



Forward-Looking Disclosure in Corporate Reporting: An Impression Management Tool? A Review of Empirical Studies

¹Abdulrazaq Taiye Jimoh, ²Elda du Toit & ³Leana Esterhuyse
[10.5281/zenodo.23440290](https://doi:10.5281/zenodo.23440290)

^{1&3}Department of Financial Intelligence, College of Accounting Sciences University of South Africa, Pretoria, South Africa

²Department of Financial Management, Faculty of Economic and Management Sciences, University of Pretoria

¹<https://orcid.org/0000-0001-9368-6686>

²<https://orcid.org/0000-0001-8386-7969>

³<https://orcid.org/0000-0003-0140-7980>

***Corresponding Author:** jimohat@unisa.ac.za

ABSTRACT

Background: Forward-looking disclosure (FLD) provides stakeholders with information about firms' future prospects, risks and performance. However, its discretionary nature creates opportunities for managers to shape stakeholder perceptions through selective reporting.

Objective: This study systematically reviews empirical evidence on FLD, focusing on its impression management function and the conditions under which future-oriented disclosures may serve strategic managerial interests.

Method: Following PRISMA 2020 guidelines, Scopus and Web of Science were searched for empirical, peer-reviewed studies published between 2009 and 2025. Following screening and eligibility assessment, 20 studies were included in the final synthesis.

Results: The findings indicate that optimistic disclosure tone, selective information presentation and strategic framing can facilitate impression management, particularly when firms experience deteriorating performance, or managers have incentives to portray corporate prospects favourably. However, the impression management function of FLD depends on firm performance, managerial incentives, disclosure characteristics, subsequent outcomes and institutional context.

Conclusion: This review synthesises fragmented empirical evidence and shifts the discussion from whether FLD constitutes impression management to the conditions under which it is more likely to occur.

Key Recommendation: Regulators, standard-setters and corporate governance practitioners should strengthen disclosure guidance and monitoring to promote balanced, credible and decision-useful reporting while discouraging selectively optimistic and potentially misleading disclosures.

Keywords: Corporate reporting, Disclosure quality, Forward-looking disclosure, Impression management



1. INTRODUCTION

The inability of traditional annual report to provide information regarding the prospects of corporate firms, due its retrospective nature has arisen the stakeholders' interest in future-oriented disclosures (Jensen & Berg, 2012). Forward-looking disclosures with respect to financial and non-financial future projections such as capital expenditures, earnings projections, cash flow forecast, as well as risks and uncertainties, are thus necessary to benefit all stakeholders (Bravo, 2016; Kılıç & Kuzey, 2018). Generally, forward looking information are future predictions about a company's business, financial and non-financial activities which provide shareholders and other stakeholders with valuable information about the company's prospects (Alkhatib, 2014). They represent the future-oriented approach for responding to corporate reporting challenges, by ensuring that companies disclose more about their outlook (Mio et al., 2020). Forward-looking disclosures addressed future goals, plans and objectives that enable users to predict the company's future activities (Ananzeh et al., 2022).

The forward-looking information is normally disclosed within the company chairman's report, in response to the company shareholders frequently asked questions regarding the future of the company. As a matter of fact, forward-looking information may be viewed as a measure financial reporting quality because the presence of such information in a financial report is perceived to have increased the quality of the financial report (Ajinkya et al., 2005; O'Sullivan et al., 2008). However, inclusion of forward-looking statements within the company's annual report is ultimately at the discretion of the management (O'Sullivan et al., 2008). While it is impracticable to predict or provide future information with certainty, the management are in the best position to observe market trends and provide explanations on future proposals and plans to the shareholders (Alkhatib, 2014). The forward-looking disclosure should not be static but dynamic in line with the changes in the business environment, otherwise, such disclosure will be potentially uninformative especially after a significant change in firm performance (Kılıç & Kuzey, 2018).

Adequate disclosure of forward-looking information is useful to stakeholders and as such the management needs to always provide clear, strategic and complete information in corporate reports. This is to ensure that the existing and potential shareholders, understand the company strategic future direction and performance (Dzaraly et al., 2018). Shareholders' trust in the company's future will be enhanced with quality disclosure of forward-looking information, to make the shareholders believe that the management is doing well (Alkhatib, 2014). Additionally, disclosing forward-looking information ensures that information asymmetry, that arises when some entities accessed certain private information about the company, which is unavailable to investors and other stakeholders, is mitigated (Bek-Gaik & Surowiec, 2021). Forward-looking information improves investors' capability to forecast future cash flows and future earnings (Bozzolan et al., 2009).

Conversely, forward-looking disclosures carry some risks, primarily regarding disclosure of sensitive information to competitors (Bek-Gaik & Surowiec, 2021). More so, the reluctance of companies to communicate forward-looking information could also be due to the fear of providing information that could benefit competitors or others (Mio et al., 2020). It has equally



been observed that extravagantly published future-oriented information hampers the stakeholders' interest (Habib et al., 2025). Furthermore, the disclosed forecasts might be incorrect or imprecise, leading to unfavourable decisions by the information users (Papaj-Wliskołcka & Strojek-Filus, 2019).

Due to the sensitivity of forward-looking information, management use disclosure as a tool for impression management in the face of their stakeholders (Li et al., 2024; Presccilia & Widiastuti, 2024; Schleicher & Walker, 2010). The disclosures may be made by managers to hold and release information at their discretion to achieve personal benefits by adopting impression management theory (Schleicher & Walker, 2010). This may be done by presenting information in such a manner that the readers' perceptions of corporate achievements are distorted (Al Lawati et al., 2023). In addition to manipulating the presentation and content of voluntary disclosure, impression management can be reflected in the refusal to communicate sufficient narrative information (Leung et al., 2015).

Despite the increasing importance of forward-looking disclosure in corporate reporting, the empirical literature has not yet provided a sufficiently integrated understanding of what forward-looking disclosure represents from the perspective of managerial communication. Although individual studies have examined the informational benefits and strategic uses of FLD, the evidence remains insufficiently integrated to establish the extent to which this impression management perspective is supported across different research contexts. It particularly remains necessary to clarify whether the findings consistently support the use of FLD for managerial impression management. Furthermore, a consolidated understanding of the theoretical perspectives, methodological approaches, and contextual factors shaping these findings is needed to identify areas of convergence, conflicting evidence, and priorities for future research.

The concern is therefore not simply whether firms disclose forward-looking information, but how the empirical literature explains the disclosure. However, without a systematic synthesis of the empirical evidence, it remains difficult to determine the principal patterns in the literature, assess the extent to which the findings support impression management, and explain why results may differ across studies. Addressing this gap is important for clarifying the current state of knowledge and identifying the theoretical, methodological, and empirical priorities for advancing FLD research. Empirical research remains dispersed (Alkhatib, 2014; Chen, Liu, et al., 2024; Farooq et al., 2024; Wang & Hussainey, 2013) and it is difficult to establish the overall state of knowledge concerning the relative evidence for impression management. A systematic literature review is therefore necessary to consolidate the empirical evidence, identify the theoretical perspectives and methodological approaches employed, and synthesise findings on impression-management functions of FLD. Against this background, the study addresses the following research questions: (1) What are the publication trends and main characteristics of empirical research on FLD, particularly in relation to impression management? (2) What theoretical perspectives have been employed to explain FLD, and how do they inform the interpretation of its impression-management functions? (3) What empirical evidence supports the role of FLD as an impression-management mechanism? (4) What directions can be proposed for future research?



2. METHODOLOGY

2.1 Research Design

This study adopts a systematic literature review (SLR) to review existing studies on forward-looking information disclosures with particular emphasis on explanations of impression management. An SLR is appropriate because the literature on forward-looking disclosure is dispersed across accounting, finance, corporate reporting, and management research, with studies examining different disclosure settings, measurement approaches, managerial motivations, and consequences (Al Lawati et al., 2023; Alkhatib, 2014; Chen, Song, et al., 2024; Farooq et al., 2024). The review therefore seeks to systematically identify, evaluate, organise, and synthesise the available empirical evidence rather than relying on a narrative selection of studies.

The review was conducted using the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) 2020 guidelines (Page et al., 2021). The PRISMA framework features four principal stages including identification of potentially relevant studies, screening of retrieved records, assessment of eligibility against predefined criteria, and inclusion of studies in the final synthesis. This structured procedure enhances transparency, reduces arbitrary study selection, and facilitates the reproducibility of the review. The PRISMA statement is presented as Figure 1.

2.2 Database Selection

Scopus and Web of Science were searched on 30 September 2026 to identify empirical studies published between January 2009 and December 2025. These databases were selected to capture relevant peer-reviewed research across accounting, finance, management, and related disciplines. The search strategy combined terms relating to forward-looking disclosure with terms reflecting its informational and strategic functions. The search terms included “forward-looking disclosure,” “forward-looking information,” “forward-looking statements,” “impression management,” “disclosure tone,” and “corporate reporting.”

2.3 Search Strategy

The search strategy was designed to combine terms that relate to forward-looking disclosure and information with terms reflecting impression management, strategic disclosure, and performance signaling. The search string for Scopus database was designed and applied to the title, abstract, and keywords: TITLE-ABS-KEY(("forward-looking disclosure" OR "forward looking disclosure" OR "forward-looking information" OR "forward looking information" OR "forward-looking statement" OR "forward looking statement" OR "future-oriented disclosure" OR "future-oriented information" OR "prospective disclosure" OR "prospective information" OR "predictive disclosure" OR "forecast disclosure" OR "future disclosure" OR "forward-looking reporting") AND ("impression management" OR "corporate impression management" OR "financial impression management" OR "strategic disclosure" OR "selective disclosure" OR*)). The conceptual equivalent of this search strategy was adapted to the Topic (TS) field in Web of Science to maintain consistency across databases while accommodating differences in database



search syntax. The search was limited to publications within the 2009–2025 period and subsequently subjected to predetermined screening and eligibility procedures.

2.4 Inclusion and Exclusion Criteria

Inclusion and exclusion criteria were established for selection and screening of the identified records, to enhance consistency and minimise subjective selection of relevant studies. The criteria are presented in Table 1.

Table 1: Inclusion and Exclusion Criteria

Criterion	Inclusion Criteria	Exclusion Criteria
Topic/Focus	Studies examining forward-looking disclosure, forward-looking information, or prospective corporate disclosure	Studies focusing exclusively on historical/backward-looking disclosure
Impression Management	Studies examining FLD in relation to impression management, managerial motives, bias, tone manipulation, strategic disclosure, or presentation choices	Studies that mention impression management only in passing without examining it in relation to FLD
Study Type	Empirical studies using quantitative, qualitative, archival, content-analysis, experimental, or mixed methods	Conceptual papers, theoretical papers, editorials, commentaries, book chapters, and review papers
Publication Type	Peer-reviewed journal articles	Conference abstracts/proceedings, dissertations, theses, books, book chapters, working papers, and non-peer-reviewed reports
Language	Studies published in English	Studies published in languages other than English
Time Period	Studies published within the selected SLR period	Studies published outside the selected period
Availability	Studies with accessible full text	Studies for which the full text cannot be obtained
Context	Corporate, annual-report, integrated-report, sustainability-report, management-report, earnings-related, or other organizational disclosure contexts	Studies dealing exclusively with non-corporate or unrelated forms of future-oriented communication
Evidence	Studies presenting identifiable empirical findings concerning FLD	Studies without original empirical evidence
Relevance	Studies where FLD is a principal variable, phenomenon, or substantive component of the analysis	Studies where FLD is merely mentioned as background information

Source: Authors' Design (2026)

2.5 Study Selection Procedure

The study-selection process followed the PRISMA 2020 framework (Page et al., 2021), comprising identification, screening, eligibility assessment, and inclusion. Records were retrieved independently from Scopus and Web of Science using the predefined search strategy, consolidated, and deduplicated. Titles and abstracts were screened against the eligibility criteria, excluding studies unrelated to forward-looking corporate disclosure, outside the publication period, or lacking relevant empirical evidence. Potentially relevant studies underwent full-text assessment to verify their substantive, methodological, publication-type, and accessibility eligibility. The numbers of records identified, screened, excluded, assessed, and included are presented in the PRISMA flow diagram (Figure 1).

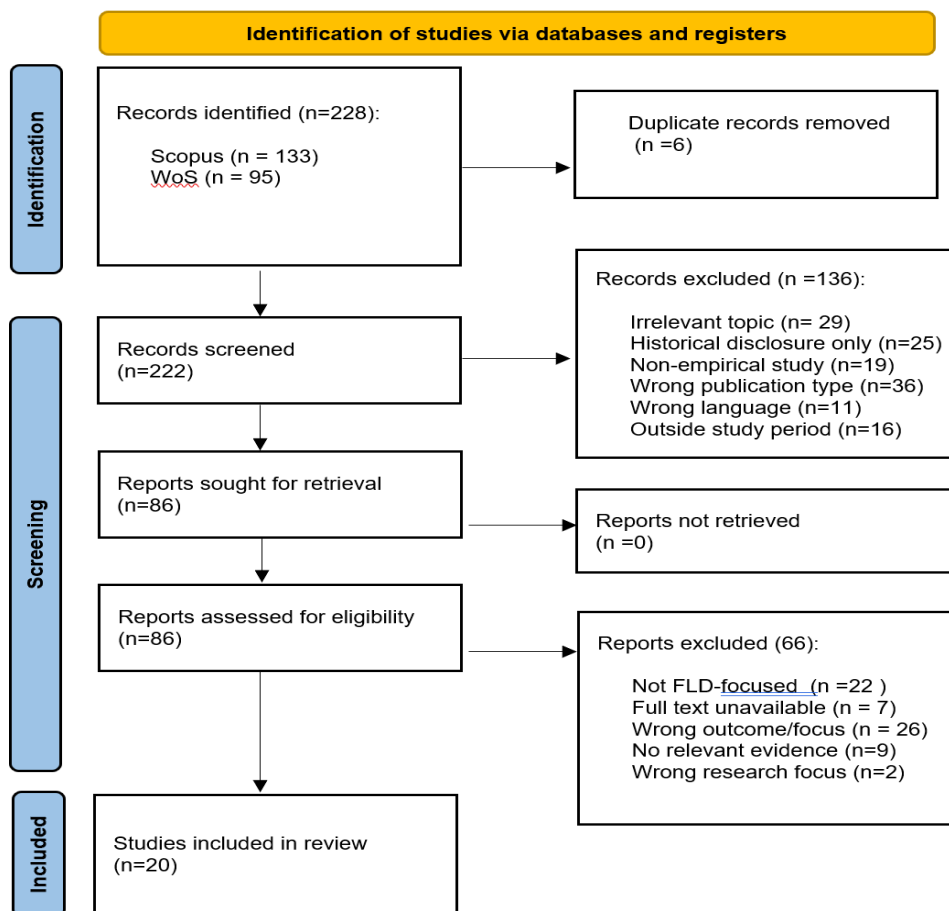


Figure 1: PRISMA Statement



3. RESULT AND DISCUSSION

3.1 Inter-Rater Agreement

The inter-rater agreement results indicate a high level of agreement at the title/abstract screening stage, with a Cohen's κ of 0.876. This suggests that the reviewers applied the eligibility criteria consistently when assessing the initial pool of studies. At the full-text screening stage, the Cohen's κ of 0.549 indicates a moderate level of agreement between the reviewers. The comparatively lower agreement at this stage is understandable because full-text assessment requires more detailed judgement regarding the substantive relevance of forward-looking disclosure, research focus, empirical evidence, and eligibility. 222 records were assessed at the initial screening stage, out of which 79 were accepted, 130 were excluded, while 13 involved initial disagreements. Following resolution of the disagreements, 86 records proceeded to full-text assessment. At the full-text stage, all 86 articles were assessed against the eligibility criteria. 17 were accepted without disagreement, 53 were excluded, and 16 involved initial disagreements. Following resolution of these disagreements, 3 additional studies were included, resulting in a final sample of 20 empirical studies.

Table 2: Reviewers' Inter-Rater Agreement

Screening stage	Both included	Both excluded	Disagreements	Total screened	Cohen's κ
Title/abstract	79	130	13	222	0.876
Full-text	17	53	16	86	0.549

Source: Authors' computation (2026)

3.2 Quality Assessment

Table 3 shows that the methodological quality assessment indicates that the 20 studies included in the review were generally of good methodological quality. Seventeen studies (85.0%) were classified as high quality, while three (15.0%) were classified as moderate quality. None of the studies fell within the low-quality category. The mean JBI quality score of 0.79 further suggests that the included studies met a substantial proportion of the applicable appraisal criteria. Overall, these results indicate that the evidence synthesised in this review is supported by studies with generally satisfactory methodological rigour

Table 3: Methodological Quality Assessment

Study design	Number of studies	JBI Checklist used	Means Quality (JBI) score	High quality (%)	Moderate quality (%)	Low quality (%)
Quantitative (cro	20	JBI Analytical Cross-Sectional Checklist	0.79	17 (85.0%)	3 (15%)	0 (0.0%)

Source: Author's computation (2026). Note: The mean quality score is expressed as a proportion of the applicable checklist criteria satisfied.

3.2 Publication Trend

Figure 2 shows an uneven but evolving research trajectory in forward-looking disclosure (FLD). Early studies appeared in 2009 and 2010, followed by a notable increase in 2014. Publication activity remained intermittent between 2018 and 2022 before resurging in 2023 and 2024, with three studies published annually, followed by one in 2025. This recent activity suggests renewed scholarly interest in FLD. Earlier studies primarily examined managerial impression management, whereas more recent research has explored disclosure tone and content in relation to investor uncertainty, managerial overinvestment, executive compensation, marketing expenditure, and stock-price crash risk. Nevertheless, intermittent publication indicates scope for more sustained, theoretically integrated research.



Figure 2: Publication Distribution by Year

3.3 Distribution by Journal Outlets

The distribution of studies across journal outlets indicates that forward-looking disclosure research is published across diverse accounting, finance, management, and related journals. *Accounting and Business Research* contributes 3 studies, while *British Accounting Review* accounts for two; the remaining 13 outlets each publish one study. This distribution suggests that the literature is not concentrated in a single journal. The diversity of outlets also reflects the multidisciplinary nature of FLD research, encompassing financial reporting, corporate communication, managerial behaviour, information usefulness, and stakeholder perceptions. However, this dispersion highlights opportunities to consolidate the literature into a more coherent research stream.

Table 4: Distribution of Studies by Journal Outlet



Journal outlet	Frequency
Accounting and Business Research	3
British Accounting Review	2
Accounting Review	1
Journal of Marketing Research	1
Journal of Financial Management, Markets and Institutions	1
Asia-Pacific Journal of Accounting & Economics	1
Managerial Auditing Journal	1
Journal of Business Ethics	1
European Accounting Review	1
Journal of Intellectual Capital	1
International Journal of Accounting and Information Management	1
Journal of Risk and Financial Management	1
International Journal of Accounting Information Systems	1
Revista de Contabilidad-Spanish Accounting Review	1
Risks	1
Journal of Accounting Research	1
International Review of Financial Analysis	1
Total	20

Source: Authors Compilation (2026)

3.4 Analysis of Reviewed Studies

Table 5 presents the findings of the 20 reviewed empirical studies, between 2009 and 2025. The literature broadly reflects impression management, and its combination with other variables. Evidence supporting the signaling perspective indicates that forward-looking disclosures (FLD) can communicate economically relevant information about future earnings, performance, risk, and resource allocation.

A substantial body of evidence highlights the impression-management function of FLD, particularly when firms experience poor or deteriorating performance. Schleicher and Walker (2010), Schleicher (2012), and Melloni (2015) show that optimistic or favourable narratives may



be more pronounced when underlying performance is weak, suggesting that managers can strategically frame future prospects to influence stakeholder perceptions. This interpretation is reinforced by evidence linking disclosure behaviour to external financial pressures, managerial incentives, executive overpayment, and overinvestment (Al Lawati, 2022; Chen, Liu, et al., 2024; Emmett, 2019; Lo, 2014). Meles et al. (2025) further indicate that excessive optimism in management language may be associated with subsequent stock-price crash risk. These findings collectively suggest that the informational content of FLD may be affected by managerial incentives and the strategic presentation of corporate prospects.

However, some studies revealed that FDL is not only meant for impression management but to also signal performance. Hussainey and Aal-Eisa (2009), Premuroso et al. (2012), Hassanein and Hussainey (2015), and Bravo (2016) provide early evidence linking FLD with future earnings, market performance, earnings changes, and stock-return volatility. More recent studies similarly report that the tone and frequency of forward-looking statements contain information relevant to future performance and investor decision-making (Henry et al., 2023; Li et al., 2024; Pouryousof et al., 2023). Athanasakou and Hussainey (2014) and Patelli and Pedrini (2014) provide evidence that optimistic FLD can coexist with indicators of credible underlying performance, while Bayer et al. (2017) show that forward-looking customer information can reduce investor uncertainty without necessarily improving subsequent cash flows. Al Lawati et al. (2023) similarly demonstrate that disclosure patterns may correspond with actual performance conditions, suggesting that positive or negative tone alone is insufficient to establish managerial opportunism. Thus, the meaning of FLD appears to depend on the relationship between disclosed information, underlying firm performance, managerial incentives, and subsequent outcomes. The findings suggest that in addition to managing impression, FLD can serve as an important channel through which managers communicate expectations about future corporate outcomes.

In a further analysis of Bayer et al. (2017) and Chen, Song, et al. (2024) demonstrate that the consequences of FLD vary according to disclosure content. The findings further indicates that poor performance is frequently associated with changes in the quantity or tone of FLD, but this should not automatically be interpreted as evidence of impression management. Moreover, the reviewed studies examine different forms of FLD, including financial forecasts, MD&A narratives, customer metrics, intellectual capital, and strategic information, which may perform different informational and strategic functions.

Therefore, the evidence suggests that FLD is best understood as a multifunctional and context-dependent form of corporate communication rather than as inherently opportunistic. Its impression-management function may be shaped by firm performance, managerial incentives, disclosure characteristics, and institutional context. Future research should therefore move beyond the question of impression management role of FDL and examine when, how, and under what conditions particular forms of FLD facilitate strategic impression management.

Table 5: Synthesis of Empirical Evidence on Forward-Looking Disclosures



Study	Research focus	Theoretical perspective	Methodological approach	Principal findings
Hussainey and Aal-Eisa (2009)	Voluntary disclosure and dividends as signals of future earnings.	Signaling theory	Event analysis	Increasing forward-looking information in annual report narratives is an important mechanism for signaling future earnings.
Schleicher and Walker (2010)	Whether managers bias the tone of forward-looking narratives.	Signaling theory	Robust regression	Firms with large impending performance declines bias outlook tone upward; tone varies with losses, risk, analyst forecasts and earnings changes.
Premuroso et al. (2012)	Whether annual-report disclosure signals future market performance.	Economic theory	Logistic regression	Disclosure of outsourcing in annual reports signals improvement in market performance.
Schleicher (2012)	Positive forward-looking statements in firms with improving and deteriorating performance.	Agency theory	Logistic regression	Positive statements by bad-news firms can be used for impression management.
Athanasakou and Hussainey (2014)	Credibility of forward-looking performance disclosures.	Agency theory	OLS	Firms issue more FLD when raising debt or conveying bad news; FLD also increases with the quality of audited earnings.
Lo (2014)	Effects of declines in banks' financial health on borrowers' disclosures.	Not stated	Fixed effects; logistic regression	Firms whose bankers face shocks increase their forward-looking disclosures.
Patelli and Pedrini (2014)	Association between firm performance and rhetorical features of CEO letters.	Theory of Communicative Action	OLS	Optimistic tone is congruent with past and future performance, suggesting communicative action with shareholders.
Hassanein and Hussainey (2015)	Whether changes in FLD respond to changes in firm performance.	Agency theory; signaling theory	OLS	Changes in FLD are associated with changes in earnings performance, with stronger associations for poorly performing firms.
Melloni (2015)	Quality of intellectual-capital disclosure in integrated reporting.	Not stated	OLS	Disclosure is concentrated on relational capital, with limited quantitative/forward-looking information; optimistic tone is associated with declining performance.
Bravo (2016)	Relationship between financial FLD and stock-return volatility.	Resource-based theory; agency theory	OLS	Forward-looking information has a significant effect on stock-return volatility.
Bayer et al. (2017)	Consequences of forward-looking	Not stated	Fixed effects;	Customer-metric FLD reduces investor uncertainty but has no effect on future cash



Study	Research focus	Theoretical perspective	Methodological approach	Principal findings
	customer-metric disclosures.		manual coding	flows.
Emett (2019)	How current performance shapes investors' evaluation of future-oriented disclosures.	Optimism-performance hypothesis	ANOVA	For poorly performing firms, investors respond more positively to optimistic, opportunity-focused future disclosures.
Al Lawati (2022)	Whether ruling-family board membership affects FLD quality and tone.	Resource dependence; impression management	OLS	Poor-performing firms disclose more good than bad news, consistent with impression-management use.
Al Lawati et al. (2023)	Whether financial performance affects FLD tone and whether narratives are truthful or impressionistic.	Signaling; impression management	OLS; fixed effects	Good-performing firms disclose more good news and poor-performing firms more bad news; the study reports evidence consistent with truthful explanations in Oman.
Henry et al. (2023)	Tone and frequency of forward-looking statements and their informativeness.	Home-bias theory	OLS	Tone and frequency of cross-listed firms' statements are more informative for predicting future performance than those of U.S. firms.
Pouryousef et al. (2023)	Association of future performance and risk with MD&A tone.	Signaling theory	OLS	Future performance and risk are significantly associated with MD&A tone inconsistency.
Chen et al. (2024)	Whether overpaid executives use strategy-related FLD to justify excess compensation.	Agency; legitimacy	Fixed effects	Executive overpayment is positively associated with impression management in forward-looking strategy-related disclosure.
Chen et al. (2024)	Whether tone in different FLD components relates to managerial overinvestment.	Agency; signaling	OLS	Abnormal tone in non-earnings-related qualitative FLD is positively associated with self-serving overinvestment; other components are insignificant.
Li et al. (2024)	Relationship between forward-looking tone and marketing expenditure.	Signaling theory	System GMM	More positive tone is associated with greater marketing expenditure, especially among financially constrained and more marketised firms.
Meles et al. (2025)	Role of management tone in future stock-price crash risk in banking.	Agency theory	Fixed effects	Excessively optimistic language is associated with sharp stock-price declines, consistent with temporary concealment of adverse signals.

Source: SLR Reviewed Studies (2026)

4. Conclusion



This systematic literature review synthesises empirical evidence on forward-looking disclosure (FLD) published between 2009 and 2025, with particular emphasis on its impression-management function. The review shows that FLD has evolved from an emerging corporate-reporting practice into a multidimensional area of research spanning accounting, finance, management, corporate communication, and related fields. The reviewed evidence demonstrates that the discretionary nature of FLD opportunities for managers to selectively frame future prospects, particularly under conditions of poor performance or strong managerial incentives.

The central finding of the review is that the impression management function of FLD appear to depend on firm performance, managerial incentives, disclosure characteristics, subsequent outcomes, and institutional context. It is also revealed that evidence of strategic framing and disclosure tone depends on circumstances surrounding such disclosure. The review therefore conceptualises FLD as a multifunctional and context-dependent form of corporate communication rather than as inherently opportunistic. This review therefore contributes to the literature by reconciling apparently inconsistent empirical findings and shifting attention from whether FLD represents impression management toward the conditions under which each function is more likely to emerge.

The review also highlights the relatively fragmented development of the research field. Although recent studies increasingly examine the consequences of disclosure tone and content for investor uncertainty, managerial overinvestment, executive compensation, marketing expenditure, and stock-price crash risk, the publication pattern remains intermittent, and the literature is dispersed across diverse journal outlets. Accordingly, a more integrated theoretical and empirical research agenda is required to advance understanding of the conditions under which FLD facilitates strategic impression management. It is therefore concluded based on this review that forward-looking disclosure is not just an impression management tool but also a context-dependent mechanism of corporate communication whose value ultimately depends on the credibility, and manner at which future-oriented information is conveyed to stakeholders.

5. Theoretical and Policy Implications

The findings contribute to the theoretical understanding of forward-looking disclosure (FLD) by demonstrating that FLD may enable managers to influence stakeholder perceptions through selective framing and tone as suggested by impression management theory. However effective interpretation of the impression message is consequential upon firm performance, managerial incentives, disclosure characteristics, subsequent outcomes, and institutional context.

From a policy perspective, the findings underscore the importance of balanced, transparent, and decision-useful forward-looking reporting. Although FLD can reduce information asymmetry, its discretionary nature creates opportunities for selective presentation and excessive optimism. Regulators and standard-setting bodies should promote clarity, consistency, and balanced reporting while recognising commercial sensitivities and forecast uncertainty. Reporting frameworks should encourage firms to distinguish expectations from established facts and disclose relevant risks, assumptions, and uncertainties without unnecessarily restricting communication of future strategies.



The findings also have implications for corporate managers, boards, investors, and other stakeholders. Managers and boards should ensure that forward-looking narratives are evidence-based and represent both opportunities and risks, particularly when corporate performance changes significantly. Investors and other users should evaluate forward-looking statements alongside firm performance, managerial incentives, disclosure content, and subsequent outcomes rather than relying solely on disclosure volume or tone.

6. Future Research Agenda

The review identifies several priorities for future research. First, future studies should move beyond treating FLD as a homogeneous construct and distinguish among financial forecasts, MD&A narratives, strategic disclosures, customer metrics, intellectual-capital information, and other forms of future-oriented communication. Existing evidence indicates that different disclosure categories can have different informational and behavioural consequences. More disaggregated analysis would therefore provide greater clarity regarding which forms of FLD are more susceptible to impression management.

Second, future research should examine more explicitly the conditions under which impression management operates. Future research could investigate how firm performance, managerial incentives, corporate governance, executive compensation, financial constraints, and institutional environments influence the credibility and strategic use of FLD. Comparative studies across countries and institutional settings would be particularly valuable because the reviewed evidence suggests that the meaning of disclosure tone and content may vary across contexts.

Finally, future studies should pursue greater theoretical and methodological integration. Rather than focusing on impression management, researchers could develop integrated models that explicitly consider the interaction between information quality, managerial incentives, disclosure characteristics, and institutional context. Further research could also combine textual analysis with financial and market-based measures to assess both the content and consequences of FLD. Future research should strive to establish the circumstances under which FLD facilitates strategic impression management.

Ethical clearance

Ethical clearance was obtained from the ethical committee of the College of Accounting Sciences, University of South Africa.

Acknowledgements

We acknowledge University of South Africa and UNISA library for providing access to e-resources and facilities used in conducting the research

Sources of funding

The study was not funded.



Conflict of Interest

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

Authors' Contributions

Abdulrazaq Taiye Jimoh conceived the study, including the design, and collated the data; Elda du Toit and Leana Esterhuyse handled the analysis and interpretation; Abdulrazaq Taiye Jimoh, Elda du Toit and Leana Esterhuyse wrote the initial manuscript. Authors have critically reviewed and approved the final draft and are responsible for the content and similarity index of the manuscript.

Artificial Intelligence (AI) Use Disclosure

During the preparation of this manuscript, the author(s) used Grammarly for language editing, grammar correction, and readability improvement. The authors carefully reviewed, revised, and verified all outputs generated by the tool and take full responsibility for the accuracy, originality, and integrity of the manuscript content.

Citation

Jimoh, A. T., du Toit, E., & Esterhuyse, L. (2026). Forward-Looking Disclosure in Corporate Reporting: An Impression Management Tool? A Review of Empirical Studies. *International Journal of Sub-Saharan African Research*, 4(3), 458-475. <https://doi.org/10.5281/zenodo.22975286>

REFERENCES

- Ajinkya, B., Bhojraj, S., & Sengupta, P. (2005). The Association between Outside Directors, Institutional Investors and the Properties of Management Earnings Forecasts. *Journal of Accounting Research*, 43(3), 343-376. <https://doi.org/10.1111/j.1475-679x.2005.00174.x>
- Al Lawati, H. (2022). Politically Connected Firms and Forward-Looking Disclosure in the Era of Oman Vision 2040. *Journal of Risk and Financial Management*, 15(6), Article 233. <https://doi.org/10.3390/jrfm15060233>
- Al Lawati, H., Hussainey, K., & Sagitova, R. (2023). Forward-looking disclosure tone in the chairman's statement: obfuscation or truthful explanations [Article]. *International Journal of Accounting and Information Management*, 31(5), 838-863. <https://doi.org/10.1108/IJAIM-03-2023-0060>
- Alkhatib, K. (2014). The Determinants of Forward-looking Information Disclosure. *Procedia - Social and Behavioral Sciences*, 109, 858-864. <https://doi.org/10.1016/j.sbspro.2013.12.554>



- Ananzeh, H., Alshurafat, H., Bugshan, A., & Hussainey, K. (2022). The impact of corporate governance on forward-looking CSR disclosure. *Journal of Financial Reporting and Accounting*, 22(3), 480-499. <https://doi.org/10.1108/jfra-10-2021-0379>
- Athanasakou, V., & Hussainey, K. (2014). The perceived credibility of forward-looking performance disclosures. *Accounting and Business Research*, 44(3), 227-259. <https://doi.org/10.1080/00014788.2013.867403>
- Bayer, E., Tuli, K. R., & Skiera, B. (2017). Do Disclosures of Customer Metrics Lower Investors' and Analysts' Uncertainty but Hurt Firm Performance? *Journal of Marketing Research*, 54(2), 239-259. <https://doi.org/10.1509/jmr.14.0028>
- Bek-Gaik, B., & Surowiec, A. (2021). Forward-looking disclosures in integrated reporting: evidence from Poland.
- Bozzolan, S., Trombetta, M., & Beretta, S. (2009). Forward-Looking Disclosures, Financial Verifiability and Analysts' Forecasts: A Study of Cross-Listed European Firms. *European Accounting Review*, 18(3), 435-473. <https://doi.org/10.1080/09638180802627779>
- Bravo, F. (2016). Forward-looking disclosure and corporate reputation as mechanisms to reduce stock return volatility. *Revista de Contabilidad-Spanish Accounting Review*, 19(1), 122-131. <https://doi.org/10.1016/j.rcsar.2015.03.001>
- Chen, J. J., Liu, J., Xie, L., & Cheng, X. (2024). Impression management, forward-looking strategy-related disclosure, and excess executive compensation: Evidence from China [Article]. *British Accounting Review*, 56(5), Article 101430. <https://doi.org/10.1016/j.bar.2024.101430>
- Chen, J. J., Song, P. Y., & Loi, F. L. (2024). Strategic forward-looking nonearnings disclosure and overinvestment. *British Accounting Review*, 56(6), Article 101431. <https://doi.org/10.1016/j.bar.2024.101431>
- Dzaraly, M., Lokman, N., & Othman, S. (2018). Corporate governance mechanisms and voluntary disclosure of strategic and forward looking information in annual reports. *International Journal of Accounting Finance and Business*, 3(15), 86-104.
- Emett, S. A. (2019). Investor Reaction to Disclosure of Past Performance and Future Plans. *Accounting Review*, 94(5), 165-188. <https://doi.org/10.2308/accr-52343>
- Farooq, M. B., Zaman, R., Bahadar, S., & Rauf, F. (2024). Forward-looking information: does IIRC framework adoption matter? *Sustainability Accounting, Management and Policy Journal*, 16(1), 292-315. <https://doi.org/10.1108/sampj-11-2023-0857>
- Habib, A., Khan, M. F., Mia, M. N., & Sakib, R. H. (2025). Corporate governance and forward-looking disclosures in integrated reporting: evidence from the banking sector of Bangladesh. *Journal of Financial Reporting and Accounting*. <https://doi.org/10.1108/jfra-03-2024-0165>



- Hassanein, A., & Hussainey, K. (2015). Is forward-looking financial disclosure really informative? Evidence from UK narrative statements. *International Review of Financial Analysis*, 41, 52-61. <https://doi.org/10.1016/j.irfa.2015.05.025>
- Henry, E., Thewissen, J., & Torsin, W. (2023). International Earnings Announcements: Tone, Forward-looking Statements, and Informativeness. *European Accounting Review*, 32(2), 275-309. <https://doi.org/10.1080/09638180.2021.1963795>
- Hussainey, K., & Aal-Eisa, J. (2009). Disclosure and dividend signalling when sustained earnings growth declines [Article]. *Managerial Auditing Journal*, 24(5), 445-454. <https://doi.org/10.1108/02686900910956801>
- Jensen, J. C., & Berg, N. (2012). Determinants of Traditional Sustainability Reporting Versus Integrated Reporting. An Institutional Approach. *Business Strategy and the Environment*, 21(5), 299-316. <https://doi.org/https://doi.org/10.1002/bse.740>
- Kılıç, M., & Kuzey, C. (2018). Determinants of forward-looking disclosures in integrated reporting. *Managerial Auditing Journal*, 33(1), 115-144. <https://doi.org/10.1108/maj-12-2016-1498>
- Leung, S., Parker, L., & Curtis, J. (2015). Impression management through minimal narrative disclosure in annual reports. *The British Accounting Review*, 47(3), 275-289. <https://doi.org/https://doi.org/10.1016/j.bar.2015.04.002>
- Li, C., Yan, Y., Wang, X., & Wan, S. (2024). Forward-looking information disclosure tone, financing constraints and marketing expenditures. *Asia-Pacific Journal of Accounting & Economics*, 31(4), 586-603. <https://doi.org/10.1080/16081625.2023.2286987>
- Lo, A. K. (2014). Do Declines in Bank Health Affect Borrowers' Voluntary Disclosures? Evidence from International Propagation of Banking Shocks. *Journal of Accounting Research*, 52(2), 541-581. <https://doi.org/10.1111/1475-679x.12034>
- Meles, A., Pellegrino, L. R., & Rega, F. G. (2025). WHEN WORDS BACKFIRE: TONE MANAGEMENT AND CRASH RISK IN BANKING [Article]. *Journal of Financial Management, Markets and Institutions*, 13(2), Article 2550006. <https://doi.org/10.1142/S2282717X25500069>
- Melloni, G. (2015). Intellectual capital disclosure in integrated reporting: An impression management analysis [Article]. *Journal of Intellectual Capital*, 16(3), 661-680. <https://doi.org/10.1108/JIC-11-2014-0121>
- Mio, C., Fasan, M., & Costantini, A. (2020). Materiality in integrated and sustainability reporting: A paradigm shift? *Business Strategy and the Environment*, 29(1), 306-320. <https://doi.org/https://doi.org/10.1002/bse.2390>



- O'Sullivan, M., Percy, M., & Stewart, J. (2008). Australian evidence on corporate governance attributes and their association with forward-looking information in the annual report. *Journal of Management & Governance*, 12(1), 5-35. <https://doi.org/10.1007/s10997-007-9039-0>
- Page, M. J., McKenzie, J. E., Bossuyt, P. M., Boutron, I., Hoffmann, T. C., Mulrow, C. D., Shamseer, L., Tetzlaff, J. M., & Moher, D. (2021). Updating guidance for reporting systematic reviews: development of the PRISMA 2020 statement. *Journal of Clinical Epidemiology*, 134, 103-112. <https://doi.org/https://doi.org/10.1016/j.jclinepi.2021.02.003>
- Papaj-Wlisłocka, E., & Strojek-Filus, M. (2019, 2019//). Forward-Looking Information Disclosure as a Risk Factor in Accounting—The Case of Poland. Multiple Perspectives in Risk and Risk Management, Cham.
- Patelli, L., & Pedrini, M. (2014). Is the Optimism in CEO's Letters to Shareholders Sincere? Impression Management Versus Communicative Action During the Economic Crisis [Article]. *Journal of Business Ethics*, 124(1), 19-34. <https://doi.org/10.1007/s10551-013-1855-3>
- Pouryousof, A., Nassirzadeh, F., & Askarany, D. (2023). Inconsistency in Managers' Disclosure Tone: The Signalling Perspective. *Risks*, 11(12), Article 205. <https://doi.org/10.3390/risks11120205>
- Premuroso, R. F., Skantz, T. R., & Bhattacharya, S. (2012). Disclosure of outsourcing in the annual report: Causes and market returns effects [Article]. *International Journal of Accounting Information Systems*, 13(4), 382-402. <https://doi.org/10.1016/j.accinf.2012.05.001>
- Presccilia, A., & Widiastuti, H. (2024). The role of forward-looking disclosure in the relationship of R&D expenditure and firm value: Testing agency and signaling theories. SHS Web of Conferences,
- Schleicher, T. (2012). When is good news really good news? [Article]. *Accounting and Business Research*, 42(5), 547-573. <https://doi.org/10.1080/00014788.2012.685275>
- Schleicher, T., & Walker, M. (2010). Bias in the tone of forward-looking narratives [Article]. *Accounting and Business Research*, 40(4), 371-390. <https://doi.org/10.1080/00014788.2010.9995318>
- Wang, M., & Hussainey, K. (2013). Voluntary forward-looking statements driven by corporate governance and their value relevance. *Journal of Accounting and Public Policy*, 32(3), 26-49. <https://doi.org/https://doi.org/10.1016/j.jaccpubpol.2013.02.009>