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Accounting narratives and impression management on social media: LinkedIn accounts of the JSE 40

companies.

by

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ABSTRACT

This study examined the use of LinkedIn as a social media platform for impression management. As LinkedIn is increasingly adopted as a formal communication channel by companies, it has also become a platform for disseminating accounting results. This raises concerns about whether LinkedIn is being used effectively as a communication tool or LinkedIn is being used as a part of broader impression management strategies.

The study focused on the top 40 companies listed on the JSE main board, representing 80% of the listed companies. These companies were categorised into profit-increasing and profit-decreasing groups. Content analysis was conducted to assess the presence of impression management, with a focus on tone, presentational patterns, volume of disclosure, and stakeholder engagement. The results of this study revealed that profit-decreasing companies tend to adopt a more positive tone than profit-increasing companies to maintain stakeholder confidence, the use of presentational patterns was found to be unrelated to a company's performance, as no significant differences were observed between profit-increasing and profit-decreasing companies in this regard. In addition, the volume of accounting disclosures was higher for companies performing well, possibly as a strategy to emphasise positive results. Lastly, stakeholder engagement was greater when companies presented strong performance, suggesting that good performance drives higher stakeholder engagement. Based on the study's findings, stakeholders are encouraged to be cautious about the accounting results shared on LinkedIn by JSE-listed companies, as these companies often adopt a positive tone to achieve specific positive effects. Stakeholders should always corroborate LinkedIn posts with audited financial statements before making decisions about the company.

Keywords: Impression management; JSE-listed companies; LinkedIn; Accounting disclosures; self-presentation.

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LIST OF ACRONYMS

CEO:	Chief executive officer
ESG:	Environmental, Social, and Governance
GARP:	Green Accounting and Reporting Practices
JSE:	Johannesburg Stock Exchange
SIM:	Speaker's Inferred Motive
IFRS:	Internation financial reporting standards

CHAPTER 1: INTRODUCTION

1.1 Introduction

The increase in accounting scandals around the globe has given the importance of accounting narrative and disclosures substantially greater impetus (Petra & Spieler, 2020). Accounting narratives and disclosures are critical in addressing the transparency principle. Corporate governance principles encourage companies to be transparent, and transparency can be achieved through narrative disclosures in corporate reports (Klinsukhon & Ussahawanitchakit, 2016). Companies are addressing transparency through enhanced accounting narrative disclosures in their corporate reports(Michelon et al., 2022). Some narrative disclosures are voluntary while others are compulsory. The voluntary disclosures have allowed the firms to present the disclosures in a way that benefits them personally, which leads to impression management.

This study examines the use of impression management by the top 40 JSE (Johannesburg Stock Exchange) listed companies on LinkedIn as a social media platform. The following sections cover the background, problem statement, research objectives, research hypothesis, and significance of the study. The chapter ends with a dissertation outline and a chapter summary.

1.2 Background to the Study

There is an ongoing concern about impression management in corporate reporting, which involves selective, manipulative, and opportunistic behaviours to alter user perceptions (Yasseen et al., 2017). Corporate reports refer to a wide range of information, including news releases, websites, social media posts, and traditional reporting materials like annual reports (Brennan & Merkl-Davies, 2013). Currently, social media has emerged as a dominant platform, catering not just to personal communication needs but also serving significant business purposes (Varachia & Nkhi, 2021).

Disclosure of accounting results and disseminating accounting results on social media are voluntary(Ramananda & Atahau, 2020). Voluntary accounting narratives are characterised by the selective inclusion or exclusion of information, as management exercises discretion on what and how to disclose some accounting information, indicating a form of concealment (Pajuste et al., 2020). Companies are driven to manage their reputation and corporate image using

impression management to give a skewed performance assessment (Caglio et al., 2020). Impression management encompasses a set of strategic techniques and behaviours employed to deliberately shape and influence the perceptions, opinions, and attitudes of stakeholders. This process often involves carefully curating and presenting oneself in a manner that aligns with specific goals or objectives (Cooper & Slack, 2015). Through various means such as communication, branding, and image cultivation, impression management seeks to create favourable impressions, enhance credibility, mitigate negative perceptions, and ultimately foster trust and positive relationships with key stakeholders (Mankayi et al., 2023).

Moreover, impression management can be perceived as a tendency to selectively highlight positive outcomes while downplaying or omitting negative aspects (Brennan & Merkl-Davies, 2013) and how companies aim to distract readers by placing positive content in a more noticeable place (Venezia & Feliana, 2021). In the same line of thought, Cooper and Slack (2015) and Venezia and Feliana (2021) characterise impression management as a process where management conveys their interests through narrative, quantitative, and visual disclosures in corporate reports, aiming to shape the corporate image and report management performance.

Companies use social media to portray their desired corporate image through the content posted on their social media accounts (Yang & Liu, 2017). Hence, this study explores how the top 40 companies listed on the JSE utilise impression management on LinkedIn. It replicates research by Venezia and Feliana (2021), who examined how companies on the Indonesian stock exchange presented their financial performance on Instagram to shape investor perceptions.

This study investigates impression management in disseminating accounting information by the top 40 companies listed on the Johannesburg Stock Exchange (JSE) via social media, particularly LinkedIn. The JSE serves as the primary platform for listing securities in South Africa and features a wide range of companies across various industries, reflecting the diversity of the country's economy. Notably, around 80% of the market capitalisation comes from these top 40 companies, commonly known as the "Top 40" or "JSE Top 40," which is why they were chosen for this study (Strydom, 2021).

Impression management presence can be examined in various forms of corporate reports, but for this study, impression management is explored through social media, specifically LinkedIn. Social media is one of the major communication channels in South Africa, as companies are embracing the use of digital platforms and investing in social media through employing individuals with expertise in public relations to ensure that their social pages are up to date(Quesenberry, 2020). Social media is used for different purposes including marketing, branding, and other purposes (Alalwan et al., 2017) and information that is published on social media may include financial performance disclosures (Venezia & Feliana, 2021).

Social media content is a powerful tool used to influence the decision-making of consumers (Venezia & Feliana, 2021), and investment in social media results in increase in shareholder return (Nguyen et al., 2020). Van Dijck (2013) recognises social media as a widely used platform for self-expression, communication, and self-promotion.

Furthermore, social media accounting disclosure is not only considered a form of marketing but is also used as a tool to achieve transparency (Venezia & Feliana, 2021). However, Brennan and Merkl-Davies (2013) have a different view, indicating that social media pages are not used for transparency purposes but are powerful impression-management devices. As a result, this study examines accounting disclosures and the use of impression management on social media.

There are various social media platforms that companies use for the dissemination of information, and these, to name a few, include Facebook, X (formerly known as Twitter), Instagram, and LinkedIn(Hansjee, 2021). LinkedIn was selected for this study as it is the largest social media platform in South Africa to link professionals with potential employers, companies, and stakeholders. Corporates, including companies listed on the JSE, also have LinkedIn accounts that they use for recruitment purposes and for sharing their social corporate initiatives and financial results(Ruparel et al., 2020).

LinkedIn is huge and had 600 million users in 200 countries in 2016 (this data is based on a study published in 2016), making it one of the most influential social media platforms for the dissemination of information. Based on the 2024 Google search, LinkedIn has more than 1 billion members all over the world (LinkedIn, 2024). In some companies, LinkedIn is a mandatory communication tool (Van Dijck, 2013). Van Dijck (2013) strongly believes that

companies are using LinkedIn to get leverage out of these tools for their purposes, resulting in impression management.

1.3 Problem Statement

In South Africa, there is no regulation that establishes the standards for writing narrative disclosures (Mankayi et al., 2023). Voluntary disclosures allow the management of the companies to disseminate information in a manner that favours the company (Brennan & Merkl-Davies 2013). Management in these companies use social platforms to engage in impression management (Varachia & Nkhi, 2021). Companies tend to limit the dissemination of negative information on social media; instead, they share only achievements and positive stories. Therefore, the credibility of financial results shared on social media raises concerns (Yang & Liu, 2017).

Phesa et al. (2021) also note that voluntary disclosure results in ambiguity, as the accuracy of narrative disclosure might be compromised and could be misleading. This raises questions about whether the information disseminated on social media platforms is consistent with the financial results as per the audited financial statements, whether the tone used to narrate the accounting results on social media remains consistent despite the performance of the company, whether the presentational patterns employed are influenced by the performance of the company and whether corporations disclose accounting results regardless of the outcome, whether the volume of the narrative disclosure is influenced by the company's performance, use ambiguity when narrating the accounting results on social media platforms. Consequently, the completeness, accuracy, and validity of accounting narratives on social media are questionable. Thus, companies may use voluntary disclosure to manage public impressions (Ravaonorohanta & Sayumwe, 2020).

Two studies were conducted on impression management through the dissemination of accounting information on two social media platforms, namely Twitter and Instagram, by Yang and Liu (2017) and Venezia and Feliana (2021) respectively. However, neither of these studies focused on the context of South African listed companies and LinkedIn as a social media platform. Therefore, the current study is unique, adding value to the impression management literature.

1.4 Objectives of the Study

1.4.1 Main objective

To conduct the study, the primary objective and secondary objectives are designed. The primary objective of this study was:

- To examine the extent to which companies utilise social media platforms, particularly LinkedIn, as channels for publishing their financial results.

As outlined above, the study aimed to investigate whether these social media pages are utilised for impression management purposes, focusing on the strategies employed by companies when disseminating financial information on LinkedIn specifically. Through this analysis, the study sought to understand how companies leverage social media to shape stakeholders' perceptions of their financial performance and overall corporate image.

The secondary objectives are outlined below:

1.4.2 Secondary objectives

To fulfill the primary objective, the following secondary objectives were designed based on the top 40 companies listed on the JSE:

- Evaluate the use of positive tone through sentiment analysis of accounting narratives made on LinkedIn by profit-increasing companies and profit-decreasing companies;
- Assess whether there is a significant difference in the volume of disclosure between profit-increasing and profit-decreasing companies;
- Assess self-presentational patterns by profit-increasing and profit-decreasing companies on LinkedIn to ascertain whether profit-increasing companies emphasise good results rather than profit-decreasing companies, and
- Establish stakeholder engagement (likes, re-posts, and shares of content posted on LinkedIn) for profit-increasing and profit-decreasing companies on LinkedIn to determine whether stakeholder engagement is influenced by company performance.

1.5 Statement of the Hypotheses

The study took an explanatory approach; hence, it formulated hypotheses rather than research questions. The study by Venezia and Feliana (2021), which investigated accounting narratives disclosures and social media platforms for impression management, was replicated in this study. The replicated study was performed in the Indonesian context and expected that results performed in the South African context might differ as South Africa is not advanced in the adoption of digital tools compared to Indonesia(Moorena et al., 2020). This research explores defensive and assertive strategies employed in managing impressions when sharing accounting narratives on social media. Dunne et al. (2021) also agree that the categorisation of assertive and defensive strategies is commonly used in impression management research.

1.5.1 Defensive Hypotheses

Management in companies use a defensive strategy to protect the reputation of the company in times of crises, and this strategy encompasses communication plans, and statements as a response to crises posted on social media. Corporations tend to share achievements to build the company's positive image and invest in public relations personnel to manage the public impression of the company (Le, 2023), thus resulting in the defensive hypotheses**.**

Since the study is a replication of an extant study, the research hypothesis used by Venezia & Feliana (2021) was used and applied to the top 40 JSE-listed companies. The hypotheses were developed to fulfill the research objective as follows:

Objective 1: Evaluate the use of a positive tone through sentiment analysis of accounting narratives made on LinkedIn by profit-increasing companies and profit-decreasing companies

a) Profit-decreasing companies are more likely to use a positive tone in disseminating accounting narratives on LinkedIn to boost stakeholder confidence.

Objective 2: Assess whether there is a significant difference in the volume of disclosure between profit-increasing and profit-decreasing companies.

b) Profit-decreasing companies are more likely to use fewer words when disseminating accounting narratives on social media than profit-increasing companies.

In conclusion, a defensive approach to impression management emphasises how companies strategically underreport, downplay, omit, minimise, or conceal information to uphold a positive image of their organisation, particularly in the face of unfavourable situations (Zhao, 2023).

1.5.2 Assertive hypotheses

An assertive approach to managing impressions involves how companies employ language and presentation styles to indicate strong performance (Ozsozgun Caliskan et al., 2021). This strategy is acclaiming in nature and companies share only successes with the public and ensure that the successes of the corporation are well known and celebrated. This strategy is designed to explain a desirable event in a way that maximises its desirable implications for the actor.

Some of the key features of this tactic are enhancement and entitlements. Entitlement is a tactic that maximises the actor's responsibility for the event and is used when that responsibility is either ambiguous or companies. whereas enhancement is when a person claims the achievement and overstates their contributions to the success (Le, 2023).

In conclusion, impression management through assertive hypothesis can be perceived as a tendency to selectively highlight positive outcomes while downplaying or omitting negative aspects (Brennan & Merkl-Davies, 2013 (Makhlouf, 2024). Therefore, the research hypotheses linked to the research objectives are as follows:

Objective 3: Assess self-presentational patterns by profit-increasing and profit-decreasing companies on LinkedIn to ascertain whether profit-increasing companies emphasise good results rather than profit-decreasing companies.

c) Profit-increasing companies are more likely to employ more presentational patterns when posting accounting results on social media than profit-decreasing companies.

Objective 4: Establish stakeholder engagement (likes, re-posts, and shares of content posted on LinkedIn) for profit-increasing and profit-decreasing companies on LinkedIn to determine whether stakeholder engagement is influenced by company performance.

d) Posts related to profit increase are more likely to increase the involvement of stakeholders than posts related to profit decrease.

1.6 Significance of the study

Numerous researchers have examined impression management in companies listed on the JSE. However, according to the researcher's knowledge, there is no study on how impression management through accounting narrative disclosures on social media platforms manifests in the South African context. Social media is one of the biggest and largest communication channels and it continues to grow. Companies and stakeholders connect on social media daily and companies are intentional with the information shared on those social media platforms; however, the consumers of information might not be mindful of the content that they are consuming on social media and interrogate the integrity of such information to make decisions about the company.

Therefore, it is crucial that the users of social media get to understand that the information disseminated on the social media it not only for information purposes to the users, but also as self-presentation tactics, for perception management and to deceive the users to some certain extent(Phesa & Sibanda, 2022). This important so that the users can be informed evidence of impression management and user will be encouraged not to make decision about the company based on the information posted on social media only, but that information should collaborated with audited financial results (Venezia & Feliana, 2021).

Stakeholders might rely on the information shared on social media and make decisions based on it without understanding that some information shared is intended to persuade stakeholders to believe in the company. Companies have the power to select the information to share on social media. Hence, stakeholders and consumers of content on social media must be cautioned that the information shared on social media is not always the true reflection of the current condition of the companies; in some instances, companies omit negative events on social media (Deegan, 2019).

Phesa et al. (2021) submit that there are limited studies on impression management through social media. Recent research has predominantly focused on exploring the informative function of voluntary disclosures made on social media platforms. Nevertheless, there is a gap in the existing literature as there has been no systematic analysis conducted on how companies portray themselves on social media platforms to captivate their audiences (Yang & Liu 2017).

As a result, this study sought to establish whether the information shared on social media can be relied on and is a true reflection of the results as per the annual financial statements. The study potentially enriches the current body of literature by offering empirical evidence concerning the utilisation of impression management strategies by companies listed in the JSE top 40.

1.7. The limitations of the study

This study focused only on the top 40 companies listed on the JSE. Therefore, companies not listed on the main boards of the JSE and not part of the top 40 were not included in this study. However, the results of the top 40 companies represent the entire population of the study, as the top 40 listed companies make up 80% of the market capitalisation of companies listed on the JSE (Strydom, 2021).

1.8 Organisation of the Study

This section shows how the study flows and outlines each section. This study is organised into five chapters as follows:

Chapter 1: Introduction and background

This section introduces the study, the background on impression management, the importance of social media, and why LinkedIn was selected as a social media platform for this study. The chapter also covers the objectives of the study, the research hypothesis, and the significance of the study.

Chapter 2: Literature Review

Chapter 2 is on the literature review, which is the view of the past research conducted on similar topics, the methodologies adopted by the researchers, as well as the findings of the previous studies. The literature review enables the author to identify whether the previous researchers

reached similar conclusions or whether their conclusions differ. A literature review also facilitates the identification of any gaps in the existing body of literature.

Chapter 3: The Study Methodology

This chapter outlines how the study was conducted, including the data collection process. It also provides information about the population, the sample selection method, and how the study's results are presented.

Chapter 4: Data presentation and analysis

The findings of the study are presented and discussed in this chapter, with each research hypothesis confirmed based on the results regarding impression management on LinkedIn. The chapter further discusses the findings and compares them with those of similar previous studies.

Chapter 5: Summary, conclusion, and recommendations

This chapter summarises the findings of the study and presents the conclusion. In addition, the author offers recommendations to the users of this research based on the key messages and themes identified throughout the study.

1.9 Chapter Summary

This chapter introduced the study and provided the background of the study. The problem statement that propelled the researcher to research impression management and accounting narratives on LinkedIn was discussed. The objectives of the study were also outlined. Furthermore, the research hypotheses were identified and categorised into defensive and assertive hypotheses. There were no research questions as the study took an explanatory approach. The author also explained the importance and significance of the study. The next chapter is on literature review.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The literature review plays a vital role in the research process as it examines and synthesises existing literature related to the chosen topic. Its purpose is to highlight findings from prior studies and identify gaps that require further exploration. By presenting an overview of the available research, the review offers valuable insights into significant literary works, theoretical frameworks, and methodologies that inform the investigation.

Literature review further shows how scholarly debates have evolved, allowing researchers to situate their work within a larger academic framework. The literature review considered a variety of studies, encompassing qualitative, quantitative, and mixed methods. A systematic approach was followed for this literature review. The theoretical perspectives relevant to the topic are also explored, and the theory is considered a comprehensive foundation for understanding the research landscape.

The chapter is organised in the following order: The theoretical perspective, theory disclosure, impression management, LinkedIn, accounting narratives, and JSE Top 40 listed companies. Gaps found in the literature are discussed. The data for the literature review was sourced from journals, books, and published theses, utilising the computer-generated database Google Scholar.

2.2 Theoretical Literature

2.2.1 Attribution

Attribution comes from a social psychology perspective (Brennan & Merkl-Davies, 2013) and it serves as confirmation that individuals always look out for their interests. It is human nature to want to be viewed positively to ensure that self-interests are served (Dhludhlu et al., 2022). People often attribute positive outcomes to their abilities, efforts, or traits (Aly et al., 2018), but they tend to attribute negative outcomes to external factors beyond their control (Brennan & Merkl-Davies, 2013). This theory clarifies how individuals attribute positive outcomes to their actions while distancing themselves from negative outcomes by attributing them to external circumstances (Yasseen et al., 2017). This self-interest behaviour filters to companies well, as companies want to be perceived to be in the right and attribute negative results to external factors.

Accounting research's theory of attribution seeks to determine whether the management of a company often attributes positive developments to internal initiatives while blaming the external factors on outside forces (Moehl & Friedman, 2022). Companies might disclose accounting information that serves their best interest and forsakes the interest of others on LinkedIn. Management may employ attributional bias as a mechanism to escape accountability for unfavourable results in annual reports and media platforms.

However, according to Phesa and Sibanda (2022), attribution bias was found to be unrelated to the performance of the company. In this study, the top 40 JSE-listed companies were the subject of investigation. The companies were classified as profitable and non-profitable in the period 2019 to 2020. The Mann-Whitney test was used for analysis, and the results showed that there was no statistically significant difference. As a result, there is necessarily no correlation between attribution bias adoption and business success. Therefore, any company might be prejudiced and separate itself from a declining performance by attributing favourable outcomes to internal sources.

Companies are very intentional in positioning themselves to the public as the information disseminated to the public impacts the value of the company (DeJeu, 2022). The value of the listed companies is affected by the perceptions of their stakeholders; as a result, the share price of the company might be significantly negatively impacted by the bad publicity. The share price determines the true value of the company; hence, management often employs attributional biases. Management frequently resorts to attributional bias to deflect accountability from unfavourable outcomes (Mgoyana & Phesa, 2023). Meanwhile, when achievements or successes are realised, there is a tendency to credit internal strategies, efforts, and competencies for driving those positive outcomes (Gonçalves et al., 2022). This bias is strategically employed to shape stakeholders' perceptions of financial performance, ultimately influencing stakeholders' assessment of the company's success and stability (DeJeu, 2022).

Alternatively, companies would focus on positive aspects in their reporting and completely omit the “not-so-good news” in their corporate report, which is also a form of attribution bias. (Ahmed & Salat, 2019) conducted a study on the biased reporting of the companies in the banking industry. The chairperson’s statements were selected for the thematic analysis and the results showed that banks' reporting focused on the positive aspects and attributed the positive

results to themselves, while their reports did not include much information on negative information. This shows that attribution-biased reporting can present itself through the minimisation of the disclosure of negative events in corporate reports.

Again, Maddock (2020) investigated whether the minimisation and omission of disclosure in the corporate report is used as information concealment. The study was conducted in top 100 listed companies, focusing on the companies' integrated reports. The study revealed that almost 50% of the companies participated in the minimal disclosures based on the disclosure score. However, it was not clear whether disclosure minimisation or omission can be linked to the performance of the company, indicating that minimal narrative disclosure does not reflect a firm's performance.

Dhludhlu et al. (2022) echoed previous research findings by demonstrating that impression management was widespread among the top 100 JSE-listed companies during the COVID-19 pandemic, regardless of their profitability. The study revealed that both profitable and less profitable companies utilised similar rhetorical strategies in their chairpersons' statements, including passive voice, future-oriented language, personal references, and quantitative details. Notably, there were no significant differences in readability, length, or the specific rhetorical techniques used between the two groups.

Another interesting study was conducted by Moreno and Jones (2022) to determine whether companies employ attribution bias even in times of global financial crisis. The study was conducted in Spain, and corporate reports were analysed for textual characteristics and attributions during times of business prosperity and times of global financial crisis. The study results showed that self-attribution was present when the businesses were prospering, as the managers attributed the booming phase to their efforts and strategies. However, during the time of the global financial crisis, management did not employ impression management tactics in their corporate reporting. This could be because the stakeholders and the public were aware of the financial global crisis, and as a result, management felt that there is no responsibility to account for the poor financial performance as global financial crises were publicly known, and all companies were experiencing bad financial results. Therefore, in some instances, management might not provide additional disclosures when external and uncontrollable conditions are publicly known.

In addition, (Phesa & Sibanda, 2022) conducted an in-depth investigation into impression management practices across 40 publicly listed companies, with a particular focus on the chairperson's statement found in integrated reports. The chairman's statements were selected for scrutiny since they are regarded the key focal point for financial analysts. The financial analyst tends to place greater emphasis the chairman's statement compared to other sections of integrated reporting. The study found that textual characteristics such as specific word choices, phrasing, and presentation style are the most commonly used techniques for impression management in chairman's statements. Phesa and Sibanda employed a systematic, transparent, and reproducible approach to review existing literature on self-serving bias within the chairperson's statement. Based on the findings of the study, the researchers cautioned both current and prospective investors to remain vigilant about the potential for impression management in the chairperson's statements. This recommendation is crucial as it helps investors make more informed decisions and avoid being misled by overly favourable or skewed portrayals. Moreover, they recommended that policymakers and standard setters consider implementing mandatory audits of the chairperson's statements.

Social media serves as a platform for companies to engage in self-praise and exhibit self-presentation behaviours. Social media pages lack guidance or regulation regarding the information to disseminate, leading to an absence of assurance regarding the accuracy and reliability of the information shared. Furthermore, Mgoyana and Phesa (2023) found that companies tend to prioritise the publication and promotion of positive news while downplaying the dissemination of negative information (Makhlouf, 2024). From the review of the literature on attribution theory above, it can be concluded that all the authors reviewed share similar sentiments about the principles and components of the attribution theory, though it is also important to do a review of attribution theory disclosures.

2.2.2 Attribution Theory Disclosure

Good governance practices necessitate that companies adopt higher standards of transparency, accountability, and ethical behaviour. As part of these practices, organisations are increasingly expected to meet both financial and non-financial disclosure requirements. This shift underlines the importance of openness in corporate operations and decision-making. As a result, corporate reporting of the company, specifically annual reports, should incorporate elements of accountability, transparency, and ethical leadership. In addition, the financial reporting framework and annual reporting standards encourage companies to provide more

disclosure to investors. This allows investors to evaluate the companies, understand the risks they face, assess the risk management strategies in place, and be able to make informed decisions (Venezia & Feliana, 2021).

Contrary to expectation, the Deegan (2019) study revealed that corporate reports often do not provide a full account of accountability, as they tend to showcase only positive results and outcomes, which may not accurately reflect the truth. Therefore, there is an expectation that top 40 JSE-listed companies will showcase only positive events on their social media pages. Companies listed on the JSE are publicly owned and often publicly funded, and these companies are more likely to be concerned about public impression. As a result, these companies may face a dilemma regarding the disclosure of negative economic events. Disclosing unfavourable information can attract undue scrutiny, leading to increased legal costs and potentially harming the company's reputation, which might have a direct impact on the capital injection to the company by the general public. As a result, there can be a strategic inclination to manage the perception of the company, often referred to as impression management (Schloetzer et al. 2021).

Impression management involves selective disclosure and presentation of information to enhance or protect the company's image. This practice becomes particularly relevant when dealing with negative economic events. For instance, if a company is involved in a situation where it is at fault, the negative publicity associated with disclosure could have adverse effects on its market position and stakeholder confidence (Martins et al., 2020).

Fialho et al. (2021) found that self-promotion is a prominent tactic for impression management, particularly within environmental disclosures, including ESG (Environmental, Social, and Governance) factors. Their study, which used a combination of mixed methods and content analysis of company reports, showed that companies often relied on justifications and persuasive language in their disclosures. This method enabled them to enhance their public image while sidestepping direct acknowledgment of their failings. The findings suggest that companies engaged in voluntary disclosure programs by employing strategies aimed at legitimising their actions and promoting their image. Instead of making a genuine effort to improve their environmental practices, management frequently used impression management techniques such as self-promotion (Fialho et al., 2021). These study findings support the view

that companies often prioritise improving their public image over addressing deeper, substantive issues.

A study conducted by Schloetzer et al. (2021) reveals the significant role of impression management in corporate disclosure practices. The study, which analysed 383 companies, found that firms are notably less likely to disclose information about negative events for which they are responsible. Specifically, companies were found to be approximately four times less likely to report details about a negative event if they were at fault, compared to events caused by external factors. This behaviour reflects a deliberate strategy to manage the company's public image and mitigate reputational damage (Kathrada et al., 2021). The research suggests that companies are more inclined to disclose information when they can attribute the events to factors outside their control. Conversely, when they are directly responsible, there is a tendency to withhold information to avoid potential backlash and adverse consequences. This selective disclosure exemplifies impression management, where the objective is to protect or enhance the company's reputation by controlling the narrative surrounding negative.

Thus, management often exhibits caution and selectivity in their disclosure practices. They are particularly mindful of how negative information could impact stakeholder perceptions and, consequently, their company's standing in the market. The next section covers the empirical studies.

2.3 Empirical Literature

2.3.1 Impression management

Numerous studies have been conducted on impression management across a range of companies and industries, offering diverse perspectives. Impression management involves a purposeful process in which managers select and present information in a way that influences readers' perceptions of corporate achievements (Caglio et al., 2020). The viewpoints on impression management encompass economic, psychological, sociological, and critical perspectives (Brennan & Merkl-Davies, 2013).

Merkl-Davies et al. (2011) explored the concepts of impression management and retrospective sense-making within corporate narratives, utilising a framework from social psychology. The content analysis approach, originally developed for psychological research to examine the psychological implications of language, was applied to analyse the chairmen's statements from

93 publicly listed companies in the UK. The findings indicated that these firms generally did not use chairmen's statements to create an impression that contradicts the overall message of their annual reports. Instead, the study found that when dealing with negative outcomes, companies often have their managers engage in retrospective sense making. This process involves reflecting on past events to make sense of them, rather than crafting a public image that misrepresents their actual performance, an approach referred to as self-presentational dissimulation. Moreover, the research highlighted that managers of larger companies often use chairmen's statements to present a truthful and favourable portrayal of their organisations. This portrayal aligns with the overall assessment provided in the annual reports, thus suggesting a strategy of impression management that focuses on enhancing the company's image rather than distorting it. Therefore, with social media, there is also an anticipation that management may engage in retrospective sense-making when the companies are not performing well, by reflecting on the previous successes.

The economic perspective on impression management suggests that when managerial earnings are linked to stock performance, there is a strong incentive for managers to engage in impression management practices (Cüre et al., 2020). According to Brennan and Merkl-Davies (2013), managers may feel compelled to justify negative earnings reports to mitigate any adverse effects on their compensation. This effort to manage perceptions is not solely about presenting favourable financial results; instead, it also involves influencing the views and decisions of internal stakeholders to achieve both financial gains and psychological benefits, such as enhancing the reputation of the organisation. Such motivations can lead to reporting biases, as managers may prioritise how their actions are perceived over the accuracy of the information presented.

The share value of a public company is heavily influenced by public perception; thus, if the public holds a negative view of the company, it can signal lack of willingness to invest capital (Hock & Raithel, 2020). This reluctance to invest directly impacts the company's share value, potentially diminishing its worth in the eyes of investors. Consequently, management may be driven by the need to maintain high share prices to secure their bonuses and other performance-related incentives. As a result, managers often organise information to create a more favourable perception of the message among readers (Boudt & Thewissen, 2019). By influencing stakeholders' perceptions of the company's performance, managers aim to maintain investor confidence and keep the company appealing to potential investors (Bhattacharya et al., 2009).

Furthermore, a critical perspective on impression management encompasses acquiring and sustaining power within the organisation (Brennan & Merkl-Davies, 2013). Impression management becomes a strategic tool for corporate leaders seeking to influence perceptions, both internally and externally. Within the sphere of political economy, where power dynamics shape decision-making processes, the use of language takes on significance. By carefully crafting messages and narratives, management can shape how their actions and decisions are perceived by various stakeholders. There is not much research made on impression management in accounting using a critical perspective; therefore, research on this perspective is required.

Impression management can be evident in various forms of corporate reports, including CEO (Chief executive officers) reports, chairman reports, and sustainability reports. A diverse range of impression management tactics can be employed across different types of corporate reporting. However, in the sustainability reports and CEO statements, these tactics tend to be more constrained and consistent, reflecting a clearer prioritisation compared to other corporate reports and annual reports (Ozsozgun Caliskan et al., 2021).

By adopting a favourable tone, management can take part in impression management (Phesa et al., 2021). The tone the management uses in corporate reports may be influenced by various factors such as financial performance and growth. Management may use tone strategically; for example, if performance bonuses are tied to share performance, management is likely to adopt a more positive tone to boost investor confidence and increase the company's share price. Markets respond more strongly to the information given in earnings press releases; managers utilise more optimistic language and less pessimistic language in these communication channels the use of positive tones in corporate reports has several advantages, including a boost to share prices in the near term and a positive effect on future earnings. Therefore, companies are more likely to employ a positive tone in their corporate reports (Luo & Zhou, 2020), and the same is expected in the social media pages of these companies.

Furthermore, Mlawu et al. (2023) examined whether the tone used by CEOs of 40 companies listed on the JSE was influenced by their financial performance for the 2021 fiscal year. By analysing the tone in the CEOs' annual statements through quantile regression analysis and a generalised linear regression model, while utilising Azure Machine Learning for tone

assessment, the researchers discovered that better financial performance correlates with a more positive tone in CEO statements, particularly in companies that are moderately to highly profitable. The findings suggest that stakeholders should carefully assess the tone of these statements to discern whether they genuinely reflect performance or attempt to conceal weaknesses.

On the other hand, Pasko et al. (2020), explored whether a company's financial performance influences its reporting method, given the incentives for underperforming enterprises to engage in impression management. The CEO reports of 30 performing and 30 non-performing companies were selected to test whether non-performing companies participated more in impression management. The study revealed that both performing and non-performing companies participated in impression management through readability, and the corporate report of the non-performing companies was found to be more future-oriented (Pasko et al., 2020).

In addition, Varachia and Nkhi (2021) investigated the impact of market capitalisation and performance on South African companies listed on the Johannesburg Stock Exchange's impression management techniques when disseminating earnings-related material on Twitter. The study, which included quantitative research and content analysis, found that, at the 10% significance level, market capitalisation has a greater impact on self-presentation and distribution tactics than performance. These businesses do not use Twitter too often overall. The findings showed that market capitalisation has an impact on the methods used for diffusion and self-presentation.

Both private and public institutions engage in impression management through the tone of their corporate reporting. Mgoyana and Phesa (2023) examined the use of a positive tone in reports from district municipalities in South Africa. Their analysis focused on the mayors' forewords included in the annual reports of selected municipalities, utilising Azure Machine Learning for the assessment. The study found that performing district municipalities tended to use a more positive tone compared to non-performing ones. However, the differences in tone between performing and non-performing municipalities were not substantial.

Mankayi et al. (2023), through an analysis of the readable remarks made by the chairman of the top 40 listed firms on the JSE, found that chairman's statements from the top 40 firms were hard to follow. The study sought to ascertain whether these businesses use impression management. However, in their study, the companies that performed and those that were not were not distinguished in the examination. Therefore, both public and private companies participate in impression management.

Another aspect of impression management is that it is also self-presentational and can be explored using textual narrative. Caglio et al. (2020) conducted a comprehensive investigation into the economic advantages associated with textual attributes in corporate reporting, specifically homing in on integrated reporting (IR) as a strategic tool for impression management. Integrated reports of the listed companies in South Africa were selected for the Caglio et al. study. The study revealed that a higher level of readability in integrated reports correlates with increased market valuations. This suggests that investors and other market participants are more likely to respond positively to reports that are easy to understand, reflecting their preference for transparency and clarity in corporate communications. On social media, the readability and clarity of posts are crucial; organisations that communicate their messages clearly and engagingly are more likely to attract and retain followers. As with integrated reports, concise content tends to perform better, allowing users to quickly grasp the key messages without wading through excessive information.

Gonçalves et al. (2022) also did a study on the readability of the annual reports as a technique employed for impression management. The annual reports were assessed based on the size of the file. The modified Jones model was used to evaluate the use of accounting methods to create financial statements that give an unduly optimistic picture of a company's operations and financial status, namely impression management. The sample for the study was 2953 listed companies from various industries. The results of the study revealed critical information such as that instances of information that might not be positive in the eyes of the stakeholders of the companies was hidden through the release of less easily understood annual reports, suggesting a complementary use of impression management and earnings management.

Management may participate in impression management through the financial results in a graphic format and might be biased in the information that they want to present this way to influence the perception of the users (Cüre et al., 2020). Graphs in corporate reports might be used for different purposes. According to Varachia and Yasseen (2020), graphs can be used in corporate reports to draw the attention of the users to particular information; consequently, management tends to present positive information in a graphic format so that users can focus on positive news and negative information in words.

Cüre et al. (2020) also found that graphs are used in corporate reports to communicate performance-related results, and that positive results are mostly presented in graphs. A total 49 companies listed in the Turkey index were selected for the study by Cüre et al. (2020), and 502 graphs across these reports were subjected to descriptive analysis, followed by statistical testing of the findings. The results revealed that companies employed various impression management tactics in their reports, including enhancing presentations and intentionally obscuring information using graphs. Even with social media, it is likely that management might post graphic information when the results are positive.

Furthermore, Kathrada et al. (2021) researched the disclosure practices of graphs in South African State-Owned Entities. Their findings indicated that these entities often exaggerate data trends in their graphs to project a favourable image. The study concluded that graphs are frequently utilised as a tactic for impression management, aiming to enhance an entity's reputation. In addition, it was found that presentational enhancements were widespread among companies listed on the JSE, with 82% of graphs omitting gridlines and 39% lacking a scaled financial variable axis. This made it challenging for users to obtain accurate information, further serving as a strategy for impression management.

In contrast to the previous studies on the use of graphs as an impression management strategy, (Varachia & Yasseen, 2020) conducted a study on the top 10 largest companies in Canada's oil and gas industry. The study revealed that using graphs does not always lead to the distortion of information; instead, graphs can enhance the quality of information presented. Their study aimed to determine whether graphs were employed to distort information. The findings confirmed that management selectively chooses information to present in graphical form, and the use of graphs improves the clarity and effectiveness of the information. Importantly, there

was no evidence found to suggest that the use of graphs distorts accounting information in a manner that biases the company's interest.

The second type of distortion in a graph occurs when the numerical values visually represented do not accurately correspond with the actual data. This manipulation is often employed to steer away from depicting negative performance metrics, thus influencing impression management. Such practices can include adjusting scales or selectively presenting data points to highlight more favourable outcomes, thus potentially misleading users of the financial results (Varachia & Yasseen, 2020).

The third type is a presentational enhancement, where the design of graph components and variables is manipulated to highlight favourable or improved performance. A study found that 98% of companies included graphics in their annual report disclosures. Shockingly, 68.2% of the 100 sampled companies listed on the JSE significantly distorted the graphs in their annual reports. This distortion often exaggerated financial performance, indicating the prevalence of impression management in graphical representations disclosed annually (Varachia & Yasseen, 2020).

Moreover, Jone et al. (2020) examined the use of graphs during the global financial crisis and the concept of impression management, focusing on banks listed on the European exchange. The objectives were twofold, namely to assess whether these companies used graphical presentations of information during the crisis and to determine if they engaged in impression management through retrospective sense-making. The annual reports of these banks were analysed before and after the global financial crisis. The findings revealed that the banks did not present information in graphical format during the crisis, and comparisons to previous financial results were omitted. Furthermore, there was not a single noteworthy instance of retroactive sense-making. The findings imply that impression management is a reflection of cognitive biases in people, where the company would rather hide bad information than present it in a positive light. Therefore, in times of crisis, companies that are listed on the JSE likewise might tend to refrain from utilising graphical presentations of their financial performance.

In times of crisis, management is expected to give hope and confidence to investors and other stakeholders regarding the company's ability to recover and overcome the challenges it is facing. This involves communicating that the unfavourable performance conditions are temporary and that the company has a clear path to stabilisation and future success. To achieve this, management often engages in impression management —a strategic approach to shaping perceptions and influencing how the company's situation is understood by external parties (Gurbanli, 2024), resulting in sense-making impression management. In sense-making impression management, management tends to present past events and decisions in a way that highlights their positive aspects or rationalises them as necessary steps towards eventual recovery. By framing the company's history and performance in a more favourable light, management aims to build trust and reassurance among stakeholders, demonstrating that the current difficulties are not indicative of the company's long-term trajectory but rather temporary setbacks that have been or will be effectively addressed.

Impression management can be explored through the inclusion of photographs in corporate reporting. Kanbaty et al. (2024) conducted a study on the use of photographs and impression management. The study revealed that the decision-making process behind the inclusion of specific photographs involves a series of thoughtful considerations. Management exercises discretion in choosing the thematic content of the images, ensuring they align with the narrative the company wishes to convey. For instance, photographs depicting environmentally friendly practices or community engagement initiatives can project an image of corporate responsibility and social consciousness. Similarly, images showcasing technological advancements or innovative processes can bolster perceptions of the company's commitment to excellence and forward-thinking. Moreover, the size and layout of photographs within corporate reports are carefully calibrated to achieve specific communication objectives. Large, prominently placed images draw immediate attention, effectively highlighting key messages or achievements (Kanbaty et al., 2024). In contrast, smaller or medium-sized images are strategically used to foster engagement with stakeholders, inviting them to delve deeper into the details presented.

In essence, photographs in corporate reporting serve not merely as visual embellishments but as powerful tools for impression management. They enable management to craft a compelling narrative that resonates with stakeholders, shaping perceptions and fostering trust in the company's brand and values. As such, the strategic use of photographs remains a critical aspect

of modern corporate communication strategies, reflecting management's proactive approach to engaging and influencing diverse stakeholder groups (Chong et al., 2023).

Companies may utilise impression management through their corporate governance and board composition. According to a study by (Al-Sayani & Al-Matari, 2023), the attributes of the board of directors are closely linked to impression management practices. The effectiveness of both the chairman and the board significantly influences these practices.

In a related context, García-Sánchez et al. (2019) examined how female leadership affects the accuracy and integrity of reporting, specifically focusing on the role of female directors in overseeing managerial decisions that impact the quality of Corporate Social Responsibility (CSR) disclosures. Their study aimed to assess how gender diversity on boards influences sustainability reporting quality across various criteria, including balance, conciseness, clarity, comparability, and reliability. Analysing a sample of 273 firms from 2006 to 2014 using various regression models, the findings indicated that women in senior and supervisory roles positively contribute to reporting. Boards with a higher percentage of female directors were found to engage less in impression management concerning sustainability disclosures. Female directors were associated with more balanced, comparable, and reliable information, although their narrative style sometimes resulted in less precise and clear reporting. Notably, these effects were more pronounced in firms operating in countries with a strong stakeholder focus.

Another study by Makhlouf (2024) explored how the characteristics of audit committees influence impression management in annual reports from a Jordanian perspective. It specifically examined the impact of four elements, namely the independence of the audit committee, financial expertise, the frequency of committee meetings, and female representation. The research involved content analysis of annual reports from 69 companies listed on the Amman Stock Exchange between 2015 and 2019. The findings indicated that company management easily utilises annual reports for impression management since these reports are voluntary and not subject to auditing. As a result, management often manipulates language to create misleading impressions, emphasising positive outcomes while downplaying negative ones, thus suggesting that the company is performing well even when it is not.

In addition, Min (2022) also conducted a study on impression management and gender. This study investigated the potential motivations behind appointing female directors, proposing that it might be driven by efforts to manage the organisation's image. The findings of Min's study suggest that companies may strategically appoint female directors to enhance their public image, particularly when seeking approval for changes in executive compensation. In this study the agendas of annual general meetings for 3,585 publicly traded Japanese firms from 2011 to 2020 were examined. The study found that companies were more inclined to propose female director appointments when also seeking approval for executive compensation changes. This pattern was more pronounced in firms with a greater number of outside directors, suggesting these companies might be more focused on managing their public image.

The study's results add to the discussion on corporate board gender diversity by indicating that managing organisational impressions could be a key strategic reason for appointing female directors (Makhlouf, 2024). This insight highlights how companies might use board diversity to influence stakeholder perceptions and secure favourable decisions, especially regarding executive pay (Min, 2022).

Interestingly, humour can be an effective tool for managing impressions, especially on social media platforms. When companies or individuals need to disclose negative information, they might opt to present it humorously, a strategy known as Humorous Disclosure (Bitterly & Schweitzer, 2019). This approach can significantly influence how the truthfulness of the information is perceived. On social media, where communication is both rapid and public, humorous disclosures are often viewed as less credible compared to straightforward presentations. The humour used can obscure the seriousness of the information, leading to a diminished perception of its accuracy (Bitterly & Schweitzer, 2019). This study employed the Speaker's Inferred Motive (SIM) Model to investigate how humour affects our perceptions of others and the credibility of their claims. The research found that humour can impact how we assess a person's warmth and competence by reducing the perceived truthfulness of their negative statements. For instance, on social media, where maintaining a positive image is crucial, the use of humour can make disclosures of negative information appear less severe and more palatable, but it also risks undermining the credibility of the information being shared. Although humour is a prevalent aspect of daily communication, its role in shaping our beliefs and impressions, particularly within the context of social media, warrants further exploration. Understanding how humour influences impression management online can provide valuable

insights into how individuals and organisations navigate public perception and credibility in the digital age.

Press releases are among the approved communication strategies (Yang & Liu, 2017). They are readily accessible to the public and serve as a significant tool for managers to convey the performance of a firm. However, social media is replacing press releases, with managers leveraging it to shape third-party perceptions. Nonetheless, there's a risk of manipulation in using social media to skew readers' perceptions of corporate achievements (Caglio et al., 2020). Management might recognise an opportunity to shape users' perceptions via social media platforms, leveraging users' trust in the content shared there. Yang and Liu (2017) delved into this topic, specifically focusing on how companies use Twitter as a means of accounting narrative. They gathered data from the Twitter platform and found that companies tended to downplay negative information while highlighting positive results and the release of financial accounting data. Interactions were more frequent when companies had positive outcomes compared to negative ones. Their study concluded that social media, especially Twitter, serves as a tool for companies to manage their image. The use of hashtags and other strategies represents contemporary forms of opportunistic behaviour.

The information presented on social media pages of companies may be presented more favourably to gain public buy-in and, consequently, this might result in the integrity of the information disseminated to the public being compromised (Roman et al., 2019). Companies have full control over the narrative disseminated to the public through involuntary disclosures such as social media, and the information disclosed on the social media pages might be presented in a manner that benefits the company, thus further confirming that impression management is self-serving and self-presentational.

Management may participate in impression management by carefully crafting social media posts when they are disseminating financial results on social media; thus, readability is one of the impression management tactics. Readability is defined as a quantitative indicator of how simple it is for readers to understand or comprehend written content (Abdul Raman et al., 2012). Both profitable and non-profitable companies may participate in impression management through readability tactics on their social media platforms.

2.3.2 LinkedIn

Companies strategically leverage social media to enhance their engagement with stakeholders. This intentional use of social platforms not only fosters better interaction but also positively impacts overall company performance. According to a study by Ravaonorohanta and Sayumwe (2020), the strategic deployment of social media by companies has been shown to improve performance metrics. Their research evaluated the effects of social media utilisation on corporate performance by examining indicators such as stock market performance and return on assets (ROA). The findings suggest that companies with an effective social media presence often experience favourable outcomes in their financial metrics.

Companies aim to enhance their reputation and build stakeholders' trust by disseminating success stories on social media. Companies listed on the Johannesburg Stock Exchange (JSE) are particularly adept at using social media for impression management (Nkhi et al., 2021). They utilise these platforms to project a positive image, communicate their strategic goals, and engage with a broad audience at a lower cost. Dissemination of information on social media is more cost-effective, yet very impact impactful than the traditional communication channels (Venezia & Feliana, 2021). Through well-crafted posts and strategic interactions, these companies can reinforce their brand identity, showcase their accomplishments, and maintain a favourable public perception.

In South Africa, social media platforms such as Facebook and Instagram are widely used. However, LinkedIn was chosen for this study owing to its unique positioning as a professional and business-oriented platform. With over 1 billion members globally (LinkedIn, 2024), LinkedIn serves as a key tool for individuals aiming to enhance their employment prospects and expand their professional and business networks (Utz, 2016).

LinkedIn’s structure supports substantial communication reach. A higher number of followers on a LinkedIn page typically means that content can reach a wider audience. Consequently, messages shared by companies on LinkedIn have the potential to engage a vast global audience, thus amplifying their impact (Ravaonorohanta & Sayumwe, 2020). This extensive reach highlights the strategic significance of LinkedIn for businesses, as it facilitates professional networking and supports the achievement of business objectives (Utz, 2016).

LinkedIn offers a "repost" feature that enables users to share content from their profiles, thus accelerating the spread of information across the platform. In addition to this, LinkedIn includes interactive elements such as "likes" and "comments", which foster user engagement and provide valuable feedback on the content shared. These features allow organisations to gauge the impact of their posts and understand their audience's reactions. For many companies, LinkedIn is more than just a social media platform; it is an essential communication tool (Paliszkiewicz & Mądra-Sawicka, 2016).

Specific teams or individuals within these organisations are tasked with managing their LinkedIn presence to ensure that information is strategically shared. This approach is part of a broader strategy of impression management, where the goal is to carefully craft and control the company's public image and reputation (Van Dijck, 2013). The strategic use of social media platforms such as LinkedIn, Twitter, and Facebook is integral to impression management. These platforms are designed to facilitate self-representation and public image cultivation. Companies leverage these channels to disseminate meticulously curated content that highlights their achievements, corporate social responsibility (CSR) initiatives, financial performance, and strategic vision (Yang & Liu, 2017).

Paliszkiewicz and Mądra-Sawicka (2016) investigated LinkedIn as a specialised social media platform designed to foster business connections, enhance professional networks, and facilitate job opportunities. Their study highlights that LinkedIn is primarily used for self-presentation, which plays a crucial role in achieving professional success and cultivating valuable business relationships. Although LinkedIn is widely used for recruitment purposes, it also poses ongoing ethical and legal challenges related to the management and protection of personal data throughout the hiring process. The research underlines that maintaining the integrity of the information shared on social media is a significant concern. This highlights the necessity for users to be vigilant about the accuracy and security of their online information.

Furthermore, the study emphasises the importance of being cautious about the information disseminated on social media, as it might lack integrity. This concern also extends to companies listed on the JSE, where the information presented on their LinkedIn pages may also be compromised regarding accuracy. Therefore, individuals and organisations must be diligent in ensuring that their online profiles are accurate, reliable, and secure to uphold credibility and trustworthiness.

2.3.3 Accounting Narratives

Accounting narratives are an essential component of decision-making. Narratives go beyond the raw numbers in financial statements but provide a richer, more nuanced understanding of a company's financial health, strategies, and prospects. They often include management's commentary on financial performance, explanations of significant events or transactions, and discussions of strategic goals and risks (Al-Sayani & Al-Matari, 2023).

Voluntary accounting narratives serve as a powerful tool for companies to influence how they are perceived by stakeholders. By carefully crafting these narratives, firms can strategically highlight their strengths, successes, and positive developments, while downplaying or reframing any potential weaknesses or negative aspects. This deliberate framing helps companies manage their public image and influence investor perceptions in their favour (Angotti et al., 2024).

Companies might use accounting narratives to emphasise their robust growth trajectory, innovative projects, or successful cost-management strategies. Conversely, accounting narratives might provide reassurances about any financial challenges or operational difficulties it faces, presenting them in a way that minimises their perceived impact. Through these narratives, companies aim to create a positive impression, boost investor confidence, and ultimately support their investment appeal (Kinnen, 2022).

Companies are required to prepare a set of financial statements, and this includes accounting policies, accounting narratives, as well as disclosures. The accounting framework provides guidelines for compulsory disclosures, while no guidance on voluntary disclosures exists (Afeltra et al., 2024). With the introduction of the Internation financial reporting standards (IFRS), there has been an increase in the complexity and intensity of the requirement of the disclosures.

Companies supply information through both mandatory and voluntary reporting. Mandatory reporting is typically delivered via regulated financial documents, such as financial statements, statements of financial performance, management reports and analysis, and other required regulatory reports. Voluntary reporting, though, encompasses additional disclosures made at the company's discretion, including management forecasts, presentations to analysts, press releases, information on company websites, and non-financial reports (Afeltra et al., 2024).

Management and assurance providers play a huge role and influence the nature and extent of accounting disclosures and narratives. Individual auditors have a considerable impact on how client firms report and disclose accounting narratives. The research conducted by Mauritz et al. (2023) reveals that when two client firms are audited by the same audit partner, the similarity in their narrative disclosures tends to increase. This finding underlines that the personal style and judgment of the auditor, including their approach to crafting and presenting narrative disclosures, play a significant role in shaping the financial reports (Mauritz et al., 2023).

However, there is no guidance on what and how the voluntary disclosures and narratives should be presented and disclosed in corporate reporting. Management applies its own discretion on this information, while other hand the auditor do not have assurance responsibilities toward the voluntary disclosure and narratives. This presents an opportunity to the management to decide on what to include and how to present it. This might result in the concealment of accounting narratives (Dandago & Modibbo, 2022).

Dandago and Modibbo (2022) conducted a systematic review of existing literature on the use of accounting narratives and impression management in corporate reporting. Their study uncovered that accounting narratives are strategically utilised for impression management purposes within corporate reporting. They identified concealment and attribution as the primary managerial motives driving impression management. The research revealed several strategies employed for impression management, including manipulating reading ease, rhetoric, themes, visuals, structure, performance comparisons, and the choice of earnings figures. The media through which these strategies are implemented include annual reports, letters to shareholders, operating and financial reviews, management discussions/analysis, press releases, websites/social media, and conference calls. Based on their findings, their study recommended that regulators and standard-setting bodies should develop a regulatory framework for narrative disclosure in corporate reporting. This framework should focus on regulating and selecting the language and tone used in presenting narratives to enhance transparency and accountability.

Companies are increasingly required to report on ESG factors. As the demand for ESG transparency grows, accounting practices are adapting to include Green Accounting. Green Accounting, also known as Green Accounting and Reporting Practices (GARPs), involves identifying, measuring, recognising, and presenting financial information related to

environmental and sustainability impacts to various stakeholders (Toke & Kalpande, 2024). Despite its growing significance, research on Green Accounting disclosures and impression management remains limited. Consequently, the literature lacks information about how Green Accounting narratives are developed and the role of impression management in these disclosures.

2.3.4 JSE Top 40 Listed Companies

The JSE was formed in 1887 with the main aim of acting as an intermediary for persons who need money as capital and those who want to invest their funds for capital appreciation or to earn investments. An essential function of stock exchanges is to facilitate the exchange of capital between companies in need of capital and investors who supply it (Strydom, 2021).

In South Africa as well as worldwide, the JSE plays a significant role in economic development. The companies listed on the JSE have a big impact on the economy and contribute significantly to the GDP (gross domestic product). Market organisation and regulation can be viewed as structurally embodied in the trade. The public ownership of companies listed on the JSE means that their pronouncements and actions, whether they pertain to divestiture or investment, are likely to influence public decision-making processes greatly. Consequently, the information shared by the businesses listed on the JSE must be investigated closely (Phakisi, 2022).

The JSE Top 40 index comprises the largest 40 companies listed on the Johannesburg Stock Exchange (JSE) and these companies constitute 80% of the market share (Phesa et al., 2021). These companies are considered the most influential and representative of the South African stock market based on the valuation of these companies (Mamaro & Tjano, 2019). They operate across various sectors, including finance, mining, retail, telecommunications, and healthcare, among others. Therefore, the findings of a study on the usage of impression management through social media, specifically LinkedIn, will reflect 80% of the market capitalisation in South Africa.

The JSE Top 40 holds significant influence over the performance and direction of the overall market. Consequently, they are the focus of attention for investors and professionals seeking investment opportunities or employment within these prestigious companies. Investors, employees, and potential employees often track the performance of the Top 40 index as an

indicator of the broader market sentiment and economic health of South Africa. Therefore, these companies are likely to have a larger following on LinkedIn, and information posted on social media platforms will reach a wider audience, making it more impactful.

The JSE Top 40 listed companies are not only leaders in their respective industries but are also active participants in impression management strategies. Phesa (2021) investigated impression management among the Top 40 companies on the JSE by analysing narrative disclosures in chairman's statements, which account for over 80% of the market share. Using content analysis, the study assessed factors such as statement length, passive voice, personal references, and sentiment tone. Phesa's findings indicated that unprofitable companies employed more personal references, while profitable companies conveyed more positive sentiments, reflecting different strategies in narrative construction. Their study enhances understanding of selective disclosure practices aimed at gaining legitimacy and it contributes to discussions on corporate reporting and legitimacy theory, highlighting the significance of corporate communication in shaping stakeholder perceptions.

Given the importance and significance of the top 40 listed companies, there is an opportunity and incentive for these companies to participate in impression management. Overall, impression management is an integral part of the strategic playbook for JSE's Top 40 listed companies. By carefully managing their public image and perceptions, they seek to maintain their competitive edge, attract investment, retain talent, and ultimately, drive long-term value for shareholders.

2.4 Summary

Having considered the literature review of previous studies on impression management, it is clear that a lot of work has been done on impression management in different industries and fields of study. Most research on impression management has been conducted in the private sector, with not much emphasis on the public sector, namely government-owned entities, consolidated government departments, and South African public universities.

Various perspectives on impression management, such as social and psychological aspects, have been explored by various researchers. From the literature review above, it is evident that some research has been conducted on JSE-listed companies, specifically the top 40, where

Chairman's statements were examined for impression management using four textual characteristics, namely the use of passive voice, length personal reference, and positive tone sentiment.

As is evident from the literature review above, impression management and accounting narratives on social media have been conducted in Indonesia and London. The social platforms used include Twitter and Instagram, and there is no research done on impression management and accounting narratives on LinkedIn. To the best of my knowledge, no study has been conducted on the exploration of impression management through social media, specifically LinkedIn, and in the South African context. Therefore, there is a gap in the literature.

As much as this study is similar to that done by Venezia and Feliana (2021), it is unique because:

a) The theoretical framework of attribution theory was used as the foundation of this study, and it was not used int the study conducted by Venezia and Feliana (2021);
b) This study's social media platform is LinkedIn, which differs from other social media platforms previously explored for impression management, namely Instagram and Twitter, and
c) The current study focused on impression management using social media in the South African context, and no study has been conducted on impression management and narrative disclosures specifically on Linked In South Africa.

Therefore, this study was necessary to address the identified gap in the literature on impression management.

The methodology adopted in conducting the study is discussed in the next chapter. The methodology covers methods, processes, and procedures for collecting and presenting research findings.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

The research methodology articulates how data are sourced, assessed, and processed to facilitate conclusions and findings (Saharan et al., 2020). The research methodology encompasses processes and methods that will be adopted in gathering the data. Research methodology further shows the reader how the data and the findings are presented (Creswell & Creswell, 2017). The purpose of research methodology is to outline research designs, model specifications, data types and sources, methods, estimation procedures, research population, research sample, data collection methods and instruments, data validity and reliability, data presentation, and analysis plans (Remler & Van Ryzin, 2021). Therefore, this chapter provides the details and justifies the methodology adopted in conducting the research.

3.2 Research Philosophy

Research philosophy encompasses the beliefs, assumptions, and principles guiding a researcher's research approach (Cuthbertson et al., 2020). According to Creswell and Creswell (2017), four worldviews shape researchers' beliefs in the literature, namely the Postpositivist, Constructivist, Transformative, and Pragmatism. For this study, the researcher assumed a postpositivist study as the study was founded in the theory, namely the attribution theory, and a quantitative method was adopted, with the findings drawn through content analysis of the data using statistical techniques.

Therefore, a postpositivist lens was deemed most suitable (Creswell & Creswell, 2017). descriptive statistical model to establish the relationship between content related to accounting earnings and the presence of impression management characteristics in LinkedIn posts by the top 40 companies listed on the JSE.

3.3 Research method

According to Creswell and Creswell (2017), there are three research methods, namely quantitative, qualitative, and mixed methods. In quantitative research design, data are gathered and analysed using statistical tools to derive conclusions. Conversely, qualitative research focuses on interpreting and understanding the meaning of the data rather than quantifying it (Bell & Waters, 2018). A quantitative approach was adopted for this study, as conclusions were

drawn from statistical analysis of data collected on LinkedIn postings of the top 40 JSE-listed companies.

3.4 Research design

Research design offers the fundamental framework for combining every component of a quantitative study to produce results that are reliable, impartial, and as broadly applicable as possible (Dannels, 2018). Content analysis was an appropriate research design for this study examining the official LinkedIn pages of the top 40 JSE-listed companies. Content analysis is a defined tool used to analyse communication text; it could be a social media text or newspaper text (Krippendorff, 2018). Content analysis is most applicable for this quantitative study. The content analysis research design is most applicable in business cases, and it can be applied when the information is drawn from both primary and secondary sources. Furthermore, this research technique is applied when a study is conducted on a sample basis (Bell et al., 2022).

The most important characteristic of this research technique is that it should result in reliable, verifiable, and replicable research results. At the end of the study, in which content analysis study techniques are employed, the researcher can draw meaning, themes, and insights into the study (Krippendorff, 2018). Therefore, this study used content analysis to analyse the accounting narratives disseminated on the LinkedIn pages of the top 40 listed companies on the JSE.

3. 4 Data collection defined

The data collection for assessing the top 40 JSE-listed companies for impression management through examining signed annual reports and LinkedIn pages for the identified research hypothesis has four variables. Three of these variables were adopted from the replicated study, Venezia and Feliana (2021), while the researcher crafted one variable based on the literature reviewed. The fourth variable is one of the key differences between the current study and the replicated study. The four variables for the current study were as follows:

- Measurement of the tone sentiments of accounting narrative disclosure posted on LinkedIn by profit-increasing and profit-decreasing companies;

- Counting the number of words used when posting the accounting result on LinkedIn by profit-increasing and profit-decreasing to determine the volume of disclosure;
- Quantifying self-presentational tools employed in the dissemination of accounting results, but limited to qualitative, quantitative (comparative percentages), and YouTube video/ results video conferences, and
- Quantification of likes, comments, and reposts on accounting narratives posted on LinkedIn.

Venenzia and Feliana (2021) classified the companies between decreasing performance and increasing financial performance. The increase or decrease was determined using the profit before tax in the Indonesia stock exchange. A similar model was adopted in this study and applied to JSE's top 40 listed companies, the main differentiating factor for this study being that companies are classified between profit-increasing and profit-decreasing entities.

The financial results disseminated by these companies in the 2023/24 financial years were subject to investigation for impression management. The 2023/24 financial years were selected for this study as most of the companies had just joined social media. As much as social media is powerful and popular in South Africa, most of the LinkedIn pages of the selected companies were still fairly new (Nkosana, 2022).

3. 5 Justification of variables

This study replicates the work of Venezia and Feliana (2021), which explored the use of Instagram for impression management by companies listed on the Indonesian Stock Exchange. However, this study differs in that it focuses on impression management on social media in the context of accounting results. Specifically, it examines the LinkedIn accounts of the top 40 listed companies to assess how these companies manage their public image when sharing financial information.

The following four variables were evaluated to assess the presence of impression management, with data collected for each variable as outlined below:

- **Measurement of the tone sentiments of accounting narrative disclosure posted on LinkedIn by profit-increasing and profit-decreasing companies**

  The profit before taxation was extracted from the audited financial statements and recorded in an excel spreadsheet. The change in profit between the two financial years was then determined by calculating the movement between the two financial years. Companies were classified as 'profit-increasing' if their profit increased, and as 'profit-decreasing' if their profit decreased. The relevant LinkedIn posts disseminating the accounting results were copied and stored in the same excel spreadsheet. Using the sentiment analysis for excel the accounting narratives were analysed for sentiment analysis. The result would either be a negative tone or positive tone and the measure of negativity or positivity is expressed in percentages. The tone is measured through Microsoft Sentiment analyses, and it is expressed in percentage, the lower percentage indicate negative tone while higher percentages indicate positive tone. The average tone will be determined for the profit-increasing and profit-decreasing companies and variance will be calculated to determined which category has more positive tone.

- **Counting the number of words used when posting the accounting result on LinkedIn by profit-increasing and profit-decreasing to determine the volume of disclosure**

  The number of words used in LinkedIn posts announcing accounting results was counted to determine the volume of disclosure for profit-increasing and profit-decreasing companies. The LinkedIn posts were copied and pasted into a Microsoft Word document, where the word count feature was used to tally the number of words in each post. The word count for each LinkedIn post was then recorded in the Excel spreadsheet. The post with most number of words indicates that the companies, had more information to narrate, this could be inform of justification of the result or expression of excitement. For both categories —profit-increasing and profit-decreasing

companies— the mean word count for each group was calculated to assess the significance of the volume of disclosure between the two groups.

- **Quantification of self-presentational tools employed in the dissemination of accounting results, but limited to qualitative (accounting narrations), quantitative (comparative percentages), and YouTube video/ results video conferences**

  For each accounting narrative posted on LinkedIn, the content was thoroughly analysed to identify self-presentation patterns, including qualitative information (e.g., accounting narrations that provide detailed descriptions of financial performance), quantitative data (e.g., comparative percentages, growth rates, or financial ratios), and multimedia elements such as links to YouTube videos or conference result videos. These elements were assessed to determine how companies use different types of content to manage their public image. The data for these self-presentation patterns were recorded in an Excel spreadsheet, and the mean values for each category were calculated to analyse the trends in content use across different companies.

- **Quantification of comments, likes, and reposts on accounting narrative posts**
  The number of likes, reposts, and comments on each accounting announcement post on LinkedIn was collected and recorded in the same Excel spreadsheet as the previous data. This information was categorised by company, allowing for a detailed comparison between profit-increasing and profit-decreasing companies. For each company class, the mean values for likes, reposts, and comments were calculated to assess engagement levels. In addition, the variance between these two groups was analysed to determine if there were significant differences in the engagement with the posts based on company performance. This analysis aimed to explore how the level of social media interaction correlates with financial outcomes.

3.6 Data Collection and Instruments

The official, publicly available LinkedIn pages of the top 40 JSE-listed companies were accessed to review their financial-related result posts. These posts were carefully examined to extract relevant information about their accounting narratives and disclosures. The audited financial statements were downloaded in PDF format from the official websites of these companies. Links to the LinkedIn pages of the top 40 JSE-listed companies were recorded in a dedicated spreadsheet for easy reference and tracking.

To ensure data security, the audited financial statements were stored on a password-protected computer and backed up on a password-protected external hard drive. These measures were implemented to safeguard the integrity of the data and maintain confidentiality. In addition, regular backups were scheduled to ensure the availability of the data in case of system failure or data loss.

3.7 Data Types and Sources

The data for the study were collected from information publicly available, namely secondary data. Secondary data are defined as the information readily available (Walliman, 2021). Furthermore, secondary data are also described as information collected by others, and are summary and the interpretation of past events by other organisations (Ajayi, 2017).

Consistent with the selected research design, namely content analysis, secondary data were the more appropriate data source. The data were collected from the official LinkedIn pages of the top 40 listed companies. The profit before tax was extracted from these companies' audited annual financial statements. The financial year end of the companies sampled for this study varies from company to company.

3.8 Research Population

Research population refers to the initial data from which the items to be tested are drawn. Ngubane (2018) further explains population as individuals or a specific group of interest to a researcher, which they aim to study to derive conclusions on a particular subject. The population for this study comprised companies listed on the JSE main board. However, companies without LinkedIn pages were excluded from the study population.

3.9 Research sample

The population for this study is large and it was inefficient to subject the entire population to examination. Therefore, sampling was essential. A sample is defined as a subset or the items that represent the population (Hossan et al., 2023). It is also thought of as a specific portion of the population selected for testing to examine the traits of the entire population (Radebe, 2021).

A non-probability sampling method was adopted for this study. A purposeful sampling design was thus adopted. Purposeful sampling is when the items in the population are targeted and subjected to testing owing to certain characteristics; purposeful sampling results in more precise results (Stratton, 2024).

The top 40 JSE-listed companies were purposefully selected for this study as they are considered to present 80% of the market capitalisation (Strydom, 2021). The top 40 JSE companies represent about 80% of the value of the companies listed on the JSE. Therefore, they were thought to truly represent the larger population of the companies trading on the JSE.

3.10 Stratification/ classification of the sample

The sample was stratified into two subcategories, namely profit-increasing and profit-decreasing companies. Companies were classified as profit-increasing if their profit before taxation showed positive growth, and as profit-decreasing if their profit declined over the study period. To ensure the accuracy and relevance of the sample, companies without LinkedIn accounts, those with LinkedIn accounts exclusively used for recruitment or ESG updates, and those with non-active accounts were excluded from the analysis. These exclusions were made to focus on companies actively using LinkedIn for disseminating financial results and engaging in impression management.

A detailed reconciliation of the top 40 listed companies and the companies actually examined is provided in Chapter 4 of this report. This section outlines the specific criteria used for exclusion and justifies the companies removed from the sample. The reconciliation also clarifies how the final sample was formed based on the selection criteria, ensuring transparency in the sampling process.

3.11 Data Validity and Reliability

The official LinkedIn accounts of the companies were accessed online, and the researcher followed these accounts to monitor relevant posts. Only the audited financial statements were used to analyse the companies' financial results. To ensure the validity and reliability of the research, the researcher strictly used only the audited financial statements and the signed, official, audited sets for this study. This approach was taken to maintain the integrity of the analysis and ensure that the results accurately reflect the companies' official financial positions.

3.12 Data presentation and analysis plan

The findings on the variables for impression management are presented in table format and the detailed interpretation of the results is provided. The outcomes of these research hypotheses are either accepted or rejected. The presentation and analysis approach was also adopted from the replicated study (Venezia & Feliana, 2021) and it is detailed below:

Measurement of the tone sentiments of accounting narrative disclosure posted on LinkedIn by profit-increasing and profit-decreasing companies

The results of the positive and negative tone posts are summarised in a table, showing the respective percentages allocated to profit-increasing and profit-decreasing companies. The mean value for each company category was calculated using an excel function, and the average percentage of tone per LinkedIn post per category was also determined. A detailed comparison between the two categories was then conducted to assess the potential impact of tone on profitability and corporate image. These mean values were analysed and compared to the findings of previous studies to identify patterns in how tone influences impression management strategies and financial outcomes.

Significance of difference in the volume of disclosure between profit-increasing companies and profit-decreasing companies on LinkedIn

The statistics of the word count of profit-increasing and profit-decreasing companies are presented in table format. The mean value of each class is given to confirm the hypothesis of the significance of the volume of the disclosure.

Use multiple self-presentation patterns by companies with increased performance limited to quantitative, qualitative, and YouTube/ conference videos

The statistics of each self-presentational pattern are presented in the table for both profit-increasing and profit-decreasing companies. The mean value for each class was determined to establish the significance of the adoption of the presentation patterns by profit-increasing and profit-decreasing companies and to test the hypothesis.

Quantification of comments, likes, and reposts on accounting narratives posts

The mean variance between the profit-increasing companies and profit-decreasing companies is presented in table form. The table clearly shows the mean value of each engagement characteristic such as the number of shares, reposts, and likes.

3.14 Ethical considerations

The researcher applied for ethical clearance, and it was granted on 25 July 2024with clearance number 00026680. The purpose of the ethical clearance was to ensure that the research was conducted ethically without the infringement of any right of the third party. The data were collected only after ethical clearance was granted.

3.14 Chapter Summary

In this chapter, the research philosophy, which is postpositivist, was outlined. The researcher deemed that the quantitative method was appropriate for this study as the research was conducted on secondary data. The secondary data were analysed using the content analysis research design. The model specification and research variables of the study were justified. The researcher also outlined how the data were collected and presented. The population where the samples were drawn, and the sampling method were also discussed. Having applied the content analysis design, which is a statistical approach to the quantitative method, the researcher was able to collect the data, and the next chapter focuses on presentation and analysis of the data.

CHAPTER 4: DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter presents the detailed findings of the study, which examines impression management on LinkedIn among top JSE-listed companies. Following the methodology outlined earlier, the study initially included 40 companies; however, adjustments were made due to the absence or limited use of LinkedIn by some firms. After excluding these cases, a final sample of 28 companies was analysed, focusing on how they disseminated their accounting results.

To facilitate comparison, the sample was divided into two groups: companies with increasing profits (13) and those with decreasing profits (15). Given the unequal group sizes, mean values were calculated to ensure a fair and consistent comparison between the two groups.

The study aimed to achieve the following objectives using this sample:

- Evaluate the use of a positive tone through sentiment analysis of accounting narratives made on LinkedIn by profit-increasing companies and profit-decreasing companies;
- Assess whether there is a significant difference in the volume of disclosure between profit-increasing and profit-decreasing companies;
- Assess self-presentational patterns by profit-increasing and profit-decreasing companies on LinkedIn to ascertain whether profit-increasing companies emphasise good results rather than profit-decreasing companies, and
- Establish stakeholder engagement (likes, re-posts, and shares of content posted on LinkedIn) for profit-increasing and profit-decreasing companies on LinkedIn to determine whether stakeholder engagement is influenced by company performance.

4.2 Results presentation and analysis

The results per hypothesis are analysed and discussed in the section below:

Hypothesis a: Profit-decreasing companies are more likely to use a positive tone in disseminating accounting narratives on LinkedIn to boost stakeholder confidence.

Table 4.1: Difference in the mean value of the positive sentiment post between profit-increasing companies and profit-decreasing companies

Class of company	Total number of posts	The mean value of positive sentiments/ tone
Profit-Increasing	13	95.60%
Profit-decreasing	15	97.00%
Variance	28	1.80%

Source: Researcher's compilation

Table 1 above shows the results in relation to hypothesis a. The analysis was conducted by examining the tone of LinkedIn posts used to disseminate accounting results for companies that are either profit-increasing or profit-decreasing. The study found that profit-decreasing companies tend to use a more positive tone than profit-increasing companies. The mean value of positive sentiment/tone in the posts is 97% for profit-decreasing companies, while for profit-increasing companies, the mean value is 95.6%.

For both profit-increasing and profit-decreasing companies, the mean positive tone is high, which aligns with the expectation that companies are more likely to adopt a positive tone on LinkedIn (Luo & Zhou, 2020) (Roman et al., 2019). Luo and Zhou (2020) and Roman et al. (2019) found that companies favorably present information when they get stakeholder buy-in.

However, the difference in the mean values between profit-increasing and profit-decreasing companies is 2, which is significant. Profit-decreasing companies seem to capitalise on using a positive tone to reassure stakeholders and prevent them from losing confidence in the company despite its financial difficulties. This approach also serves to remind stakeholders of past successes, even when the company face negative financial results. These findings are

consistent with Pasko (2020), who noted that companies make a concerted effort to maintain a positive relationship with stakeholders, regardless of their financial performance challenges.

The results of this study are consistent with the findings of Dhludhlu et al. (2022), who found that companies seek to be viewed positively. Similarly, Phesa (2021) established that management engages in impression management through the adoption of a positive tone. The management of profit-decreasing companies strategically selects a positive tone and focuses on highlighting the company's positive attributes when disseminating accounting results on LinkedIn, such as increased revenue, higher production units, and the adoption of new technologies. This strategy ensures that stakeholders focus more on the positive aspects of the company rather than the negative financial performance. Therefore, hypothesis a is accepted.

Interestingly, the findings of this study align with those of Mgoyana and Phesa (2023), who found that management frequently resorts to attributional bias and selectively adopts a positive tone in corporate reports. By carefully crafting these narratives, companies strategically highlight their strengths, successes, and positive developments, while downplaying or reframing any potential weaknesses or negative aspects. This strategy allows management to deflect accountability from unfavourable outcomes, which explains why companies adopt a more positive tone when the profits are decreasing.

Thus, the findings of this study confirm that profit decreasing companies use impression management techniques, including a positive tone, to mitigate the negative perceptions of stakeholders. By carefully selecting the tone of communication and focusing on positive attributes, these companies aim to maintain or rebuild stakeholder confidence, which is critical for long-term survival and recovery. This deliberate framing helps companies manage their public image and influence investor perceptions in their favour (Angotti et al., 2024). However, these findings differ from those of Mlawu et al. (2023), who discovered that better financial performance correlates with a more positive tone in CEO statements.

Hypothesis b: Profit-increasing companies are more likely to use more words when disseminating accounting narratives on social media than profit-decreasing companies.

Table 4.2: Difference in the mean value test between profit-increasing and profit-decreasing companies in terms of volume of disclosures

Class of the company	**Total number of posts**	**The mean value of the word count for the narrative information**	**Minimum number of words**	**Maximum number of words**
Profit Increasing	13	79.31	0	300
Profit decreasing	15	70.20	8	255
Variance	**28**	**9.11**	**-0**	**45**

Source: Researcher's compilation

Table 2 above shows the results in relation to hypothesis b. The examination was performed to determine and confirm the hypothesis that there is a significant difference in the volume of disclosure between profit-increasing companies and profit-decreasing companies when disseminating accounting results on LinkedIn. The attribution theory suggests that companies tend to focus more on the good news than the negative news, and disclosures on positive results tend to be greater in volume than negative results.

To test this hypothesis, a Microsoft Word Count function was used to count the number of words used to narrate the accounting results on LinkedIn. Results of the study show that profit-increasing companies used on average 79 words when narrating the accounting results on LinkedIn while profit-decreasing companies used 70.20 words on average. The mean variance between profit-increasing companies and profit-decreasing companies is 9 words and it is a significant variance. Therefore, research hypothesis b is accepted.

The results of this study are consistent with those of the replicated study (Venezia & Feliana, 2021), which revealed that companies with increasing performance results tend to maximise narrative disclosures, compared to companies with decreased performance results; thus, it is a defensive strategy. These companies choose to use fewer words to avoid public accountability and oversharing (DeJeu, 2022) and this is a form of information concealment (Maddock, 2020).

These findings are also aligned with those of (Ahmed & Salat, 2019), who found that companies tend to focus on positive aspects in their reporting, which is also a form of attribution bias. According to Ahmed and Salat (2019), management is prejudiced and uses highly calculated disclosure accounting in company reporting, particularly on discretionary platforms like social media. They have a tendency to use prejudice to affect stakeholders' evaluations of the company's stability and success (DeJeu, 2022).

Hypothesis c: Profit-increasing companies are more likely to employ more presentational patterns when posting accounting results on social media than profit-decreasing companies.

Table 4.3: Difference in the mean test for profit-increasing and profit-decreasing companies under the assertive strategy: self-presentational patterns

Class of the company	**Comparatives**	**Press release/ YouTube**	**Narrative information**	**Quantitative information**	**Total**
Profit-increasing	10	5	11	8	34
Profit-decreasing	10	6	15	11	42
Mean value of Profit-making	0.77	0.38	0.85	0.62	2.62
Mean value of profit decreasing companies	0.67	0.4	1	0.73	2.8
Variance	**0.1**	**-0.02**	**-0.15**	**0.12**	**-0.18**

Source: Researcher's compilation

Table 3 above shows the results for research hypothesis c. The self-presentational patterns assessed in the context of this hypothesis include comparative information, narrative information, quantitative information (such as percentages and ratios), and video (YouTube or conference videos). This study compared the employment of these four self-presentational patterns between the two classes of companies, namely profit-increasing companies and profit-decreasing companies. Each financial year-end results announcement posted on LinkedIn was dissected and analysed to determine whether it incorporated comparative information, narrative information, quantitative information, and videos explaining the accounting results.

To collect and analyse the data, the companies under investigation were recorded on a Microsoft Excel spreadsheet and were classified between profit-increasing and profit-decreasing companies. Each accounting results announcement post was analysed for the presence of these four presentational patterns. If the LinkedIn accounting results announcement contained each self-presentational pattern, the number "1" was recorded in the specific column of the self-presentational pattern. If the accounting results announcement on LinkedIn did not incorporate the self-presentation pattern, the number "0" was recorded in the excel spread sheet column for that specific presentational pattern. The sum of each presentational pattern column was cast, and the mean value was determined for each class of company.

The results of the study reveal that there was no noticeable difference between profit-decreasing companies and profit-decreasing companies in the employment of self-presentational patterns. Overall, the profit-decreasing companies employed self-presentations 0.18 times more than the profit-increasing companies, making the mean variance insignificant. Therefore, the results of the research hypothesis are not accepted.

The results of this study align with the results of the replicated study (Venezia & Feliana, 2021) that found that the presentational patterns were incorporated 2.59 times more by profit-making companies compared to loss-making companies in their study, which variance was insignificant. Therefore, it can be concluded that profit-increasing and profit-decreasing companies use various self-presentational patterns to make disclosures on social media, and they both thus participate in impression management using self-presentational patterns. In addition, the findings of the study agree with the findings by (Dhludhlu et al., 2022), who

confirmed that impression management is widespread among the companies listed on the JSE regardless of the profitability status as both profitable and non-profitable companies employ similar strategies in their corporate reporting.

Hypothesis d: Posts related to profit increase are more likely to increase the involvement of stakeholders than posts related to profit decrease.

Table 4.4: Mean-variance in the stakeholder engagement between profit-increasing and profit-decreasing companies

Class of the company	**Average number of Followers**	**Likes (Mean)**	**Re-post (Mean)**	**Comments (Mean)**
Profit-Increasing	556 569,08	834,77	62,54	20,85
Profit decreasing	489 250,40	269,53	17,87	6,47
Total	**1 045 819,48**	**1 104,30**	**80,41**	**27,31**
% As a proportion of the total profit increasing	47%	24%	22%	24%
% As a proportion of the total profit decreasing	53%	76%	78%	76%

Stakeholder engagement in this study was measured by the number of likes, reposts, and comments on accounting results announcements posted on LinkedIn. A higher number of likes, reposts, and comments indicated greater stakeholder engagement. Data collected on 30 November 2024 revealed that profit-increasing companies received 565,25 more likes overall when announcing their financial results compared to profit-decreasing companies.

Furthermore, accounting narrative posts by profit-increasing companies were also shared 44.67 times more frequently by followers and viewers, compared to profit profit-decreasing companies. In addition, profit-increasing companies' financial results announcements

generated 14 times more comments than profit-decreasing companies. As a result, hypothesis d is accepted.

These findings suggest that profit-increasing companies experience greater stakeholder engagement when disseminating accounting results on social media. Furthermore, the findings show that stakeholder engagement is not related to the number of followers a company has on its social media pages as the proportion of stakeholder engagement is higher on the profit increasing companies, compared to profit-decreasing companies. These results show that stakeholders deem it necessary to participate and engage with performing companies than with companies with decreasing performance. The engagement appears to be driven by a company's profitability.

Interestingly, the results of this study do not align with the findings of the replicated study by Venezia and Feliana (2021), who found no correlation between increased stakeholder engagement and higher performance, but that stakeholder interaction was determined by the number of followers. However, the results are aligned with the findings by Al-Sayani & Al-Matari (2023), who submit that the dissemination of accounting results on social media serves as an effective tool for impression management. The results of the current study confirm that social media is a powerful and rapid tool for disseminating messages, in this case the accounting narrative, as the followers share the accounting results with other potential stakeholders.

Accounting narratives are crucial for decision-making, as they provide a deeper understanding of a company's financial health, strategies, and prospects beyond the raw numbers in financial statements. Potential stakeholders might be persuaded to invest into the company based on the accounting results posted on LinkedIn, a social medial platform. Therefore, sharing accounting results and accounting narratives is an innovative way of creating impressions.

4.3 Chapter Summary

In this chapter research hypotheses were assessed, and companies were classified between profit-increasing and profit-decreasing companies. The study found that both groups employ positive tones, but profit-decreasing companies tend to use even more positive language to reassure stakeholders, despite their financial difficulties. Profit-increasing companies, though, use more words in their disclosures to highlight successes. Both sets of companies engage in

similar self-presentational strategies, using narratives and quantitative data to shape perceptions. In addition, profit-increasing companies experience higher levels of stakeholder engagement, as measured by likes, reposts, and comments, suggesting that financial success drives more interaction on social media. Overall, the findings indicate that both profit-increasing and profit-decreasing companies strategically use LinkedIn for impression management, with a focus on shaping stakeholder perceptions and enhancing corporate reputation.

CHAPTER 5: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter summarises the findings of the study conducted to determine the participation of the top 40 JSE-listed companies in impression management through accounting narratives on LinkedIn, the social media platform selected for this study. The participation of JSE's Top 40 listed companies in impression management was examined by evaluating the tone used in announcing their results on LinkedIn, assessing the volume of the accounting disclosure narratives, analysing the self-presentation patterns adopted by these companies in disseminating results on social media, and examining stakeholder engagement to determine whether it is driven by the company's profitability status.

The study draws new themes and contributions to the body of literature. The chapter provides recommendations based on the findings and it highlights the limitations of the study. It ends by discussing gaps and areas that require further examination. Below, the chapter gives a summary of the study findings.

5.2 Summary of the study

This study examined the top 40 companies listed on the JSE. In line with the objectives outlined in Chapter 1, research hypotheses were formulated, and model specifications were established to address these objectives. The key findings of the study are summarised as follows:

> **Research objective 1**: Evaluate the use of a positive tone through sentiment analysis of accounting narratives made on LinkedIn by profit-increasing companies and profit-decreasing companies
>
> The results of the study revealed that both profit-increasing and profit-decreasing companies used a positive tone when announcing their results on social media, with the positive tone of the accounting results on social media being consistently above 95%. This suggests that, in general, companies are more inclined to adopt a positive tone when reflecting on their performance, regardless of whether the performance is good

or poor. Companies appear eager to be seen and appreciated for their efforts, irrespective of the final outcome.

The study also shows that companies often choose to focus on other positive initiatives undertaken during the financial year, such as increases in productivity, hours, and safety, rather than providing a true reflection of their accounting results, which is a form of attribution biasness (Ahmed & Salat, 2019). These companies are shifting the attention of the users and aim to distract readers by placing positive content that is not relevant to accounting narratives and accounting financial reporting (Venezia & Feliana, 2021). This can be seen as an information dump, thus raising concerns about the integrity of accounting voluntary disclosures.

Furthermore, the results indicate that profit-decreasing companies adopt a more positive tone than profit-increasing companies. This suggests that companies experiencing poor financial results are particularly selective in their choice of words when announcing results, likely to protect the company's image and reputation. This innovative and selective reporting raises questions on whether the information reported on the social media platform is aligned and consistent with the audited financial statements. Therefore, the hypothesis that profit-decreasing companies are more likely to use a positive tone in disseminating accounting narratives on LinkedIn to boost stakeholder confidence is accepted.

Research objective 2: Assess whether there is a significant difference in the volume of disclosure between profit-increasing and profit-decreasing companies

The results of the study revealed that profit-increasing companies use more words when disseminating their accounting results on LinkedIn compared to profit-decreasing companies. This suggests that profit-increasing companies have more to say as a form of self-praise because companies are performing well, or it may indicate a sense of excitement when announcing their accounting results on LinkedIn. However, profit-decreasing companies kept their disclosures on LinkedIn to a minimum. Disclosure minimisation is a form of information concealment, which is a form of impression management (Maddock, 2020). Therefore, profit-decreasing companies participate in impression management on social media through disclosure minimisation. The research

results confirmed the hypothesis that profit-increasing companies are more likely to use more words when disseminating accounting narratives on social media than profit-decreasing companies; thus, the hypothesis is accepted.

Research objective 3: Assess self-presentational patterns by profit-increasing and profit-decreasing companies on LinkedIn to ascertain whether profit-increasing companies emphasise good results more than profit-decreasing companies.

The results of the study show that both profit-increasing and profit-decreasing companies employ self-presentational patterns when disseminating accounting results on social media. Statistical analysis shows an insignificant difference between profit-increasing companies and profit-decreasing companies in the adoption of self-presentational patterns. Therefore, self-presentation patterns are not dependent on the performance of the company. Both profit-increasing and profit-decreasing companies participate in impression management through the adoption of self-presentation patterns. Thus, the hypothesis that profit-increasing companies are more likely to employ self-presentation patterns when posting accounting results on social media than profit-decreasing companies is not confirmed. Therefore, the research hypothesis is rejected.

Research Objective 4: Establish stakeholder engagement (likes, re-posts, and shares of content posted on LinkedIn) for profit-increasing and profit-decreasing companies on LinkedIn to determine whether stakeholder engagement is influenced by company performance

The results of the study revealed that stakeholders are more engaged when companies have increased profits than when profits are decreasing. The results further reveal that the number of followers on a LinkedIn page does not correlate with the level of stakeholder engagement. The findings suggest that stakeholders consider the actual performance, as reflected in financial records, before engaging with companies disseminating the results, as stakeholder engagement is higher for profit-increasing companies. Therefore, profit-increasing companies participate in impression management by disseminating accounting results on LinkedIn, as stakeholders share

the content, thus increasing the number of stakeholders and the company's footprint on social media.

Stakeholder engagement enables broader dissemination of accounting information on social media platforms, and it enables companies to attract new stakeholders, who are future providers of financing to the company. This can result in increased investment in the company, especially if the company issues the shares to raise the capital, as more potential stakeholders become aware of the company, thus contributing to improved liquidity of the company.

Awareness about the company is also important, as it opens more financing opportunities, with more people likely to invest if they are aware, thus benefiting the company. Furthermore, the more stakeholders have a positive perception of the company, the higher its valuation of the company. Thus, profit-increasing companies benefit from using social media as part of corporate reporting. This shows that profit-making companies participate in and benefit more from impression management through social media, specifically the LinkedIn platform. Therefore, the research hypothesis that posts related to profit increases are more likely to increase stakeholder involvement than posts related to profit decreases is confirmed. Thus, the research hypothesis is accepted.

Based on the summary of the work done, it is evident that both profit-increasing and profit-decreasing companies participate in impression management through LinkedIn as a social media platform. However, profit-decreasing companies are more involved in impression management as they want to protect the image of the organisation and keep stakeholders' view of the company positive.

5.3 Recommendations

LinkedIn users should exercise caution when reviewing the accounting results shared by JSE-listed companies on LinkedIn. Users need to obtain and read audited financial statements to gain a clearer understanding of a company's financial performance during the specified period, as companies often adopt a positive tone in their communications. This tone can be misleading. Therefore, stakeholders should conduct a thorough analysis of a company's performance and financial position, considering various sources of information. Investment and non-investment

decisions should not be based solely on the information posted on these companies' LinkedIn pages.

Although it may not be practical for regulators such as JSE to monitor the social media pages of the JSE-listed companies, regulators should encourage those charged with governance of the JSE-listed companies to take responsibility and ensure that integrity is maintained when accounting results are shared on social media. In cases where the companies are found liable for misleading stakeholders through social media posts, the companies should be found liable and face fines and penalties.

5.4 Suggestions for Further Study

This study confirms that social media, particularly LinkedIn, is used for impression management when announcing accounting results. However, it is important to explore whether the information shared on social media pages when announcing the accounting results, such as financial ratios and other indicators, aligns with the accounting results presented in the audited financial statements. In addition, the impact of this information on stakeholder decisions, such as whether to buy or sell shares, warrants further investigation.

The study also highlights that the use of LinkedIn by companies for corporate communication is still in its early stages. It would be valuable to explore how the adoption of social media as a corporate reporting tool influences stakeholders' perceptions of the company. In particular, LinkedIn could serve as an effective tool for improving stakeholder perceptions.

Moreover, understanding how social media can enhance a company’s ability to raise capital is another important area of research. Specifically, examining how the effective use of social media might help a company raise share capital more quickly and minimise unsold shares, especially in share issuances, could provide valuable insights. Another critical area for future research is whether companies facing financial distress, possibly leading to liquidation, also adopt a positive tone in their social media communications. These gaps, identified in this study, warrant further examination to ensure that they are properly addressed.

5.5 Limitations of the study

This study focused exclusively on companies listed on the JSE main board, meaning that the results pertain specifically to the impression management behaviours of these companies. As a result, the findings cannot be generalised to other types of organisations, such as private companies. However, it cannot be ruled out that other organisations could be behaving in the same manner as those in the population sampled, as these operate in the same corporate environment.

Furthermore, some companies either lacked active LinkedIn accounts or did not use the platform at all to announce their accounting results. While these companies were excluded from the study, it would be valuable to revisit this research in the future, once all companies have embraced social media as a communication tool for announcing accounting results. Given that the study utilised content analysis, conducting similar research when all companies are actively sharing accounting result-related content would provide additional insights.

5.6 Concluding remarks

Four research hypotheses were examined to determine whether the dissemination of accounting results on LinkedIn serves not only as an effective communication channel but also for impression management purposes. Three of the four hypotheses were confirmed, while one was rejected. The findings confirm that companies deliberately choose a positive tone when announcing accounting results on social media; profit-decreasing companies tend to use fewer words compared to profit-decreasing companies to avoid accountability while profit-increasing increasing are sharing too much information based on the volume of disclosure. Furthermore, stakeholder engagement increases when companies perform well.

Profit-increasing companies have higher stakeholder engagement, and increased stakeholder engagement benefits the companies and can lead to a larger stakeholder footprint. Therefore, companies post and narrate accounting results on social media primarily for impression management purposes. However, it remains unclear whether the presentation patterns are selected for impression management purposes or the presentational patterns simply reflect the company's standard communication format, unaffected by its profitability status.

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APPENDIX A: ETHICAL CLEARANCE

UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

25 July 2024

Miss Phuthuma Mpompoza (210520353)
School Of Acc Economics&Fin
Westville

Dear Miss Phuthuma Mpompoza,

Original application number: 00026680
Project title: Accounting narratives and impression management on social media: LinkedIn accounts of the JSE 40 companies.

Exemption from Ethics Review

In response to your application received on 22 July 2024, your school has indicated that the protocol has been granted **EXEMPTION FROM ETHICS REVIEW.**

Any alteration/s to the exempted research protocol, e.g., Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through an amendment/modification prior to its implementation. The original exemption number must be cited.

For any changes that could result in potential risk, an ethics application including the proposed amendments must be submitted to the relevant UKZN Research Ethics Committee. The original exemption number must be cited.

In case you have further queries, please quote the above reference number.

PLEASE NOTE:
Research data should be securely stored in the discipline/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours sincerely,

[redacted]

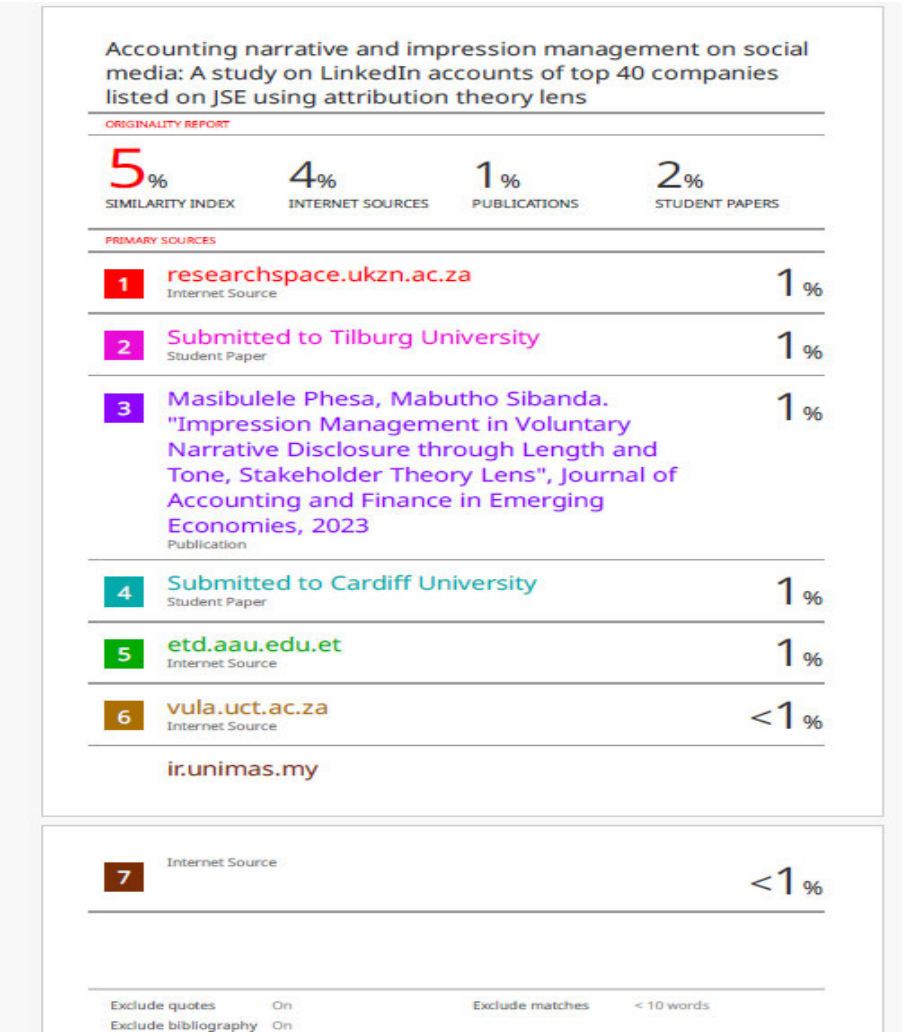
Prof Claire Lauren Vermaak
Academic Leader Research
School Of Acc Economics&Fin

UKZN Research Ethics Office
Westville Campus, Govan Mbeki Building
Postal Address: Private Bag X54001, Durban 4000
Website: http://research.ukzn.ac.za/Research-Ethics/

Founding Campuses: Edgewood Howard College Medical School Pietermaritzburg Westville

INSPIRING GREATNESS

APPENDIX B: TURNITIN REPORT



Accounting narrative and impression management on social media: A study on LinkedIn accounts of top 40 companies listed on JSE using attribution theory lens

ORIGINALITY REPORT

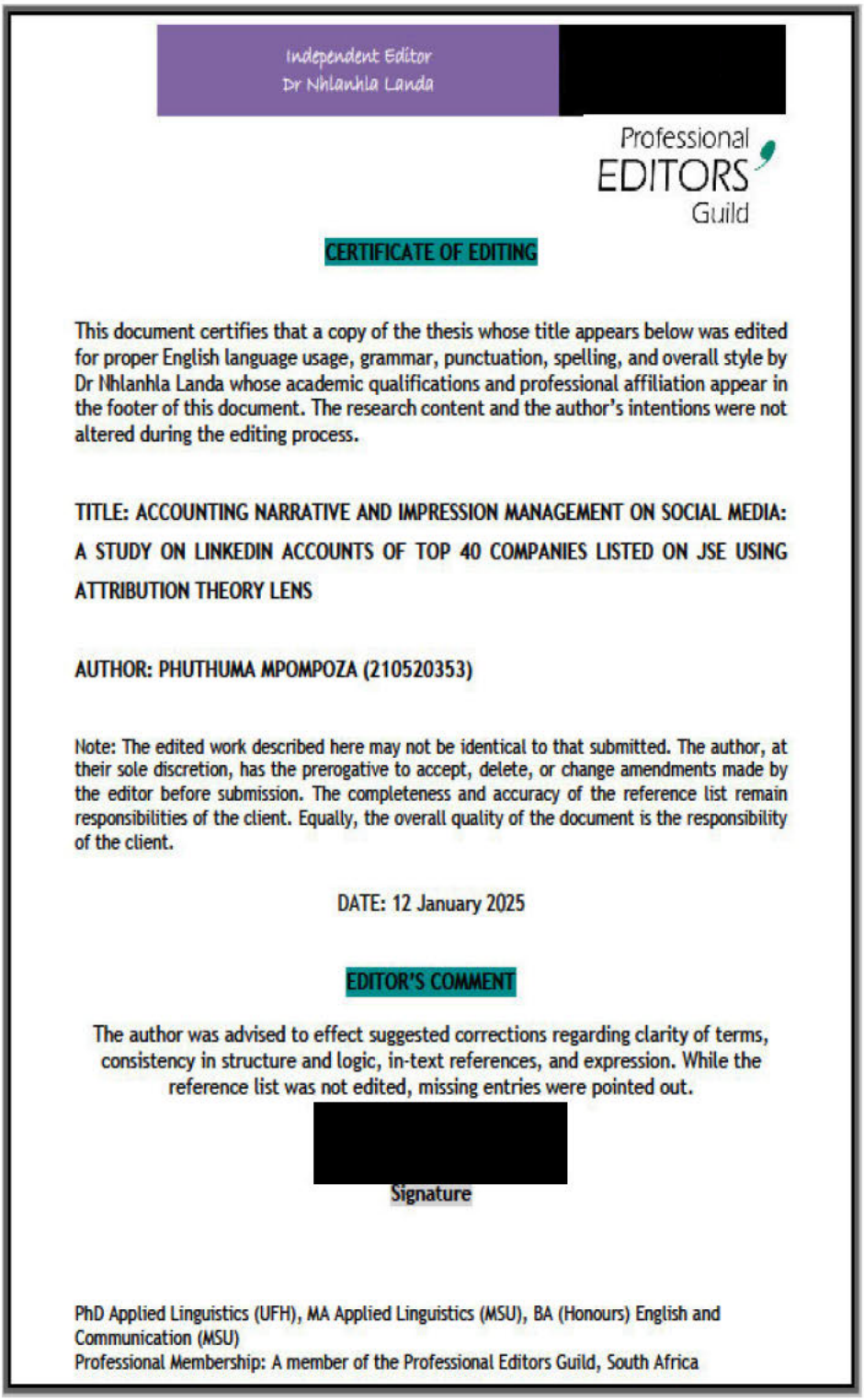
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3	Masibulele Phesa, Mabutho Sibanda. "Impression Management in Voluntary Narrative Disclosure through Length and Tone, Stakeholder Theory Lens", Journal of Accounting and Finance in Emerging Economies, 2023 Publication	1%
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APPENDIX C: EDITING CERTIFICATE



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Dr Nhlanhla Landa
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CERTIFICATE OF EDITING

This document certifies that a copy of the thesis whose title appears below was edited for proper English language usage, grammar, punctuation, spelling, and overall style by Dr Nhlanhla Landa whose academic qualifications and professional affiliation appear in the footer of this document. The research content and the author's intentions were not altered during the editing process.

TITLE: ACCOUNTING NARRATIVE AND IMPRESSION MANAGEMENT ON SOCIAL MEDIA: A STUDY ON LINKEDIN ACCOUNTS OF TOP 40 COMPANIES LISTED ON JSE USING ATTRIBUTION THEORY LENS

AUTHOR: PHUTHUMA MPOMPOZA (210520353)

Note: The edited work described here may not be identical to that submitted. The author, at their sole discretion, has the prerogative to accept, delete, or change amendments made by the editor before submission. The completeness and accuracy of the reference list remain responsibilities of the client. Equally, the overall quality of the document is the responsibility of the client.

DATE: 12 January 2025

EDITOR'S COMMENT

The author was advised to effect suggested corrections regarding clarity of terms, consistency in structure and logic, in-text references, and expression. While the reference list was not edited, missing entries were pointed out.

[redacted]

Signature

PhD Applied Linguistics (UFH), MA Applied Linguistics (MSU), BA (Honours) English and Communication (MSU)
Professional Membership: A member of the Professional Editors Guild, South Africa