

Stepping Into the Spotlight and Staying in the “Comfort Zone”: CFO Debuts in Earnings Conference Calls *

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Abstract

This paper investigates whether CFOs who debut on earnings conference calls stay in their “comfort zone” by emphasizing numbers and accounting jargon rather than qualitative strategic information to maintain credibility under public scrutiny. Such hard information is the content CFOs know best, and it is verifiable and objective. In a large sample of earnings call transcripts, debuting CFOs rely significantly more on quantitative language and accounting jargon at the expense of softer strategic disclosures, and these tendencies decline over subsequent calls. The debut effect is stronger where pressure and uncertainty should be most acute: when it is the CFO’s first time in the C-suite, when the firm is high-growth, and, more weakly, when the firm reports a loss. We also find that CFOs engaging in greater comfort-zone behavior are less likely to be subsequently promoted to a CEO role or to move to a more senior role at another firm, while comfort-zone communication does not detectably alter the sensitivity of market or analyst reactions to the earnings news. Taken together, our results suggest that debut pressure encourages CFOs to favor hard information over soft on early calls, a behavior associated with worse career outcomes and no detectable offsetting capital-market benefit.

JEL codes: G14; G41; M12; M41; M51.

Keywords: CFO; executive communication; earnings calls; quantitative information; debut pressure; impression management; capital markets.

Data Availability: Data used in this study are available from sources identified in the manuscript.

1. Introduction

Earnings conference calls represent critical interactions between managers and external stakeholders, exposing managers to real-time questioning by analysts and investors and thus allowing market participants to evaluate the veracity of managers' quantitative and qualitative statements (Frankel, Johnson, and Skinner [1999], Kimbrough [2005], Matsumoto, Pronk, and Roelofsen [2011], Heinrichs, Park, and Soltes [2019]). Prior research shows that these calls convey information through managers' linguistic choices, tone, spontaneity, and vocal cues, all of which shape how investors interpret firm performance and managerial credibility (Mayew and Venkatachalam [2012], Davis, Ge, Matsumoto, and Zhang [2015], Lee [2016], Barcellos and Kadous [2022]).

For many CFOs, the first earnings call is their major public debut. Unlike CEOs, who often accumulate public visibility through media interviews, speeches, and other external-facing engagements before their earnings call debut (Kang and Kim [2017]), CFOs typically join their first call with far less public exposure. In addition, CFOs exercise primary responsibility for accounting, reporting, and financial strategy; CFO characteristics are more strongly associated than CEO characteristics with financial reporting outcomes and investment decisions (Jiang, Petroni, and Wang [2010], Ham, Lang, Seybert, and Wang [2017], Chen, Nasev, and Wu [2022]). CFOs are also tasked with communicating the financial elements of a firm's strategy as well as future growth plans to analysts and other market participants.¹ Their debut call is therefore a high-stakes moment in which they must communicate firm financial performance and strategy while establishing themselves as credible new C-suite executives. In a setting where investors and analysts value access to management and where the Q&A places managers under direct evaluative pressure, that debut is likely to feel particularly stressful.

¹On the CFO's investor-facing communication role, see Lu, Matsumoto, and Moon [2023] and Ham, Piorkowski, Seybert, and Wang [2025]; practitioner accounts likewise describe an expanding communication mandate for the CFO (Sweeney [2013], Sinfeld and Trotter [2016]).

We argue that this debut pressure systematically shapes how CFOs communicate. Psychological research suggests that high-pressure, public settings heighten concerns about impression management and can induce a prevention-focused, risk-averse mindset (Higgins [1997], Brockner and Higgins [2001], Hartley and Phelps [2012], Bolino, Long, and Turnley [2016]). In such settings, individuals become more concerned with avoiding visible mistakes than with maximizing upside. Applied to earnings calls, this perspective suggests that debuting CFOs should favor communication strategies that are more psychologically comfortable and easier to defend. Quantitative information and accounting jargon are core to CFO expertise, making these elements a natural communication “comfort zone.” They are also relatively precise, verifiable, and less open to interpretation than softer strategic disclosure (Kadous, Koonce, and Towry [2005], Liberti and Petersen [2019]). Thus, facing debut pressure, CFOs may cope by emphasizing quantitative and accounting information while de-emphasizing broader strategic or qualitative discussion. This behavior can help a debuting CFO maintain control over the interaction and reduce the risk of saying something imprecise, speculative, or difficult to defend. Figure 1 summarizes this framework and previews the corresponding findings.

We examine this idea using a sample of 36,093 quarterly earnings calls for 1,184 S&P 1500 firms from 2005 to 2022, focusing on CFO participation in the Q&A portion of the call.² We predict and find that debuting CFOs rely more heavily on quantitative language and accounting jargon, and less on strategic language, than the same CFOs do on their later calls.³ Because the pressure of a debut should fade with repetition rather than end after one quarter, we measure the debut both as the first call and as the first four calls, approximately the first year in the role, and find the effect

²After excluding CFOs whose first observed call falls in 2005Q1—their true debuts may predate the transcript record—the underlying transcript panel contains 41,193 calls for 1,357 firms and 4,224 unique CFOs. From this panel, we require non-missing values for the thirteen firm-call controls; the binding requirement is an IBES consensus forecast with which to compute the earnings surprise. Table 1 details the sample construction.

³Appendix B illustrates the phenomenon with verbatim exchanges that contrast debut-call answers with answers the same executives gave years later.

under both definitions, most consistently over the four-call window. The pattern then attenuates over subsequent calls, consistent with a pressure-based explanation rather than a fixed communication style.⁴ If this pattern reflects pressure, the debut effect should be stronger in settings where the pressure is greater. We examine three such settings, each tied to a distinct channel: a CFO entering the C-suite for the first time lacks the routines that seasoned executives develop for live, adversarial questioning (a human-capital channel); a high-growth firm derives its value from a hard-to-verify future, so forward-looking strategic talk invites the closest scrutiny and a misstep is most costly (a valuation-uncertainty channel); and a loss quarter forces the CFO to explain bad news under hostile questioning (a performance-pressure channel). Consistent with these predictions, the debut effect is stronger in all three settings, most sharply for first-time C-suite executives, though only marginally in loss quarters. Collectively, these findings are consistent with a pressure mechanism: the debut call induces CFOs to “stay in the comfort zone” by substituting toward harder, more defensible forms of disclosure.

We next examine whether this comfort-zone strategy benefits the CFO. On one hand, quantitative communication may enhance perceived competence because numbers are often viewed as objective and persuasive (Kadous et al. [2005]). On the other hand, an overly narrow reliance on hard information may limit a CFO’s ability to project broader leadership capacity, strategic fluency, and executive presence. We find little evidence that comfort-zone behavior alters the sensitivity of contemporaneous market reactions or analyst forecast revisions to the earnings news. Consistent with the latter view, we also find that CFOs who exhibit stronger comfort-zone behavior are less likely to be promoted to CEO and less likely to move to a more senior role at another firm.⁵ These associations are consistent with the possibility that speaking from one’s comfort zone

⁴Figure 2 traces the full experience profile: numeric content falls from 3.58% at the debut to 2.96% by the twentieth call or later, and strategic language rises from 0.51% to 0.67%.

⁵A one-standard-deviation increase in debut comfort-zone behavior is associated with a 2.1-percentage-point lower probability of promotion to CEO and a 4.0-percentage-point lower probability of an upward move, against base rates of 15.1% and 43.5%.

is psychologically protective in the moment yet costly for how the executive is later evaluated, although our evidence does not directly establish that boards or employers observe and penalize the debut communication itself.

This paper makes several contributions. First, we add to the conference call literature by documenting a debut effect in CFO communication: debuting CFOs disclose a significantly higher proportion of quantitative information and accounting jargon. Previous research has primarily focused on how company performance and stable manager-specific styles (captured by CFO/CEO fixed effects) shape communication on earnings calls (e.g., [Davis et al. \[2015\]](#)), often overlooking more transient, within-CFO contextual factors. Our study addresses this gap by showing that debut pressure, one such situational factor, shapes reliance on quantitative versus soft information on earnings calls.

Second, we contribute to the executive communication and impression-management literature by examining how stress, particularly debut stress, shapes communication. Prior impression-management literature primarily investigates the effects of personal characteristics (e.g., [Bourdage, Wiltshire, and Lee \[2015\]](#)), while largely overlooking how situational factors such as stress affect impression management ([Higgins \[1997\]](#), [Brockner and Higgins \[2001\]](#), [Hartley and Phelps \[2012\]](#), [Bolino et al. \[2016\]](#)).⁶ In addition, extant impression-management research in executive settings primarily focuses on the CEO. Our findings suggest that stress can lead to more conservative communication strategies, with debuting CFOs opting for greater reliance on quantitative information and accounting jargon to avoid psychological discomfort. We also show that this communication style is associated with worse CFO career outcomes as measured by promotion to CEO or external C-suite opportunities, suggesting that it may not be an efficient form of impression management.

⁶Although the link between anxious or stressful emotion and avoidance motivation is well established in the psychology literature (e.g., [Giorgetta et al. \[2012\]](#), [Broman-Fulks, Urbaniak, Bondy, and Toomey \[2014\]](#)), research directly applying this relation to impression management and communication is surprisingly scarce.

Third, we extend the growing literature on market reactions to executive communications during earnings calls ([Mayew and Venkatachalam \[2012\]](#), [Davis et al. \[2015\]](#), [Lee \[2016\]](#), [Barcellos and Kadous \[2022\]](#), [Ham et al. \[2025\]](#)) by showing that CFO comfort-zone behavior does not measurably alter the sensitivity of investor or analyst reactions to earnings news. Our findings suggest that an overly quantitative communication style may be an ineffective strategy for CFOs if their goal is to satisfy investors and analysts, or to advance their own careers. This also contributes to the persuasion literature by providing large-sample evidence on the limits of quantification as a persuasive strategy.

The remainder of the paper proceeds as follows. Section 2 reviews the related literature and develops our hypotheses. Section 3 describes the data, key measures, and sample. Section 4 develops the research design for the four hypothesis tests. Section 5 reports the results, Section 6 addresses alternative explanations for the debut effect, and Section 7 concludes.

2. Related Literature and Hypothesis Development

2.1 Debut Pressure and the Prevention-Focused Mindset of CFOs

In psychology research, stress and anxiety are natural and common reactions to first-time experiences, especially in high-stakes environments where individuals are aware of being observed or evaluated ([Buehler and McFarland \[2001\]](#), [Dickerson and Kemeny \[2004\]](#)). For example, actors often experience stage fright before a first performance, and athletes commonly report anxiety before competition. While earnings calls are universally important for corporate leaders, the debut earnings call places unique pressure on CFOs. Because CFOs typically work behind the scenes until their debut call, this call often represents their first major public appearance in front of investors and analysts, where they must balance providing accurate financial disclosures with establishing their public image. The stakes are particularly high because a single

misstep could lead to immediate market repercussions and long-term damage to their professional standing. The lack of prior public-facing experience, coupled with the demands of a live call, intensifies the pressure for debuting CFOs.

Regulatory focus theory proposes two independent self-regulatory systems that vary in goal-pursuit strategies and activities ([Higgins \[1997\]](#)). In the workplace, stress arises when job demands exceed an individual's available resources, creating a discrepancy that requires immediate cognitive and behavioral regulation to manage these demands or adjust one's internal state ([Folkman and Lazarus \[1985\]](#)). Promotion-focused coping involves cognitive and behavioral strategies aimed at maximizing the alignment between one's current situation and personal aspirations or goals (i.e., an ideal state; [Brockner and Higgins \[2001\]](#)). This approach is driven by a desire for growth and achievement, particularly in demanding work environments, and is geared toward attaining positive outcomes while avoiding errors of omission, such as missed opportunities ([Wallace, Edwards, Arnold, Frazier, and Finch \[2009\]](#)). In contrast, prevention-focused coping involves efforts to minimize the risk of a mismatch between one's current situation and one's duties or obligations (i.e., an ought state; [Brockner and Higgins \[2001\]](#)). This form of coping is motivated by a need for security and stability under stress and focuses on preventing negative outcomes and avoiding errors of commission, such as failed attempts ([Brockner and Higgins \[2001\]](#), [Wallace et al. \[2009\]](#)).

Prior research suggests that environments with intense pressure can trigger anxiety and stress that lead an individual to adopt an "avoidance motive." The avoidance motive involves the desire to reduce risk and psychological discomfort, as well as to avoid negative outcomes more generally. [Heilman, Crişan, Houser, Miclea, and Miu \[2010\]](#) find that under conditions of risk and uncertainty, anxiety influences individuals to make more conservative decisions in an effort to reduce the perceived threat of failure. Debuting CFOs face considerable uncertainty because they are being evaluated by unfamiliar external audiences, such as investors, analysts, and the media. The pressure

to perform well, coupled with the lack of familiarity with this evaluative setting, creates a pressing need to manage uncertainty. For them, this means offering clear, controlled, and objective responses that minimize the potential for ambiguity or confusion. By focusing on error avoidance rather than bold statements, CFOs aim to present themselves as competent and reliable, while mitigating the risk of a negative market reaction ([Van den Bos and Lind \[2002\]](#)).

Prior research further suggests that this anxiety drives a desire to control both one's performance and its interpretation. This desire motivates CFOs to adopt more conservative, risk-averse communication strategies in an effort to mitigate risk and minimize ambiguity. Because CFOs are familiar with financial data, staying in this comfort zone can provide them with enhanced feelings of control and lower ambiguity. Regulatory focus theory ([Higgins \[1997\]](#)) yields a similar prediction: in high-pressure environments like a debut earnings call, CFOs are more likely to adopt a prevention focus, where their primary motivation is to avoid mistakes and protect themselves from potential losses. As [Lanaj, Chang, and Johnson \[2012\]](#) highlight, in high-stakes environments, self-regulation naturally gravitates toward risk-averse behaviors. This behavior is particularly prevalent in debut earnings calls, where CFOs face intense scrutiny, which amplifies the pressure to avoid errors or misstatements. Under this mindset, the emphasis shifts to security, precision, and error avoidance, ensuring that their communication is conservative and verifiable ([Scholer and Higgins \[2012\]](#)).

Taken together, these various streams of psychology literature imply that, for CFOs, the first earnings call is not a moment to take risks but to establish credibility by avoiding any potential errors or missteps. This prevention-focused mindset thus leads debuting CFOs to adopt a cautious communication strategy, where the primary goal is to minimize risks, avoid ambiguity, and ensure that their responses are precise and free of potential misinterpretation.

2.2 Numbers and Accounting Jargon as a Safe Communication Strategy

While prior conference call literature primarily focuses on the consequences of managers' communication during earnings calls, research on the determinants of their communication styles has been relatively limited. Among the studies that do examine these determinants, [Davis et al. \[2015\]](#) explore the conditions in which managers use more positive language (or "tone") and find that it is linked to executives' optimism. Our research shifts focus to the debut effect of CFOs, investigating a different aspect of linguistic style: an emphasis on quantification and accounting jargon at the expense of softer strategic disclosure. We argue that, as compared to soft information, hard information can serve as a comfort zone for CFOs when they answer questions on earnings calls for two primary reasons: (1) they are more familiar with numbers and accounting jargon due to their professional background, and (2) numbers and accounting jargon are objective and less prone to misinterpretation. CFOs spend the majority of their careers working with financial data, making quantitative and accounting information a natural and familiar tool for communication. Their responsibilities revolve around financial reporting and financial strategy, as well as the communication of this information to market participants ([Jiang et al. \[2010\]](#), [Smith \[2013\]](#), [Sweeney \[2013\]](#), [Sinfeld and Trotter \[2016\]](#), [Ham et al. \[2017\]](#), [Lu et al. \[2023\]](#), [Ham et al. \[2025\]](#)). Given that debut earnings calls represent a critical moment for CFOs to establish credibility, they may revert to this familiar toolset when communicating with external stakeholders.

In addition to CFO familiarity with financial information, quantitative information (as compared to qualitative information) is inherently more objective, verifiable, and concrete, which substantially reduces the risk of subjective interpretation or miscommunication ([Liberti and Petersen \[2019\]](#)). By using quantitative information and accounting jargon, debuting CFOs can avoid the potential ambiguity that comes with qualitative answers, thereby minimizing the likelihood of mistakes. The objectivity of numbers provides a safeguard, making it difficult for analysts or investors to challenge or

misinterpret the information presented (Campbell, Zheng, and Zhou [2021]). Moreover, outsiders generally view quantitative information as more persuasive (Kadous et al. [2005]).

Together, these two factors (CFOs' familiarity with numbers and accounting, and the objective nature of such information) create a comfort zone for CFOs. The pressure that drives the CFO into it should be most acute at the debut itself but should not expire after a single quarter: a new CFO's early calls continue to present first-time situations (the first guidance revision, the first quarter of bad news, the first hostile exchange), and the security of routine builds only with repetition. We therefore expect comfort-zone communication to be elevated on the debut call and to persist over the CFO's first several calls before receding; our tests accordingly measure the debut both as the first call and as the first four calls, roughly the CFO's first year in the role. Formally,

H1: On their first several earnings calls, CFOs disclose a higher proportion of quantitative information and accounting jargon, and a lower proportion of strategic information, than on their later calls.

If comfort-zone behavior psychologically protects the CFO from exposure to pressure and uncertainty, then we also expect this behavior to be amplified in settings where pressure and uncertainty are higher. Specifically, if the CFO has just been promoted to their first role in the C-suite, or if the firm's fundamentals or earnings are more uncertain or more difficult to communicate (as in high-growth or loss firms), we expect a debuting CFO to fall back even more strongly on quantitative information and accounting jargon as opposed to softer strategic information. Formally,

H2: The CFO debut effect predicted in H1 is stronger in settings where the CFO faces greater uncertainty or pressure (new to the C-suite, high-growth firm, loss firm).

2.3 Market and Career Effects of CFO Comfort-Zone Behavior

CFOs engage heavily with analysts during earnings conference calls, a publicly observable setting where their persuasion attempts can be examined (Ham et al. [2025]).

CFOs may attempt to persuade through various means, such as the level of their engagement (e.g., number of words spoken), the use of argumentative language, the tone of their responses (Mayew and Venkatachalam [2012], Davis et al. [2015], Chen, Nagar, and Schoenfeld [2018]), and even corporate euphemisms (Suslava [2021]). The persuasion literature highlights the effectiveness of quantitative versus qualitative information. In general, qualitative information is more persuasive when the audience is unfamiliar with the content, while quantitative information is more effective when the audience is already knowledgeable about the subject (e.g., Dzieliński, Wagner, and Zeckhauser [2017], Eilifsen, Hamilton, and Messier [2021]). Given that the participants in earnings calls (sell-side and buy-side analysts) are well-informed about financial matters and the firms' fundamentals, quantitative and accounting information may be especially persuasive in this setting. This would align with findings by Kadous et al. [2005], who provide experimental evidence showing that quantified analysis in a proposal enhances its persuasive power by increasing both the perceived competence of the presenter and the perceived likelihood of a favorable outcome. On the other hand, Ham et al. [2025] find that CFOs who make greater use of soft persuasion techniques, such as euphemism, argumentation, and tone, obtain more favorable analyst reactions.

This literature emphasizes three main determinants of persuasive power: audience characteristics ("audience effect"), content characteristics ("content effect"), and source characteristics ("source effect") (Briñol and Petty [2009]). A debuting CFO changes the information *source* and, if H1 holds, the information *content* as well. A substantial literature documents a strong source effect, with persuasiveness depending on how the audience perceives the speaker (Harkins and Petty [1981], Pornpitakpan [2004], Briñol and Petty [2009]). For the market audience, then, the evidence cuts both ways: quantification can signal competence and verifiability (Kadous et al. [2005]), yet soft, narrative persuasion is what analysts appear to reward (Ham et al. [2025]). Because

theory does not sign the market's response to a quantitative, jargon-heavy debut, we state the capital-market hypothesis in null form:⁷

H3: Comfort-zone communication on debut calls is not associated with investors' and analysts' responses to the earnings news.

The capital market, however, is not the only audience for the debut call. Boards weighing a future CEO succession and rival firms recruiting senior executives observe the same call with a longer horizon and a different object of evaluation: the executive rather than the quarter's earnings (Harrison, Thurgood, Boivie, and Pfarrer [2020]). For this audience, too, the sign is ambiguous. A comfort-zone debut may project discipline and command of the numbers, or it may convey a leadership profile that lacks the strategic fluency the chief-executive role demands; indeed, Yi, Zhang, and Windsor [2020] show that the self-presentation strategies new executives adopt to secure their positions can backfire. We therefore state the career hypothesis in null form as well:

H4: Comfort-zone communication on debut calls is not associated with the CFO's subsequent career outcomes.

Figure 1 summarizes the framework. Panel A traces the hypothesized chain from the debut setting through acute evaluative pressure to the comfort-zone retreat (H1) and identifies the settings where the pressure, and therefore the effect, should be greatest (H2). Panel B maps the two audiences that observe the debut and the corresponding null hypotheses (H3 and H4).

⁷We state H3 (and, below, H4) in null form, the standard convention when theory supports predictions in both directions: a directional alternative would arbitrarily privilege one of the competing channels. As throughout the paper, the tests in Section 5 are two-sided; the null form signals the absence of a signed prediction, not a different testing procedure.

3. Data, Key Measures, and Sample

3.1 Setting and Sample Selection

We study communication on quarterly earnings conference calls, among the most economically consequential voluntary-disclosure events in U.S. capital markets (Frankel et al. [1999], Kimbrough [2005], Matsumoto et al. [2011], Heinrichs et al. [2019]). A call has two parts: a scripted management presentation and an unscripted question-and-answer (Q&A) session in which analysts and investors interrogate management in real time. We focus exclusively on the CFO’s answers in the Q&A session, the part of the call in which situational and psychological pressures are most likely to surface: executives must respond on their feet rather than recite prepared remarks, and Q&A disclosures are less bound by the conventions that govern the scripted section. The Q&A is also where the CFO, rather than the CEO, tends to field the detailed financial questions, which makes it the natural place to observe the CFO’s own communicative choices (Lu et al. [2023]).⁸

Table 1 details the sample construction. We begin with all quarterly earnings-call transcripts for S&P 1500 firms in Refinitiv StreetEvents over 2005Q2–2022Q4 in which a CFO can be identified as a Q&A speaker and the firm matches to Compustat and CRSP.⁹ Because the transcript record begins in 2005, we exclude the 2005Q1 quarter and all CFOs whose first observed call falls in that quarter: their true debuts may predate the record and cannot be verified within it. The resulting firm-call panel, counted after these exclusions, contains 41,193 calls for 1,357 firms and 4,224 unique CFOs.¹⁰ Requiring the

⁸Restricting attention to the CFO’s Q&A answers sharpens identification in two ways. It isolates the executive’s own real-time language from the scripted remarks typically drafted by investor-relations staff, and it separates the CFO’s answers from the analysts’ questions. We further measure the accounting content of the *analysts’* questions (%ACCTQ) and control for it throughout, so our estimates hold fixed the accounting “pull” of the questions asked. We cannot, however, hold fixed the *numeric* or *strategic* pull of the questions; if debut quarters systematically attract more numeric or fewer strategic questions, part of the debut effect could be question-driven. Section 5.1 reports two checks that speak to this concern, and we revisit the limitation in Section 7.

⁹S&P 1500 membership is taken from the CRSP index-membership files for the S&P 500, MidCap 400, and SmallCap 600; a firm enters the panel for the quarters in which it is an index member.

¹⁰The 2005Q1 quarter serves only to flag CFOs who were already active when the record begins; the firm-call panel itself starts in 2005Q2 (Table 1). The transcript-based definition deliberately avoids annual compensation databases such as ExecuComp, which are too coarse to time a debut to the quarter and which

thirteen firm-call controls (defined below and in Appendix A) to be non-missing yields the main regression sample of 36,093 firm-calls. The binding restriction is the availability of an IBES analyst forecast with which to compute standardized unexpected earnings (SUE); the calls lost are, by construction, calls with no analyst coverage in the quarter and are concentrated among smaller firms (untabulated).

A CFO's debut earnings call is typically the executive's first sustained, unscripted exchange with analysts and investors who will evaluate the firm's performance and the executive's credibility for years to come. The interaction unfolds in real time, leaving no opportunity to revise an ineffective response. The format is inherently adversarial because analysts often focus on weaker aspects of quarterly performance. A single misstep, such as an evasive response, an inconsistency with the earnings press release, or an unsupported strategic claim, may have lasting consequences for perceptions of the executive's competence and credibility. For a seasoned CFO, such interactions are routine. For a first-time CFO, however, they place the executive under intense scrutiny, a setting that psychologists associate with acute evaluative stress (Buehler and McFarland [2001], Dickerson and Kemeny [2004], Hartley and Phelps [2012]). The benefits of a successful debut are likely to accumulate gradually, whereas the costs of a visible mistake are immediate. This asymmetry is consistent with regulatory focus theory, which predicts that individuals become more prevention focused when potential losses are more salient than potential gains (Higgins [1997]). Accordingly, we expect debut pressure to influence CFOs' communication choices during earnings calls.

3.2 Anecdotal Evidence

Appendix B presents two examples comparing executives' communication on their debut earnings calls with their communication several years later. In both cases, the

date the appointment rather than the first public appearance. To the extent early StreetEvents coverage is incomplete, an executive who was active before the record but first appears in it later would be mislabeled as debuting; such misclassification adds experienced executives to the treated group and therefore biases against finding a debut effect.

same executive communicates very differently on the debut call and in a later exchange, illustrating the communication pattern that motivates our empirical analysis.

The first example follows Steve Robb at Clorox. On Robb's 2011 debut call, a Bernstein analyst asks what the timing of a planned share repurchase is intended to signal. Rather than discussing the strategic rationale, the newly appointed CFO responds with a detailed walkthrough of the repurchase arithmetic. Four years later, at the company's 2015 Analyst/Investor Day, when the same analyst asks a comparable question, explicitly requesting numerical guidance, Robb discusses acquisition strategy without relying on numerical detail. Instead, he explains the strategic principles that guide the firm's decisions.

The second example concerns Randy Freitag of Lincoln National. During his 2011 debut call, he is introduced as the firm's new CFO and is asked directly about his plans for the company's capital structure. His response focuses primarily on detailed capital calculations while largely avoiding discussion of future strategy. Eight years later, however, when asked about the firm's market-share gains, he explains the firm's competitive positioning and strategic priorities, using numerical information only to support those strategic arguments rather than to replace them.

These examples illustrate two features that motivate our empirical analysis. First, the debut responses are neither evasive nor imprecise. Instead, they rely on objective and verifiable numerical information while avoiding more subjective strategic judgments. This pattern is consistent with prevention-focused behavior under evaluative pressure. Second, the same executives communicate differently after gaining experience, suggesting that the behavior is situational rather than reflecting stable individual differences. Although these examples are only illustrative, they provide intuition for the systematic evidence presented in the remainder of the paper. We next examine whether this communication pattern generalizes across the main regression sample of 36,093 earnings calls.

3.3 Measuring Comfort-Zone Communication

We define *comfort-zone communication* as a tendency for debut CFOs to rely on objective, verifiable information within their professional expertise while avoiding softer strategic discussion. Guided by the prevention-focus framework, we summarize this behavior using a composite *COMFORT-ZONE INDEX* constructed from three complementary text measures.

We compute the measures over the concatenation of each CFO's Q&A responses within an earnings call. The dictionaries are reported in full in the footnote and summarized in Appendix A.¹¹

The first measure captures reliance on numerical information. Following [Campbell et al. \[2021\]](#), we count numeric tokens (e.g., dollar amounts, percentages, and other integer or decimal figures), excluding four-digit calendar years so that dates are not counted as substantive numerical disclosures,¹² and scale by the combined count of dictionary words and numeric tokens:

$$\%CFOQUANT = 100 \times \frac{N_{num}}{N_{word} + N_{num}}, \quad (1)$$

where N_{num} is the number of numeric tokens and N_{word} is the number of dictionary words based on the Loughran–McDonald master word list ([Loughran and McDonald \[2011\]](#)).

The second measure captures reliance on technical accounting vocabulary. We count matches to a fixed dictionary of FASB-style accounting terms (e.g., *EPS*, *EBITDA*,

¹¹The accounting-jargon dictionary contains 20 FASB-style terms: *tax*, *taxes*, *provision*, *nol*, *eps*, *ebitda*, *ebit*, *depreciation*, *amortization*, *accrual*, *balance sheet*, *cash flow*, *free cash flow*, *working capital*, *capital expenditure*, *capex*, *interest expense*, *debt*, *leverage*, and *liquidity*. The strategic dictionary contains 29 keywords spanning the five nonfinancial topic categories in [Huang, Leavy, Zang, and Zheng \[2018\]](#): competition (*competition*, *competitive*, *competitiveness*, *competitor*, *competitors*, *rival*, *rivals*), consumer (*advertise*, *advertisement*, *advertising*, *brand*, *brands*, *consumer*, *consumers*, *customer*, *customers*), products (*product*, *production*, *products*), growth (*growth*, *organic*, *acquisition*, *strengthen*), and geography (*geography*, *global*, *emerging*, *international*, *region*, *regional*). Both are implemented as fixed, lowercased word lists with word-boundary matching in a single non-overlapping pass (so *free cash flow* increments the jargon count once), leaving no call-level coding discretion.

¹²We exclude integers between 1950 and 2025. The upper bound extends beyond the sample period because managers frequently refer to future calendar years when providing guidance.

accrual, depreciation, free cash flow, and working capital) and scale by the count of Loughran–McDonald dictionary words (N_{word} , as in Equation (1)):

$$\%ACCTJARGON = 100 \times \frac{N_{jargon}}{N_{word}}. \quad (2)$$

The third measure captures strategic communication. Following the nonfinancial topic classification of Huang et al. [2018], we count keywords related to competition, customers and brands, products, growth, and geography, and again scale by N_{word} :

$$\%STRATEGIC = 100 \times \frac{N_{strat}}{N_{word}}. \quad (3)$$

Together, the three measures capture complementary dimensions of comfort-zone communication. A CFO may rely more heavily on numerical disclosures ($\%CFOQUANT$), rely more heavily on technical accounting language ($\%ACCTJARGON$), or reduce strategic discussion ($\%STRATEGIC$).

To summarize these dimensions, we construct a standardized composite measure. Letting $z(\cdot)$ denote the cross-sectional z-score,

$$\begin{aligned} COMFORT-ZONE INDEX = \frac{1}{3} [& z(\%CFOQUANT) + z(\%ACCTJARGON) \\ & - z(\%STRATEGIC)]. \end{aligned} \quad (4)$$

Higher values indicate greater comfort-zone communication, with numerical disclosure and accounting jargon loading positively and strategic discussion loading negatively. We also construct *HIGHCZ* by standardizing Equation (4) within each industry-year. For the market-reaction analysis, we use the binary version of *HIGHCZ*, which equals one if the industry-year-standardized index is above its panel median, and zero otherwise. The debut-effect tests report the three components separately, and the

subsequent analyses summarize them with the composite index, so the debut effect can be assessed at both levels of aggregation.

Two caveats apply to all three measures. First, they are proxies rather than direct measures of psychological state. A CFO may rely more heavily on numerical information because the quarter is genuinely complex rather than because of debut pressure. Our within-CFO research design (Section 4) differences out stable executive-specific communication styles, while the control variables account for observable quarter characteristics. Accordingly, our identification relies on within-executive variation and the consistency of evidence across all three measures rather than on any individual proxy. Second, the measures are dictionary based and therefore inherit the usual limitations of bag-of-words approaches.

Several features nonetheless support their construct validity. The three measures move together in the predicted direction: greater reliance on numerical information and accounting jargon is accompanied by less strategic discussion, consistent with a common underlying communication style. Moreover, all three measures move away from comfort-zone communication as CFO experience grows (Figure 2): numerical disclosure and accounting jargon decline while strategic discussion increases, consistent with the idea that comfort-zone communication diminishes as executives become more familiar with the earnings-call setting. Finally, because the measures are constructed from fixed, publicly reported dictionaries, they involve no call-level coding discretion and are fully replicable. Together, these features support interpreting the measures as proxies for comfort-zone communication, although they remain imperfect measures of the underlying construct.

3.4 Identifying CFO Debuts

Our treatment is the CFO's first earnings-call appearance as a Q&A speaker.¹³ We sort each CFO's earnings calls chronologically. *CFO_DEBUT* equals one for the executive's first observed Q&A appearance (across all firms at which the executive serves), and zero otherwise. We also define *CFO_DEBUT4*, which equals one for the executive's first four earnings calls, and zero otherwise, to capture the period over which debut pressure is expected to dissipate.¹⁴

Debut calls account for 10.0% of firm-calls in the regression sample, while calls within the first four appearances account for 30.7% (Table 2, Panel A).

3.5 Control Variables and Descriptive Statistics

To isolate the effect of CFO debut from contemporaneous communication and firm characteristics, we include two groups of control variables. The first group captures the CFO's communication style and the content of analysts' questions: the share of forward-looking sentences (*FLS_CFO*), net positive tone (*TONE_CFO*), external blame attribution (*BLAME_CFO*), and the accounting content of analysts' questions (*%ACCTQ*).¹⁵ The second group captures the firm's contemporaneous information environment and fundamentals, including standardized unexpected earnings (SUE), analyst following, firm age, book-to-market, return on assets, leverage, accruals, firm size, and return volatility. Variable definitions are reported in Appendix A. All continuous variables are winsorized at the 1st and 99th percentiles, except *HIGHCZ*, the standardized comfort-zone composite.

¹³CFO successions are frequent and economically important events that affect firms' information environments (Mian [2001], Geiger and North [2006], Chen, Li, and Lin [2022]), making the debut both common enough to study in a two-decade panel and economically meaningful.

¹⁴We identify CFO speakers from transcript role tags and reconcile name variants using fuzzy string matching. When more than one CFO-role speaker answers questions during a transition-quarter call, we attribute the call to the executive who contributes the largest share of the Q&A responses. The four-call window spans approximately the first year of tenure and is intended to capture the early learning period documented in Figure 2.

¹⁵*FLS_CFO* is the share of forward-looking sentences following Muslu, Radhakrishnan, Subramanyam, and Lim [2015]; *TONE_CFO* is net positive tone based on the Loughran and McDonald [2011] dictionary; and *BLAME_CFO* measures the share of sentences attributing poor performance to external conditions.

Table 2 reports descriptive statistics. On the average call, the CFO’s Q&A responses contain 3.25% numerical tokens, 0.45% accounting jargon, and 0.62% strategic keywords. All three measures are positively skewed, particularly accounting jargon and strategic language.¹⁶

Table 3 reports pairwise correlations. Consistent with the proposed construct, *%CFOQUANT* and *%ACCTJARGON* are positively correlated (0.11), and both are negatively correlated with *%STRATEGIC* (−0.12 and −0.14, respectively). As expected, *HIGHCZ* loads positively on numerical disclosure and accounting jargon and negatively on strategic language. Correlations among the control variables are generally modest—the largest is 0.60, between *SIZE* and *ANALYSTS*—and untabulated variance inflation factors indicate that multicollinearity is not a concern.

4. Research Design

We test the hypotheses using four empirical designs. First, we estimate within-CFO regressions to examine the effect of a CFO’s earnings-call debut on comfort-zone communication (H1). Second, we use interaction models to test whether the debut effect varies with cross-sectional differences in debut pressure (H2). Third, we estimate triple-interaction models to examine whether comfort-zone communication influences capital-market reactions to earnings news (H3). Finally, we estimate executive-level regressions to examine whether debut comfort-zone communication is associated with subsequent career outcomes (H4). Section 5 reports the corresponding empirical results.

¹⁶Because experienced CFO appearances substantially outnumber debut calls, pooled means are weighted toward experienced executives. Accordingly, the debut-call averages shown in Figure 2 differ from the pooled sample means.

4.1 The Debut Effect (H1)

Hypothesis H1 predicts that debuting CFOs engage in greater comfort-zone communication on their first several calls than the same CFOs exhibit on later calls.¹⁷

We estimate the following firm-call regression:

$$Y_{i,c,t} = \beta DEBUT_{i,c,t} + \gamma' \mathbf{X}_{i,c,t} + \alpha_c + \delta_j + \theta_t + \varepsilon_{i,c,t}, \quad (5)$$

where i , c , t , and j index firms, CFOs, fiscal year-quarters, and SIC-2 industries, respectively. The dependent variable, Y , is one of the three comfort-zone measures. $DEBUT$ is either CFO_DEBUT or CFO_DEBUT4 , and $\mathbf{X}$ denotes the vector of thirteen control variables. The model includes CFO, industry, and year-quarter fixed effects. Standard errors are clustered at the firm level (Petersen [2009]).

We report pooled OLS specifications without fixed effects, specifications adding industry and year-quarter fixed effects, and specifications with the full set of CFO, industry, and year-quarter fixed effects; the within-CFO specification is our primary design.¹⁸ The CFO fixed effects absorb time-invariant differences in communication style across executives, so the debut coefficient is identified from the comparison of each CFO's debut calls with the same executive's subsequent calls. Under H1, we expect positive coefficients for $\%CFOQUANT$ and $\%ACCTJARGON$, and a negative coefficient for $\%STRATEGIC$.

4.2 Cross-Sectional Pressure Channels (H2)

Hypothesis H2 predicts that the debut effect is stronger when debut pressure is more pronounced. We test this prediction by interacting CFO_DEBUT with proxies for three

¹⁷Section 2 develops the theoretical motivation. See Higgins [2012] for a synthesis of regulatory-focus theory and Spiegel, Pillow, and Higgins [2004] for evidence that regulatory focus shapes how individuals pursue goals.

¹⁸The debut coefficients retain their signs and remain statistically significant when industry and year-quarter fixed effects are added without CFO fixed effects (columns (2), (5), and (8) of Table 4), indicating that the debut effect is not an artifact of industry composition or time-period effects.

pressure channels:

$$\begin{aligned} \text{COMFORT-ZONE INDEX}_{i,c,t} = & \beta_1 \text{DEBUT}_{i,c,t} + \beta_2 M_{i,c,t} + \beta_3 (\text{DEBUT} \times M)_{i,c,t} \\ & + \gamma' \mathbf{X}_{i,c,t} + \delta_j + \theta_t + \varepsilon_{i,c,t}, \end{aligned} \quad (6)$$

where *DEBUT* denotes *CFO_DEBUT* and $M_{i,c,t}$ denotes the moderator for the pressure channel under consideration. *FIRST C-SUITE* equals one if the executive held no C-suite position before the debut call, and zero otherwise.¹⁹ *GROWTH_FIRM* equals one if the firm's book-to-market ratio is below the median across all firm-calls in the panel, and zero otherwise. *LOSS_FIRM* equals one if the firm reports negative return on assets during the earnings-call quarter, and zero otherwise.

The coefficient of interest is β_3 , which captures whether the debut effect varies with each pressure channel. We expect $\beta_3 > 0$ if greater debut pressure amplifies comfort-zone communication.²⁰

4.3 Capital-Market Reactions (H3)

Hypothesis H3 examines whether comfort-zone communication on debut calls is associated with investors' and analysts' responses to earnings news. Theory offers competing predictions. Greater reliance on numerical information may strengthen market reactions by providing more objective and verifiable information (Kadous et al. [2005], Campbell et al. [2021]). Alternatively, reduced strategic discussion may limit investors' ability to interpret earnings news, weakening market reactions (Lee [2016], Rennekamp, Sethuraman, and Steenhoven [2022], Blankespoor, deHaan, and Marinovic

¹⁹*FIRST C-SUITE* is constructed from Revelio Labs employment histories. Because the measure requires prior-employment data, this specification is estimated on the 19,056-call subsample with non-missing employment histories (Table 2, Panel A).

²⁰Equation (6) includes industry and year-quarter fixed effects rather than CFO fixed effects; CFO fixed effects would absorb the time-invariant *FIRST C-SUITE* main effect, and using the same specification across all three moderators facilitates comparison of the interaction effects.

[2020]). We therefore estimate the following firm-call regression:

$$\begin{aligned} REACTION_{i,c,t} = & \beta(SUE \times DEBUT \times HIGHCZ)_{i,c,t} + \lambda' LOWER_{i,c,t} \\ & + \gamma' \mathbf{X}_{i,c,t} + \delta_j + \theta_t + \varepsilon_{i,c,t}, \end{aligned} \quad (7)$$

where *REACTION* is one of four outcomes: the two-day cumulative abnormal return ($CAR(0,+1)$), the analyst price-target consensus revision (*PT_REV*), an analyst price-target downgrade indicator (*PT_DOWNGRADE*), or the consensus earnings-per-share revision (*EPS_REV*). The vector *LOWER* includes all lower-order terms implied by the triple interaction. Here *X* comprises the twelve controls other than *SUE*, whose main effect is included among the lower-order terms.²¹

The specification includes SIC-2 industry and year-quarter fixed effects. Here *HIGHCZ* is the binary indicator defined in Section 3, equal to one for calls above the panel median of the industry-year-standardized *COMFORT-ZONE INDEX*, and we estimate the model separately using *CFO_DEBUT* and *CFO_DEBUT4*. The coefficient of interest is β , which captures whether comfort-zone communication on debut calls incrementally changes the sensitivity of market reactions to a given earnings surprise.

4.4 Labor-Market Outcomes (H4)

Hypothesis H4 examines whether debut comfort-zone communication is associated with subsequent career outcomes. Because career advancement depends on boards' and employers' assessments of executives' leadership ability as well as their financial expertise (Yi et al. [2020], Harrison et al. [2020]), communication during a CFO's first public earnings call may influence later career opportunities. We emphasize that the analyses are associational rather than causal.

²¹Price-target revisions are measured as the change in the analyst price-target consensus from before to after the earnings call. Earnings-per-share revisions are based on the IBES *fpi=8* (three-quarters-ahead) consensus so that post-call revisions reflect forward-looking updating rather than the mechanical incorporation of the announced earnings.

To examine this relation, we construct an executive-level measure of debut comfort-zone communication, $DEBUT_CZ$, by residualizing each CFO's debut communication against observed firm and disclosure characteristics and the average debut effect. In *Stage 1*, we estimate

$$Y_{i,c,t}^{(k)} = \pi CFO_DEBUT_{i,c,t} + \gamma' \mathbf{X}_{i,c,t} + \delta_j + \delta_{year} + \delta_{qtr} + \varepsilon_{i,c,t}^{(k)}, \quad (8)$$

for $k \in \{QUANT, JARGON, STRATEGIC\}$, where $Y^{(k)}$ denotes each comfort-zone component. We retain the residual for each CFO's first earnings call, $\hat{\varepsilon}_{c,1}^{(k)}$.

In *Stage 2*, we standardize the three first-call residuals, combine them using the *COMFORT-ZONE INDEX* weights, and standardize the resulting composite:

$$DEBUT_CZ_c = z \left(\frac{1}{3} \left[z(\hat{\varepsilon}_{c,1}^{(QUANT)}) + z(\hat{\varepsilon}_{c,1}^{(JARGON)}) - z(\hat{\varepsilon}_{c,1}^{(STRATEGIC)}) \right] \right), \quad (9)$$

where higher values indicate that the CFO's debut communication is more quantitative, more jargon-intensive, and less strategic than predicted by the firm's observed characteristics, its disclosure environment, and the average debut effect.²²

We relate $DEBUT_CZ$ to two career outcomes compiled from BoardEx:²³ $PROMOTED_TO_CEO$, which equals one if the CFO subsequently serves as a CEO at any firm, and $UPWARD_MOVE$, which equals one if the CFO subsequently joins another firm in a more senior executive role. We estimate

$$OUTCOME_c = \beta DEBUT_CZ_c + \gamma' CONTROLS_c + \delta_g + \varepsilon_c, \quad (10)$$

²² $DEBUT_CZ$ is constructed from first-stage residuals and therefore represents a generated regressor. Residualization removes only observed determinants of communication, so the measure may still reflect unobserved factors affecting debut disclosure. Because the standardization is performed before restricting the sample to CFOs with observable career outcomes, the mean and standard deviation in the final labor-market sample differ slightly from zero and one (Table 2, Panel B).

²³Career outcomes are obtained from BoardEx employment histories matched to the transcript sample using executive names and firm identifiers. Remaining matching errors introduce measurement error in the outcome variables.

where *CONTROLS* includes gender, age at debut, minority status, MBA, prior C-suite experience, and external-hire indicators, and δ_g denotes one-digit industry fixed effects. We estimate Equation (10) using both a Firth-penalized logit (Firth [1993]) and a linear probability model with heteroskedasticity-robust standard errors.²⁴ As an additional specification, we include firm characteristics measured at the CFO’s debut (firm size, analyst following, ROA, book-to-market, return volatility, firm age, and leverage) to examine whether the documented associations are robust to observable differences in firms employing debut CFOs.

5. Results

This section presents the empirical results for the four hypotheses. We first examine the effect of CFO debut on comfort-zone communication (H1), followed by cross-sectional tests of debut pressure (H2), capital-market reactions (H3), and labor-market outcomes (H4).

5.1 The Debut Effect

Table 4 reports estimates of Equation (5). The results provide consistent support for H1. Under the first-four-call definition with CFO fixed effects (Panel B, columns (3), (6), and (9)), debut CFOs use significantly more numerical information (*%CFOQUANT*, 0.152, $t = 3.01$) and accounting jargon (*%ACCTJARGON*, 0.033, $t = 3.03$), and significantly less strategic language (*%STRATEGIC*, -0.032 , $t = -3.06$), than the same CFOs do in subsequent earnings calls. Relative to the sample means reported in Table 2, these correspond to economically modest but meaningful shifts that occur simultaneously across all three dimensions.²⁵

²⁴The Firth estimator mitigates quasi-separation arising from sparse outcome cells, such as the relatively small number of minority CFOs in the sample.

²⁵Relative to the sample means, the estimates imply approximately a 5% increase in numerical disclosure and a 7% increase in accounting jargon during the debut period. Although individually modest, the effects consistently point toward greater reliance on comfort-zone communication.

The first-call specification (Panel A) produces the same qualitative pattern. The coefficients on %ACCTJARGON (0.033, $t = 2.00$) and %STRATEGIC (-0.074 , $t = -5.18$) remain statistically significant, while the coefficient on %CFOQUANT is positive but only marginally significant after introducing CFO fixed effects (0.122, $t = 1.71$). Accordingly, we view the four-call specification as providing the primary evidence for the numerical-disclosure dimension.²⁶

The joint movement across all three measures is difficult to reconcile with a purely mechanical explanation. Greater demand for numerical information during a particular quarter could increase %CFOQUANT; the specifications control for the accounting content of analysts' questions (%ACCTQ), although this control captures the accounting rather than the numeric or strategic pull of the questions. Two further checks speak to call-level demand, and in both the debut effect survives.²⁷ Moreover, a demand-based explanation does not naturally predict a simultaneous increase in accounting jargon and reduction in strategic language. The evidence therefore points to a shift in the CFO's own communication style during the debut period, over and above any call-level movement in the topics under discussion.

Figure 2 provides complementary evidence. The unconditional means of all three measures trend in the predicted direction with earnings-call experience, although the quarter-to-quarter path is noisy, particularly for accounting jargon. Numerical disclosure declines from 3.58% on the debut call to 2.96% by the twentieth call or later, accounting jargon declines from 0.50% to 0.41%, and strategic language increases from 0.51% to 0.67%. Although these averages could partly reflect changes in sample composition, the

²⁶The reduction in the %CFOQUANT coefficient after introducing CFO fixed effects suggests that part of the unconditional relation reflects persistent differences across executives. The four-call specification identifies the portion of the effect that remains after absorbing time-invariant executive characteristics.

²⁷First, the CEO's numeric share on the same call also rises modestly during the CFO's debut period (0.059, $t = 3.05$, in the four-call within-CFO specification), consistent with some call-level component in numeric demand; the CFO's own shift is more than twice as large. Second, controlling directly for the CEO's numeric share on the same call, the four-call debut coefficients remain significant for all three measures (%CFOQUANT 0.143, $t = 2.85$; %ACCTJARGON 0.032, $t = 2.93$; %STRATEGIC -0.031 , $t = -2.92$; untabulated).

within-CFO estimates in Table 4 indicate that the same executives systematically shift away from comfort-zone communication as they gain experience.

Overall, the estimated effects are modest in magnitude, consistent with a subtle change in communication style rather than a wholesale change in disclosure behavior.²⁸ Their importance lies in two features. First, they reflect within-executive changes rather than differences across executives. Second, the pattern is consistent across three distinct linguistic dimensions, motivating the composite *COMFORT-ZONE INDEX* used in the subsequent analyses. Together, these findings suggest that a temporary situational factor, the pressure associated with a CFO's first public earnings calls, systematically influences disclosure style even after controlling for firm characteristics, industry, time, and executive fixed effects.

5.2 Cross-Sectional Pressure Channels

Table 5 reports estimates of Equation (6). Consistent with H2, the interaction coefficients are positive across all three specifications and statistically significant for two of the three pressure channels. We discuss each channel in turn.

5.2.1 The Human-Capital Channel (First C-Suite)

Under H2, the debut effect should be stronger when the executive has no prior C-suite experience. Consistent with this prediction, the interaction between *CFO_DEBUT* and *FIRST C-SUITE* is positive and statistically significant (0.128, $t = 2.19$). The result suggests that comfort-zone communication is particularly pronounced when both the earnings call and the C-suite role are new to the executive. The debut main effect in this column is small and statistically insignificant (0.017, $t = 0.30$); the channel is identified by the interaction.

5.2.2 The Valuation-Uncertainty Channel (Growth Firm)

We next examine whether the debut effect is stronger for high-growth firms, where greater valuation uncertainty may increase the costs of communication mistakes. The

²⁸For example, the four-call estimate for %*CFOQUANT* represents roughly one quarter of the difference between a CFO's first and twentieth earnings calls shown in Figure 2.

interaction between *CFO_DEBUT* and *GROWTH_FIRM* is positive and statistically significant (0.063, $t = 2.64$), indicating that debut CFOs at growth firms rely more heavily on comfort-zone communication than those at mature firms.

5.2.3 The Performance-Pressure Channel (Loss Firm)

Finally, we examine whether poor contemporaneous performance amplifies the debut effect. The interaction between *CFO_DEBUT* and *LOSS_FIRM* is positive but only marginally significant (0.048, $t = 1.66$). One possible explanation is that loss quarters increase the pressure associated with public disclosure but also make numerical information a less comfortable communication strategy, because the numbers themselves convey unfavorable news.

Overall, the evidence is consistent with the proposed pressure mechanism. The largest point estimate is observed for executives entering the C-suite for the first time (estimated on the smaller Revelio subsample), followed by firms facing greater valuation uncertainty. Although the interaction for loss firms is weaker, its positive sign is consistent with the theoretical prediction.²⁹ Because these specifications rely on industry and year-quarter rather than CFO fixed effects, stable differences across executives and firms may also contribute to the moderation pattern. Taken together, the results are consistent with, though they do not tightly identify, the prediction that comfort-zone communication is most pronounced when debut pressure is expected to be greatest.

5.3 Capital-Market Reactions

Table 6 reports estimates of Equation (7). As expected, the earnings surprise is significantly associated with all four market-reaction measures in the predicted direction. For example, the coefficient on *SUE* is positive and significant for $CAR(0, +1)$ (0.114, $t = 3.41$), confirming that the market-reaction measures capture investors' and analysts' responses to earnings news.

²⁹The moderator main effects are also consistent with this interpretation. Outside the debut period, first-time C-suite executives and CFOs at growth firms rely slightly less on comfort-zone communication than other executives. The positive interaction terms therefore reflect a debut-specific amplification rather than a general difference in communication style.

The coefficient of interest, the interaction between *SUE*, *DEBUT*, and *HIGHCZ*, is not significant at the 5% level in any of the eight specifications; the only coefficient approaching significance is the coefficient for analyst earnings-per-share revisions in the four-call specification ($t = 1.66$, significant only at the 10% level). The debut-specific level effect, $DEBUT \times HIGHCZ$, is likewise insignificant in every column. These results provide no evidence that comfort-zone communication on debut calls systematically alters investors' or analysts' responses to earnings news, either in level or in sensitivity to the earnings surprise.³⁰

Debut status itself nevertheless appears to matter. The interaction between *SUE* and *DEBUT* is significant for analyst price-target revisions (-0.579 , $t = -2.34$) and downgrades (2.189 , $t = 1.98$) in Table 6, Panel A: for a given earnings surprise, price-target revisions respond less, and the usual negative relation between the surprise and downgrades is attenuated, when the CFO is debuting. However, this differential response does not vary with the extent of comfort-zone communication. Accordingly, we find no evidence that a more comfort-zone-oriented communication style changes the contemporaneous capital-market response to earnings news; we therefore fail to reject H3. The capital market thus appears neither to reward nor to penalize a debuting CFO for staying in the comfort zone: comfort-zone communication is associated with investors' and analysts' responses no differently on debut calls than on the same executives' other calls.³¹

Although comfort-zone communication does not appear to influence contemporaneous market reactions, it may still affect audiences that evaluate the

³⁰The conclusion is unchanged when the binary *HIGHCZ* is replaced with the continuous industry-year-standardized index: across the same eight specifications, the largest triple-interaction t -statistic is 1.30 (untabulated). Direct tests of the communication itself point in the same direction: the continuous index is associated with a small positive announcement return, consistent with the *HIGHCZ* main effect reported in Table 6, and is not reliably associated with analyst price-target revisions or absolute announcement returns; unlike the binary *HIGHCZ*, it shows no reliable association with EPS revisions (untabulated).

³¹The absence of a significant triple interaction should be interpreted with appropriate caution. Triple-interaction coefficients are typically estimated less precisely than lower-order effects, and measurement error in *HIGHCZ* may further attenuate the coefficient. Accordingly, the results should be read as detecting no reliable incremental effect of comfort-zone communication on contemporaneous market reactions, not as establishing that such an effect is exactly zero.

executive rather than the earnings news itself. We therefore next examine whether debut communication style is associated with subsequent labor-market outcomes.

5.4 Labor-Market Outcomes

Table 7 reports estimates of Equation (10) for the 1,079 CFOs in the executive-level sample, that is, the CFOs whose employment histories we can match to BoardEx (Table 1). The base rates are economically meaningful: 15.1% of CFOs subsequently become CEOs, and 43.5% make an upward career move (Table 2, Panel B). Across both estimation methods and model specifications, *DEBUT_CZ* is negatively associated with subsequent career outcomes, rejecting H4. In Panel A, a one-standard-deviation increase in *DEBUT_CZ* is associated with a 2.1-percentage-point lower probability of promotion to CEO (LPM, $t = -2.48$; Firth logit, -0.179 , $z = -2.02$) and a 4.0-percentage-point lower probability of an upward career move (LPM, $t = -2.84$; Firth logit, -0.167 , $z = -2.69$).

The results remain robust after controlling for firm characteristics measured at the CFO's debut (Panel B). The linear estimates imply reductions of 1.9 percentage points in the probability of becoming CEO ($t = -2.25$) and 3.4 percentage points in the probability of an upward career move ($t = -2.53$), corresponding to approximately 13% and 8% of the respective sample base rates. The Firth-logit estimates remain negative throughout, significant at the 10% level for promotion to CEO and at the 5% level for upward moves. Because the outcomes are cumulative indicators of any subsequent move and debuts span 2005–2022, earlier cohorts are observed for longer; Panel C therefore adds debut-year fixed effects to the Panel A specifications, leaving the estimates essentially unchanged.³²

Overall, the evidence indicates that CFOs exhibiting greater comfort-zone communication during their debut have less favorable subsequent career outcomes. The analyses are observational and should be interpreted as documenting associations rather than causal effects; in particular, because residualization removes only observed

³²Results are similar controlling linearly for years since debut (-0.021 , $t = -2.40$ for promotion to CEO; -0.036 , $t = -2.72$ for upward moves) or adding the Panel B firm controls to the debut-year specification (-0.018 , $t = -2.10$; -0.031 , $t = -2.45$; untabulated).

determinants of debut communication, *DEBUT_CZ* may partly capture stable executive traits, such as a persistently numbers-oriented style, so the associations may reflect selection on such traits rather than a consequence of the debut communication itself. The findings are nonetheless consistent across two career outcomes, alternative estimators, specifications with and without firm-level controls, and cohort and follow-up-window adjustments. Together with the absence of detectable capital-market effects of comfort-zone communication in Table 6, the results suggest that comfort-zone communication carries greater consequences for executives' long-run career progression than for contemporaneous market reactions.

6. Additional Tests

This section examines two alternative explanations for the documented debut effect: that it reflects arrival at a new employer rather than a first public appearance, and that it reflects firm-specific learning rather than debut pressure.

6.1 Debut Pressure or Employer Transition?

A CFO's debut earnings call often coincides with joining a new firm, raising the possibility that the documented communication pattern reflects unfamiliarity with firm-specific information rather than debut pressure (Geiger and North [2006], Muttakin, Khan, and Tanewski [2019]). Table 8 distinguishes these explanations by including the debut indicator and a switcher indicator in the same regression.

Panel A regresses the *COMFORT-ZONE INDEX* on *CFO_DEBUT* and *SWITCHER_FIRST*, which equals one for a CFO's first call at a new firm, conditional on having previously served as CFO elsewhere, and zero otherwise, together with the full set of controls and industry and year-quarter fixed effects. The debut coefficient is positive and highly significant (0.071, $t = 5.32$), whereas the switcher coefficient is small

and statistically insignificant (-0.023 , $t = -0.45$). The four-call specification yields the same conclusion (0.061 , $t = 6.14$ versus 0.020 , $t = 0.46$).³³

Panel B further restricts the sample to firm-first call windows—each executive’s first call at the firm in column (1) and first four calls at the firm in column (2). Even within this subsample, CFOs facing their career-first earnings call exhibit significantly greater comfort-zone communication than those who previously served as CFOs elsewhere (0.119 , $t = 2.16$). The four-call analogue is positive but insignificant (0.029 , $t = 0.67$), so the restricted-sample evidence is confined to the debut call itself; the Panel A comparison, which uses the full sample, supports both treatment windows. Together, these findings suggest that the documented effect is associated with a CFO’s first public earnings-call experience rather than with changing employers.

6.2 Debut Pressure or Firm-Specific Learning?

A broader alternative explanation is that the documented communication pattern reflects firm-specific learning rather than debut pressure. Newly appointed CFOs may rely more heavily on numerical information simply because they understand the firm’s financial statements better than its broader strategy and operations.

Two findings weigh against a pure learning explanation, although neither is decisive on its own. First, the switcher analysis in Table 8 compares executives who face similar firm-specific learning challenges: CFOs changing firms must also learn a new firm’s operations, yet the switcher coefficients are small and statistically insignificant, and the within-window comparison in Panel B favors career-first CFOs (0.119 , $t = 2.16$). Because switchers bring prior CFO and earnings-call experience, which may itself speed their learning of a new firm, this comparison is most informative about the employer-transition

³³The four-call specification uses the corresponding four-call versions of both the debut and switcher indicators. Component-level estimates support the same conclusion: the debut coefficients remain significant for all three comfort-zone components, whereas the switcher coefficients show no comfort-zone pattern—numerical content is, if anything, *lower* on switchers’ first calls at a new firm, strategic language is unchanged, and only the four-call jargon coefficient is positive (0.103 , $t = 1.99$; untabulated).

explanation and provides only suggestive evidence about firm-specific learning.³⁴ Second, the cross-sectional analyses in Table 5 show that the effect is strongest when debut pressure is expected to be greatest, particularly for executives entering the C-suite for the first time.

Taken together, these results suggest that although firm-specific learning may contribute to communication choices, it is unlikely to fully explain the observed debut effect. Instead, the evidence is more consistent with the interpretation that comfort-zone communication reflects the pressure associated with a CFO's first public earnings-call appearance.

7. Conclusion

This paper examines how CFOs communicate when they face their first sustained, unscripted public exchange with analysts and investors. We show that CFOs shift toward *comfort-zone communication* during their debut earnings calls: relative to their own later calls, they use more numerical content, more accounting vocabulary, and less strategic language. The effect is stronger in settings where debut pressure is likely to be higher—clearly so for first-time C-suite executives and high-growth firms, more weakly for loss quarters—and it does not appear to be explained by a transition to a new employer. Yet the consequences differ across audiences. Comfort-zone communication has no detectable incremental effect on the sensitivity of contemporaneous capital-market reactions to earnings news, but it is negatively associated with subsequent career outcomes. The central finding is therefore not simply that CFOs rely on hard information under pressure; it is that a communication style that is psychologically safe in the moment earns the executive no distinctive reward or penalty from capital markets and may be associated with less favorable evaluations of the executive over time.

³⁴Because the switcher sample is relatively small, this evidence should be viewed as suggestive rather than definitive.

The evidence contributes to three streams of research. First, it adds a transient, within-executive determinant of disclosure style to a literature that emphasizes firm performance and stable managerial traits (Davis et al. [2015], Mayew and Venkatachalam [2012], Lee [2016]). The same executive changes the hard-versus-soft composition of her communication when the setting changes from a first public appearance to a more familiar earnings-call routine. Second, the findings qualify evidence on the persuasive value of quantification (Kadous et al. [2005], Campbell et al. [2021]). Numbers and technical language are important sources of CFO credibility, but in our setting they do not detectably change how investors and analysts weigh the earnings news, and they are associated with less favorable career progression. Third, the paper connects disclosure research with work on stress, regulatory focus, and impression management by showing how evaluative pressure shapes the form of executive communication in an economically important setting (Higgins [1997], Bolino et al. [2016]).

The results also have practical implications. For boards, investor-relations teams, and executive coaches, the evidence suggests that preparing a debuting CFO only for numerical accuracy is incomplete. The strategic portion of the Q&A is where avoidance is most visible and where the executive may need the most preparation. For analysts and investors, the experience profile in Figure 2 suggests caution: a debut call may be a noisy signal of an executive's communication style, because early reliance on numbers can reflect situational pressure rather than enduring style. For researchers, CFO debuts offer a recurring and precisely datable setting in which to study how acute evaluative pressure shapes voluntary disclosure.

Several limitations warrant mention. Our text measures are proxies for an unobserved psychological state rather than direct measures of it; part of the %CFOQUANT and %STRATEGIC margins may reflect the numeric and strategic content of the questions asked, which we cannot hold fixed; and firm-specific learning may contribute to early-tenure communication even though the additional tests suggest that

it is not the sole explanation. The cross-sectional tests rely on industry and year-quarter rather than CFO fixed effects, so stable differences across executives and firms may also contribute to the moderation pattern. The capital-market tests speak to the sensitivity of reactions to earnings news; effects on other margins, such as investor attention or longer-horizon assessments, are outside the design. The labor-market evidence is associational rather than causal, is based on cumulative career outcomes observed over cohort-specific horizons, and may partly reflect selection on stable executive traits rather than a consequence of the debut communication itself; it is also limited to the CFOs we can match to BoardEx, roughly a quarter of the executives in the call panel. These limitations temper the interpretation but do not alter the core pattern: when the same CFO is first exposed to the earnings-call spotlight, her language shifts toward hard, verifiable content; that shift is stronger when pressure is higher; and the associations we can detect appear in the executive labor market rather than in immediate price or forecast reactions.

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APPENDIX A

Variable Definitions

Variable	Definition
1. Treatment Indicators	
<i>CFO_DEBUT</i>	A dummy equal to one for the CFO's first earnings call (across all firms), and zero otherwise. CFOs first observed in 2005Q1 are dropped to avoid left-truncation. (Source: Refinitiv StreetEvents)
<i>CFO_DEBUT4</i>	A dummy equal to one for the CFO's first four earnings calls, and zero otherwise. (Source: Refinitiv StreetEvents)
<i>SWITCHER_FIRST</i>	A dummy equal to one for a CFO's first call at a new firm, conditional on having previously served as CFO elsewhere, and zero otherwise. (Source: Refinitiv StreetEvents)
<i>SWITCHER_FIRST4</i>	A dummy equal to one for the first four calls at a new firm by a CFO with prior CFO experience at another sample firm, and zero otherwise; the four-call analogue of <i>SWITCHER_FIRST</i> . (Source: Refinitiv StreetEvents)
2. Comfort-Zone Measures (CFO Q&A Answers)	
<i>%CFOQUANT</i>	$100 \times \text{numeric tokens} \div (\text{word count} + \text{numeric tokens})$. Numeric tokens exclude four-digit calendar years; words are those on the Loughran and McDonald [2011] master word list. (Source: Refinitiv StreetEvents)
<i>%ACCTJARGON</i>	$100 \times \text{accounting-jargon keyword matches} \div \text{Loughran-McDonald dictionary word count } (N_{\text{word}})$. Keywords are 20 accounting and financial-reporting terms (tax, provision, EPS, EBITDA, depreciation, amortization, accrual, cash flow, working capital, capex, leverage, liquidity, ...); Section 3.3 reports the full list. (Source: Refinitiv StreetEvents)
<i>%STRATEGIC</i>	$100 \times \text{strategic/operational keyword matches} \div \text{word count}$. Keywords are 29 terms spanning the Huang et al. [2018] non-financial topics (competition, customers and brands, products, growth, and geography); Section 3.3 reports the full list. (Source: Refinitiv StreetEvents)
<i>COMFORT-ZONE INDEX</i>	Equal-weighted composite of the three comfort-zone measures (Equation (4)): $[z(\%CFOQUANT) + z(\%ACCTJARGON) - z(\%STRATEGIC)]/3$, where $z(\cdot)$ denotes the cross-sectional z-score. Higher values indicate greater reliance on numerical and accounting content and less strategic discussion. (Constructed)
<i>HIGHCZ</i>	Industry-year-standardized version of the <i>COMFORT-ZONE INDEX</i> (mean 0, unit variance); the binary version equals one for values of the industry-year-standardized index above its panel median, and zero otherwise. (Constructed)
<i>DEBUT_CZ</i>	CFO-level two-stage residual composite (Equations (8)–(9)): Stage 1 residualizes each <i>COMFORT-ZONE INDEX</i> component on <i>CFO_DEBUT4</i> and the thirteen controls with industry, year, and quarter fixed effects; Stage 2 takes each CFO's first-call residuals, z-scores them across CFOs, forms $\frac{1}{3}[z(\hat{\varepsilon}^{(QUANT)}) + z(\hat{\varepsilon}^{(JARGON)}) - z(\hat{\varepsilon}^{(STRATEGIC)})]$, and standardizes the result. (Constructed)
3. Communication-Style Controls (CFO Q&A Answers and Analyst Questions)	

Variable	Definition
<i>FLS_CFO</i>	$100 \times \text{CFO sentences with forward-looking triggers} \div \text{CFO sentences}$ (Muslu et al. [2015]). (Source: Refinitiv StreetEvents)
<i>TONE_CFO</i>	$(\text{positive} - \text{negative word count}) \div \text{word count}$, following Loughran and McDonald [2011]. (Source: Refinitiv StreetEvents)
<i>BLAME_CFO</i>	$100 \times \text{CFO sentences attributing negative performance to external factors} \div \text{CFO sentences}$. (Source: Refinitiv StreetEvents)
<i>%ACCTQ</i>	$100 \times \text{accounting-jargon matches in analyst questions} \div \text{question word count}$. (Source: Refinitiv StreetEvents)

4. Firm-Quarter Controls

<i>SUE</i>	Standardized unexpected earnings: $(\text{actual} - \text{consensus EPS}) \div \text{price}_{q-1} $. (Source: IBES; Compustat)
<i>ANALYSTS</i>	Number of unique IBES analysts issuing a quarterly EPS forecast. (Source: IBES)
<i>FIRM_AGE</i>	Years between the firm's first Compustat appearance and the call date. (Source: Compustat)
<i>B/M</i>	Common equity $\div$ market capitalization. (Source: Compustat)
<i>ROA</i>	Net income $\div$ total assets. (Source: Compustat)
<i>LEVERAGE</i>	$(\text{Long-term debt} + \text{current debt}) \div \text{total assets}$. (Source: Compustat)
<i>ACCRUALS</i>	$(\text{Net income} - \text{operating cash flow}) \div \text{total assets}$. (Source: Compustat)
<i>SIZE</i>	Natural log of total assets. (Source: Compustat)
<i>RET_VOL</i>	Annualized standard deviation of daily returns over the 60 trading days preceding the call. (Source: CRSP)

5. Cross-Section Moderators (Table 5)

<i>FIRST C-SUITE</i>	A dummy equal to one if the CFO has no prior C-suite role (e.g., CEO, COO, CTO) at debut, and zero otherwise. (Source: Revelio Labs)
<i>GROWTH_FIRM</i>	A dummy equal to one if the firm's B/M is below the median across all firm-calls in the panel, and zero otherwise. (Source: Compustat)
<i>LOSS_FIRM</i>	A dummy equal to one if the firm reports negative ROA in the call quarter, and zero otherwise. (Source: Compustat)

6. Capital-Market Outcomes (Table 6)

<i>CAR(0,+1)</i>	Market-adjusted cumulative return over the call day and the next trading day. (Source: CRSP)
<i>PT_REV</i>	Analyst price-target consensus revision around the call: the post-call consensus mean minus the pre-call consensus mean, scaled by the absolute value of the pre-call mean. Pre- and post-call consensus means are computed from analyst price targets issued within a fixed window before and after the call date. Calls without both a pre- and a post-call consensus are missing. (Source: IBES)
<i>PT_DOWNGRADE</i>	A dummy equal to one if the post-call price-target consensus mean is strictly below the pre-call mean, and zero otherwise. (Source: IBES)

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Variable	Definition
<i>EPS_REV</i>	Change from the latest pre-call to the first post-call IBES $fpi = 8$ consensus EPS forecast (within 60 calendar days of the call), as a fraction of the absolute pre-call consensus. (Source: IBES)

7. CFO Traits and Labor-Market Outcomes (Table 7)

<i>FEMALE</i>	A dummy equal to one if the CFO is female, and zero otherwise. (Source: BoardEx)
<i>AGE_AT_DEBUT</i>	Years between the CFO's date of birth and her first earnings call. Implausible birth-date matches (implying an age above 90 at the debut) are treated as missing; missing values are imputed at the sample mean. (Source: BoardEx)
<i>MINORITY</i>	A dummy equal to one if ExecuComp ethnicity is non-White, and zero otherwise; missing values set to zero. (Source: ExecuComp)
<i>MBA / PRIOR C-SUITE / EXTERNAL_HIRE</i>	Dummies equal to one if the CFO holds an MBA, held a prior C-suite role, and was hired externally (vs. internally), respectively, and zero otherwise. (Source: Revelio Labs)
<i>PROMOTED_TO_CEO</i>	A dummy equal to one if the CFO subsequently held a CEO role at any firm, and zero otherwise. (Source: BoardEx)
<i>UPWARD_MOVE</i>	A dummy equal to one if the CFO subsequently moved to a more senior role at a different firm, and zero otherwise. (Source: BoardEx)

APPENDIX B

Illustrative Debut-Call Exchanges

This appendix reproduces two pairs of exchanges involving CFOs in our sample. Each pair contrasts an answer the CFO gave on the debut call with an answer the same executive gave several years later. In each debut exchange, the analyst's question invites interpretation or forward-looking narrative, and the CFO responds from the comfort zone (counts, dollar walk-downs, ratios, and guidance ranges); in each later exchange, the same executive engages the strategic substance directly. Every CFO answer is reproduced in full and verbatim from the call transcript; analyst questions are likewise verbatim, except that one sentence the transcriber marked as unintelligible is omitted. To connect the exchanges to the three text measures, we color-code the CFO answers: **substantive quantities** mark the tokens counted by %CFOQUANT (calendar years, which the measure excludes, are left unmarked), while **accounting-jargon terms** and **strategic keywords** mark matches to the %ACCTJARGON and %STRATEGIC dictionaries listed in full in Section 3.3 and summarized in Appendix A. The exchanges are illustrative only: the paper's evidence rests on the corpus-wide measures, not on any single exchange.

B.1 The Clorox Company

On the Clorox first-quarter fiscal 2012 earnings call, held on November 2, 2011, Steve Robb (introduced as CFO-Elect, with his predecessor retiring later that month) was asked what the timing of a planned share repurchase was meant to signal:

Analyst (Ali Dibadj, Sanford C. Bernstein): "Okay, okay. I guess I'll stay a little bit confused still on that one. But let me ask you just on something totally different, or maybe a detail, I apologize. But there are different ways one can interpret kind of the signaling you may be creating with the statement that you're going to buy the Auto Care shares mostly in the back half of the year? Of course, again, there are many ways to interpret that. But I'm just trying to understand why maybe I'm just misinterpreting it."

CFO (Steve Robb): "Yes. Ali, this is Steve Robb. Let me see if I can bring some clarity. And let me just step back and just make sure everybody understands this. So first of all, in fiscal '10, we repurchased about **10 million** shares. Okay? And as we had indicated earlier in my comments, we've also went back into the market with a 10b5-1 and repurchased a few shares in the first quarter. So we have **\$680 million** of net proceeds from the Auto business. Of the **\$680 million**, we've got about **\$530 million** that we've used to buy back shares. So there's about **\$150 million** left. At this point, we do anticipate taking the **\$150 million** of Auto proceeds and going back into the market, probably some time in the second half. Now our outlook assumes a range of potential things that we may do. So depending on market conditions and other things, we could choose to go in a little early or not. But as of today, our expectation is we'll go into the second half, use the **\$150 million** of proceeds

and go ahead and complete the share buyback tied to the use of the Auto proceeds. Okay? And we'll update the outlook as appropriate as changes warrant."

The question asks what the timing signals; the answer is a dollar-by-dollar walk-down of the repurchase arithmetic that never engages the signal. Four years later, at the company's 2015 Analyst/Investor Day, the same analyst posed the mirror-image question (explicitly requesting numbers), and the same executive answered in strategic terms:

Analyst (Ali Dibadj, Sanford C. Bernstein): "Can I ask a little bit about the tone of M&A? It keeps kind of creeping up. It feels like the priority list. So can you give us a sense of what you actually mean by valuable to shareholder toward making acquisition? Can you give some guardrails, numbers, like accretion, dilution, just something to give us a sense of how you are actually going to evaluate mathematically that sort of thing?"

CFO (Steve Robb): "So good question. Let me first start by answering one question you didn't ask, but I think it was embedded in there that's important: creeping up. I think it's important, but our 2020 strategy doesn't rely on it. So I don't think it's moving up the priority list any more than it has been. I think, in fairness, we've been a bit frustrated that we haven't been able to do a deal. But first, to get excited by a deal, a couple of things you have to be true: number one, it has to be on strategy; number two, it has to be a business where we think we've got a right to win. And then ideally, you've got a business with tailwinds and some attractive margins, so that it has a good financial case. And if we can find deals that meet that criteria, and again, ideally, in the U.S., because in the U.S., if we can take our infrastructure, our cost savings and apply it to these businesses, you can extract a lot of value quickly and the math tends to work. From a financial evaluation standpoint, the biggest challenge we've had, and I don't think we're alone as a strategic acquirer of businesses, look at the multiples, all these things we're selling at. Some of the—you're seeing some of these food businesses with terrible growth, terrible margins and they're growing at pretty high levels. And frankly, it's hard to make the math work on that from a shareholder standpoint. So we use this kind of cash flow. We do look for payback. But at the end of the day, you do have to be disciplined in this space. And you don't want to buy growth at any price, and I think that's why you haven't seen us do a deal in the last couple of years. That said, we have a pipeline of ideas. We're always working it, and our strong preference is to try to find deals where you avoid an auction because what we found is, if we can do a private party transaction, you can get to a fair price a lot easier than what we're seeing in the auction market today."

B.2 Lincoln National Corporation

On Lincoln National's fourth-quarter 2010 earnings call (February 3, 2011), the company's investor-relations officer opened by introducing the executive who was presenting "for the first time as Lincoln Financial's Chief Financial Officer, Randy Freitag." Asked directly about his capital plans, the new CFO answered with the quarter's capital arithmetic:

Analyst (Thomas Gallagher, Credit Suisse): "Question for Randy, I just want to understand how I should be thinking about how you're going to build capital and what your future plans would be for your capital structure? I think at your Investor Day, there was commentary about potentially deleveraging. So question number one I have is should we think about that being a plan to just not replacing debt as things mature. So that's looking out maybe over a multi-year period or would you look to take out some of your more expensive debt? Because it looks like you have some 7% capital securities out there, which, to me, looks like might be a reasonable option here to take out some of that debt. So that's question number one. And then question number two, can you just comment on how I should think about statutory earnings power? Looks to me like you're earning at least, this year, about \$600 million, about half of it would go to pay interest and dividends. And then with the rest of it, assuming a little bit needs to be retained to grow the business, but would the rest of it be free cash flow? Or do you need to fund the VA captive?"

CFO (Randy Freitag): "Sure. Starting with the capital question. At the highest level, we ended the quarter with a capital margin of \$1.5 billion. And just as a reminder, we're using 400% RBC and \$500 million of holding company liquidity as the basis for the estimate of that capital margin. As we move forward in the near term, I think that level of capital margin sounds sufficient as we work through the economy, as we mentioned housing, employment, as those items provide some instability in the marketplace, we'll continue to run with some level of excess capital. And at the addition of the rating agencies working with them on required capital, I see us running a little high for a period of time here in the near term. But you will see us start to work that excess capital position down over time. In fact, in the fourth quarter, you saw us put about \$400 million of capital margin to work. In terms of the debt or the delevering process, over the course of 2010 as I noted, we delevered to the tune of about \$1.1 billion. As the future plans for delevering, why and how it may occur, we'll take the best and most efficient approach to the extent we do further delevering. I think there'll be decisions as those points in time approach. And our next maturity for debt is not until the end of 2011. So as we approach that point, we'll make a decision on how exactly, what exactly we want our plan to be at that point, given all of the options that we have available to us, including potentially, refinancing. And we've done a fair amount of delevering. It remains a potential option for the future, but

we're going to look at the highest and best use of capital as we approach all of those decision points. In terms of statutory earnings power, our focus on stat capital generation, as I noted stat capital grew by \$400 million over the course of the year. In a year when we took dividends of nearly \$700 million to the holding company, so about \$1.1 billion of overall capital generation, now that would include statutory earnings, which continue to run about 60% to 70% of our GAAP earnings, consistent with a company that is selling significant amount of new business, so you do have some level of statutory strain. But in addition, we have the lever of ongoing reserve financings, which generate additional capital over the course of the year. So with that sort of capital generation capability and a need at the holding company for approximately \$300 million to cover debt interest expense, I think you have a significant level of capital generation to put to use to once again, whatever the highest and best use may be as we generate that capital."

Eight years later, on the second-quarter 2019 earnings call, the same executive directly engaged a market-share question addressed jointly to him and the CEO, confirming the share gains and then explaining them in terms of market analysis and competitive dynamics:

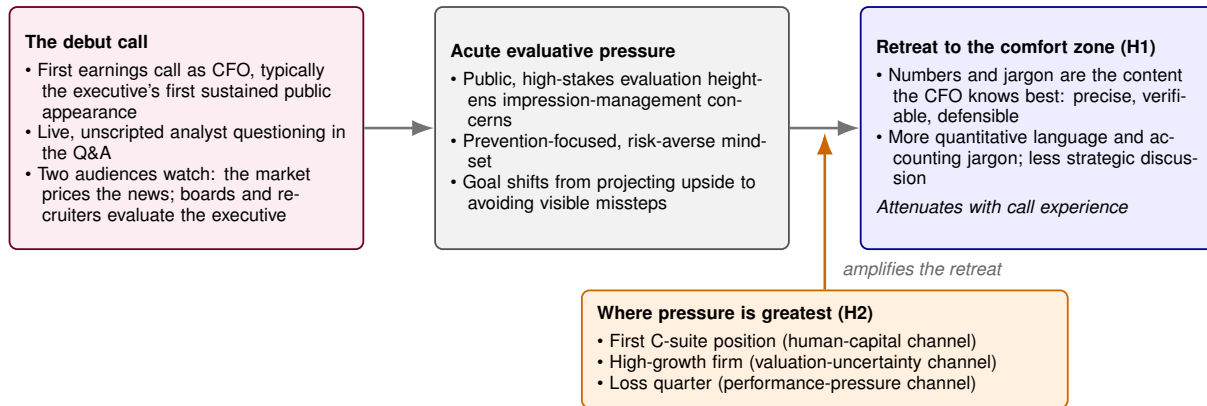
Analyst (John Nadel, UBS): "I guess either for Dennis or for Randy. I'm just curious, to your life insurance sales, even if I take out the executive benefit, which can be somewhat lumpy, we're really strong. And they're really strong across essentially every product category. What do you think is driving that? Are you taking share, I assume up 19% year-over-year, you must be taking share. And I'm just trying to understand, do you think this was the blip or some significant shift in market share and you're aggressively going after it?"

CFO (Randy Freitag): "Yes, the industry life sales are not up 19%, and we are. So we have taken some share. We talked about this at the IRB. So we analyzed the life business and really with a focus on what we need to do to elevate the organic growth profile of the life business, and thus, drive more sales. So as we analyzed the market, we found some pockets of the business where we really weren't participating in the way we should have, specifically in the smaller phase term and in the IUL space. And so we had strategies and like I said, we talked about this at IRB specifically in those areas. And if you look at term sales, they were up nearly 30% in the quarter. If you look at IUL sales, they were up over 70% in the quarter. So we have the specific strategies and I think the team has done a great job of executing upon them. And then in our other products, I think you see more normal growth just driven by investments we've made in distribution and products. So we're very happy with the results, but those results are right in line with the strategies that we had for the year and the expectations that we had coming into this year. The only product, John, that's facing a little bit of headwind is the MoneyGuard

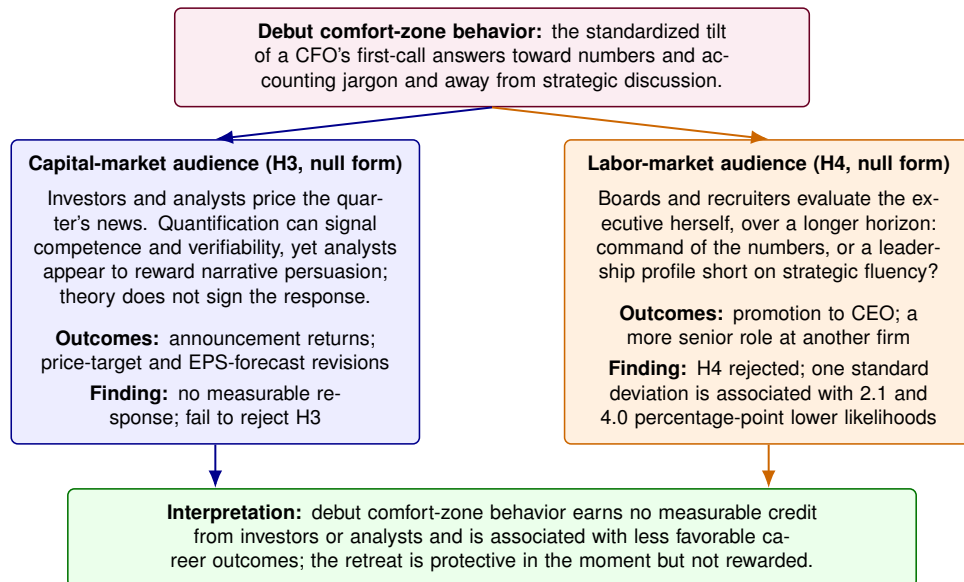
product, which sales are relatively flat year-over-year. I think that there's a number of factors in there including the increased competitive environment. There has been more companies entered the space. And if the second biggest player in the space had some price increases, and that may have created a little bit of a fire sale on their side. So I think there have been some MoneyGuard specific factors, but we're very happy with what we see in the life space from a sales standpoint."

FIGURE 1. Conceptual Framework: Debut Pressure, Comfort-Zone Communication, and Its Consequences

Panel A: From Debut Pressure to Comfort-Zone Communication

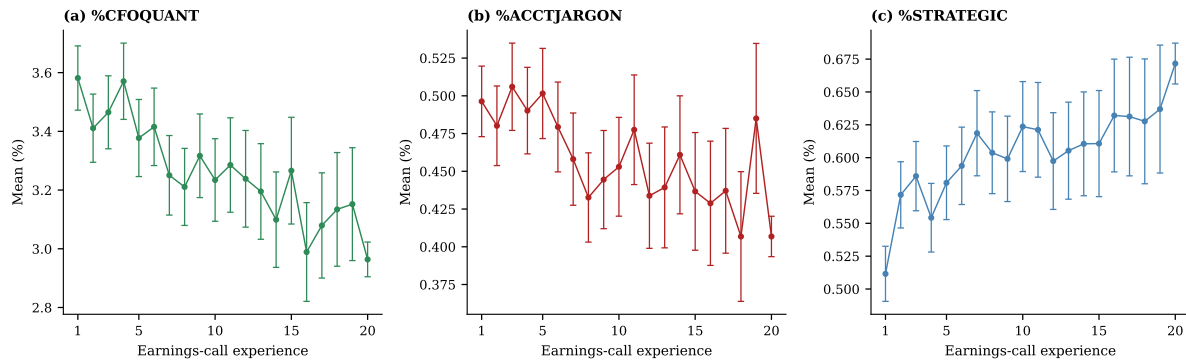


Panel B: Two Audiences and the Consequences of the Retreat



This figure summarizes the paper's framework. **Panel A** traces the hypothesized chain: the debut call places the CFO under acute evaluative pressure, and the CFO copes by retreating to the communication comfort zone, favoring quantitative language and accounting jargon over strategic discussion (H1, tested in Table 4); the retreat should be strongest where the pressure is greatest (H2, tested in Table 5). **Panel B** maps the two audiences that observe the debut. Because theory supports predictions in both directions for each audience, H3 and H4 are stated in null form: the capital-market tests fail to reject H3 (Table 6), whereas the labor-market tests reject H4 (Table 7). Section 2 develops the hypotheses, Section 3 details measurement, and Appendix A defines all variables. Both panels are schematic.

FIGURE 2. Comfort-Zone Reliance over CFO Earnings-Call Experience



Each panel plots the cross-sectional mean of a Q&A comfort-zone measure against CFO earnings-call experience (1 = debut, ..., 20 = ≥ 20), with 95% confidence intervals (± 1.96 standard errors of the bin mean). The sample is the firm-call panel of S&P 1500 earnings calls 2005–2022 ($n = 41,193$; 4,224 CFOs). **Panel (a)** plots %CFOQUANT; **Panel (b)**, %ACCTJARGON; **Panel (c)**, %STRATEGIC. At debut, CFOs use more numeric content (%CFOQUANT = 3.58 vs. 2.96 by call 20) and more accounting jargon (%ACCTJARGON = 0.50 vs. 0.41), and less strategic language (%STRATEGIC = 0.51 vs. 0.67). All three trend in the predicted direction with experience—though with quarter-to-quarter noise, particularly for %ACCTJARGON—giving model-free support for Table 4. All variables are defined in Appendix A.

TABLE 1. Sample Selection

Procedure	N
S&P 1500 earnings calls with an identifiable CFO Q&A speaker, 2005Q2–2022Q4	41,193
<i>Less:</i> calls without an IBES analyst forecast to compute SUE	(4,887)
<i>Less:</i> calls with other missing controls	(213)
Main firm-call sample	36,093
Unique CFOs in the firm-call panel	4,224
<i>Less:</i> CFOs not matched to BoardEx employment histories	(3,039)
<i>Less:</i> CFOs missing <i>DEBUT_CZ</i> or controls	(106)
Main CFO-level sample	1,079

This table reports the construction of the two main samples. The firm-call panel comprises 41,193 S&P 1500 quarterly earnings calls (1,357 firms; 4,224 unique CFOs) from Refinitiv StreetEvents with an identifiable CFO Q&A speaker and a Compustat/CRSP match; CFOs first observed in 2005Q1 are dropped to avoid left-truncating the debut event, and the 41,193-call count is measured after this exclusion. The BoardEx screen reflects missing coverage or failed name matches rather than the absence of a subsequent career move; CFOs with BoardEx histories and no observed move are retained as zeros. The main firm-call sample of 36,093 calls (1,184 firms; 3,730 CFOs), which further requires non-missing values for the thirteen firm-call controls in Appendix A, underlies Tables 4–6 and Table 8; the main CFO-level sample underlies Table 7. All subsequent analyses are conducted on these samples or on subsamples thereof; analysis-specific sample restrictions are described in the notes to the corresponding tables.

TABLE 2. Descriptive Statistics

Panel A: Firm-Call Observations (Tables 4–6 and 8)

Variable	N	Mean	SD	Min	P25	P50	P75	Max
<i>Treatment indicators</i>								
CFO_DEBUT	36,093	0.100	0.300	0.000	0.000	0.000	0.000	1.000
CFO_DEBUT4	36,093	0.307	0.461	0.000	0.000	0.000	1.000	1.000
SWITCHER_FIRST	36,093	0.004	0.062	0.000	0.000	0.000	0.000	1.000
<i>Comfort-zone measures</i>								
%CFOQUANT	36,093	3.254	3.025	0.000	1.316	2.536	4.244	17.500
%ACCTJARGON	36,093	0.452	0.681	0.000	0.000	0.187	0.623	3.636
%STRATEGIC	36,093	0.618	0.695	0.000	0.000	0.431	0.935	3.333
HIGHCZ	36,093	−0.020	0.994	−2.974	−0.572	−0.127	0.454	5.251
<i>Communication-style controls</i>								
FLS_CFO	36,093	18.971	13.727	0.000	10.000	16.949	25.714	66.667
TONE_CFO	36,093	0.005	0.014	−0.039	0.000	0.005	0.013	0.048
BLAME_CFO	36,093	0.084	0.445	0.000	0.000	0.000	0.000	3.226
%ACCTQ	36,093	1.553	0.843	0.000	0.943	1.461	2.052	4.179
<i>Firm-quarter controls</i>								
SUE	36,093	−0.000	0.024	−0.170	−0.000	0.001	0.002	0.115
ANALYSTS	36,093	10.948	7.915	1.000	5.000	9.000	16.000	33.000
FIRM_AGE	36,093	31.891	15.158	3.918	22.081	30.324	45.566	58.541
B/M	36,093	0.476	0.414	−0.614	0.213	0.395	0.655	2.269
ROA	36,093	0.007	0.033	−0.179	0.002	0.010	0.021	0.077
LEVERAGE	36,093	0.276	0.204	0.000	0.112	0.255	0.399	0.917
ACCRUALS	36,093	−0.034	0.060	−0.224	−0.063	−0.025	−0.003	0.197
SIZE	36,093	8.376	1.934	3.457	7.077	8.341	9.669	13.209
RET_VOL	36,093	0.364	0.227	0.113	0.216	0.295	0.432	1.396
<i>Cross-section moderators / capital-market outcomes</i>								
FIRST C-SUITE	19,056	0.912	0.283	0.000	1.000	1.000	1.000	1.000
GROWTH_FIRM	36,093	0.512	0.500	0.000	0.000	1.000	1.000	1.000
LOSS_FIRM	36,093	0.191	0.393	0.000	0.000	0.000	0.000	1.000
CAR(0,+1)	36,024	0.000	0.048	−0.165	−0.020	−0.000	0.019	0.173
PT_REV	11,705	0.008	0.108	−0.304	−0.052	0.008	0.065	0.350
PT_DOWNGRADE	11,705	0.452	0.498	0.000	0.000	0.000	1.000	1.000
EPS_REV	35,319	0.135	0.772	−1.700	−0.062	0.007	0.148	5.000

Panel B: CFO-Level Observations (Table 7)

Variable	N	Mean	SD	Min	P25	P50	P75	Max
DEBUT_CZ	1,079	0.043	1.034	−3.360	−0.539	−0.082	0.516	4.775
PROMOTED_TO_CEO	1,079	0.151	0.358	0.000	0.000	0.000	0.000	1.000
UPWARD_MOVE	1,079	0.435	0.496	0.000	0.000	0.000	1.000	1.000
FEMALE	1,079	0.141	0.348	0.000	0.000	0.000	0.000	1.000
AGE_AT_DEBUT	1,079	50.245	7.469	28.794	45.147	49.875	53.880	82.867

Table 2 continued from previous page

Variable	N	Mean	SD	Min	P25	P50	P75	Max
MINORITY	1,079	0.025	0.156	0.000	0.000	0.000	0.000	1.000
MBA	1,079	0.251	0.434	0.000	0.000	0.000	1.000	1.000
PRIOR C-SUITE	1,079	0.053	0.224	0.000	0.000	0.000	0.000	1.000
EXTERNAL_HIRE	1,079	0.384	0.487	0.000	0.000	0.000	1.000	1.000

This table presents summary statistics. **Panel A** reports statistics for the pooled firm-call regression sample of 36,093 calls; continuous variables are winsorized at the 1st and 99th percentiles, except *HIGHCZ*, the standardized comfort-zone composite. Rows with smaller *N* additionally require coverage from Revelio Labs (*FIRST C-SUITE*) or IBES (price targets and EPS revisions); *CAR(0, +1)* requires CRSP daily returns around the call. **Panel B** reports CFO-level statistics for the 1,079 CFOs in the Table 7 sample. All variables are defined in Appendix A.

TABLE 3. Correlation Matrix of Main Regression Variables

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
(1) %CFOQUANT	1.00																	
(2) %ACCTJARGON	0.11	1.00																
(3) %STRATEGIC	-0.12	-0.14	1.00															
(4) HIGHCZ	0.63	0.65	-0.66	1.00														
(5) CFO_DEBUT4	0.05	0.04	-0.05	0.07	1.00													
(6) FLS_CFO	-0.08	0.07	-0.06	0.03	0.02	1.00												
(7) TONE_CFO	-0.12	-0.01	0.17	-0.16	-0.04	0.01	1.00											
(8) BLAME_CFO	-0.04	-0.03	0.03	-0.05	-0.03	0.01	-0.02	1.00										
(9) %ACCTQ	0.13	0.21	-0.07	0.21	0.02	0.07	-0.04	0.01	1.00									
(10) SUE	-0.02	0.00	0.01	-0.01	-0.03	-0.00	0.03	0.01	-0.00	1.00								
(11) ANALYSTS	-0.14	-0.05	0.12	-0.16	-0.12	-0.01	0.12	0.05	-0.13	0.03	1.00							
(12) FIRM_AGE	-0.04	0.04	0.00	-0.00	-0.10	0.00	0.04	0.04	0.07	0.04	0.26	1.00						
(13) B/M	0.07	0.06	-0.13	0.13	0.02	-0.01	-0.12	0.00	0.15	-0.05	-0.22	-0.05	1.00					
(14) ROA	-0.03	0.02	0.08	-0.05	-0.10	-0.05	0.05	0.03	0.06	0.12	0.21	0.21	-0.10	1.00				
(15) LEVERAGE	-0.01	0.09	-0.05	0.07	-0.03	-0.01	0.03	0.00	0.01	-0.01	0.03	0.05	-0.21	-0.06	1.00			
(16) ACCRUALS	0.03	0.00	-0.06	0.05	0.05	0.02	-0.04	-0.02	0.03	-0.04	-0.19	-0.05	0.11	-0.17	-0.01	1.00		
(17) SIZE	-0.10	0.02	0.01	-0.04	-0.14	-0.04	0.04	0.06	0.03	0.06	0.60	0.43	0.06	0.26	0.13	-0.09	1.00	
(18) RET_VOL	0.03	0.01	-0.08	0.06	0.07	0.00	-0.08	-0.01	-0.03	-0.10	-0.24	-0.23	0.18	-0.35	0.04	0.09	-0.36	1.00

This table reports Pearson correlations among the three comfort-zone components, the continuous *HIGHCZ* composite, *CFO_DEBUT4*, and the thirteen firm-call controls used in the regressions. Continuous variables are winsorized at the 1st and 99th percentiles, except *HIGHCZ*. *HIGHCZ* correlates positively with %CFOQUANT and %ACCTJARGON and negatively with %STRATEGIC, by construction. Only the lower triangle is reported. All variables are defined in Appendix A.

TABLE 4. CFO Debut and Earnings-Call Communication

Panel A: CFO_DEBUT

Dependent variable:	%CFOQUANT			%ACCTJARGON			%STRATEGIC		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>CFO_DEBUT</i>	0.208*** (3.34)	0.146** (2.18)	0.122* (1.71)	0.047*** (3.55)	0.048*** (3.32)	0.033** (2.00)	-0.079*** (-6.27)	-0.066*** (-4.98)	-0.074*** (-5.18)
<i>Control variables</i>									
<i>FLS_CFO</i>	-0.019*** (-8.65)	-0.019*** (-9.75)	-0.016*** (-9.07)	0.003*** (8.20)	0.003*** (7.65)	0.003*** (7.68)	-0.003*** (-7.99)	-0.003*** (-8.30)	-0.003*** (-8.94)
<i>TONE_CFO</i>	-22.421*** (-14.98)	-21.520*** (-14.91)	-17.798*** (-12.43)	0.296 (0.94)	0.534* (1.71)	0.901*** (2.75)	7.288*** (19.31)	5.960*** (16.19)	4.603*** (13.48)
<i>BLAME_CFO</i>	-0.255*** (-10.06)	-0.248*** (-9.83)	-0.171*** (-8.09)	-0.055*** (-9.10)	-0.050*** (-8.27)	-0.036*** (-6.09)	0.047*** (6.51)	0.038*** (5.57)	0.018*** (2.73)
<i>%ACCTQ</i>	0.444*** (14.51)	0.437*** (16.29)	0.290*** (12.22)	0.154*** (23.84)	0.153*** (23.54)	0.120*** (19.39)	-0.030*** (-3.99)	-0.044*** (-6.56)	-0.047*** (-8.92)
<i>SUE</i>	-0.769 (-0.88)	-0.469 (-0.53)	0.190 (0.20)	0.114 (0.76)	0.131 (0.89)	0.182 (1.07)	-0.231 (-1.46)	-0.259* (-1.66)	-0.160 (-1.10)
<i>ANALYSTS</i>	-0.023*** (-4.40)	-0.017*** (-2.89)	-0.010 (-1.60)	-0.003*** (-2.79)	-0.005*** (-4.13)	-0.001 (-0.31)	0.009*** (4.70)	0.005*** (2.63)	-0.002 (-1.11)
<i>FIRM_AGE</i>	0.000 (0.09)	0.001 (0.28)	-0.015*** (-2.76)	0.001*** (2.79)	0.001 (1.35)	0.000 (0.05)	-0.001 (-1.38)	-0.002*** (-2.64)	-0.003 (-1.44)
<i>B/M</i>	0.233*** (2.85)	0.240*** (2.93)	-0.083 (-0.98)	0.076*** (4.34)	0.075*** (3.98)	0.023 (1.06)	-0.147*** (-7.12)	-0.075*** (-3.99)	-0.042** (-2.18)
<i>ROA</i>	-0.308 (-0.37)	0.148 (0.18)	0.152 (0.18)	0.428*** (2.78)	0.469*** (3.05)	-0.043 (-0.22)	0.912*** (4.14)	1.123*** (4.86)	0.285 (1.51)
<i>LEVERAGE</i>	0.212 (1.32)	0.316* (1.71)	0.540** (2.03)	0.340*** (10.92)	0.281*** (8.05)	0.184*** (2.90)	-0.232*** (-5.38)	-0.115** (-2.44)	-0.109* (-1.78)
<i>ACCRUALS</i>	0.353 (0.89)	0.242 (0.62)	0.038 (0.10)	-0.133* (-1.75)	-0.022 (-0.30)	0.095 (1.25)	-0.218** (-2.25)	-0.313*** (-3.46)	0.045 (0.55)
<i>SIZE</i>	-0.111*** (-4.27)	-0.121*** (-3.98)	0.006 (0.11)	0.005 (1.01)	0.016*** (2.67)	0.021 (1.45)	-0.021*** (-2.60)	0.001 (0.13)	0.028* (1.94)
<i>RET_VOL</i>	-0.375*** (-3.22)	-0.432** (-2.47)	-0.181 (-1.26)	0.044* (1.93)	0.073** (2.14)	0.095*** (2.76)	-0.097*** (-3.53)	-0.093** (-2.36)	-0.097*** (-3.04)
Observations	36,093	36,093	35,615	36,093	36,093	35,615	36,093	36,093	35,615
Adj. R^2	0.055	0.075	0.219	0.061	0.075	0.165	0.068	0.118	0.260
CFO FE	No	No	Yes	No	No	Yes	No	No	Yes
Industry FE	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes
Yr-Qtr FE	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes

Table 4 continued from previous page

Panel B: CFO_DEBUT4

Dependent variable:	%CFOQUANT			%ACCTJARGON			%STRATEGIC		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>CFO_DEBUT4</i>	0.206*** (4.71)	0.160*** (3.29)	0.152*** (3.01)	0.055*** (6.15)	0.051*** (5.15)	0.033*** (3.03)	-0.044*** (-4.46)	-0.040*** (-3.92)	-0.032*** (-3.06)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	36,093	36,093	35,615	36,093	36,093	35,615	36,093	36,093	35,615
Adj. R^2	0.056	0.076	0.219	0.062	0.076	0.165	0.068	0.118	0.259
CFO FE	No	No	Yes	No	No	Yes	No	No	Yes
Industry FE	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes
Yr-Qtr FE	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes

This table presents the results from estimating Equation (5). The unit of observation is one firm-call (S&P 1500, 2005–2022). The dependent variables are the three comfort-zone components, defined in Appendix A. *CFO_DEBUT* equals one for a CFO's first call (across all firms), and zero otherwise; *CFO_DEBUT4* equals one for a CFO's first four calls, and zero otherwise. **Panel A** reports OLS regressions of each dependent variable on *CFO_DEBUT* and the thirteen-variable control vector, with all coefficients tabulated. **Panel B** estimates the same specifications on the same samples with *CFO_DEBUT4* in place of *CFO_DEBUT*, and reports only the coefficients on *CFO_DEBUT4* (control coefficients untabulated). In both panels, columns (1), (4), and (7) are pooled OLS with no fixed effects; columns (2), (5), and (8) add SIC-2 industry and year-quarter fixed effects; and columns (3), (6), and (9) additionally absorb CFO fixed effects, dropping singleton observations and reducing the sample from 36,093 to 35,615 calls. Continuous controls are winsorized at the 1st and 99th percentiles. *t*-statistics are in parentheses. Standard errors are clustered by firm. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

TABLE 5. Cross-Sectional Pressure Channels

Dependent variable:	COMFORT-ZONE INDEX		
Moderator:	<i>FIRST C-SUITE</i>	<i>GROWTH_FIRM</i>	<i>LOSS_FIRM</i>
	(1)	(2)	(3)
<i>CFO_DEBUT</i>	0.017 (0.30)	0.040** (2.35)	0.059*** (3.96)
<i>Moderator</i>	-0.066** (-2.23)	-0.031* (-1.91)	-0.023 (-1.39)
<i>CFO_DEBUT</i> × <i>Moderator</i>	0.128** (2.19)	0.063*** (2.64)	0.048* (1.66)
Controls	Yes	Yes	Yes
Observations	19,056	36,093	36,093
Adj. R^2	0.128	0.130	0.129
Fixed Effects	Ind., Yr-Qtr	Ind., Yr-Qtr	Ind., Yr-Qtr

This table presents the results from estimating Equation (6). The dependent variable is the *COMFORT-ZONE INDEX*, defined in Appendix A. Each column regresses the index on *CFO_DEBUT*, the column moderator, their interaction, and the thirteen controls, with SIC-2 industry and year-quarter fixed effects. *FIRST C-SUITE* equals one if the CFO has no prior C-suite role, *GROWTH_FIRM* if the firm's B/M is below the median across all firm-calls in the panel, and *LOSS_FIRM* if the firm reports negative ROA; each equals zero otherwise. The *FIRST C-SUITE* column is estimated on the 19,056 calls with Revelio Labs coverage of the CFO's prior roles; the other columns use the full main sample. A positive interaction indicates a stronger debut effect in the higher-pressure group. *t*-statistics are in parentheses. Standard errors are clustered by firm. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

TABLE 6. Market Reaction to Debut Comfort-Zone Behavior

Panel A: CFO_DEBUT

Dependent variable:	<i>CAR</i> (0,+1) (1)	<i>PT_REV</i> (2)	<i>PT_DOWNGRADE</i> (3)	<i>EPS_REV</i> (4)
<i>SUE</i> × <i>DEBUT</i> × <i>HIGHCZ</i>	0.017 (0.18)	0.421 (0.91)	−1.602 (−1.01)	1.252 (1.19)
<i>SUE</i> × <i>DEBUT</i>	0.016 (0.23)	−0.579** (−2.34)	2.189** (1.98)	−0.338 (−0.44)
<i>SUE</i> × <i>HIGHCZ</i>	−0.020 (−0.50)	−0.371* (−1.82)	0.602 (0.89)	0.158 (0.30)
<i>DEBUT</i> × <i>HIGHCZ</i>	−0.001 (−0.79)	−0.006 (−0.80)	0.021 (0.61)	−0.013 (−0.45)
<i>SUE</i>	0.114*** (3.41)	0.686*** (4.05)	−1.519*** (−3.09)	0.990** (2.27)
<i>CFO_DEBUT</i>	0.001 (0.70)	0.005 (0.83)	−0.018 (−0.69)	−0.014 (−0.68)
<i>HIGHCZ</i>	0.001** (2.18)	−0.000 (−0.12)	0.001 (0.06)	0.026*** (2.81)
Controls	Yes	Yes	Yes	Yes
Observations	36,024	11,703	11,703	35,319
Adj. <i>R</i> ²	0.011	0.046	0.036	0.030
Fixed Effects	Ind., Yr-Qtr	Ind., Yr-Qtr	Ind., Yr-Qtr	Ind., Yr-Qtr

Panel B: CFO_DEBUT4

Dependent variable:	<i>CAR</i> (0,+1) (1)	<i>PT_REV</i> (2)	<i>PT_DOWNGRADE</i> (3)	<i>EPS_REV</i> (4)
<i>SUE</i> × <i>DEBUT4</i> × <i>HIGHCZ</i>	0.043 (0.59)	−0.155 (−0.37)	−0.625 (−0.45)	1.752* (1.66)
<i>SUE</i> × <i>DEBUT4</i>	−0.024 (−0.48)	−0.309 (−1.32)	1.266 (1.29)	−1.228 (−1.51)
<i>SUE</i> × <i>HIGHCZ</i>	−0.038 (−0.74)	−0.230 (−0.86)	0.579 (0.63)	−0.519 (−0.71)
<i>DEBUT4</i> × <i>HIGHCZ</i>	−0.000 (−0.03)	−0.003 (−0.74)	0.026 (1.17)	0.015 (0.87)
<i>SUE</i>	0.129*** (3.12)	0.712*** (3.36)	−1.669** (−2.44)	1.580*** (2.73)
<i>HIGHCZ</i>	0.001* (1.86)	0.000 (0.01)	−0.004 (−0.39)	0.020** (2.09)
Controls	Yes	Yes	Yes	Yes
Observations	36,024	11,703	11,703	35,319
Adj. <i>R</i> ²	0.011	0.047	0.036	0.030
Fixed Effects	Ind., Yr-Qtr	Ind., Yr-Qtr	Ind., Yr-Qtr	Ind., Yr-Qtr

This table presents the results from estimating Equation (7). Each column is an OLS regression of the column dependent variable on the triple interaction *SUE* × *TREATMENT* × *HIGHCZ*, its

three constituent two-way interactions, the three main effects, and the thirteen firm-call controls (*SUE* entering once, as a main effect), with SIC-2 industry and year-quarter fixed effects. **Panel A** uses *CFO_DEBUT* as the treatment and tabulates all interaction and main-effect coefficients. **Panel B** re-estimates the same specifications with *CFO_DEBUT4* in place of *CFO_DEBUT*; the *CFO_DEBUT4* main effect is included in the regressions but untabulated. $CAR(0,+1)$ is the two-day market-adjusted return; *PT_REV* is the change from the pre-call to the post-call analyst price-target consensus mean, as a fraction of the absolute pre-call mean; *PT_DOWNGRADE* equals one if the post-call price-target consensus mean is below the pre-call mean, and zero otherwise; *EPS_REV* is the IBES $fpi = 8$ consensus EPS-forecast revision, as a fraction of the absolute pre-call consensus. In this table, *HIGHCZ* is the binary version of the composite; it equals one for calls above the panel median of the industry-year-standardized composite, and zero otherwise. Sample sizes vary with the availability of each outcome within the main firm-call sample (Table 1). None of the eight triple-interaction coefficients is significant at the 5% level. All variables are defined in Appendix A. *t*-statistics are in parentheses. Standard errors are clustered by firm. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

TABLE 7. Labor-Market Consequences of Debut Comfort-Zone Behavior

Panel A: Demographics and Human-Capital Controls

Dependent variable:	<i>PROMOTED_TO_CEO</i>		<i>UPWARD_MOVE</i>	
Model:	Logit (1)	LPM (2)	Logit (3)	LPM (4)
<i>DEBUT_CZ</i>	-0.179** (-2.02)	-0.021** (-2.48)	-0.167*** (-2.69)	-0.040*** (-2.84)
<i>FEMALE</i>	-0.105 (-0.42)	-0.016 (-0.53)	0.812*** (4.49)	0.200*** (4.67)
<i>AGE_AT_DEBUT</i>	-0.053*** (-4.17)	-0.006*** (-3.94)	-0.005 (-0.59)	-0.001 (-0.60)
<i>MINORITY</i>	-2.320 (-1.63)	-0.164*** (-10.41)	-0.460 (-1.08)	-0.109 (-1.17)
<i>MBA</i>	0.140 (0.68)	0.015 (0.54)	0.049 (0.32)	0.011 (0.32)
<i>PRIOR C-SUITE</i>	0.300 (0.85)	0.036 (0.64)	0.264 (0.94)	0.064 (0.92)
<i>EXTERNAL_HIRE</i>	0.275 (1.44)	0.038 (1.55)	0.102 (0.73)	0.024 (0.73)
Observations	1,079	1,079	1,079	1,079
Pseudo / Adj. R^2	0.091	0.020	0.071	0.032
Fixed Effects	Industry	Industry	Industry	Industry
CFO Controls	Yes	Yes	Yes	Yes

Panel B: Adding Firm Controls

Dependent variable:	<i>PROMOTED_TO_CEO</i>		<i>UPWARD_MOVE</i>	
Model:	Logit (1)	LPM (2)	Logit (3)	LPM (4)
<i>DEBUT_CZ</i>	-0.165* (-1.82)	-0.019** (-2.25)	-0.152** (-2.38)	-0.034** (-2.53)
Observations	1,079	1,079	1,079	1,079
Pseudo / Adj. R^2	0.141	0.030	0.140	0.088
Fixed Effects	Industry	Industry	Industry	Industry
CFO Controls	Yes	Yes	Yes	Yes
Firm Controls	Yes	Yes	Yes	Yes

Table 7 continued from previous page

Panel C: Debut-Year Cohort Fixed Effects

Dependent variable:	<i>PROMOTED_TO_CEO</i>		<i>UPWARD_MOVE</i>	
Model:	Logit (1)	LPM (2)	Logit (3)	LPM (4)
<i>DEBUT_CZ</i>	-0.173* (-1.93)	-0.020** (-2.32)	-0.165** (-2.52)	-0.035*** (-2.64)
Observations	1,079	1,079	1,079	1,079
Pseudo / Adj. R^2	0.152	0.029	0.177	0.122
Fixed Effects	Ind., Debut-Yr	Ind., Debut-Yr	Ind., Debut-Yr	Ind., Debut-Yr
CFO Controls	Yes	Yes	Yes	Yes

This table relates debut comfort-zone behavior to subsequent career outcomes; the unit of observation is one CFO. *DEBUT_CZ* is the two-stage residual composite of debut-call comfort-zone behavior defined in Section 4.4 and Appendix A. *PROMOTED_TO_CEO* (*UPWARD_MOVE*) equals one if the CFO later held a CEO role anywhere (a more senior role at a different firm), and zero otherwise. Each outcome is estimated by Firth-penalized logit and by a linear probability model (LPM) with HC1 standard errors. **Panel A** regresses each outcome on *DEBUT_CZ* and the CFO controls, with one-digit industry fixed effects, and tabulates all coefficients. **Panel B** re-estimates these models on the same sample with the seven firm characteristics measured at the CFO's debut (listed in Section 4.4) added to the controls (control coefficients untabulated). **Panel C** re-estimates the Panel A models, adding debut-year fixed effects, which absorb differences in follow-up horizons across debut cohorts (control coefficients untabulated). All variables are defined in Appendix A. z-statistics (logit) and t-statistics (LPM) are in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

TABLE 8. CFO Debut versus Switcher Robustness

Panel A: Both Indicators Entered Jointly

Dependent variable:	<i>COMFORT-ZONE INDEX</i>	
Treatment window:	Debut (1)	Debut4 (2)
<i>CFO_DEBUT</i>	0.071*** (5.32)	
<i>CFO_DEBUT4</i>		0.061*** (6.14)
<i>SWITCHER_FIRST</i>	-0.023 (-0.45)	
<i>SWITCHER_FIRST4</i>		0.020 (0.46)
Controls	Yes	Yes
Observations	36,093	36,093
Adj. R^2	0.129	0.130
Fixed Effects	Ind., Yr-Qtr	Ind., Yr-Qtr

Panel B: Firm-First Call Windows Only

Dependent variable:	<i>COMFORT-ZONE INDEX</i>	
Treatment window:	Debut (1)	Debut4 (2)
<i>CFO_DEBUT</i>	0.119** (2.16)	
<i>CFO_DEBUT4</i>		0.029 (0.67)
Controls	Yes	Yes
Observations	2,892	9,358
Adj. R^2	0.107	0.118
Fixed Effects	Ind., Yr-Qtr	Ind., Yr-Qtr

This table separates the debut effect from that of switching employers. The dependent variable is the *COMFORT-ZONE INDEX*, $[z(\%CFOQUANT) + z(\%ACCTJARGON) - z(\%STRATEGIC)]/3$. *SWITCHER_FIRST* equals one for the first call at a new firm by a CFO who appears earlier in the sample at another firm, and zero otherwise. **Panel A** enters the debut and switcher indicators jointly in the full main sample: column (1) uses the single-call indicators and column (2) the four-call variants (*CFO_DEBUT4*, *SWITCHER_FIRST4*). **Panel B** compares career-first CFOs with switchers within firm-first call windows: column (1) restricts the sample to each executive's first observed call at the firm, and column (2) to the first four such calls with *CFO_DEBUT4* as the regressor, hence the larger column (2) sample. Career-first CFOs have *CFO_DEBUT* = 1 and switchers *CFO_DEBUT* = 0 (2,754 and 138 calls, respectively, in column (1)). For this restriction executives are identified by a name normalized to first and last name, so that variant transcript spellings of the same individual at the same firm are treated as a single spell, and the window is defined before the control-completeness requirement is imposed; column (1) is therefore smaller

than the count of $CFO_DEBUT = 1$ calls in **Panel A**. All columns include the thirteen controls and SIC-2 industry and year-quarter fixed effects, with continuous controls winsorized at the 1st and 99th percentiles. All variables are defined in Appendix A. t -statistics are in parentheses. Standard errors are clustered by firm. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.