



FINANCIAL NEWS: A COMPLEX TALE OF INTERLINKED CORPORATE AGENTS

Thesis proposal

Lea Hansen

MA, PhD Fellow
October 2018

Department of Management
School of Business and Social Sciences
Aarhus University

Main supervisor: Professor Irene Pollach
Second supervisor: Associate professor Carmen Daniela Maier

Contents

Outline	2
1. Introduction.....	3
2. Literature review	5
2.1 Corporate communication	5
2.2 Journalism.....	7
2.3 Accounting and finance	9
2.4 Conclusion	10
3. Research design.....	11
3.1 Scientific position.....	11
3.2 Data collection	12
3.3 Methodology	13
4. Presentation of articles	15
4.1 Article 1.....	15
4.2 Article 2.....	15
4.3 Article 3.....	16
4.4 Article 4.....	16
Appendices	18
PhD plan	18
Overview of the two years remaining	20
Bibliography.....	21

Outline

This thesis proposal (TP) sets out to account for the current stage of a PhD project that was started about one year ago. The aim of the TP is to introduce readers to a project which investigates financial news and the communication hereof. The paper is structured as follows. First, I will provide an introduction to the field, the problem at hand, and what I am seeking to answer through the PhD project. Secondly, I will describe the theoretical framework that has guided my reading and the project. It includes the main fields of corporate communication, journalism and accounting and finance. Thirdly, a research design is explained in as much detail as possible at this stage, which is followed by a presentation of the articles which the PhD will consist of. Additionally, a plan for the next two years is attached in the appendix, along with an overview of PhD related activities such as teaching and course work. Thus, the goal of the TP is to discuss the current stage of the project, and create a sustainable platform on which I can build the remaining two years of the PhD

1. Introduction

The media is a treasured means for companies to impact public opinion and thus the corporate reputation (Meadows & Meadows lii, 2016). “A corporate reputation is a collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple stakeholders” (Fombrun & van Riel, 1997, p. 10), and corporate reputation, fostered by media reputation has the potential to influence stakeholders such as consumers, investors and potential future employees. The public depend on media coverage for information on companies, that is otherwise difficult to experience and observe in their everyday lives (Einwiller, Carroll, & Korn, 2010). Therefore, media salience is critical for corporate reputation, and the discipline of corporate reputation management is increasingly imperative to corporations (C. E. Carroll, 2013). One way for corporations to influence media salience and news content is through press releases about financial disclosures, with the purpose of getting the corporate message across as unfiltered as possible with media validation, and thus have an impact on the reputation among stakeholders. Financial news is the center of attention for this thesis, as the public release of financial results is one of the “(...) most important communicative activities that businesses engage in today” (Crawford Camiciottoli, 2010, p. 651), and it has the power to influence stock prices and the allocation of funds (e.g. Dougal, Engelberg, García, & Parsons, 2012; Hansen, 2012), and even the power to influence public opinion and the behavior of those participating in the market (Blau, DeLisle, & Price, 2015; von Beschwitz, Chuprinin, & Massa, 2017).

Financial news starts with financial reports and earnings press releases produced by companies. As opposed to annual reports, earnings press releases are unaudited (N. Brennan, Guillamon-Saorin, & Pierce, 2009), which give some leeway for self-serving biases and self-serving interpretations of financial results (e.g. Aerts, 2001; García Osma & Guillamón-Saorín, 2011; Jayamohan, McKelvie, & Moss, 2017; Kimbrough & Wang, 2014), by taking credit for good results, and attributing less positive results to external circumstances. The earnings press releases is received by news agencies, news outlets, and financial analysts who produce news for various audiences. These agents are interlinked, as the financial analysts build their news reports on the earnings press releases and reports from news agencies (A. Davis, 2006). On the other hand news agencies can find their stories in the earnings press releases issued by companies, and those reports are what some news outlets build their stories upon, and both news agencies and outlets

use comments from financial analysts in their reporting (Rosenkrantz & Pollach, 2016). Despite companies potentially framing results in a self-serving way, all agents taking up the news from the earnings press releases can frame the news at they see fit, thereby possibly changing the tone of the news. However, the journalistic profession has been under pressure for decades both in regards to speed and resources, with profits decreasing in the industry, while the amount of news is increasing, the amount of journalists is decreasing (A. Davis, 2006; Downie & Schudson, 2009). Because of these pressures, there might be too few journalists who have the resources to dig into the stories they are presented with, let alone to do investigative work. This may cause corporate stories to be a reproduction of the self-serving corporate earnings press releases, which can influence corporate reputation and stock markets.

In the aftermath of the financial crisis of 2007-2009, journalists were criticized for not exposing the wrongdoings - and failing to act as the watchdogs they were expected to be (e.g. Starkman, 2014). Yet, a study found that financial journalists do not perceive themselves as watchdogs, but merely as providing investors with information (Tambini, 2010). Therefore, I set out to compare the financial news produced by these different agents, with a communicative lens as communication is key in accounting: "(...) accounting is as much about communication as it is to do with measurement. No matter how effective the process of accounting quantification, its resultant data will be less than useful unless they are communicated adequately" (Lee, 1982, p. 152 in Merkl-Davies & Brennan, 2017, p. 434). With this perspective, I wish to analyze, to what extent journalists are able to filter out self-serving corporate biases, whether the content in the financial press has changed according to the critique after the financial crisis, if we can expect financial journalists to act as watchdogs, and in the end determine what kind of power companies, through corporate earnings press releases, have to determine the news written about them.

2. Literature review

The following section is intended to provide a brief preliminary overview of the literature that the project builds upon. As a scholar of corporate communication, I am interested in the constructive aspects of accounting and finance, and how communication constructs reality in an accounting context. The purpose of the following sections is to present the theoretical backdrop upon which the thesis rests: corporate communication, journalism and accounting/finance.

2.1 Corporate communication

In this section I seek to briefly account for how the topic of this thesis is related to the field of corporate communication.

Media reputation in corporate communication

Building and maintaining a positive relationship with the media, is one of the core tasks for a company's corporate communication department. The media get their information from a variety of sources, but the most direct way for companies to influence the news about themselves is by issuing press releases in order to influence media content and their media reputation, which can be defined as: "(...) the overall evaluation of a firm presented in the media" (Deephouse, 2000, p. 1097). According to Carrol and McCombs (2003) business news from organizations do, through the media, define and influence corporate reputation in the general public, and thus press releases play a substantial role in the formation of corporate reputation, and serve to "(...) maintain and consolidate a positive corporate image with key stakeholders" (Crawford Camiciottoli, 2010, p. 651).

The earnings press releases is typically the origin of financial news, as other agents in the news-making process build their stories upon these press releases. Press releases can be thought of as "(...) short pieces of writing issued by companies or institutions to communicate newsworthy information to the journalist community on the one hand, and to the general public (...) on the other" (Carenaccio, 2008, p. 9), and they serve as an example of the duality that can be found in corporate communication, where the aim is often both promotional and informational (Cornelissen, 2014; Henry, 2008). Despite the well-known format of press releases, the genre of it has been discussed and called a hybrid genre as a result of blurring boundaries between discourses (Carenaccio, 2008), not a genre but a media channel (Lassen, 2006) and a mix or

conflict of genres (Pander Maat, 2007). The dispute is caused by the nature of press releases as both informational and promotional, although that is what constituted the genre from the very beginning (Carenaccio, 2008). Even though there is no absolute agreement upon the genre of press releases, there is agreement on the purpose and what constitutes a press release. Scholars have already established that press releases influence what reporter write (Pander Maat, 2008), and the main purpose of press releases is thus convincing journalists to write about the company in a favorable manner. As described, press releases are promotional in nature, but a number of tools are adopted to make the press releases easier for the journalists to copy. Jacobs (1999) coined the term *preformulation*, denoting how organizations adopt a third-person perspective or use past tense about events that have not yet occurred in order to “objectify” and make their accounts more authoritative. These characteristics are not less relevant for business news journalism (Van Hout & Jacobs, 2008), where press releases are issued every quarter to inform investors about financial results (Henry, 2008), the so called earnings press releases.

Earnings press releases

The above mentioned variant of press releases, the earnings press releases, differs from other kinds of press releases, as they involve both accounting and communication activities, with the purpose of being both informational and promotional (Henry, 2008). Earnings press releases are voluntary and hence less regulated than most other financial disclosures (Huang, Teoh, & Zhang, 2014). The text in the earnings press releases has been found to help readers interpret the quantitative results, but as they are largely discretionary (Henry, 2008), they are more likely to be used by management to promote a company and thus can potentially mislead readers (Huang et al., 2014). The issue of earnings press releases are a major event for both investors, analysts, the financial media and the market (A. K. Davis, Piger, & Sedor, 2012), and they have been found to influence investors’ reactions to earnings (Henry, 2008).

The majority of corporate press releases are not picked up by the press, as journalists do not deem them newsworthy. The media have a wealth of information at their disposal, corporations have to fight for attention to be featured in the news (Schafraad, van Zoonen, & Verhoeven, 2016), and it is factors like text composition, novelty of the topic and timely transfer to journalists (Berkowitz & Adams, 1990), but also controversy and consequences (Schafraad et al., 2016) that

convince journalists to use a press release as a news source. Yet, when it comes to financial news, press releases of listed companies are likely to be covered, as news relating to financial results are deemed more newsworthy for business journalists due to the relevance for investors (Schafraad et al., 2016). Therefore, earnings press releases are expected to get featured to a larger extent by the business press, but there is limited research on how earnings press releases are transformed into news stories. The journalistic aspect of producing financial news stories is elaborated on in the following section.

2.2 Journalism

The media do much more than just delivering news. Media institutions are said to be the fourth estate, an idea emerging from Burke already in the end of the 18th century (Powers, 2010). Accordingly, the news media are supposed to keep an eye on those in power (Felle, 2016) acting as watchdogs and exposing wrongdoings in society (Donohue, Tichenor, & Olien, 1995; Kalogeropoulos, Svensson, Dalen, Vreese, & Albæk, 2015; Tambini, 2010), while ideally being objective in their reporting (Soloski, 1997). Journalists are expected to filter out self-serving corporate biases from the news produced by companies themselves and deliver a neutral account of events to their readers. However, objectivity is an ideal, news is (still mostly) written by people, who in nature are not objective (Donohue et al., 1995). Further, journalists need to produce sensational and sometimes speculative stories to attract readership (Ahern & Sosyura, 2015; A. Davis, 2007), which does not contribute to neutral stories.

Watchdogs or lapdogs?

Failing to act as proper watchdogs adds to the charge sheets against financial journalists in the aftermath of the financial crisis. They have been criticized for not being sufficiently skeptical, for promoting inappropriate news values, for not being able to conduct thorough investigations, and even being lapdogs of those in power (Starkman, 2014; Tambini, 2010). However, the profession of financial journalists has also been defended by arguing that the increasing complexity in the financial markets undermines the journalists' ability to confront and hold companies to account (Doyle, 2006; Tambini, 2010). The decreasing profits of the industry and the necessary staff cuts further add to the explanation of the claimed failure in the press to act as watchdogs. Davis (2006) found that the amount of financial news had increased over the years, but the number of financial

journalists had not, partly as a result of news being available for free on the Internet, profits decline due to decreasing subscriptions, and the ensuing of staff cuts. That leads to less investigative reporting, and journalists are forced to rely more on alternative sources that are less time-consuming – such as corporate press releases (Downie & Schudson, 2009; Niblock & Machin, 2014; Picard, 2014; Sørensen, 2014). Hence, the business press faces multiple challenges, which can be summed up by the term “resource gap” (A. Davis, 2007). This resource gap has led companies to hire more PR professionals, who are to prevent unfavorable news stories and produce the favorable stories in a way that can easily be adopted and integrated into the news, so that journalists have to do a minimum of editing (A. Davis, 2007). But even with a minimum of editing, journalists will always frame their stories in a certain way, which is a concept dealt with in the following section.

Framing

Frames can be thought of as the “(...) mentally stored clusters of ideas that guide individuals’ processing of information” (Entman, 1993, p. 53), and a frame of a story is what provides meaning (Brewer, 2010) and guides the reader to a certain interpretation. Framing occurs both consciously and unconsciously, as it is shaped by memory and culture and allows for the individual to classify the huge amount of material we are presented with every day (Scheufele & Scheufele, 2010). Both journalists and companies necessarily frame their stories, when “(...) selecting and highlighting some facets of events or issues” (Entman, 2007, p. 5).

Companies clearly have an interest in framing their messages in the best possible manner, and journalists alter these frame to choose a newsworthy one as “(...) journalists have at their disposal a repertoire of frames that can be useful to construct a news story” (Van Gorp, 2010). For something to be newsworthy it must fit into a frame that the audience can understand and relate to, and journalists are more likely to focus on information that fits their own cognitive frames while paying less attention to information that does not fit into that frame (Scheufele & Scheufele, 2010).

It could be argued that with the amount of new media technologies, companies do not need to frame their messages in ways that will make it fit the cognitive frames of journalists, as companies could provide their audience with their message themselves through the internet and social

media. However, companies still need journalists in order to enhance credibility for other stakeholders (C. E. Carroll, 2010). By convincing the media to cover a press release, instead of only releasing news themselves, it will have a much bigger influence on the company's public prominence. In other words, the media provides endorsement of the message. Despite the possibility of releasing unedited news to social media "(...) it is this very editing (...) that increases the public's trust" (C. E. Carroll, 2010, p. 280). But before the journalistic editing can be studied, it is beneficial to investigate the original sources upon which the news stories are based – namely the accounting documents.

2.3 Accounting and finance

It can be beneficial to not only study the numbers in accounting, but also the narratives told, and an increasing amount of studies in accounting concentrate on accounting narratives with a focus on communication, discourses, framing and impression management (Merkl-Davies & Brennan, 2017). One reason for not only paying attention to the numbers, is that they can be deceiving when people suppose they can "(...) make decisions based on all available information and are therefore able, at least on average, to accurately predict the future from a present point in time" (Beckert, 2015, p. 64). However, acting completely rational is not a possibility, no matter how many numbers and annual reports we have at our disposal (Beckert, 2013).

This paragraph will briefly account for the impact of financial news, with one stream of research focusing on trading behavior and has confirmed that financial news influence the stock market (Hansen, 2012; Lischka, 2016; Vega, 2006), and that especially retail investors rely on business news to make decisions (Seng & Yang, 2017). Previous research has also investigated daily newspaper columns in the Wall Street Journal, commenting on the movements in the market, and found that the tone of the columns could affect individual trading behavior (Tetlock, 2007).

A second stream of research investigating the communicative function of accounting is the quantitative research on tone, which has been done through computer-assisted text analysis or content analysis (c.f Buchholz, Jaeschke, Lopatta, & Maas, 2018). Tone has been measured on earnings press releases issued by the companies, to investigate how they evaluate their own performance, as tone management is often used to present information in a more positive light

than it might deserve (Huang et al., 2014). It is however, mainly retail investors who are influenced by either positive or negative tone in corporate disclosures (Blau et al., 2015; Garcia, 2013). Tone is further relevant when looking at news media texts from a framing perspective, as tone can be thought of as “(...) the level of support for an organization expressed in a news article” (C. Carroll & Deephouse, 2014, p. 82). Measuring tone in news articles is helpful in analyzing the level of skepticism or support the news media show towards the organization covered in their article.

A third stream of research focuses on accounting narratives from the perspective of impression management (e.g. Merkl-Davies, Brennan, & McLeay, 2011) or discourse analysis (van Leeuwen, 2013). Impression management has in particular received attention for its strategic characteristics which can lead to positive information being exaggerated, while negative results being downtones (Parker, 2013). Impression management can be defined as “(...) controlling or manipulating the attributions or impressions (...) of others with the aim of being perceived favourably (Tedeschi & Riess, 1981, p. 3 and Hooghiemstra, 2000, p. 60 in Merkl-Davies et al., 2011, pp. 316-317).

Following Leary and Kowalski, impression management consists of two parts, namely impression motivation and impression construction (Leary & Kowalski, 1990). The first is concerned with the individual’s motivation for managing impression, whereas the latter deals with the process of “(...) choosing the kind of impression to create” (Merkl-Davies et al., 2011, p. 319) and how that is done. Despite research has been done on impression management in accounting narratives, the research on the effect hereof in the transition into news stories is less distinct. The following section will briefly account for the under explored areas of research which will be dealt with in the thesis.

2.4 Conclusion

Even with ample research on accounting narratives, little is known as to how financial news develops among the interlinked agents, who all contribute to the production of financial news. This thesis will investigate how corporate earnings press releases are transformed into financial news by studying the genre chain (Swales, 2004). Further, little is known about the potentially different frames on the same piece of news provided by each agent, how these are applied, and to what extent journalists are able to filter out self-serving biases. A final aspect which will follow all articles in the thesis, is the question of how the financial crisis of 2007-2009 has changed the

nature of financial news, as journalists were criticized for being uncritical in their handling of corporate information (Kalogeropoulos et al., 2015; Starkman, 2014) in the aftermath of the crisis. The methods and approach for researching these areas will be elaborated in the following sections.

3. Research design

The fields of corporate communication, journalism and accounting do not necessarily apply the same methods or hail from the same epistemological ideas. Therefore, the following sections aim at accounting for the research design of the thesis from the scientific position to methodology, in order to give a clearer picture of the shared features of the fields, and how they will be combined in this thesis.

3.1 Scientific position

In section 2.1 it was presented that the interest in the narrative parts of accounting disclosures is increasing, with a growing interest in the constructive nature of accounting. The perspective that accounting is not an objective discipline is on the rise which allows for me to be a social constructivist in this field, as corporate communication is guided by both constructivism and interpretivism. Other scholars also perceive accounting to be a social construction (Cooper, 2013; Hines, 1988), and I find support in Berger and Luckmann's (1991) approach where the physical world indeed exists and social realities have a degree of objectivity despite being discursively produced over time (Cunliffe, 2008). I follow Burr's (2015) interpretation of social constructionism and the notion of "(...) the constructive force of language, and it is therefore the analysis of language and other symbolic forms that is at the heart of social constructionist research methods" (Burr, 2015, p. 28). I adopt a rather pragmatic approach, and I perceive individual assumptions to be both socially constructed amongst people in everyday interaction, but also by social and historical forces (Howell, 2013), which could hint towards critical theory. Despite being a constructivist, there are areas where the literature acknowledges the connectedness between social constructivism and critical theory: "Similar to critical theorists, constructivists take up critical positions in relations to accepted or normal interpretations of the world or the way things are or seem" (Howell, 2013, p. 91). I draw upon what Burr (2015) describes as macro-social constructionism, which is related to the mindset of critical theorists. She accounts for macro-social

constructionism as acknowledging “(...) the constructive power of language but sees this as derived from, or at least bound up with, material or social structures, social relations and institutionalised practices” (Burr, 2015, p. 25). The following section will account for why the position is relevant for the project at hand.

Relevance for the project

Anchoring this project in a scientific tradition is important for understanding the choices made in the following sections. With the constructivist approach I do not seek to account for whether the interpretation of the financial results on the various forms of news do justice to the numbers behind it, but rather to understand how the communication in accounting narratives and the news coverage hereof can create a certain image of a company’s performance. Being a constructivist but acknowledging the critical ideas of macro social constructionism has implications for the methods used, but all studies included in this thesis will have a focus on communication. For this thesis, I consider financial analysts and journalists as the audience of the organizations, and I will study how they construct the narratives from the organizations’ narratives.

3.2 Data collection

The studies of this thesis seek to investigate how the companies, news agencies, financial analysts and news outlets construct financial news from the same financial results. Data from these sources have been collected for the years 2004 to 2007, i.e. before the financial crisis, and from 2013 to 2016, when the markets is assumed to have stabilized after the financial crisis (Buch & Verner, 2014). The data set takes departure in the corporate earnings press releases. The sample includes European companies, which are known for being less constrained by fear of litigation than companies based in the U.S (Clatworthy & Jones, 2003), which adds to the relevance of the study, as most studies in the field have been based on U.S. samples (e.g. Bettman & Weitz, 1983; A. K. Davis & Tama-Sweet, 2012; Huang et al., 2014).

The earnings press releases were collected in English from the companies’ websites. With four press releases per year per company, this makes for potentially 32 press releases per company. The companies included those of the major European stock exchanges:

- OMX40. The 40 most frequently traded stocks across Denmark, Sweden and Finland
- DAX30. The 30 most frequently traded stocks on the Frankfurt stock exchange
- AEX. The 24 most frequently traded stocks on the Amsterdam stock exchange
- FTSE. 50 of the 100 companies included in the London Stock Exchange, the first 50 based on market capitalization

These are all companies influencing the European economy due to their size and market value, and thus companies likely to get press coverage for their financial results.

The reports from the financial analysts were collected through the Eikon database by Thomson Reuters, and sampled based on their date of publication, which had to be a maximum of three days after the publication of the corresponding press release, and the main focus being the quarterly results, including only reports written by 4 and 5-star analysts.

The same sampling criterion was applied to the news articles from the agencies and outlets, and both were collected through the Factiva database.

To represent the news agencies Bloomberg and Reuters are included, and to represent the news outlets the Financial Times and Wall Street Journal are incorporated as they are both included in Doui and Wu's definition of the business press (2014). They further provide an international perspective with the Financial Times being based in the UK, and Wall Street Journal in the US, but with international business coverage. However, not enough coverage was found from Bloomberg. Therefore, only Reuters was included as a news agency. Both the news agency and outlets are included, as the news outlets often get their news from the agencies rather than producing it themselves from scratch (Doyle, 2006), and Machin and Niblock argue that as much as 90 % of news written in news outlets is based on stories from agencies (2014). All raw data has been collected. One observation consists of a corporate earnings press release, the corresponding news agency report, at least one corresponding news report, and at least one corresponding analyst report. The exact number of observations is not known yet, as the matching process has not been finished.

3.3 Methodology

Choosing a methodology to rely on might seem like an easy task for a constructivist, as it is associated with qualitative methods and the pursuit to understand the social world rather than

explaining it and quantifying it. However, with the amount of data collected for the project, relying purely on qualitative methods would never allow me to analyze the entire data set, and I would risk not seeing the bigger picture across data sources. Despite being a social constructivist, I draw upon the epistemology in which the quantitative methods are situated. However, I do not find quantitative methods to be sufficient to dig into the communicative choices made by the different actors. With a constructivist background, I need the qualitative approach to explore how actors construct meaning. Therefore, I have chosen mixed methods for this project, although each study will only make use of one method. I adopt a definition of mixed methods as research: “(...) where the researcher mixes or combines quantitative and qualitative research techniques, methods, approaches, concepts or language into a single study or set of related studies” (Johnson, Onwuegbuzie, & Turner, 2007, p. 120). Thus, the methods are not combined into one single study, but are used in four different but related studies. Mixed methods is the subject of an academic debate, because paradigms have been perceived as a war between qualitative and quantitative methods (Johnson et al., 2007). However, the lines between the paradigms are getting blurry, and mixed methods are today often seen as paradigm in its own right (Johnson et al., 2007). I use the approach called *partially mixed sequential dominant status design* by Leech and Onwuegbuzie (2009), which entails that one method has a dominant status and that they are not conducted at the same time. For this dissertation, the qualitative methodology will have the dominant status, despite the two approaches being almost equal in the dissertation. Furthermore, as will be accounted for in the following section, I also apply multiple methods for the data analysis, including computer-assisted textual analysis, content analysis and discourse analysis, which is why the mixed methods refer to both methodology and methods.

4. Presentation of articles

As described, the four articles will draw on a variety of methods. A short outline of each article is presented below. The first article is included in full length at its current draft stage, whereas article 2, 3 and 4 are only presented as a preliminary abstract.

4.1 Article 1

Irene Pollach and Lea Hansen

Attached in a separate document.

4.2 Article 2

Lea Hansen

Targeted at a journal within corporate communication

The purpose of the second article is to explore the potential that companies have to influence the frames adopted by news agencies, news outlets and financial analysts, building on existing communication research on promotional aspects in corporate press releases (c.f. Henry, 2008). Based on a quantitative content analysis, this article will compare how the same financial results are presented by different actors, taking into account what they put emphasis on, how they compare performances with benchmarks and how selective they are in what they present (c.f. N. M. Brennan, Pierce, & Guillamon-Saorin, 2009; García Osma & Guillamón-Saorín, 2011; Rosenkrantz & Pollach, 2016). Emphasis refers to where in the document positive information is presented and how it is reinforced (García Osma & Guillamón-Saorín, 2011). Performance comparison refers to the corporate strategy of selecting benchmarks that create a picture of growing earnings or stable earnings (García Osma & Guillamón-Saorín, 2011; Rosenkrantz & Pollach, 2016). Selectivity refers to the practice of including only the most favorable financial figures in the narrative disclosures (Rosenkrantz & Pollach, 2016). These figures will also be studied in terms of whether they are adjusted or unadjusted figures i.e. whether they are compatible with the generally accepted accounting principle (GAAP) or not. Additional variables for the content analysis might emerge during the coding process. Using quantitative methods, the second article will thus investigate if the frames provided in the earnings press releases reoccurs in the media, to clarify whether media adopts corporate framing or reframes the news.

4.3 Article 3

Lea Hansen

Targeted at a journal within journalism

The third article will be targeted at a journal within journalism, as scholars have argued that research on the role of the business press, including their coverage of the great financial crisis, is scarce (Douai & Wu, 2014). With the criticism of financial journalists in the aftermath of the financial crisis (e.g. Starkman, 2014), the study seeks to investigate how the coverage of corporate news in the business press has developed over time (Kalogeropoulos et al., 2015), using a qualitative content analysis comparing the news framings before and after the financial crisis to understand whether the business press “(...) has learned from the failures of coverage of the Great Recession” (Schiffrin, 2015, p. 650). The study will investigate a subsample of observations where the company behind the earnings press release delivered negative results in order to study the explanations and justifications they present to account for these results and to what extent these justifications are reproduced or reframed by the media.

4.4 Article 4

Lea Hansen and Irene Pollach

Targeted at a journal within corporate communication or discourse

The final article will draw on an even smaller sample size and study in detail the discursive transformations and re-contextualizations in the genre chain (Swales, 2004) using critical discourse analysis. The final article seeks to identify the discourses in the sample, as annual reports, much like earnings press releases, have been found to constitute a hybridization of two discourse colonies – the reporting and promotional discourse (Bhatia, 2004; Crawford Camiciottoli, 2010). By investigating how the different actors engage in discursive transformations, the study will contribute to knowledge on how discourses are recontextualized (van Leeuwen, 2013), how the different agents produce and reproduce realities, based on the same financial results. Thus, the study will add to the understanding of discursive transformations undertaken by journalists, and through the approach of critical discourse analysis add to the literature on power relations between companies and their audiences, helping to answer the questions asked in the

Lea Hansen, PhD Fellow
Aarhus BSS, Department of Management

introduction in regards to what kind of power companies have in deciding what the media write about them.

Appendices

PhD plan

Courses:

Institution	Course	Time	ECTS
Aarhus University	Pedagogical course (CUL) (<i>Completed</i>)	10-19 January 2018	0
Copenhagen Business School	Effective Qualitative Research (<i>completed</i>)	22-26 January 2012	5
University of Southern Denmark	Publish or Perish: Preparing, Writing and Reviewing Business Research (<i>completed</i>)	6-7 February, 20 June and 26 September 2012	5
Aarhus University	The research Process and the Role of Theory in Business Research (<i>completed</i>)	12-14 June and 12-14 September 2012	5
Lancaster University	Language, discourse and society (<i>completed</i>)	25-28 June 2018	0
Maastricht University	Textual Media Analysis: Critical Discourse Analysis, News Framing and Qualitative Research Design (<i>completed</i>)	13-17 August 2018	5
Aarhus University	Applied Quantitative Methods in Business Research (<i>in process</i>)	Fall 2018	5
Total	Remaining: 5		25/30

Teaching and exam activities:

Semester	Course	Description	Hours
Fall 2017	Kvalitativ metode, HA	Written exams	33,25
Fall 2017	Scientific methods, MACC	Oral exams	44,10
Spring 2018	Communication in a management perspective, MMC	Tutorials, supervision and written exams	295,25
Spring 2018	Organizational Behavior, MMC	Lectures	52,50
Fall 2018	Internship reports, MACC In process	Supervision and oral exams	25,65
Fall 2018	Kvalitativ metode. HA In process	Written exams + study cafés	96
Spring 2019	Academy for talented youth Planned	Presentation of project and introduction to social science	25
Total	Remaining: 0		571,75 / 567,5

Overview of the two years remaining

Fall 2018

- Attending the course “Applied quantitative methods for management research”

Spring 2019

- Attending a final 5 ECTS point PhD course

Fall 2019

- Environment change

Spring 2020

- Write the final article
- Attend conference
- Start to write up the final thesis

Fall 2020

- Write up the final dissertation
- Hand in 30th September 2020

Bibliography

- Aerts, W. (2001). Inertia in the attributional content of annual accounting narratives. *European Accounting Review*, 10(1), 3-32. doi:10.1080/09638180120052230
- Ahern, K. R., & Sosyura, D. (2015). Rumor Has It: Sensationalism in Financial Media. *Review of Financial Studies*, 28(7), 2050-2093. doi:10.1093/rfs/hhv006
- Beckert, J. (2013). Imagined futures: fictional expectations in the economy. *Renewal and Critique in Social Theory*, 42(3), 219-240. doi:10.1007/s11186-013-9191-2
- Beckert, J. (2015). Re-imagining Capitalist Dynamics: Fictional Expectations and the Openness of Economic Futures. In P. D. Aspers, Nigel (Ed.), *Re-Imagining Economic Sociology*. United Kingdom: Oxford University Press.
- Berger, P. L., & Luckmann, T. (1991). *The social construction of reality : a treatise in the sociology of knowledge* (Repr. ed.). London: Penguin Books.
- Berkowitz, D., & Adams, D. B. (1990). Information subsidy and agenda-building in local television news. *Journalism Quarterly*, 67(4), 723.
- Bettman, J. R., & Weitz, B. A. (1983). Attributions in the Board Room. *Administrative Science Quarterly*, 28, 165-183.
- Bhatia, V. K. (2004). *Worlds of written discourse : a genre-based view*. New York, N.Y.: Continuum.
- Blau, B. M., DeLisle, J. R., & Price, S. M. (2015). Do sophisticated investors interpret earnings conference call tone differently than investors at large? Evidence from short sales. *Journal of Corporate Finance*, 31, 203-219. doi:10.1016/j.jcorpfin.2015.02.003
- Brennan, N., Guillamon-Saorin, E., & Pierce, A. (2009). Methodological Insights: Impression management: Developing and illustrating a scheme of analysis for narrative disclosures – a methodological note. *Accounting, Auditing & Accountability Journal*, 22(5), 789-832. doi:doi:10.1108/09513570910966379
- Brennan, N. M., Pierce, A., & Guillamon-Saorin, E. (2009). Impression management : Developing and illustrating a scheme of analysis for narrative disclosures - a methodological note. *Accounting, Auditing & Accountability Journal*, 22(5), 789. doi:10.1108/09513570910966379
- Brewer, P. R. G., Kimberly. (2010). Studying the Effects of Issue Framing on Public Opinion about Policy Issues: Does What We See Depend on How We Look? In P. D'Angelo & J. A. Kuypers

(Eds.), *Doing News Framing Analysis - Empirical and Theoretical Perspectives*. New York: Routledge.

- Buch, R., & Verner, M. (2014). Den økonomiske krise og mediernes dækning: Hvad går galt og kan det blive bedre? In R. Buch & M. Verner (Eds.), *Krisen i økonomi & journalistik*. Tilst: Ajour.
- Buchholz, F., Jaeschke, R., Lopatta, K., & Maas, K. (2018). The use of optimistic tone by narcissistic CEOs. *Accounting, Auditing & Accountability Journal*, 31(2), 531.
- Burr, V. (2015). *Social constructionism* (Third edition ed.). Hove: Routledge.
- Carenaccio, P. (2008). Press releases as a hybrid genre: Addressing the informative/promotional conundrum. *Pragmatics*, 18(1).
- Carroll, C., & Deephouse, D. (2014). The foundations of a theory explaining organizational news: the VT4 Framework of Organizational News Content and five levels of influence on its production. In J. J. Pallas, Stefan & Strannegård, Lars (Ed.), *Organizations and the Media: Organizing in a mediatized world*. New York: Routledge.
- Carroll, C. E. (2010). Should firms circumvent or work through the news media? *Public Relations Review*, 36(3), 278-280. doi:10.1016/j.pubrev.2010.05.005
- Carroll, C. E. (2013). *The handbook of communication and corporate reputation Handbooks in communication and media*
- Carroll, C. E., & McCombs, M. (2003). Agenda-setting Effects of Business News on the Public's Images and Opinions about Major Corporations. *Corporate Reputation Review*, 6(1), 36-46. doi:10.1057/palgrave.crr.1540188
- Clatworthy, M., & Jones, M. J. (2003). Financial reporting of good news and bad news: evidence from accounting narratives. *Accounting and Business Research*, 33(3), 171-185. doi:10.1080/00014788.2003.9729645
- Cooper, C. (2013). A critical perspective. In J. D. R. C. Lisa Jack (Ed.), *The Routledge Companion to Accounting Communication*. New York: Routledge.
- Cornelissen, J. (2014). *Corporate communication : a guide to theory & practice* (4. edition ed.). Los Angeles: SAGE.
- Crawford Camiciottoli, B. (2010). Discourse connectives in genres of financial disclosure: Earnings presentations vs. earnings releases. *Journal of Pragmatics*, 42(3), 650-663. doi:10.1016/j.pragma.2009.07.007

- Cunliffe, A. L. (2008). Orientations to Social Constructionism: Relationally Responsive Social Constructionism and its Implications for Knowledge and Learning. *Management Learning*, 39(2), 123-139. doi:10.1177/1350507607087578
- Davis, A. (2006). The role of the mass media in investor relations. *Journal of Communication Management*, 10(1), 7-17. doi:doi:10.1108/13632540610646337
- Davis, A. (2007). *The Mediation of Power - A Critical Introduction*. London: Routledge.
- Davis, A. K., Piger, J. M., & Sedor, L. M. (2012). Beyond the numbers: Measuring the information content of earnings press release language. *Contemporary Accounting Research*, 29(3), 845-868. doi:10.1111/j.1911-3846.2011.01130.x
- Davis, A. K., & Tama-Sweet, I. (2012). Managers' Use of Language Across Alternative Disclosure Outlets: Earnings Press Releases versus MD&A : Language in Earnings Press Releases vs. MD&A. *Contemporary Accounting Research*, 29(3), 804-837. doi:10.1111/j.1911-3846.2011.01125.x
- Deephouse, D. L. (2000). Media reputation as a strategic resource: an integration of mass communication and resource-based theories. *Journal of Management*, 26(6), 1091-1112. doi:10.1016/S0149-2063(00)00075-1
- Donohue, G. A., Tichenor, P. J., & Olien, C. N. (1995). A Guard Dog Perspective on the Role of Media. *Journal of Communication*, 45(2), 115-132. doi:doi:10.1111/j.1460-2466.1995.tb00732.x
- Douai, A., & Wu, T. (2014). News as business: The global financial crisis and Occupy movement in the Wall Street Journal. *The Journal of International Communication*, 20(2), 148-167. doi:10.1080/13216597.2014.948033
- Dougal, C., Engelberg, J., García, D., & Parsons, C. A. (2012). Journalists and the Stock Market. *Review of Financial Studies*, 25(3), 639-679.
- Downie, L., & Schudson, M. (2009). The Reconstruction of American Journalism. *Columbia Journalism Review*, 48(4), 28-51.
- Doyle, G. (2006). Financial news journalism : A post-Enron analysis of approaches towards economic and financial news production in the UK. *Journalism*, 7(4), 433-452. doi:10.1177/1464884906068361

- Einwiller, S. A., Carroll, C. E., & Korn, K. (2010). Under What Conditions Do the News Media Influence Corporate Reputation? The Roles of Media Dependency and Need for Orientation. *Corporate Reputation Review*, 12(4), 299-315. doi:10.1057/crr.2009.28
- Entman, R. M. (1993). Framing: Toward Clarification of a Fractured Paradigm. *Journal of Communication*, 43(4), 51-58. doi:10.1111/j.1460-2466.1993.tb01304.x
- Entman, R. M. (2007). *Projections of power : framing news, public opinion, and U.S. foreign policy*. Chicago: University of Chicago Press.
- Felle, T. (2016). Digital watchdogs? Data reporting and the news media's traditional 'fourth estate' function. *Journalism*, 17(1), 85-96. doi:10.1177/1464884915593246
- Fombrun, C. J., & van Riel, C. B. M. (1997). The Reputational Landscape. *Corporate Reputation Review*, 1(2), 5-13. doi:10.1057/palgrave.crr.1540024
- Garcia, D. (2013). Sentiment during Recessions. *The Journal of Finance*, 68(3), 1267-1300.
- García Osma, B., & Guillamón-Saorín, E. (2011). Corporate governance and impression management in annual results press releases. *Accounting, Organizations and Society*, 36(4), 187-208. doi:<https://doi.org/10.1016/j.aos.2011.03.005>
- Hansen, M. K. (2012). *Aspects of news in financial markets*. (PhD), Aarhus University.
- Henry, E. (2008). Are investors influenced by how earnings press releases are written? . *Journal of Business Communication*, 45(4), 363-407.
- Hines, R. D. (1988). Financial accounting: In communicating reality, we construct reality. *Accounting, Organizations and Society*, 13(3), 251-261. doi:[https://doi.org/10.1016/0361-3682\(88\)90003-7](https://doi.org/10.1016/0361-3682(88)90003-7)
- Howell, K. E. (2013). *An introduction to the philosophy of methodology* (K. Metzler Ed.): SAGE.
- Huang, X., Teoh, S. H., & Zhang, Y. (2014). Tone Management. *Accounting Review*, 89(3), 1083-1113. doi:10.2308/accr-50684
- Jacobs, G. (1999). *Preformulating the News: An Analysis of the Metapragmatics of Press Releases*: J. Benjamins.
- Jayamohan, P., McKelvie, A., & Moss, T. W. (2017). Blame You, Blame Me: Exploring Attribution Differences and Impact in Family and Nonfamily Firms. *Family Business Review*, 30(3), 284-308. doi:10.1177/0894486517722887

- Johnson, R. B., Onwuegbuzie, A. J., & Turner, L. A. (2007). Toward a Definition of Mixed Methods Research. *Journal of Mixed Methods Research, 1*(2), 112-133.
doi:10.1177/1558689806298224
- Kalogeropoulos, A., Svensson, H. M., Dalen, A. v., Vreese, C. d., & Albæk, E. (2015). Are watchdogs doing their business? Media coverage of economic news. *Journalism, 16*(8), 993-1009.
doi:10.1177/1464884914554167
- Kimbrough, M. D., & Wang, I. Y. (2014). Are Seemingly Self-Serving Attributions in Earnings Press Releases Plausible? Empirical Evidence. *Accounting Review, 89*(2), 635-667.
doi:10.2308/accr-50628
- Lassen, I. (2006). Is the press release a genre? A study of form and content. *Discourse Studies, 8*(4), 503-530. doi:10.1177/1461445606061875
- Leary, M. R., & Kowalski, R. M. (1990). Impression Management : A Literature Review and Two-Component Model. *Psychological Bulletin, 107*(1), 34-47. doi:10.1037/0033-2909.107.1.34
- Leech, N. L., & Onwuegbuzie, A. J. (2009). A typology of mixed methods research designs. *International Journal of Methodology, 43*(2), 265-275. doi:10.1007/s11135-007-9105-3
- Lischka, J. A. (2016). *Economic news, sentiment, and behavior : How economic and business news affects the economy* (1. ed. ed.). Wiesbaden: Springer VS.
- Meadows, C. Z., & Meadows Iii, C. W. (2016). Corporate Reputation on Mass Media, Public Opinion, and YouTube: Examining the Factors Influencing Reputation of Fortune 500 Companies. *Corporate Reputation Review, 19*(4), 345-356. doi:10.1057/s41299-016-0011-2
- Merkel-Davies, D., & Brennan, N. (2017). A theoretical framework of external accounting communication: Research perspectives, traditions, and theories. *Accounting, Auditing & Accountability Journal, 30*(2), 433-469. doi:doi:10.1108/AAAJ-04-2015-2039
- Merkel-Davies, D., Brennan, N., & McLeay, S. J. (2011). Impression management and retrospective sense-making in corporate narratives: A social psychology perspective. *Accounting, Auditing & Accountability Journal, 24*(3), 315-344. doi:doi:10.1108/09513571111124036
- Niblock, S., & Machin, D. (2014). *News Production: Theory and Practice*: Taylor & Francis.
- Pander Maat, H. (2007). How promotional language in press releases is dealt with by journalists *Journal of Business Communication, 44*(1), 59-95.

- Pander Maat, H. (2008). Editing and genre conflict: How newspaper journalists clarify and neutralize press release copy. *Pragmatics*, 18(1).
- Parker, L. (2013). The accounting communication research landscape. In J. D. R. C. Lisa Jack (Ed.), *The Routledge Companion to Accounting Communication*. New York: Routledge.
- Picard, R. G. (2014). Twilight or New Dawn of Journalism? : Evidence from the changing news ecosystem. *Journalism Practice*, 8(5), 488-498. doi:10.1080/17512786.2014.905338
- Powers, S. (2010). Weaponized Media, Legitimacy and the Fourth Estate: A Comment. *Ethnopolitics*, 9(2), 255-258. doi:10.1080/17449051003764855
- Rosenkrantz, J., & Pollach, I. (2016). The framing and reframing of corporate financial results: How corporate earnings releases become news. *Corporate Communications: An International Journal*, 21(1), 103-119. doi:doi:10.1108/CCIJ-07-2015-0041
- Schafraad, P., van Zoonen, W., & Verhoeven, P. (2016). The news value of Dutch corporate press releases as a predictor of corporate agenda building power. *Public Relations Review*, 42(3), 451-458. doi:10.1016/j.pubrev.2015.11.014
- Scheufele, B. T., & Scheufele, D. A. (2010). Of Spreading Activation, Applicability, and Schemas: Conceptual Distinctions and Their Operational Implications for Measuring Frames and Framing Effects. In P. K. D'Angelo, Jim A. (Ed.), *Doing News Framing Analysis - Empirical and Theoretical Perspectives*. New York: Routledge.
- Schiffrin, A. (2015). The Press and the Financial Crisis: A Review of the Literature : The Press and the Financial Crisis. *Sociology Compass*, 9(8), 639-653. doi:10.1111/soc4.12288
- Seng, J., & Yang, H. (2017). The association between stock price volatility and financial news – a sentiment analysis approach. *Kybernetes*, 46(8), 1341-1365.
- Soloski, J. (1997). News Reporting and Professionalism: Some Constraints on the Reporting of the News. In D. Berkowitz (Ed.), *Social Meanings of News: A Text-Reader*. United States: SAGE.
- Starkman, D. (2014). *The watchdog that didn't bark*. New York: Columbia University Press.
- Swales, J. M. (2004). *Research Genres: Explorations and Applications*: Cambridge University Press.
- Sørensen, C. (2014). Krisen: Finansministeriets rolle og journalistikkens. In R. V. Buch, Mette (Ed.), *Krisen i økonomi & journalistik* Tilst: Ajour.
- Tambini, D. (2010). What are financial journalists for? *Journalism Studies*, 11(2), 158-174. doi:10.1080/14616700903378661

- Tetlock, P. C. (2007). Giving Content to Investor Sentiment: The Role of Media in the Stock Market. *The Journal of Finance*, 62(3), 1139-1168. doi:10.1111/j.1540-6261.2007.01232.x
- Van Gorp, B. (2010). Strategies to Take Subjectivity Out of Framing Analysis. In P. D'Angelo & J. A. Kuypers (Eds.), *Doing News Framing Analysis - Empirical and Theoretical Perspectives*. New York: Routledge.
- Van Hout, T., & Jacobs, G. (2008). News production theory and practice: Fieldwork notes on power, interaction and agency. *Pragmatics*, 18(1).
- van Leeuwen, T. (2013). The language of corporate annual reports: a critical discourse analysis. In J. D. R. C. Lisa Jack (Ed.), *The Routledge Companion to Accounting Communication*. New York: Routledge.
- Vega, C. (2006). Stock price reaction to public and private information. *Journal of Financial Economics*, 82(1), 103-133.
- von Beschwitz, B., Chuprinin, O., & Massa, M. (2017). Why do short sellers like qualitative news? *Journal of Financial and Quantitative Analysis*, 52(2), 645.
doi:10.1017/S0022109017000151