Valuations, Marketing and Uncertainty: A field study of financial analysts and salespeople[1]

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Purpose: This paper explores how sell-side analysts and salespeople make sense of uncertainty on their market knowledge, valuation and marketing outputs.

Design/methodology/approach: Data is collected via direct observations of and interviews with analysts and salespeople in the Turkish stock exchange, an emerging market with considerable global fund management activity.

Findings: Analysts face considerable uncertainty on their market value forecasts but dismiss it as local dynamics not incorporable to valuation practices in global sell-side business. Salespeople, despite paying more attention to such dynamics owing to their sales tasks, limit themselves to analyst output in marketing. Both actors recognise the importance of analyst work to be able to have "a right to speak" in global sell-side business.

Research limitations/implications: Changing market conditions and regulations since the time of study have been shaping analysts and salespeople work in global sell-side business, for example, the way sell-side is compensated by buy-side, buy-side's move to receiving sell-side services from fewer brokers and hence shrinking sell-side teams. The paper does not address these. Nonetheless, it shows how valuation and marketing can be two distinct lines of work in sell-side business irrespective of market conditions, and raises the question for future research as to how sell-side professionals manage this distinction, and how they make sense of and cope with broad market dynamics beyond sell-side and buy-side relations (e.g., automated trading machines, online retail trading).

Originality/value: The paper provides rare observation-based insights into analyst and salespeople work, including their sensemaking of uncertainty. It shows the importance of market identities and associated knowledge in valuation and marketing work in sell-side business.

Keywords: Sell-side analysts, Equity salespeople, Uncertainty, Marketing

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1. Introduction

This paper aims to explore how financial analysts and salespeople in sell-side business perceive and cope with the uncertainty that surrounds their valuation and marketing work for buy-side investment professionals . Analysts' valuations of companies and forecasts of prices guide fund managers' investment decisions (Barker, 1998; Asquith, Mikhail and Hu, 2005). This guidance in turn influences the global circulation of trillions of US dollars' worth of investment flows, and thus the fate of countries, companies, and individuals across the globe. In what some practitioners consider 'God's work' (Appadurai, 2015), analysts are shown to have routines and hierarchies in terms of the information sources and valuation techniques that they use (Barker, 1999; Imam, Barker and Clubb, 2008; Abhayawansa, Aleksayan and Bahtsevanoglou, 2015).

Given their importance in financial markets, the accuracy of analysts' financial valuations and forecasts has been unsurprisingly put to scrutiny many times over by accounting and finance research, with findings of forecast inaccuracies and herding tendencies among analysts (see Beunza and Garud, 2007; Ramnath, Rock and Shane, 2008 for reviews). These findings imply that analysts' face considerable uncertainty concerning their valuation work but do not address how they actually perceive this type of uncertainty and cope with it. More specifically: *How do analysts perceive and cope with the uncertainty that surround their long-term company valuations and share price forecasts, and reflect on their professional practice*? In addition, research on analysts does not sufficiently acknowledge the division of labour in sell-side business between analysts and equity salespeople (Stowell 2012) and does not address the following questions: *What is the division of labour between analysts and equity salespeople? How does this division of labour affect analysts' valuation and forecast* *work? How do salespeople perceive and cope with the uncertainty that surrounds the analysts' valuations and forecasts?*

Organisational sensemaking perspectives (Weick, 1995; Maitlis and Christianson, 2014; Brown, Colville, and Pye, 2015) and close-up observations of financial analysts and salespeople can help provide answers to these questions. This is because the routines and hierarchies within analysts' valuations and forecasts identified by the research can be conceptualized as what sensemaking theorists refer to as practitioners' 'stock of knowledge' in a given field (Weick, Sutcliffe and Obtsfeld, 2005, p. 412). Practitioners try to make sense of and impose meaning on ongoing events and actions in accordance with their practice-related stock of knowledge. Approaching the analysts' valuation and forecast work from a sensemaking perspective enables us to explore the analysts' stock of knowledge and those of others in a financial market.

The empirical evidence that helps answer these research questions come from the author's observation and interview based study of the Turkish stock exchange, Borsa Istanbul. Borsa Istanbul is typical of emerging equity markets where global fund managers, who exhibit infrequent trading behaviour and prefer long-term investments, co-exist with domestic retail investors who exhibit frequent trading behaviour and prefer short-term investments (e.g., Barber, Lee, and Liu, 2007). This co-existence and related differences in investment horizons and trading behaviour imply different stocks of knowledge on how financial markets (should) work. To identify these and how sell-side professionals perceived uncertainty based on their stocks of knowledge and their manifestations (e.g., a share price forecast by an analyst, a narrative explanation by a salesperson), the observation data from two brokerage firms were subjected to a narrative content analysis. The data were also used to explore how the analysts and salespeople coped with the perceived uncertainties and reflected on their professional practice and relationships.

The paper's findings address the earlier calls in accounting and finance research to pay more attention to broader 'social and economic contexts and motivations' where sell-side professionals operate to understand analyst work better (Imam et al, 2008; see also Ramnath et al 2008, p.57). Extant studies that tried to fill this gap (e.g., Imam and Spence, 2016) still have a narrow understanding of the market as a field of practice and focus on sell-side analysts, buy-side analysts and fund managers and their valuation knowledge and practices. Markets are bigger than these actors and their knowledge and practices, which has a bearing on sell-side work. The paper demonstrates the case in point by exploring salespeople work alongside analyst work and how both professional groups make sense of and cope with broader market actors and dynamics. The paper's findings also fill a related gap in accounting and finance research concerning how division of labour in sell-side may look like and how this may impinge on sell-side marketing and valuation work. It also underlines the importance of identity and legitimacy in analyst work as shown by existing studies (Fogerty and Rogers, 2005; Imam and Spence 2016) by demonstrating how analysts and salespeople in an emerging market context do valuations and marketing around a narrow understanding of financial value to keep their 'right to speak' (Fogerty and Rogers, 2005, p.338) in global sell-side business. These findings have implications for cognitive organisational sensemaking perspectives and for accounting and finance research that overlooks the importance of identities, legitimacy, and division of labour in sell-side work.

2. A sensemaking approach to understanding analyst work in markets

The prominent position of analyst output vis-a-vis other types of knowledge and information in sell-side and buy-side relationships is reinforced by fund managers' demand for analyst work. In terms of their importance to decision-making, surveys and interviews with fund managers rank the analyst output on companies/sectors just below direct contact with company directors and above and/or at par with information services (Barker, 1999; Davis, 2005; Holland, 2006). Nevertheless, analysts' share price targets, which are observed to have become an important aspect of analyst reports (Ramnath et al, 2008) make analyst work more susceptible to uncertainties that stem from the bigger world of financial markets and its price vagaries beyond the world of intrinsic and comparative valuations. In fact, various studies show that analysts' share price targets are wrong almost half of the time (Asquith 2005; Bradshaw, Brown and Huang, 2013), which is comparable to flipping a coin. Despite this, we do not know how analysts actually perceive and cope with this type of market-based uncertainties in relation to their valuation and forecast work. Instead , quantitative accounting and finance research generally attributes analysts' forecast inaccuracies to analysts' herding and optimism, which it then attributes to analysts' career concerns and brokerage relationships (e.g., Hong and Kubik, 2003; Jackson, 2005; Bradshaw et al, 2013). It does so without paying much attention to contexts and relationships where analyst forecasts are marketed and consumed (Ramnath et al., 2008, p. 57).

Qualitative accounting and finance research on the other hand shows that for fund managers and buy-side analysts who assist the former, the pinpoint accuracy of actual forecast values, such as target share prices, are not as important as the qualitative and non-accounting information that sell-side analysts provide on companies and sectors (Barker, 1998; Imam and Spence 2016). However, as revealed by this line of research, this does not mean that neither fund managers nor analysts do feel the need to make sense of what forecast inaccuracies imply in relation to market dynamics (i.e., share prices) and information issues (i.e., earning forecasts) (Imam and Spence, 2016). Despite this, the qualitative research does not provide sufficient and context-based insights on this type of sensemaking processes by sell-side analysts. For example, it is not clear what market dynamics analysts routinely ignore and incorporate in their sensemaking and subsequent actions such as forecast revisions, and why. Such dynamics can shed light on the broader contexts of analyst work beyond the triangle of sell-side analysts, buy-side professionals, and company officials that the qualitative research has focused on for a long time (e.g., Barker, 1998; Holland, 2001, 2006; Imam and Spence 2016). These dynamics, and how analysts make sense of and cope with them, can also reveal how analysts reconcile their information and marketing roles, for example, whether 'analysts favour share price volatility' as per their position on the sell-side (Barker 1998, p.16), or whether they 'piggyback' on uncertainty generating market dynamics as per their 'marketing roles' at the expense of an 'information role' (Altinkilic and Hansen 2009).

Relatedly, another significant gap in both quantitative and qualitative accounting and finance research on analysts is the role of equity salespeople. Very few studies in the research explicitly acknowledge that salespeople exist (e.g., Barker, 1998; Holland, 2001). These studies intimate that an important part of the sell-side profession is about marketing analyst output to clients. Nevertheless, it is not clear who does this marketing routinely, i.e., the analyst or the equity salesperson, or if both roles are undertaken by one single professional. Whether or not separate professionals fulfil the valuation, and sales and marketing tasks, there is very little evidence on whether there are any shared and role-specific knowledge types in sell-side business. Beyond the research, practice-based accounts on the sell-side division of labour (e.g., Stowell, 2012) point to the information intermediation and trade execution role for salespeople. This role is characterized by best order execution, timely provision of high quality information, and information that will help clients make/stop losing money These task-related goals, which do not say much about valuation and marketing dynamics, nevertheless imply that salespeople or a sales role might have a broader knowledge and information focus than that of analysts and their financial valuation role in the market. These role-specific knowledge and information foci point to different ways of perceiving and coping with uncertainty in the sell-side profession and potential discord over how to best serve fund manager clients - something the research has not addressed.

Two general frameworks as to how analysts and salespeople might perceive and cope with uncertainty come from organisational sensemaking perspectives. According to Weick (1995; see also Weick et al, 2005; Maitlis and Christianson, 2014), there are seven related properties of organisational sensemaking or how we perceive connections among events and actions within organisational contexts with a view to acting on them. To begin with, sensemaking is grounded in identity (e.g., being an analyst in an emerging market context and the knowledge that comes with it) and is both retrospective and prospective, and features in explanations, predictions and forecasts. Sensemaking is enactive of the context where it takes place, that is, the ways in which we impose sense and order on ongoing events and actions influence their trajectories (e.g., intrinsic and comparative valuation of a company affecting its market price). Sensemaking is social. It happens in and is shaped by a relational context and its inhabitants (e.g., a financial market and its actors, such as analysts, fund managers, retail investors). Sensemaking is ongoing (transient) and is a constant effort by sensemakers, which shapes and is shaped by the feedback from the context where it takes place (e.g., reactions to a market event constitute the next phenomenon to make sense). Sensemaking is cue-based and the sensemaker seeks cues in the sensemaking context that are familiar to his/her identity, knowledge and relationships (e.g., an analyst, serving fund managers, and focusing on intrinsic and comparative value related information in the market). Last but not least, sensemaking is driven by plausibility and sufficiency, that is, given his/her identity and relationships in the context where sensemaking takes place, the sensemaker satisfices with a plausible account that is socially acceptable and credible to his/her audience (e.g., in his/her note to fund manager clients, an analyst attributes a share price fall in a company with unchanged fundamentals [intrinsic value components] to retail investor psychology). 'In short, what is needed [in sensemaking] is a good story' (Weick, 1995, p. 61).

Given the definition of sensemaking and its related properties, organisational sensemaking perspectives define uncertainty by distinguishing between the conditions of *uncertainty* and *orderly times*. Uncertainty refers to a situation where a stock of knowledge, which relates to a certain identity and relational context (e.g., being a financial analyst serving fund managers in an emerging market context) and its manifestations (e.g., narratives and forecasts to make sense of and predict prices) fail to account for a situation in hand (Weick, 1995; Weick et al, 2005). Orderly times are when the manifestations of a stock of knowledge and the situation in hand converge. This convergence also signals the re-enactment or re-formatting (transformation) of a task environment in accordance with the stock of knowledge and its specific forms such as a macroeconomic model, a valuation theory (Knight, 1964; MacKenzie, 2005; Geiger and Finch, 2010).

The two specific perspectives on how organisational actors perceive and cope with uncertainty are built on these definitions. The first one prescribes expanding one's narrower stock of knowledge or one's smaller world, such as the intrinsic/comparative valuation techniques of analysts and fund managers, with the stock of knowledge of other actors (e.g., retail investors and brokers, automated trading machines, statistical arbitrageurs) in a business environment or bigger world of the market (Mouzas, Henneberg and Naudé, 2008). The resulting broader knowledge achieved by multilateral interactions and reflection beyond one's identity is conceptualized as 'network insights'- a comprehensive understanding of a business environment - that are expected to reduce uncertainties (Mouzas et al, 2008). An issue with this type of comprehensive learning solution is that so-called network insights might be contradictory to one's professional identity and relationships. For example, if a sell-side financial analyst is learning and applying network insights that are influenced by the application of technical analysis- 'the analysis of "patterns" in time series of prices', which finance theory dismisses as akin to 'astrology' (MacKenzie, 2005, p. 556), this might undermine one of the core organisational aims in sell-side business - namely, providing financial advice about a stock market via intrinsic/comparative valuation of companies.

This brings the discussion to the second sensemaking perspective on coping with uncertainty. This approaches uncertainty from an enactivity perspective (Geiger and Finch, 2010). Simply put, uncertainty in this framework is conceptualized in relation to the durability or performance of fit of a stock of knowledge over cues, such as share prices in a task environment. 'Overflowing' (Callon, 1999) or 'spillovers' (Geiger and Finch 2010) over a specific stock of knowledge (e.g., intrinsic valuation) can be said to constitute what Weick (1995) refers to as uncertainty. The minimization of uncertainty therefore depends on not just the extent of accurate generalization a stock of knowledge achieves about a task environment but also how widely it is adopted and institutionalized as a guide for action in that environment. As Weick (1995, p. 65; see also Brown et al, 2015, p. 267) puts it, a great deal of sensemaking is about 'inventing', 'people generate what they interpret'. The 'reduction of equivocality' (Brown et al, 2015, p. 267) as to why, for example, share prices move in the way they move necessitates institutional work to devise and diffuse the use of a certain valuation method (e.g., intrinsic and comparative valuation) in a given market. These intertwined factors of accuracy and adaptation/institutionalization also give any knowledge type (e.g., a scientific/practitioner valuation model) their enactive or 'performative' effect on that very task environment (see for example MacKenzie, 2005). Once such effects are achieved and re-enacted continuously, perception of uncertainty becomes rare and sensemaking becomes more concerned with interpreting away ambiguity around a world that is authored according to a distinct knowledge type (Brown et al, 2015, p. 267). As Weick (1995, p. 14) puts it, ‘to engage in sensemaking is to construct, filter, frame, create facticity’.

There are studies that demonstrate the enactive effects of analysts’ intrinsic/comparative valuations in real market settings. For example, Zuckerman (1999) demonstrates how the industry categories framed and upheld by analysts led to long-term price pressures on ill-fitting companies. Abhayawansa et al (2015) show that it is the analysts’ incorporation of company intangibles into value creation stories and valuations that alleviate the market underpricing of such value drivers. Similarly, Tan (2014) explores the sell-side analysts’ practices of integrating corporate governance as a measurable value driver into their intrinsic and comparative valuations. At a broader level, Beunza and Garud (2007) point to the so-called New Economy Frame as a shared value creation story that underpinned the dot.com price bubble.

This type of dynamic enactive effects of analysts’ work over financial valuation and markets, which also reveal occasional but adverse frame-changing shocks are closely associated with the aforementioned demand for analyst work by fund managers, as revealed by the research. Fund managers and institutional investors that they represent are observed to have dominated developed and developing equity markets in terms of share ownership and trading in recent decades (Davis, 2005; Chordia, Roll, and Subrahmanyam, 2008). In this vein, the small world of analysts and fund managers seems to have actually constituted a significant part of the bigger world of stock markets. If such dominance is (is not) the case in a given market, then uncertainties that stem from the stocks of knowledge ignored by sell-side professionals are less (more) likely to happen to salespeople. The co-existence of multiple and competing stocks of knowledge for financial judgement and decision making implies not only uncertainty but also reflexive action among market actors. Analysts might modify or abandon their 'value creation stories' (Abhayawansa et al, 2015, p. 283) or even valuation models in the face of uncertainty over their valuation stories and outputs (e.g., earning forecasts and share price targets). Alternatively, analysts might dismiss such uncertainty as market noise irrelevant to intrinsic/comparative valuations. However, certain stocks of knowledge other than that of analysts and fund managers can achieve critical mass and become enacted in a given market. In a context like this, equity salespeople might see and market investment opportunities that are not justifiable by intrinsic and comparative valuation, which might create discord within sell-side teams. All these dimensions imply that uncertainty and how it is perceived and coped with by sell-side professionals are a matter of 'situated cognition' (Maitlis and Christianson, 2014, p. 66). That is they are functions of the ‘social and economic contexts and motivations’ where sell-side professionals operate - an underexplored aspect in the research on analysts (Imam et al, 2008).

In the following section, I turn to the context and methods by which this study conducted such an exploration of sell-side professionals perceiving and coping with uncertainty in the Turkish stock market. The methods of data collection and analysis used in this study were also used to study the Turkish retail investors and brokers in Borsa Istanbul (Tarim, 2016). This paper addresses the dynamics of financial sensemaking among sell-side professionals who serve global fund managers in Borsa Istanbul. Tarim (2016) demonstrates that those local actors' sensemaking in Borsa Istanbul is 'situated cognition' with regard to historically evolved roles and relationships, processes and outcomes. This paper adds onto that finding by demonstrating how the sell-side professionals' sensemaking is a different case of situated cognition compared to retail investors and their brokers. More specifically, it demonstrates how two sell-side teams in two brokerage firms in Borsa Istanbul coped with a specific knowledge type or organizing plot that the retail investors and brokers had and used in Borsa Istanbul. According to Tarim (2016), this organizing plot, which he calls 'the globalised ISE [Borsa Istanbul]' re-enacted Borsa Istanbul as a peripheral market in the global financial system, mimicking its developed counterparts.

3. Context and Methods

This paper draws on direct observations of and interviews with sell-side professionals operating in the Turkish stock market. The fieldwork was conducted between 2008 and 2009. Direct observations of research informants in the research rare (e.g., Barker, 1998; 1999). Nevertheless, these and other studies (e.g., Zaloom, 2003) demonstrate that direct observations, complemented with interviews and other triangulation methods provide 'thicker descriptions' (Geertz, 1973) of financial cognition and decision-making situated in specific social and economic contexts.

Sensemaking does not happen in an organisational or institutional vacuum (Mouzas et al, 2008; Geiger and Finch, 2010). Before explaining the methods of data collection and analysis, a brief introduction to Borsa Istanbul where the sell-side professionals operate is made below.

3.1. Industry and Context

Opened in 1986 as the Istanbul Stock Exchange, and renamed in 2013, Borsa Istanbul is the sole organized securities market in Turkey. Borsa Istanbul has been an aberration to the aforementioned contemporary trend of institutional investor dominance in share ownership and trading in developed and developing stock markets. Accordingly, it can be taken as an instrumental case (Grandy, 2010) to study the effects of multiple and conflicting knowledge stocks on the sell-side professionals' perceptions of and coping with uncertainty. Table 1 summarizes the average ownership and trading figures by investor type in Borsa Istanbul during the time of the study:

Table 1 Ownership and trading in Borsa Istanbul

2008-2009*	Ownership	Trading Volume	Average Share-holding period**
Foreign Institutional Investors	67 %	20 %	276 Days
Turkish retail Investors	19 %	65 %	32 Days

* Unless otherwise stated, all Borsa Istanbul-related figures are from the market's database (available at http://www.borsaistanbul.com/en/data/data/consolidated-data) and the Turkish Capital Markets Association's annual reports (available at https://www.tspb.org.tr/en/). .
*** The holding- periods combine retail and institutional investors by domicile. As Turkish institutional investors only owned 14 % of the shares and contributed 17 % to the trading volume in the study period, Turkish retail investors' share retention periods should have been much shorter. Foreign retail investors had a very negligible market presence.

Only from these comparative industry figures, which were preceded by similar patterns in previous years in Borsa Istanbul, one could conjecture the co-existence of divergent knowledge stocks among different investor and broker types in the Istanbul market. To explore these knowledge stocks, I turned my attention to brokerage firms in the Istanbul market. Multi-site qualitative research has advantages over a single site design. This includes higher external validity or transferability of findings to other similar sites of social action (Bryman, 2008,p. 33). Among the 89 licensed brokerage firms, there were around 25 so-called institutional sales and research teams with varying sizes that could provide brokerage and research services to approximately 2,500 foreign institutional investors in Borsa Istanbul. In the end, I managed to secure access to two brokerage firms for this study. The coordinates of these firms in the Turkish brokerage sector are provided in Table 2.

Table 2 Coordinates of Field Sites

	Foreign institutional clients **	**Average trading volume in Turkish Lira (TL) in 2008-9 (% of the market)*****	**Types of brokerage services**	**Institutional sales team size**
Firm C*	~40	13 billion TL (1.5 %)	Institutional order execution and investment advice. Number of companies covered by analysts ~ 35	Two analysts Two salespeople
Firm D*	~160	28 billion TL (3.5 %)	Institutional order execution and investment advice. Number of companies covered by analysts ~ 70	Nine analysts Five salespeople

* Firm C, privately-owned boutique brokerage firm; Firm D, internationally owned, large brokerage firm
**The number of clients is approximate as there was no publicly available information on these figures, which were obtained from interviews.
** *The share of foreign investor trading volume in each brokerage firm was not publicly available. Interviews with salespeople pointed an average between 40 and 45 % share, which amounted to approximately 10 % of all foreign investor trading in Borsa Istanbul passing through Firm C and Firm D in 2008 and 2009.

In each firm, whose headquarters were located in two separate skyscrapers in one of Istanbul's several financial districts, I made observations in the trading floors of institutional sales and research departments. I started my observations generally at 08:30 and finished at 17:00 when trading in the market also finished. I spent at least three weeks at each site for observations (Firm C, 9 July-15August 2008; Firm D, 4 May - 5 June 2009). In the following, I describe the layout of each observation site, my position and role in each site, and those of my interlocutors

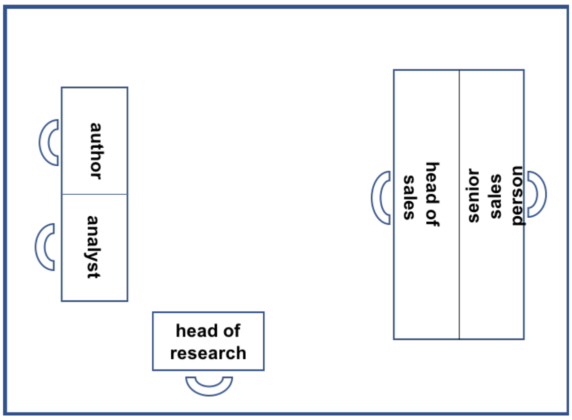

Figure 1Firm C Analyst and Sales Desks

Because of Firm C’s relatively small staff size in the sector, the analysts and salespeople shared a small trading room, separated from the Firm C's retail brokerage operations. The sales desk was noisy and tense. The two-salesperson team was formed of two veterans of the institutional sales in Borsa Istanbul with a combined 25-year experience- the first global funds entered the market in 1990. They strove to provide the best prices for client orders. It was apparent that this was not the best working environment for the head of research, a former fund manager and a Chartered Financial Analyst (CFA)[3], with over 15 years’ experience in the market, and the analyst, who was a CFA candidate and had a background

[3] The prestigious professional postgraduate level qualification for financial analysts awarded by Charted Financial Analyst Institute in the USA

similar to the head of research with over 10 years' experience. Both analysts, like their Firm D counterparts, routinely and painstakingly combed through granular data to value companies and generate a target share price and associated investment recommendation. During my participant observations in Firm C, I shared the desk with the analyst, and assisted him and the head of research in some of their tasks in the sell-side division of labour, such as collecting data on valued companies, valuation database updates, and translations from Turkish to English.

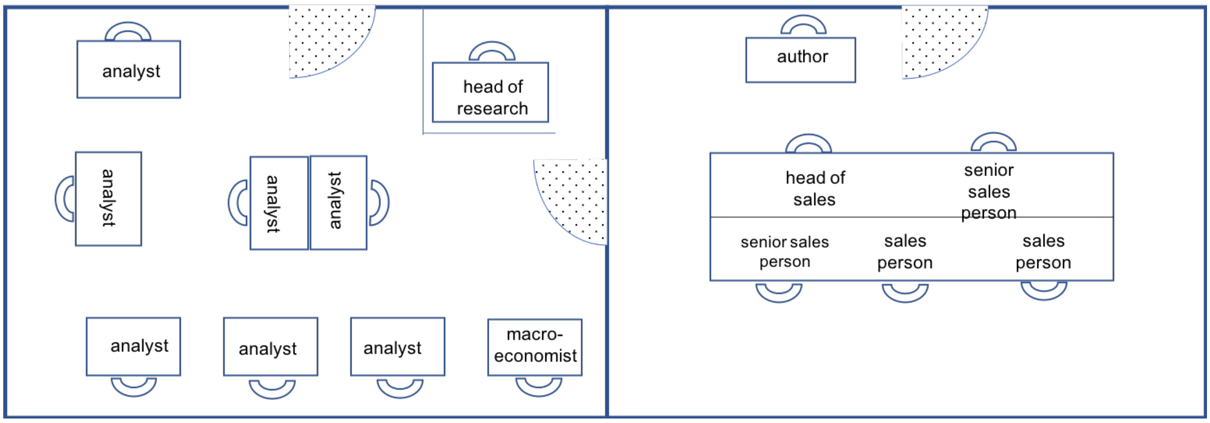

Figure 2 Firm D Analyst and Sales Desks

Being one of the biggest institutional sales and research departments in the sector, Firm D's sales and research desks were located in a larger trading floor that was partitioned with privacy glass walls and doors from each other and the Firm D's retail brokerage operations (see Figure 1). The research and sales teams were headed by a career salesperson and a career analyst, respectively, both of whom worked in sell-side business in Turkey and abroad for more than 15 years each. The physical separation between sales and research teams was more about being able to afford quietness for analysts from raucous salespeople than providing 'Chinese Walls' (Fogerty and Rogers, 2005) against any salesperson interference in valuations. On quiet and relaxed days for salespeople, which were rare, the door connecting the teams would be left open. Given this and the analysts' role in the division of labour, I made most of my non-participant observations in Firm D at the sales desk. In total, I spent two days in June 2009 at analyst desks, interviewing and shadowing the analysts, the head of research, and the macroeconomist. The seven analysts had on average five-year experience in sell-side business, the longest was 10 years, the shortest two. One analyst had fund management background, and another was a CFA. The salespeople on the other hand had on average seven-year sell-side experience, the longest nine, and the shortest two years All the sell-side professionals in both firms, like their counterparts in other sell-side departments in the market, had business and finance related degrees from prestigious Turkish or foreign universities, and were fluent in spoken and written English.

In both sites, I used a notebook and a voice recorder, whenever permitted, to make detailed descriptions of events and market chatter among sell-side professionals. These recordings were without any preconceived notions of relevance. As a result, they provided very rich descriptions of the naturally occurring behaviour at the observation sites. In the following section, I explain how these rich data were analysed. This is followed by a description of how the observation data were triangulated by discussions and interviews with the sell-side professionals at the observation sites and beyond.

3.2. Narrative Content Analysis

In the specific context of organisational sensemaking, capturing and analysing constituent parts of a stock of knowledge is possible by focussing on individual level interactions and the knowledge 'inscriptions [...]manifestations' within (Henneberg, Naudé and Mouzas, 2010). As Weick (1995) puts it, narratives about a task environment told at individual level have traces of knowledge stock, such as frames and action scripts (see also Boje, 2001; Czarniawska, 2008). Therefore, capturing and analysing what Zaloom (2003, p. 266) calls ‘market chatter’ can give the researcher access to how sell-side professionals think and interact within their task environment, including their perceptions of uncertainty and how they cope with it. For example, at a macro level, exogenous shocks to the economy may create uncertainty over analysts’ existing value creation stories and forecasts. Narratives will explain such shocks with reference to causes and future consequences, for example, a new value creation story with new inputs into existing valuation models. These types of macro level stories, such as 'oil at $ 300', 'the commodity demand from emerging countries' (Rebonato, 2013), might actually constitute a new valuation story informing forecasts for a great majority of market actors, including sell-side professionals.

Given the potential relevance of narratives in market chatter as inscriptions/manifestations of sell-side professionals’ knowledge, the observation data were subjected to narrative content analysis. This started with the identification of sensemaking narratives according to an operationalized definition of narratives (Boje, 2001; Czarniawska, 2004): Narratives are discourses beyond a sentence by which the narrator connects two or more clauses together for retrospective and/or prospective explanation on the states of markets. Having identified the narratives, narrators and audiences (e.g. clients, fellow salesperson), the second step was to identify the recurring plots (i.e., causal connections) in these narratives. For this, I introduced five plot logics. These logics draw on Boje’s (2001, p.101) narrative causality or stream analysis, and reflect the spectrum of repetitive reasonings I encountered in my interlocutors’ narratives. These are introduced in Table 3 with actual examples from the observation sites:

Table 3 Plot logics in market chatter (All times are GMT +2)

Plot logic	**How it "makes sense"**	**Example**

Cause-effect	Establishes cause-effect relationship between market events within a temporal frame	Look at the highest performers today [shares with the highest price increases], Sabanci [holding company] is up because of the nuclear plant news , and Turkish [Airlines] is [up] because of the oil price [down below $ 120] (Head of research, Firm C, 17 July 2008, 16:00)
Correlation	Establishes correlation relationship between markets abroad and Borsa Istanbul's movements	Salesperson- ISCTR [share sign for a large bank] is going down, is it the US [Dow Jones index] opening? Senior salesperson- Yes indeed, the US has just opened negative. (Firm D, 27 May 2009, 16:30)
Randomness	Invoked when interlocutors fail to make sense of markets by either of the plots above	The [BIST 100] index is undecided, one day [it is] up, then one day [it is] down (Senior salesperson, Firm D, 28 May 2009, after 14:00)
Proto-story	Provides weaker explanations because interlocutors simply sequence events without directly invoking cause-effect or correlation.	Analyst shouting to salespeople- The incentive package [of government to industrial companies in Turkey] will benefit Tat [Konserve] too! (Firm D, 4 June 2009, after 16:30)
Contra-plot	Points to uncertainty on a knowledge type (e.g., the *globalised Borsa Istanbul*) as it fails to explain the situation in	Europe [equity markets there] is positive, here [in Borsa Istanbul] we have nothing, no volume! (Head of Sales, Firm C, 7 August 2008, after 11:00)

	hand (e.g., Borsa Istanbul not following markets abroad)	

Given their weak narrative construction, proto-stories (Gabriel, 2000) are more prone to intimate a perception of uncertainty. Alternatively, like Boje's (2001) 'terse narratives', these might actually invoke durable knowledge types (e.g., an analyst output, a technical analysis rule), without fully resembling a cause-effect or correlation story.

3.3. Knowledge types: Organising plots and their frequencies

The third step in the exploration of knowledge stock was the identification of recurring narrative elements - namely, actors, events and actions (Czarniawska, 2004) and the durable ways in which they were connected to each other via 'frames' and 'interpretative [causal] templates' (Czarniawska, 2008, pp. 37-8). This was important because Zaloom (2003), despite not systematically analysing them, implies that market chatter narratives can be fickle without any durability or influence on individual and collective sensemaking. With the help of the plot logics - especially, cause-effect and correlation, I found the opposite - namely, recurring relationships among these narrative elements, such as Borsa Istanbul, markets abroad, and commodity prices. These recurring elements and relationships pointed to the existence of various knowledge types within the market chatter. My informants did not merely describe what they observed on their market displays. They imposed certain recurrent knowledge types and techniques (e.g., analyst output, technical analysis) on information streams. This also meant that they regularly ignored information that was 'inconvenient' to the invoked knowledge type or the organising plot (Rebonato, 2013)

The narrative analysis and resultant frequency data on the narrative elements and plots therefore helped me to identify the constituent parts of the analysts' and salespeople' knowledge stock and their manifestations (e.g., an analyst's share price target, an explanation based on technical analysis) as organising plots in sell-side sensemaking. These identifications as well as frequency data were also essential for exploring the role-specific and shared knowledge types among analysts and equity salespeople.

3.4. Triangulation – Documents and Interviews

To triangulate the market chatter data and explore how analysts perceived and coped with uncertainty in relation to their two-step valuation process - namely, value creation story and target price calculation, I collected and analysed the following documents published by the analysts during my observations: Full analyst reports and updates on companies, and periodic (e.g., daily, monthly) research and strategy bulletins. The analysis focussed on what the analysts formally recommended to clients and how (i.e., value creation stories, valuation models and forecasts) and how these recommendations squared with the equity salespeople's sensemaking and marketing for the same clients.

The observation data, complemented with the document data revealed naturally occurring patterns about the dynamics of perceiving and coping with uncertainty at the research sites. They also allowed me to avoid the issue of idealized accounts during discussions and formal interviews with the analysts and equity salespeople whom I observed . The interviews were semi-structured and focussed mainly on exploring invisible aspects of sell-side sensemaking dynamics in the observation data (e.g., exact nature of sell-side division of labour, sources of brokerage income, relations with fund managers, brokerage sector dynamics). The interview data were coded and analysed in accordance with those themes. As such, they also triangulated the emergent observation patterns and enriched the findings with answers to *why* questions on those patterns (e.g. Why follow global market events?).[4]

4. Findings

4.1. Analysts in the task environment

In both firms, the analysts had the task of generating regular reports on the state of markets and companies. On top of this, they were actually involved with the salespeople's sensemaking, and conversed with them. The analyses of these interactions revealed the organizing plots the analysts used in their sensemaking.

Table 4 Analysts' organizing plots

	Analyst Output	***Globalised Borsa Istanbul***	**Technical Analysis**	**Private information**	**Total**	**Uncertainty**
Firm C	20 (31%)	21 (32 %)	2 (3 %)	3 (5 %)	46 (71%)	10 (22 %)
Firm D	13 (72%)	1 (6 %)	1 (6%)	3 (16%)	18 (100 %)	3 (16 %)

Notes:
% given in parentheses represent the % of each organizing plot in the analysts' sensemaking narratives.

The Uncertainty column counts the narratives in which the narrator intimates that he/she fails to make sense of the situation by one of the organizing plots (e.g., an analyst output failing to explain a price surge in a share)

There is no To Clients category in Table 4 because there was no such market chatter narrative. This reflects the division of labour in each sell-side team. The figures in Table 4 also reflect the influence of not only the sales and research floors' physical layouts but also

[4] Out of the 18 sell-side professionals at the research sites, only one analyst turned down my interview/discussion request. The interviews on site lasted between 30 and 75 minutes.

the analyst's selective focus on information- namely, news events on the Turkish companies and economy, which contrasts with the salespeople's considerable focus on non-news market events (see Table 6 in section 4.2 for details). Given the physical separation in Firm D, most analysts hardly got involved with the market chatter. When they did, their focus was firmly at the company or macroeconomic level. These were generally terse answers, such as 'good', 'bad, 'no effect', and 'no news', to salespersons questions on news' and market events' significance for covered companies. In Firm C, given the shared floor, the analysts were much more involved with the salespeople's market chatter. Yet, it was the head of research who participated in the market chatter the most. The analyst joined the market chatter in only six instances. The head of research frequently invoked the *globalised Borsa Istanbul* to make sense of Borsa Istanbul's daily volatility. Nevertheless, both analysts invoked their own outputs as frequently as they did the *globalised Borsa Istanbul*. In doing so, they strove to make sense of news' and market events' significance for the Turkish economy and covered companies. This was also the case in the analysts' daily bulletins to clients in Firm C and Firm D.

How did the analysts perceive uncertainty and cope with it in their market chatter? As seen in Table 4, the analysts told a noticeable number of narratives that intimated uncertainty in the organizing plots. Most of these actually concerned their own analyst outputs, more specifically their price targets that were contradicted with market prices. The analysts coped with such uncertainty, which more often than not was brought to their attention by salespeople, by firstly checking whether news (e.g., company statement) or market event (e.g., a surge in share price) was material to their existing value creation stories and valuations. If so, they followed up with an analyst update. If not, they advised salespersons to keep on pitching/avoiding the share in question if it was underpriced/ overpriced in relation to the share price target.

As for the analyst market chatter narratives in proto-story form (33 - 50 % in Firm C; three – 17 % in Firm D), these proto-stories did not imply any perception of uncertainty. For example, among the analysts' proto-stories, 15 in Firm C and all three in Firm D actually invoked one of the organizing plots and/or private information. Those analyst narratives without any of the organizing plots and/or private information, did not intimate any sense of uncertainty or of "telling new stories" *a la* Weick (1995). Moreover, such seemingly purposeless narratives were much less visible in the analysts' market chatter. Compared to the salespeople, the analysts were less interested in short-term changes in markets that were immaterial to their role-specific knowledge and outputs.

The analysts, when having to make sense of the daily market volatility in their market chatter and in regular bulletins sent to clients (e.g., daily bulletins) were accommodative of the *globalised Borsa Istanbul* and the technical analysis as the two knowledge types that were shared across Borsa Istanbul (Tarim, 2016). In this respect, and contrary the conjecture of the sales role having a broader knowledge than the analyst role, the analysts did not necessarily have a narrower knowledge compared to the salespeople. Perhaps, the exception to this was the private information which, as shall be explained in the next section, originated mostly from the salespeople's contacts. Nonetheless, the analysts were well aware of the local dynamics of Borsa Istanbul. Yet, the Borsa Istanbul-wide knowledge types as well as private information that could not be meaningfully incorporated into intrinsic and comparative value calculations were nowhere to be seen as organizing plots in any analyst valuation report or update on companies. As put by the head of research Beyza in Firm C:

> If you focus too much on what happens abroad, your clients who operate in those markets might take it as a sign of you not knowing what you are actually talking about. Your client wants to know about Turkey (Informal discussion, 14 July 2008).

These bracketed-out organising plots nevertheless generated uncertainty on the analyst output. The following examples demonstrate how the analysts routinely generated their valuations and forecasts and in the process coped with the uncertainty generated by such local market knowledge and dynamics. All the interlocutor names henceforth are pseudonyms. The first example comes from Firm C's Beyza and her value creation story in her update report on the Turkish banking sector titled *Excessive sell-off!* (16 June 2008).. All parentheses are those of the analyst. The brackets are mine.

> After a sharp retreat in banking sector stocks (bank-index is down 46% in TRY [Turkish lira] terms year-to-date), we believe investors should put into perspective that growth is still present in the sector and this sharp decline [...] is more than warranted for. Banking sector stocks plunged because of the deterioration in the outlook of the world and Turkish economies, increase in interest rates vis-à-vis increasing concerns over funding costs, and profitability of bond portfolios, higher provisions [for non-performing loans-NPLs] (up 74% y/y [year on year] on average in 1q [quarter] 08) and cash capital increases (for some banks).

Beyza then transformed this value creation story into earnings forecasts and share price targets for one year by using a combination of universally used intrinsic/comparative valuation models.[5] Beyza's update report was not accommodative of any short-term market-moving events, including an ongoing constitutional court case against the ruling party in Turkey, and volatility in global markets[6]. Rumours and predictions about a positive court

[5] Beyza's models were the Dividend Discount Model, the Gordon Growth Model, and the Economic Value Added models, all equally weighted. These models are generally seen by accounting scholars to be more appropriate variants of the classical Discounted Cash Flow method for the valuation of financial services firms (e.g., Damodaran 2006). The comparative valuation metrics were the Return on Average Equity and the adjusted Price /Earnings ratio. Firm D's banking analyst used similar models. Beyza did not explain why she chose and combined these models. Lack of methodological discussion was also observed in other reports from Firm C, Firm D, and other firms serving global fund managers. This can be attributed to the intertextuality of valuation reports in sensemaking. As a valuation network, analysts and fund managers have shared models, which can have terse manifestations.

[6] The case, opened in March 2008, was on the alleged anti-secular policies of the ruling party..

decision for the ruling party turned out to be correct at the end of July 2008 and BIST-100 actually rallied by 30 % in July. In August 2008, Beyza commented in daily bulletins on the quarterly income results of individual banks with expressions, such as ‘slightly higher than estimates’, and ‘in line with estimates’. Despite her income forecasting accuracy, most of her investment advice for individual banks turned from 'Buy' to 'Neutral'. [7] This was a case of uncertainty on Beyza’s banking sector report as the latter, like other analyst reports calculated price targets for the next 12 months –not a fortnight. To cope with this uncertainty, she did not come up with a new value creation story that could help her generate higher target prices. She simply downgraded her investment advice, given the evaporated upside potentials in relation to the target prices.

Similar to this uncertainty on Firm C’s banking update, almost a year later, short-term market dynamics resulted in a similar uncertainty - this time on the banking report of Firm D. Yet in this case, the banking analyst, Adnan actually gave an 'Underperform' rating on the Turkish banks (28 April 2009). Adnan made this call on the back of a recent banking index rally of ‘50 % [...] in absolute terms’. The title of his report was *Banks: Too fast, Too furious*. It encapsulated part of his value creation story, which framed the banking sector rally as the pricing in of ‘windfall gains’ or lower financing costs for the Turkish banks. According to Adnan, the gains were coming from ‘sharp interest rate cuts’ by the Turkish Central Bank in the early 2009 on the back of economic recession. The analyst’s focus was firmly on the fundamentals of the macro operating environment. Moreover, for the coming quarters, Adnan bracketed in the ongoing and forecasted U-shape recession in the Turkish economy (Firm D

[7] 'Buy', 'Neutral' and 'Sell' are the three investment advice types of Firm C. In Firm D, these are 'Overperform', 'Marketperform', and 'Underperform'. These investment ratings refer to how a stock’s forecasted share price target (i.e., return over 12 months) compares to each firm's forecast of the BIST-100's annual return. For example, 'Overperform' means the return is more than 20% over the BIST-100 annual return, 'Marketperform' between - 10% and 20 %, and 'Underperform' below - 10 %.

Macroeconomy Report, 26 March 2009), which would lead to 'muted earning momentum[…] earnings risk' for the Turkish banks for more than a year. This value creation story was then combined with his intrinsic/comparative valuation models to generate the target prices for banks (see footnote 6). As the existing share prices were over or close to his target prices for the following year, he advised clients to avoid the Turkish banking sector for a time.

Despite Firm D's analysts' negative view on the banking sector and the Turkish economy for the coming weeks, BIST-100 had rallied by more 10 % in May 2009. This constituted uncertainty on the analyst outputs. How did Adnan and other analysts perceive and cope with this type of uncertainty? In a nutshell, Adnan's output remained the same. During market chatter, I observed him dismissing daily price movements in banking shares, generally brought to his attention by salespeople, as irrelevant. Adnan's output however was very challenging for Firm D's salespeople as they could not pitch the banking sector to their clients when the sector index and BIST-100 were in a significant upward trend. Adnan's indifference to short-term market dynamics that he perceived as irrelevant to intrinsic and comparative value of firms pretty much characterised how the analysts in both firms perceived and coped with uncertainty on their valuations and formal investment advice on the Turkish economy and companies. Adnan said:

> Being on the wrong side of short-term market dynamics could be very unpleasant but should not alter [my] judgements and long-term call for banks (Interview, 29 May 2009).

Adnan and other analysts in Firm D anticipated a GDP contraction of 4.8 % in the Turkish economy in 2009 (26 March 2009). They were actually spot-on in this forecast.[8] Yet, BIST

[8] From Turkstat, available at http://rapory.tuik.gov.tr/11-08-2015-17:33:39-14274820236701962181093326361.html? , last accessed 11 Aug. 15

100 index closed 2009 at 52,825 points, 47 % above its May 2009 closing. Similarly, the US and Eurozone economies contracted 2.8 %[9] and 4.4 %[10] in 2009, respectively. Yet, the developed country markets rallied more than 30 % in 2009.[11] The *globalised Borsa Istanbul* knowledge of the Turkish retail investor and brokers seemed to manifest its enactive effects in these Borsa Istanbul index rallies in 2009.

As these examples demonstrate, the analysts in both firms had a firm belief in their role-specific knowledge types (i.e., intrinsic and comparative valuation) when they forecasted the future. The attribution of biased and erroneous agency - with expressions, such as overbought, oversold, sentimental, overreacted - to investors in Borsa Istanbul was commonly found in the analyst outputs that I collected and analysed. Yet, in the short-run, the Turkish retail investor and broker dyads' activity ostensibly dictated BIST-100 dynamics. The resultant uncertainties on analyst outputs did not result in the analysts modifying their intrinsic/comparative valuation knowledge or practices to benefit from local market knowledge and volatility . Nevertheless, these uncertainties and the ways in which the analysts coped with them had implications for the salespeople, whose tasks included marketing the analyst output to investors, and generating brokerage fees. I discuss the salespeople's perceptions of and coping with uncertainties, and their relationship with the analysts in the following sections.

4.2. Salespeople in the task environment

[9] From the World Bank, available at http://data.worldbank.org/country/united-states, last accessed 11 Aug. 2015
[10] From Eurostat, available at http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tec00115&plugin=1, last accessed 11 Aug. 2015
[11] From MSCI index, available at https://www.msci.com/resources/factsheets/index_fact_sheet/msci-world-index.pdf , last accessed 11 Aug. 2015

The narrative content analysis of the market chatter revealed the following knowledge types or organising plots that the salespeople regularly invoked: analyst output, the *globalised Borsa Istanbul*, technical analysis, and private information. Table 5 presents their frequencies in the salespeople's market chatter.

Table 5 Organizing plots in the salespeople's sensemaking narratives

	Analyst Output	***Globalised Borsa Istanbul***	**Technical Analysis**	**Private information**	**Total**	**Uncertainty**
Firm C	19 (15 %)	10 (8 %)	10 (8 %)	13 (10 %)	52 (41 %)	8 (15 %)
Narratives to clients	17 (61 %)	3 (10 %)	3 (10 %)	5 (18 %)	28 (66 %)	-
Firm D	14 (6 %)	52 (22 %)	11 (5%)	30 (12%)	106 (46 %)	12 (11 %)
Narratives to clients	8 (13 %)	6 (10 %)	4 (7 %)	12 (20 %)	30 (50 %)	-

Notes:
% given in parentheses represent the % of each organizing plot in the salespeople's sensemaking narratives.
The Uncertainty column counts the narratives in which the narrator intimates that he/she fails to make sense of the situation by one of the organizing plots (e.g., an analyst output failing to explain a price surge in a share; markets abroad and Borsa Istanbul moving divergently in contradiction to the *globalised Borsa Istanbul*)

Among these organising plots, only the analyst output and the private information constituted a shared knowledge type exclusive to the sell-side team in each firm. The analyst output however was not always invoked for sensemaking or marketing. For example, in Firm D, five instances of the analyst output use actually amounted to ironic jokes about the rallying BIST-100 and the uncertainty it caused on the analysts' negative recommendation (i.e., 'Underperform') on the rallying bank shares. For example, on 18 May 2009, the head of sales and a junior salesperson made the following joke after observing a rise in market indices abroad and in Turkey:

> Tarik: They are buying America [the USA market index], come on!
> Yavuz: Here [Borsa Istanbul], the rally started, and the march to 50,000 [points] …

> Tarik: Tat [Konserve – smaller weight in Borsa Istanbul index compared to banks] trades have recovered the market [Borsa Istanbul]!
> Yavuz: Yes, sure! Of course, with those buys in Tat [Konserve]!

As shown in Table 5, a considerable percentage of the market chatter and client communication invoked private information as a shared knowledge type among the analysts and the salespeople. Private information, not available publicly took several forms. One was 'market colour'- namely, fleeting information about trading orders executed through each firm with the hope of attracting orders from other clients. Another type concerned knowledge about market actors (e.g., fund managers) to make sense of noticeable market movements. The last type concerned rumours and/or information directly gathered from the original source (e.g., company director, policy maker in the capital city). These two types were more durable than market colour, which at times was hourly in durability. Out of all the private information narratives in the salespeople's market chatter, the information itself in almost all narratives (38 out of 43) originated from the salespeople's contacts in the market and from their clients. The rest were provided by their analysts. In this vein, the private information was the closest thing to knowledge exclusive to salespeople.

The remaining knowledge types- namely, the *globalised Borsa Istanbul* and the technical analysis were less frequently invoked than the analyst output and the private information. One exception to this was the use of the *globalised Borsa Istanbul* in the Firm D. The salespeople in both firms used these market-wide shared knowledge types or organizing plots to make sense of daily market volatility and to fulfil their organisational role of providing the best execution service to their clients in Borsa Istanbul.

> Day-wise, you check [markets abroad], and adjust your trading strategy [in Borsa Istanbul] accordingly. If the market falls quickly, you sell quickly. If it goes up quickly, you buy quickly!' (Discussion with the head of sales, Firm C, 6 August 2008).

For example, on 17 July 2008, seconds before the end of trading in Borsa Istanbul at 17:00, Borsa Istanbul-100 fell by 300 points in several seconds. Senior salesperson in Firm C explained this fall to the rest of us on the floor by invoking the *globalised Borsa Istanbul*:

> Philadelphia something [Philadelphia FED manufacturing index from the USA] came bad, that is why it [Borsa Istanbul] has fallen.

On 4 June 2009, two salespersons in Firm D contemplated what would happen to Borsa Istanbul-100 until an information release on the US economy at 15:30 Turkish time. They did so by invoking *the globalised Borsa Istanbul* and the technical analysis together in their narrative:

> Yavuz: 34,300 [points in Borsa Istanbul-100] is the [technical] support point. Will it turn [back]?
> Burak: They [investors in Borsa Istanbul] will hold it [Borsa Istanbul-100] like that until the US data [information release]. Depending on that [information release] they [investors in Borsa Istanbul] will either take it [buy in Borsa Istanbul] or give it away [sell in Borsa Istanbul].

As these quotations suggest, the salespeople in both firms had an information focus that went beyond the news events (e.g., a quarterly result, press release) about the Turkish companies, sectors and macroeconomy that their analysts carefully followed for clients. This broader information focus was also evident in the market chatter data (see Table 6) and also in the salespeople's ability to source private information in the market from their contacts and clients. Together, they corroborated the conjecture that salespeople or a sales role would have a broader information focus than analysts or a financial analysis role. Yet, the salespeople's and analysts' attention was firmly on Borsa Istanbul and the local economy for the provision of the best research, marketing and sales services in the Turkish market. This was unlike their retail broker counterparts who looked to global markets and invoked 'the *globalised ISE* [Borsa Istanbul]' plot in almost half of their market chatter narratives to make sense of and advise on Borsa Istanbul (Tarim, 2016, p. 703).

Table 6 Information and geographical focus in market chatter

	Non-news event narratives	Narratives with local focus
Firm C Salespeople **Firm C Analysts**	79 % 46 %	92 % 68 %
Firm D Salespeople **Firm D Analysts**	85 % 56 %	78 % 94 %
Notes: Non-news event narratives focus exclusively on market events, such as index/price volatility, trading activity in a share, without any news component on a company, sector, or the economy. Narratives with a local focus refer to those that focus exclusively on Borsa Istanbul and/or Turkey related news and market events.		

The salespeople's constant attention on public and private information meant they were the ones who generally heard things before the analysts. A salesperson would then ask an analyst covering the company to comment on the information's significance from an intrinsic/ comparative value perspective before sharing it with clients. Before discussing these dynamics, the following question on salespeople remains to be answered: *What constitutes uncertainty for salespeople and how they cope with it?*

There was no randomness narrative told by the salespeople in both firms, with one exception. There were however the contra-plots, such as *contra-correlation*. For instance, the following contra-correlation narrative on the *globalised Borsa Istanbul* was uttered by a salesperson in Firm D (5 June 2009) when referring to the fall in the US futures index:

> Oh, they [investors in the USA] have nailed it on the US, and here [in Borsa Istanbul] mad people are buying Sabanci [conglomerate share – not in Firm D's analysts' top-picks because of its 'marketperform' rating]. They [investors in Borsa Istanbul] are mad!

As mentioned before, some jokes by salespeople intimated a perception of uncertainty on the organizing plots, including the analyst output. The example below also captures how the analyst output influences salespeople's marketing activity. On 20 May 2009, the salesperson

Yavuz pleaded with his head of sales to convince a client to buy Vakifbank – a bank share to which the Firm D banking analyst gave 'Underperform' rating (28 April 2009). Yavuz got inspired after conducting technical analysis on Vakifbank's price charts, and analysing Vakifbank's price-to-earnings ratio - a popular comparative value ratio that is seen by analysts as inferior to intrinsic valuation (Barker, 1999; Imam et al, 2008). Tarik solicited confirmation from the analyst in charge whether the ratio changed anything regarding the existing call – the answer was 'no'. Then the following happened:

> Yavuz: Sir, why don't you please pitch the Vakifbank to [a prominent fund manager]?
>
> Tarik: Okay, tell me how to pitch the idea, what should I say, maybe I call the guy [fund manager] and say, 'My analyst doesn't like the Turkish banks but the Vakif[bank] charts look good and it has a very low price-to-earnings ratio [implying potential for price increase]?!'
>
> Yavuz: [Laughs] Okay I got it, you can only pitch according to the rules [i.e., analyst output]

The contra-logic narratives and all other instances of uncertainty, including the jokes about the analyst output were nevertheless few in numbers in both firms (see, Table 5, Uncertainty column). Nevertheless, as can be discerned from Table 5, a greater proportion of the salespeople's market chatter (59 % in Firm C and 54 % in Firm D) did not invoke any of the organising plots and/or private information. Moreover, among all the market chatter narratives of the salespeople, 73 of them were proto-stories (57 %) in Firm C and 104 (43 %) were in Firm D. Did those narratives not invoking any one of the organising plots and those proto-stories imply uncertainty, and constitute new stories to make sense of it (Weick, 1995)? The narrative content analysis revealed that the salespeople's 21 proto-stories in Firm C and 38 proto-stories in Firm D actually invoked one of the organizing plots and/or private information. Those proto-stories and narratives not invoking any of the organising plots nor private information did not actually intimate any sense of uncertainty nor invent new ways of sensemaking. They were simply fickle utterances and conversations that happened when the salespeople collectively focussed their utmost attention on their market displays for the best execution service to clients.

In summary, the salespeople in Firm C and Firm D had infrequent perceptions of uncertainty on the knowledge types and/or private information that they had and shared. Moreover, these infrequently perceived uncertainties did not necessarily lead to any meaningful reconsideration of these organizing plots and inventing new ways of seeing or sensemaking (cf., Weick, 1995). This was despite the fact that half of the instances of uncertainty that the salespeople perceived concerned analysts' share price targets, which caused frustration and ironic jokes among salespeople. In the following, I discuss how salespeople coped with such frustration, especially in their marketing tasks.

4.3. 'I cannot tell my clients that my analyst is a ********' Analysts and salespeople dynamics

The above quote from the head of sales in Firm D (Informal discussion, 20 May, 2009) reflects two central dimensions of the analysts and salespeople relationship - namely, the salespeople's frustration with the analyst output that contradicts short-term market dynamics, and the salespeople's efforts to keep such frustrations to themselves. As shown in Table 5, the analyst output as an organizing plot dominated the equity salespeople's communication with clients, despite the infrequent yet frustrating uncertainties on analysts' valuations and thus share price targets. Moreover, in both firms this kind of salespeople deference to the analyst output happened in a context of analyst indifference to the salespeople's marketing. The analysts left the marketing task to the salespeople and talked to clients on demand for deeper valuation insights into companies. In return, they expected salespeople not to meddle in their valuations. When I was interviewing an analyst in Firm D, I witnessed another analyst spiritedly telling the following to an intern who asked about such interferences (Field notes, 2 June 2009):

> [Rather irritated with the thought of such meddling] Nobody can interfere in our job! Only the head of research checks it for editing. I have my assumptions about companies and the economy, and I write accordingly.

The division of labour and general analyst indifference seemed to give salespeople a meaningful room for improvisation or divergence from the analyst output in their marketing to clients. Nevertheless, this did not happen. Although the salespeople in both firms a dozen or so times informed their clients of public/private news and market events on the companies that their analysts did not cover or "like", this was because their clients had investments/interest in those companies. To put it another way, there was not a direct association between the salespeople's marketing as informed by the analyst output and the clients' trading activity. As put by one of the senior salespeople in Firm D (Interview, 22 May 2009):

> We don't know the origins of 7 out of 10 orders, you give your [investment] idea[…]but this does not mean that idea creation is always down to you. Clients have their own opinion too.

The last sentence above also intimates the core reason as to why the salespeople in institutional sales, unlike their counterparts in retail sales (Tarim, 2016), did not liberally use the *globalised Borsa Istanbul* and/or technical analysis in investment advice. As clients, and to form 'their own opinion[s]', fund managers demanded intrinsic and comparative valuations by analysts. The same salesperson was emphatic when I had the misfortune of describing analyst forecast as guesswork or a bet:

> Of course, it [share and macroeconomy calls] is a bet but it is based on models, calculations, and all the rest. In fact, you can't even call it a guess, it is always a forecast. It is imperative that we go along that line [of forecasts]. This is also because you are constantly being challenged by your counterpart [fund manager, buy side

analyst], you say ‘the income will go up by this much’ he says ‘why not 10 %’, you say ‘because of inflation, or USD/TL parity, it won’t grow this much’. It is a constant idea challenge and you need to be ready with the necessary information and knowledge. That is why I and [the head of sales] we never look at the charts, roll the dice and say ‘it will break 35’ to give a share call [investment advice]!

The analyst knowledge, irrespective of the noticeable uncertainty surrounding its manifestations (e.g. target price forecasts) therefore remained an essential legitimate resource for the salespeople’s organisational role. Nevertheless, as intimated before, this did not mean that such uncertainties never led to salespeople asking analysts to reconsider their output, especially in the face of a seemingly relevant news or market event. Such a reconsideration by an analyst would constitute a legitimate opportunity for a salesperson to contact clients and encourage them to trade, unlike 'rolling the dice'. The analysts rarely saw such events as material to their valuation processes and outputs.

For example, the head of sales, Tarik in Firm D, whom I quote in the title of this section came up with an impromptu value creation story for a newspaper. His attempt was based on his wishful thinking about the newspaper’s increased summer holiday circulation numbers and advertisement revenues. The share price of this newspaper actually rallied in a matter of weeks, which attracted the head of sale's attention (Field notes, 20 May 2009). The analyst in charge dismissed this impromptu story after reminding Tarik of the newspaper’s seasonally adjusted circulation numbers and per unit advertisement revenues. The analyst then attributed the newspaper’s recent price rally to rumoured political disagreements between its parent company and the government, an unaccountable factor he thus bracketed out in his formal valuation. The analyst rating on the newspaper remained 'Marketperform' and I had the opportunity to hear Tarik complain in colourful language:

When it [the share price] was cheap, [the analyst] sat down with me for half an hour and told me very professionally why I should not buy [the newspaper shares] … It is not desirable to go against your analyst’s view, you can't just say ‘my analyst is a

> ********’, then they [clients] will say that your organisation is cracking…Look at the size of these advertisements...[showing the newspaper to the researcher]

The fear of giving such an impression of organisational disarray and being challenged by fund manager clients on intrinsic/comparative valuation grounds encouraged the salespeople to prioritize analyst output in their investment advice. The fund manager audience not only underpinned the intrinsic/comparative valuation discipline among the analysts but also kept the salespeople on such an analyst-driven marketing footing. The head of sales in Firm C was also empathic in explaining the importance of analyst output in their marketing to clients (Interview 29 June 2008):

> You can [get lucky on unjustified advice] only once or twice in this business, that is all. After that, confidence and trust [of clients in salesperson] will vanish. Your analysts have to feed you [with analyst output]. You need to know intrinsic and comparative valuation. You can’t just dabble in this business. Even if you have very good personal relationship with clients, this does not mean you can give unjustified advice [investment advice without any analyst input].

Salespeople’s jokes and their discontent with the analyst output therefore remained within organisational boundaries and were not shared with clients:

> According to my analyst, I should have bought nothing in this market [Borsa Istanbul] since it was 27k [27,000 in March 2009]. Instead, I should have put my money in a safe, lock it up and wait! (Senior salesperson in Firm D; Field notes 27 May 2009).

5. Discussion

In line with sensemaking perspectives that consider organisational roles and identities, the analysts and salespeople in both firms perceived uncertainty in relation to their role-specific and shared knowledge types or organizing plots in their task environment. Clearly, my analyst and salespeople interlocutors had gained meaningful network insights on the Istanbul market. Nevertheless, they could not use these insights as doing so would clash with one of their essential roles in the sell-side and buy-side networks - namely, generating and marketing intrinsic/comparative valuations. This main finding demonstrates one major limitation for the prescriptive network insights perspective in organisational sensemaking, especially as an organisational solution to uncertainty (Mouzas et al, 2008; Mouzas and Henneberg, 2015). A more effective recommendation, if one really has to give one to practitioners, might be exploring and enhancing the enactivity or performativity of one's own knowledge in the totality of a task environment by means of collective institutional work (Tan, 2014).

Another implication of this main finding relates to the research on analysts. There is general consensus in the literature that the sell-side professions' primary aim of generating brokerage and advisory fees leads to various biases such as optimism and herding. Accordingly, Barker (1998) characterizes analysts as volatility seekers, as opposed to fund managers and company directors as volatility avoiders. A more recent variant of this argument in the research is that sell-side analysts in their valuation work piggyback on market dynamics at the expense of their information role, because such piggybacking suits their marketing role better (Altinkilic and Hansen, 2009). If the analysts in this study had been volatility seekers and used market volatility for marketing, they would have thrived in the Istanbul market. Instead, the analysts' main concern was coping with the volatility in Borsa Istanbul, not seeking it to generate more marketing opportunities for salespeople and hence more fees for brokerage firms. The salespeople in this study, despite the frustration it caused, also remained loyal to the analyst output in their marketing. This happened without any meaningful analyst supervision over the salespeople. With these findings, this paper corroborates the primacy of intrinsic/ comparative valuation techniques among analysts and fund managers, as shown by the research on analysts, and makes a unique contribution to the research by observing this primacy in the equity salesperson and his/her marketing work - an important actor that has so far been neglected by this literature.

The corroboration of the primacy of intrinsic and comparative valuation discipline within and between sell-side and buy-side professionals in a relatively unexplored context in the research also raises further questions about cognitive organisational sensemaking perspectives . As they suggest, inability to *interpret* cues according to one’s stock of knowledge in the sensemaking cycle lead to the *invention* of new ways of seeing and the modification of extant knowledge (Maitlis and Christianson, 2014). The research (e.g., Tan, 2014; Abhayawansa et al, 2015) has shown how sell-side analysts and fund managers in developed market contexts have invented new ways of seeing, that is they have expanded the intrinsic valuation’s scope and enactive effects by incorporating the so-called intangibles, such as human capital and corporate governance. However, fund managers, and sell-side professionals who serve them in emerging market contexts in their sensemaking seem not to incorporate seemingly enactive knowledge and practices that come from other identities and relationships in one such context.

A narrow cognitive approach to organisational sensemaking from the cues-interpretation-invention point overlooks the multiplicity of identities and relationships in intra- and inter-organisational settings such as markets, and their effects over actors' sensemaking. This is similar to how the research approaches the analyst work and forecast accuracies with an implicit assumption of market efficiency that is underpinned by intrinsic and comparative values as performed by 'rational' investors (Coleman, 2015). This ignores practices that might potentially affect analyst work and, more specifically, the performativity of analyst outputs in a market and its institutional conditions. The findings also relate to the issue of practice diffusion and why some practices fail to diffuse owing to professional identity-related understandings of legitimacy and functionality in institutions such as financial markets (Jonsson, 2009).

This finding has implications for accounting and finance research on analysts. As Imam et al (2008) put it, there is a necessity to further explore social and economic contexts and motivations by which analysts use accounting information and practise financial valuation and forecasts. Moreover, as Ramnath et al (2008, p. 57) observe, the 'information contexts' where analyst forecasts are marketed and consumed might matter for a better understanding of analysts' work, including their forecast inaccuracies . These calls are not surprising because the notion of "market" or task environment in the research on analysts is rather vague, and mainly concerns analysts and fund managers and intrinsic and comparative financial valuations. It is rather unrealistic to think that a stock market is formed only of such actors and valuation techniques. This is ever more so in recent years when hedge funds, automated trading, and retail investors are shown to have contributed to high trading turnover and volatility in developed and developing markets by making use of knowledge and techniques not related to the intrinsic and comparative valuation (Davis, 2005; Barber et al 2007; Foucault, Sraer and Thesmar, 2011). Borsa Istanbul is one example of such markets. More systematic insights into the task environment where analysts and fund managers operate, including their perceptions of this environment and how they make sense of and cope with it can provide better and more grounded explanations of analysts' and fund managers' judgements, decisions, biases and errors.

6. Conclusion

This study explored how sell-side analysts and equity salespeople perceive uncertainty in their task environment and reflect on and adjust their professional practice. By drawing on organisational sensemaking perspectives, I demonstrated how the analysts and salespeople in this study relied on role-specific and shared knowledge types to fulfil clearly delineated tasks of valuation, marketing and sales in Borsa Istanbul and global sell-side business. These knowledge types as well as my interlocutors' understanding of their own professional identities in these contexts also underpinned how they perceived and coped with uncertainty.

One of the main motivations for this paper came from how accounting and finance research pays scant attention to actual practices of marketing between sell-side and buy side businesses. The research generally uses a broad quantitative brush to understand sell-side analysts' work, stressing analysts' biases and errors, which it attributes to their career and marketing concerns. Qualitative research on the other hand focuses exclusively on the relationships among sell-side and buy-side analysts, and fund managers. This study found in an emerging market context that any marketing concern actually belonged to salespeople who managed a portfolio of global fund manager clients. This involved the tasks of order execution, marketing the analyst output, and constantly gathering and making sense of private and public information for clients. More research is necessary to systematically understand how financial valuation/forecasting and sales/marketing roles are fulfilled (i.e., by analysts only or by separate professional roles) and how these organisational arrangements and changing market regulations since 2008 influence the way financial valuations and forecasts are generated for, marketed to and consumed by fund managers in developed and emerging markets alike.

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