker on the call on changes in firm events and firm-level characteristics. Column (3) provides marginal effects for each independent variable. Robust z-statistics are in parentheses. ***, **, and * denote significant at the 1%, 5% and 10% levels, respectively, based on the two-tailed tests. All variables are defined in Appendix 3.

Table 4. Conference call textual properties**Panel A. Descriptive statistics**

Variable	N	Mean	StdDev.	1%	25%	Median	75%	99%
<i>Add_Pres</i>	44,048	0.147	0.354	0	0	0	0	1
<i>Add_Q&A_Only</i>	44,048	0.134	0.341	0	0	0	0	1
<i>Length</i>	44,048	8,722	2,528	3,322	6,923	8,842	10,331	15,151
<i>lnLength</i>	44,048	9.027	0.313	8.108	8.843	9.087	9.243	9.611
<i>Length_Q&A</i>	44,048	5,616	2,230	1,139	4,027	5,553	7,029	11,439
<i>lnLength_Q&A</i>	44,048	8.539	0.464	7.038	8.301	8.622	8.858	9.332
<i>Specificity_Call</i>	44,048	0.033	0.012	0.013	0.024	0.031	0.039	0.069
<i>Specificity_Q&A</i>	44,048	0.022	0.010	0.007	0.015	0.020	0.027	0.064
<i>Opinion_Call</i>	44,048	0.040	0.006	0.026	0.036	0.040	0.044	0.055
<i>Opinion_Q&A</i>	44,048	0.044	0.009	0.027	0.038	0.043	0.049	0.076
<i>FLS_Qual</i>	44,048	0.136	0.042	0.052	0.106	0.133	0.164	0.250
<i>FLS_Qual_Q&A</i>	44,048	0.119	0.048	0.029	0.083	0.113	0.148	0.259
<i>AbsSurpDec</i>	44,048	4.896	2.698	1	3	5	7	10
<i>AbsRevSurpDec</i>	44,048	5.021	2.729	1	3	5	7	10
<i>lnMF</i>	44,048	0.922	0.706	0	0	1.099	1.386	2.398

This table provides descriptive statistics on the conference call textual properties and firm-quarter controls.

Panel B. Correlations

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(1) <i>Add_Pres</i>	1.00	0.06	0.04	0.00	0.04	0.04	0.01	0.02	0.04	0.02	0.01	0.03	-0.02
(2) <i>Add_Q&A_Only</i>	0.06	1.00	0.07	0.10	0.06	0.14	-0.02	-0.05	0.00	0.00	0.01	0.01	-0.06
(3) <i>lnLength</i>	0.03	0.06	1.00	0.87	-0.30	-0.25	0.08	-0.10	-0.03	0.01	-0.11	-0.03	0.12
(4) <i>lnLength_Q&A</i>	0.00	0.09	0.88	1.00	-0.36	-0.27	0.06	-0.20	-0.13	-0.03	-0.13	-0.02	0.08
(5) <i>Specificity_Call</i>	0.04	0.06	-0.34	-0.40	1.00	0.67	-0.21	0.01	0.10	0.07	0.07	0.05	-0.08
(6) <i>Specificity_Q&A</i>	0.04	0.12	-0.34	-0.39	0.64	1.00	-0.09	0.02	0.07	0.06	0.05	0.00	-0.08
(7) <i>Opinion_Call</i>	0.01	-0.02	0.08	0.07	-0.24	-0.11	1.00	0.71	-0.01	-0.05	-0.02	-0.07	0.12
(8) <i>Opinion_Q&A</i>	0.02	-0.05	-0.16	-0.30	0.03	0.13	0.65	1.00	-0.03	-0.08	0.03	-0.03	0.05
(9) <i>FLS_Qual</i>	0.04	0.00	-0.03	-0.13	0.09	0.07	-0.01	-0.02	1.00	0.76	0.11	-0.01	0.09
(10) <i>FLS_Qual_Q&A</i>	0.02	0.00	0.00	-0.04	0.07	0.06	-0.05	-0.08	0.77	1.00	0.05	-0.01	0.04
(11) <i>AbsSurpDec</i>	0.01	0.01	-0.11	-0.13	0.07	0.05	-0.02	0.04	0.11	0.06	1.00	0.13	-0.13
(12) <i>AbsRevSurpDec</i>	0.03	0.01	-0.02	-0.01	0.05	0.00	-0.07	-0.02	0.00	-0.01	0.14	1.00	-0.02
(13) <i>lnMF</i>	-0.02	-0.06	0.13	0.09	-0.08	-0.08	0.12	0.04	0.09	0.04	-0.13	-0.02	1.00

This table presents the Pearson and Spearman correlation matrix (below and above the diagonal, respectively) for the variables used in our test of adding a manager to the conference call and conference call textual properties. Correlations significant at the 5% level are in bold.

Panel C. Entropy Balancing - Covariates

	<i>Add_Pres=1</i>			<i>Add_Pres=0</i>					
	mean	variance	skewness	Before EB			After EB		
				mean	variance	skewness	mean	variance	skewness
<i>ΔSPI</i>	0.164	0.137	1.811	0.163	0.137	1.821	0.164	0.137	1.811
<i>ΔM&A</i>	0.097	0.088	2.722	0.095	0.086	2.753	0.097	0.088	2.721
<i>ΔDatabreach</i>	0.004	0.004	15.990	0.004	0.004	16.060	0.004	0.004	16.000
<i>ΔRS&ICW</i>	0.024	0.023	6.247	0.020	0.019	6.890	0.024	0.023	6.249
<i>ΔCL</i>	0.111	0.099	2.479	0.106	0.095	2.564	0.111	0.099	2.480
<i>ΔSEO</i>	0.018	0.017	7.332	0.013	0.013	8.660	0.018	0.017	7.336
<i>ΔLitigation</i>	0.010	0.010	9.672	0.007	0.007	11.480	0.010	0.010	9.678
<i>ΔNewCEO</i>	0.047	0.044	4.305	0.034	0.033	5.140	0.046	0.044	4.308
<i>ΔNewCFO</i>	0.037	0.035	4.921	0.034	0.033	5.170	0.037	0.035	4.921
<i>NonEA_CC_Mgrs</i>	2.734	22.150	2.362	2.293	16.960	2.602	2.731	22.130	2.363
<i>Lag_NoSpeak</i>	0.339	0.906	4.352	0.014	0.023	15.400	0.339	0.904	4.356
<i>IR</i>	0.586	0.243	-0.349	0.631	0.233	-0.543	0.586	0.243	-0.350
<i>CEO_NYNF</i>	0.198	0.159	1.514	0.218	0.171	1.365	0.198	0.159	1.513
<i>ΔSize</i>	0.019	0.006	2.233	0.017	0.005	2.100	0.019	0.006	2.232
<i>Age</i>	25.820	200.000	0.433	26.390	206.800	0.398	25.820	200.000	0.433
<i>ΔlnEmp</i>	0.008	0.002	2.325	0.007	0.002	2.395	0.008	0.002	2.326
<i>ΔBTM</i>	0.004	0.020	0.714	0.000	0.018	0.463	0.004	0.020	0.714
<i>ΔMBE</i>	0.003	0.359	-0.001	-0.004	0.352	0.001	0.003	0.359	-0.001
<i>ΔLoss</i>	0.012	0.135	0.140	0.000	0.122	-0.001	0.012	0.135	0.140
<i>ΔROA</i>	0.000	0.001	-0.038	0.000	0.000	-0.068	0.000	0.001	-0.038
<i>ΔlnBusseg</i>	0.003	0.003	0.584	0.002	0.003	-0.332	0.003	0.003	0.574
<i>ΔlnGeoseg</i>	0.007	0.008	4.780	0.007	0.009	3.347	0.007	0.008	4.762
<i>ΔRetVol</i>	0.000	0.005	0.048	0.000	0.005	-0.020	0.000	0.005	0.048
<i>ΔR&D</i>	0.000	0.002	-1.344	0.000	0.001	-0.606	0.000	0.002	-1.344
<i>ΔLev</i>	0.001	0.001	1.652	0.001	0.001	1.532	0.001	0.001	1.652
<i>ΔlnAnalyst</i>	0.004	0.028	-0.012	0.005	0.027	0.018	0.004	0.028	-0.012
<i>ΔInstown</i>	0.001	0.006	-1.893	0.002	0.005	1.113	0.001	0.006	-1.868
<i>CEO_Over60</i>	0.283	0.203	0.965	0.256	0.191	1.118	0.283	0.203	0.965
<i>Q4</i>	0.265	0.195	1.065	0.254	0.189	1.132	0.265	0.195	1.065

	<i>Add_Q&A_Only=1</i>			<i>Add_Q&A_Only=0</i>					
				Before EB			After EB		
	mean	variance	skewness	mean	variance	skewness	mean	variance	skewness
<i>ΔSPI</i>	0.163	0.137	1.821	0.164	0.137	1.819	0.163	0.137	1.821
<i>ΔM&A</i>	0.092	0.083	2.830	0.096	0.087	2.737	0.092	0.083	2.830
<i>ΔDatabreach</i>	0.004	0.004	15.940	0.004	0.004	16.070	0.004	0.004	15.940
<i>ΔRS&ICW</i>	0.021	0.021	6.686	0.020	0.020	6.800	0.021	0.021	6.685
<i>ΔCL</i>	0.114	0.101	2.437	0.105	0.094	2.570	0.114	0.101	2.437
<i>ΔSEO</i>	0.016	0.016	7.613	0.013	0.013	8.570	0.016	0.016	7.613
<i>ΔLitigation</i>	0.011	0.011	9.379	0.007	0.007	11.520	0.011	0.011	9.379
<i>ΔNewCEO</i>	0.044	0.042	4.438	0.035	0.033	5.095	0.044	0.042	4.438
<i>ΔNewCFO</i>	0.040	0.039	4.678	0.033	0.032	5.212	0.040	0.039	4.678
<i>NonEA_CC_Mgrs</i>	0.190	0.154	1.581	0.227	0.175	1.306	0.190	0.154	1.581
<i>Lag_NoSpeak</i>	0.172	0.583	6.529	0.045	0.099	10.950	0.172	0.583	6.529
<i>IR</i>	0.262	0.193	1.083	0.254	0.190	1.128	0.262	0.193	1.083
<i>CEO_NYNF</i>	0.183	0.150	1.637	0.220	0.172	1.351	0.183	0.150	1.637
<i>ΔSize</i>	0.018	0.005	2.180	0.018	0.005	2.118	0.018	0.005	2.180
<i>Age</i>	27.640	204.300	0.301	26.100	205.800	0.421	27.640	204.300	0.301
<i>ΔlnEmp</i>	0.007	0.002	2.384	0.007	0.002	2.386	0.007	0.002	2.384
<i>ΔBTM</i>	0.004	0.020	0.624	0.000	0.018	0.486	0.004	0.020	0.624
<i>ΔMBE</i>	-0.007	0.363	0.003	-0.002	0.351	0.001	-0.007	0.363	0.003
<i>ΔLoss</i>	-0.002	0.133	-0.019	0.002	0.123	0.032	-0.002	0.133	-0.019
<i>ΔROA</i>	0.000	0.000	0.264	0.000	0.000	-0.108	0.000	0.000	0.264
<i>ΔlnBusseg</i>	0.003	0.003	0.681	0.002	0.003	-0.338	0.003	0.003	0.681
<i>ΔlnGeoseg</i>	0.007	0.008	4.489	0.007	0.009	3.396	0.007	0.008	4.489
<i>ΔRetVol</i>	0.000	0.005	0.135	0.000	0.005	-0.030	0.000	0.005	0.135
<i>ΔR&D</i>	-0.001	0.002	-1.641	0.000	0.001	-0.596	-0.001	0.002	-1.641
<i>ΔLev</i>	0.002	0.001	1.516	0.001	0.001	1.558	0.002	0.001	1.516
<i>ΔlnAnalyst</i>	0.007	0.029	0.016	0.005	0.027	0.012	0.007	0.029	0.016
<i>ΔInstown</i>	0.002	0.006	1.727	0.002	0.005	0.439	0.002	0.006	1.727
<i>CEO_Over60</i>	0.305	0.212	0.847	0.253	0.189	1.137	0.305	0.212	0.847
<i>Q4</i>	3.249	25.500	2.057	2.220	16.400	2.663	3.249	25.500	2.057

This table presents the results of balancing control observations (*Add_Pres* or *Add_Q&A_Only* = 0) to match treatment observations (*Add_Pres* or *Add_Q&A_Only* = 1) on all three moments – mean, variance, and skewness.

Panel D. Adding a presentation speaker to the call and conference call textual properties

	<i>InLength</i>		<i>Specificity_Call</i>		<i>Opinion_Call</i>		<i>FLS_Qual</i>	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Add_Pres</i>	0.025*** (3.760)	0.014*** (3.820)	0.001*** (2.796)	0.000** (2.573)	0.000** (2.031)	0.000*** (3.229)	0.005*** (5.762)	0.003*** (4.773)
<i>AbsSurpDec</i>	-0.008*** (-5.882)	-0.001 (-1.341)	0.000*** (3.223)	-0.000 (-1.124)	-0.000 (-1.539)	0.000** (2.525)	0.002*** (9.930)	0.001*** (7.308)
<i>AbsRevSurpDec</i>	-0.002 (-1.149)	0.001* (1.775)	0.000** (2.507)	0.000 (1.259)	-0.000*** (-3.124)	0.000 (0.204)	-0.000* (-1.729)	-0.000*** (-3.805)
<i>lnMF</i>	0.053*** (6.852)	0.019*** (4.121)	-0.000 (-1.098)	0.000 (0.449)	0.000* (1.787)	-0.000*** (-2.819)	0.004*** (4.320)	0.002** (2.575)
<i>EB Controls</i>	YES	YES	YES	YES	YES	YES	YES	YES
<i>Calendar Quarter FE</i>	YES	YES	YES	YES	YES	YES	YES	YES
<i>Industry FE</i>	YES	NO	YES	NO	YES	NO	YES	NO
<i>Firm FE</i>	NO	YES	NO	YES	NO	YES	NO	YES
Observations	44,048	44,014	44,048	44,014	44,048	44,014	44,048	44,014
Adjusted R2 (%)	18.90%	57.80%	15.20%	58.80%	14.40%	51.50%	12.10%	41.40%
Within R2 (%)	13.10%	1.80%	1.50%	0.64%	2.56%	0.55%	3.80%	1.11%

This table reports an analysis of the relation between conference call textual properties and adding a presentation speaker to the quarterly earnings conference call. It summarizes the results of regressing conference call length, conference call specificity, conference call opinions, and conference call qualitative forward-looking statements. Calendar quarter fixed effects are included for each model. Industry (firm) fixed effects are included in odd (even) numbered columns. Coefficient t-statistics are in parentheses. ***, **, and * denote significant at the 1%, 5% and 10% levels, respectively, based on the two-tailed tests. All variables are defined in Appendix 3.

Panel E. Adding a Q&A only speaker to the call and conference call textual properties

	<i>lnLength_Q&A</i>		<i>Specificity_Call_Q&A</i>		<i>Opinion_Call_Q&A</i>		<i>FLS_Qual_Q&A</i>	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Add_Q&A_Only</i>	0.117*** (11.429)	0.076*** (13.077)	0.003*** (10.653)	0.002*** (10.970)	-0.001*** (-6.464)	-0.001*** (-7.062)	-0.001 (-1.570)	-0.001* (-1.803)
<i>AbsSurpDec</i>	-0.014*** (-7.169)	-0.005*** (-5.145)	0.000*** (2.728)	0.000 (0.071)	0.000 (1.409)	0.000*** (4.248)	0.001*** (5.933)	0.000*** (3.463)
<i>AbsRevSurpDec</i>	-0.002 (-1.301)	0.001 (0.721)	0.000 (1.165)	0.000 (0.811)	-0.000* (-1.952)	0.000 (0.357)	-0.000 (-0.399)	-0.000 (-1.059)
<i>lnMF</i>	0.044*** (3.965)	0.013* (1.950)	-0.000 (-1.412)	-0.000 (-0.168)	0.000 (0.039)	-0.000 (-1.583)	0.003*** (3.101)	0.001 (1.375)
<i>EB Controls</i>	YES	YES	YES	YES	YES	YES	YES	YES
<i>Calendar Quarter FE</i>	YES	YES	YES	YES	YES	YES	YES	YES
<i>Industry FE</i>	YES	NO	YES	NO	YES	NO	YES	NO
<i>Firm FE</i>	NO	YES	NO	YES	NO	YES	NO	YES
Observations	44,048	44,014	44,048	44,014	44,048	44,014	44,048	44,014
Adjusted R2 (%)	15.10%	50.80%	11.10%	36.80%	5.41%	28.10%	7.86%	26.90%
Within R2 (%)	9.29%	1.54%	2.66%	0.83%	0.82%	0.43%	1.40%	0.29%

This table reports an analysis of the relation between conference call textual properties and adding a Q&A only speaker to the quarterly earnings conference call. It summarizes the results of regressing conference call length, conference call specificity, conference call opinions, and conference call qualitative forward-looking statements. Calendar quarter fixed effects are included for each model. Industry (firm) fixed effects are included in odd (even) numbered columns. Coefficient t-statistics are in parentheses. ***, **, and * denote significant at the 1%, 5% and 10% levels, respectively, based on the two-tailed tests. All variables are defined in Appendix 3.

Table 5. Analysts' forecast properties**Panel A. Descriptive statistics**

Variable	N	Mean	Std Dev.	1%	25%	Median	75%	99%
<i>Add_Pres</i>	44,048	0.147	0.354	0	0	0	0	1
<i>Add_Q&A_Only</i>	44,048	0.134	0.341	0	0	0	0	1
<i>QuickRevision</i>	38,444	0.492	0.357	0	0.182	0.500	0.800	1
ΔFC_{Acc}	38,430	0.603	0.489	0	0	1	1	1
$\Delta Disp$	22,793	0.476	0.499	0	0	0	1	1
<i>AbsSurpDec</i>	44,048	4.896	2.698	1	3	5	7	10
<i>AbsRevSurpDec</i>	44,048	5.021	2.729	1	3	5	7	10
<i>lnMF</i>	44,048	0.922	0.706	0	0	1.099	1.386	2.398

This table provides descriptive statistics on analysts forecast properties and firm-quarter controls.

Panel B. Correlations

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1) <i>Add_Pres</i>	1.00	0.06	-0.01	0.00	-0.02	0.01	0.03	-0.02
(2) <i>Add_Q&A_Only</i>	0.06	1.00	0.02	-0.01	-0.01	0.01	0.01	-0.06
(3) <i>QuickRevision</i>	-0.01	0.02	1.00	-0.01	-0.02	-0.01	-0.04	-0.08
(4) ΔFC_{Acc}	0.00	-0.01	-0.01	1.00	-0.04	0.08	0.05	0.00
(5) $\Delta Disp$	-0.02	-0.01	-0.02	-0.04	1.00	-0.05	0.01	0.03
(6) <i>AbsSurpDec</i>	0.01	0.01	-0.01	0.08	-0.05	1.00	0.13	-0.13
(7) <i>AbsRevSurpDec</i>	0.03	0.01	-0.04	0.05	0.01	0.14	1.00	-0.02
(8) <i>lnMF</i>	-0.02	-0.06	-0.09	0.00	0.03	-0.13	-0.02	1.00

This table presents the Pearson and Spearman correlation matrix (below and above the diagonal, respectively) for the variables used in our test of adding a manager to the conference call and analysts' forecast properties. Correlations significant at the 5% level are in bold.

Panel C. Adding a presentation speaker to the call and analysts' forecast properties

	<i>QuickRevision</i>		$\Delta FC\text{Acc}$		$\Delta Disp$	
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Add_Pres</i>	-0.012*	-0.009*	-0.020**	-0.013*	-0.017	-0.017
	(-1.679)	(-1.706)	(-2.393)	(-1.677)	(-1.570)	(-1.638)
<i>AbsSurpDec</i>	-0.001	0.002**	0.011***	0.010***	-0.017***	-0.013***
	(-0.658)	(2.120)	(6.696)	(7.642)	(-6.946)	(-7.687)
<i>AbsRevSurpDec</i>	-0.002	-0.000	0.005***	0.003**	0.004*	0.001
	(-1.220)	(-0.515)	(2.789)	(2.481)	(1.792)	(0.717)
<i>lnMF</i>	-0.021***	0.005	0.014**	0.009	-0.003	0.005
	(-3.042)	(0.949)	(2.056)	(1.467)	(-0.293)	(0.581)
<i>EB Controls</i>	YES	YES	YES	YES	YES	YES
<i>Calendar Quarter FE</i>	YES	YES	YES	YES	YES	YES
<i>Industry FE</i>	YES	NO	YES	NO	YES	NO
<i>Firm FE</i>	NO	YES	NO	YES	NO	YES
Observations	38,442	38,391	38,428	38,377	22,793	22,668
Adjusted R ² (%)	8.91%	21.30%	2.21%	2.63%	3.78%	4.58%
Within R ² (%)	0.43%	0.22%	0.81%	0.32%	1.39%	0.48%

This table reports an analysis of the relation between analysts' forecast properties and adding a presentation speaker to the quarterly earnings conference call. It summarizes the results of regressing the percent of quick revisions, the change in forecast accuracy around the call, and the change in forecast dispersion around the call. Calendar quarter fixed effects are included for each model. Industry (firm) fixed effects are included in odd (even) numbered columns. Coefficient t-statistics are in parentheses. ***, **, and * denote significant at the 1%, 5% and 10% levels, respectively, based on the two-tailed tests. All variables are defined in Appendix 3.

Panel D. Adding a Q&A only speaker to the call and analysts' forecast properties

	<i>QuickRevision</i>		$\Delta FC\text{Acc}$		$\Delta Disp$	
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Add_Q&A_Only</i>	0.007 (1.069)	0.001 (0.188)	-0.010 (-1.311)	-0.019** (-2.269)	-0.003 (-0.246)	-0.000 (-0.038)
<i>AbsSurpDec</i>	-0.002 (-1.247)	0.002** (2.096)	0.010*** (6.528)	0.010*** (7.665)	-0.013*** (-6.009)	-0.013*** (-7.707)
<i>AbsRevSurpDec</i>	-0.003** (-2.251)	-0.000 (-0.518)	0.005*** (3.251)	0.003** (2.462)	-0.000 (-0.032)	0.001 (0.719)
<i>lnMF</i>	-0.016** (-2.447)	0.005 (0.967)	0.006 (1.031)	0.009 (1.479)	0.002 (0.197)	0.006 (0.599)
<i>EB Controls</i>	YES	YES	YES	YES	YES	YES
<i>Calendar Quarter FE</i>	YES	YES	YES	YES	YES	YES
<i>Industry FE</i>	YES	NO	YES	NO	YES	NO
<i>Firm FE</i>	NO	YES	NO	YES	NO	YES
Observations	38,442	38,391	38,428	38,377	22,793	22,668
Adjusted R ² (%)	8.53%	21.30%	1.75%	2.64%	2.08%	4.57%
Within R ² (%)	0.40%	0.21%	0.67%	0.32%	0.70%	0.47%

This table reports an analysis of the relation between analysts' forecast properties and adding a Q&A only speaker to the quarterly earnings conference call. It summarizes the results of regressing the percent of quick revisions, the change in forecast accuracy around the call, and the change in forecast dispersion around the call. Calendar quarter fixed effects are included for each model. Industry (firm) fixed effects are included in odd (even) numbered columns. Coefficient t-statistics are in parentheses. ***, **, and * denote significant at the 1%, 5% and 10% levels, respectively, based on the two-tailed tests. All variables are defined in Appendix 3.

Table 6. Capital Market Consequences**Panel A. Descriptive statistics**

Variable	N	Mean	Std Dev.	1%	25%	Median	75%	99%
<i>Add_Pres</i>	44,048	0.147	0.354	0	0	0	0	1
<i>Add_Q&A_Only</i>	44,048	0.134	0.341	0	0	0	0	1
<i>AbsCAR</i>	44,044	0.041	0.044	0.000	0.011	0.026	0.055	0.222
ΔBA	44,023	-0.006	0.184	-0.633	-0.029	0.000	0.016	0.614
<i>IPE</i>	38,199	0.577	0.384	-1.173	0.483	0.695	0.814	0.951
<i>AbsSurpDec</i>	44,048	4.896	2.698	1	3	5	7	10
<i>AbsRevSurpDec</i>	44,048	5.021	2.729	1	3	5	7	10
<i>lnMF</i>	44,048	0.922	0.706	0	0	1.099	1.386	2.398

This table provides descriptive statistics on capital market consequences and firm-quarter controls.

Panel B. Correlations

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1) <i>Add_Pres</i>	1.00	0.06	0.00	0.00	-0.01	0.01	0.03	-0.02
(2) <i>Add_Q&A_Only</i>	0.06	1.00	-0.03	0.00	-0.02	0.01	0.01	-0.06
(3) <i>AbsCAR</i>	0.00	-0.04	1.00	-0.04	0.47	0.15	0.05	0.01
(4) ΔBA	0.00	0.01	-0.01	1.00	-0.02	0.00	0.00	0.01
(5) <i>IPE</i>	0.00	-0.01	0.22	-0.01	1.00	-0.03	-0.05	0.04
(6) <i>AbsSurpDec</i>	0.01	0.01	0.18	0.00	-0.05	1.00	0.13	-0.13
(7) <i>AbsRevSurpDec</i>	0.03	0.01	0.06	0.00	-0.05	0.14	1.00	-0.02
(8) <i>lnMF</i>	-0.02	-0.06	0.03	0.01	0.03	-0.13	-0.02	1.00

This table presents the Pearson and Spearman correlation matrix (below and above the diagonal, respectively) for the variables used in our test of adding a manager to the conference call and capital market consequences. Correlations significant at the 5% level are in bold.

Panel C. Adding a presentation speaker to the call and capital market consequences

	<i>AbsCAR</i>		ΔBA		<i>IPE</i>	
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Add_Pres</i>	-0.001 (-0.995)	0.000 (0.083)	-0.004 (-0.914)	-0.002 (-0.748)	0.007 (0.903)	0.008 (1.356)
<i>AbsSurpDec</i>	0.002*** (14.603)	0.002*** (15.464)	-0.000 (-0.288)	-0.000 (-0.883)	-0.003** (-2.373)	-0.000 (-0.227)
<i>AbsRevSurpDec</i>	0.000*** (2.766)	0.000*** (4.280)	-0.000 (-0.631)	0.000 (0.840)	-0.004*** (-2.955)	-0.000 (-0.396)
<i>lnMF</i>	0.000 (0.302)	0.001 (1.304)	-0.004 (-1.053)	-0.000 (-0.126)	0.016*** (2.647)	0.007 (1.261)
<i>EB Controls</i>	YES	YES	YES	YES	YES	YES
<i>Calendar Quarter FE</i>	YES	YES	YES	YES	YES	YES
<i>Industry FE</i>	YES	NO	YES	NO	YES	NO
<i>Firm FE</i>	NO	YES	NO	YES	NO	YES
Observations	44,044	44,010	44,023	43,989	38,199	38,160
Adjusted R ² (%)	14.40%	21.60%	2.03%	1.19%	3.64%	3.71%
Within R ² (%)	4.22%	1.43%	0.63%	0.09%	0.80%	0.14%

This table reports an analysis of the relation between capital market consequences and adding a presentation speaker to the quarterly earnings conference call. It summarizes the results of regressing absolute abnormal returns on the conference call date, the change in bid-ask spread around the conference call, and the speed of price discovery subsequent to the conference call. Calendar quarter fixed effects are included for each model. Industry (firm) fixed effects are included in odd (even) numbered columns but not tabulated. Coefficient t-statistics are in parentheses. ***, **, and * denote significant at the 1%, 5% and 10% levels, respectively, based on the two-tailed tests. All variables are defined in Appendix 3.

Panel D. Adding a Q&A only speaker to the call and capital market consequences

	<i>AbsCAR</i>		ΔBA		<i>IPE</i>	
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Add_Q&A_Only</i>	-0.001*	-0.000	0.005**	0.005*	0.001	0.010
	(-1.929)	(-0.733)	(1.996)	(1.803)	(0.207)	(1.579)
<i>AbsSurpDec</i>	0.002***	0.002***	-0.000	-0.000	-0.002*	-0.000
	(16.688)	(15.466)	(-0.733)	(-0.892)	(-1.900)	(-0.218)
<i>AbsRevSurpDec</i>	0.000**	0.000***	0.001**	0.000	-0.004***	-0.000
	(2.470)	(4.281)	(2.306)	(0.837)	(-3.277)	(-0.403)
<i>lnMF</i>	-0.001	0.001	0.000	-0.000	0.008*	0.006
	(-1.455)	(1.302)	(0.129)	(-0.115)	(1.760)	(1.250)
<i>EB Controls</i>	YES	YES	YES	YES	YES	YES
<i>Calendar Quarter FE</i>	YES	YES	YES	YES	YES	YES
<i>Industry FE</i>	YES	NO	YES	NO	YES	NO
<i>Firm FE</i>	NO	YES	NO	YES	NO	YES
Observations	44,044	44,010	44,023	43,989	38,199	38,160
Adjusted R ² (%)	13.90%	21.60%	1.17%	1.20%	3.01%	3.72%
Within R ² (%)	4.73%	1.43%	0.21%	0.09%	0.54%	0.14%

This table reports an analysis of the relation between capital market consequences and adding a Q&A only speaker to the quarterly earnings conference call. It summarizes the results of regressing absolute abnormal returns on the conference call date, the change in bid-ask spread around the conference call, and the speed of price discovery subsequent to the conference call. Calendar quarter fixed effects are included for each model. Industry (firm) fixed effects are included in odd (even) numbered columns. Coefficient t-statistics are in parentheses. ***, **, and * denote significant at the 1%, 5% and 10% levels, respectively, based on the two-tailed tests. All variables are defined in Appendix 3.