



THE IMPACT OF PSYCHOLOGICAL CAPITAL OF MANAGERS ON LEVEL AND TONE OF FORWARD-LOOKING DISCLOSURE

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Article history:	Abstract:
<p>Received: 4th January 2025 Accepted: 3th February 2025</p>	<p>Positive psychology issues are among the topics receiving increasing attention in accounting literature. This is due to their impact on managers' behavior when making decisions regarding the disclosure of forward-looking information. However, there is a scarcity of research in this field in developing countries, particularly in the Iraqi context. Therefore, this study investigate the potential influence of the psychological capital (PsyCap) of managers on both the level and tone of forward-looking disclosure (FLD). To achieve this objective, a descriptive analytical approach was adopted. Data were collected using a questionnaire, with a total of 220 questionnaires distributed to a sample of managers, investors, Auditors of auditing firms, and financial analysts in 2024, of which 214 responses were retrieved. The research hypotheses were tested based on the data collected from the questionnaire. This paper reached several conclusions. Companies disclose forward-looking information at varying levels and tones (positive, neutral, negative), as companies often manage this disclosure. There is a significant relationship between three elements of PsyCap (self-efficacy, hope, resilience) and the level of FLD, as well as a relationship between two elements of PsyCap (hope, optimism) and the tone of FLD. This paper recommends that regulators should establish guidelines regarding the level and tone of FLD.</p>

Keywords: Psychological capital (PsyCap) ,Forward-Looking Disclosure(FLD), Tone of Disclosure , Level of Disclosure .

INTRODUCTION:

The success of businesses depends on numerous factors and conditions, among which are the psychological and emotional states of managers. There is growing interest in studies that explore the feelings of managers in the workplace, examining their attitudes and the resulting positive and negative behavioral impacts that influence the extent to which companies achieve their goals. The sustained existence and goal achievement of companies are closely tied to having human resources characterized by a positive psychological state, as they are the cornerstone of business success. Consequently, it has become essential for companies to adopt management approaches linked to psychology, including positive psychological capital (PsyCap), which has garnered significant attention from academics and professionals interested in the attitudes and behaviors of managers.

Investors and other stakeholders, on the other hand, are particularly interested in forward-looking information. Companies are forced to include forward-looking information into their annual reports, especially the board of directors' report, in order to analyse and improve their existing business plans. This is done to inform users about expected performance and future trends, thereby assisting them in making appropriate decisions and enhancing confidence in financial markets. The International Accounting Standards Board (IASB) recommends that companies incorporate a forward-looking perspective into their analyses and narrative discussions. It states that "management should include forward-looking information. Such information should focus on the extent to which the entity's financial position, liquidity, and performance may change in the future. Management should provide forward-looking information through narrative explanations or through quantified data". Such information helps users understand the company and predict its future earnings (Hussainey et al., 2003; Muslu et al., 2015).

Since the Chairman of the Board's report is voluntary, board chairs have the discretion to discuss financial and non-financial matters related to FLD according to management's judgment. Consequently, companies may avoid disclosing certain sensitive information to competitors or out of fear of litigation risk. This can lead to an information asymmetry problem, which may negatively affect resource allocation. Additionally, the manipulation of the tone in FLD impacts



stakeholders' decisions. In this context, this study aims to explore the relationship between the PsyCap and the level and tone of FLD.

1. RESEARCH METHODOLOGY AND PREVIOUS STUDIES

1.1. Research problem

The research problem revolves around the relationship between the PsyCap and its four elements (self-efficacy, hope, optimism, and resilience) in relation to the level of disclosure of forward-looking information and the tone of such disclosures. This is addressed by answering the research question: Does the PsyCap of managers influence the level and tone of disclosure of forward-looking information?

1.2. Research objective

This research aims to explore the impact of managers' PsyCap on the level and tone of forward-looking information in financial reporting. It seeks to clarify the role played by each of the four dimensions of PsyCap (self-efficacy, hope, optimism, and resilience) in the disclosure of such information. Additionally, it provides appropriate recommendations based on the findings.

1.3. Research Hypothesis

The research seeks to test the following hypotheses:

First Hypothesis: The PsyCap affect the level of FLD. This hypothesis branches into four sub-hypotheses:

1. The PsyCap element (self-efficacy) affect the level of FLD.
2. The PsyCap element (hope) affect the level of FLD.
3. The PsyCap element (optimism) affect the level of FLD.
4. The PsyCap element (resilience) affect the level of FLD.

Second Hypothesis: The PsyCap affect the tone of FLD . This hypothesis branches into four sub-hypotheses:

1. The PsyCap element (self-efficacy) affect the tone of FLD.
2. The PsyCap element (hope) affect the tone of FLD.
3. The PsyCap element (optimism) affect the tone of FLD.
4. The affects PsyCap element (resilience) affect the tone of FLD.

1.4. Research importance

Topics related to positive psychology are gaining increasing attention in accounting literature. The significance of this research lies in highlighting the role played by positive psychology, as embodied by managers' PsyCap, in financial reporting. It influences their decision-making behavior regarding the forward-looking information that is disclosed. As challenges in managing annual reports continue to grow, along with the need for preparing transparent and reliable reports, this research provides evidence on the factors affecting the level and tone of FLD.

1.5. Methodology and Data Collection

This study employs the descriptive-analytical approach to explore the relationship between the independent and dependent variables of the research. The independent variable is PsyCap (self-efficacy, hope, optimism, and resilience). while the first dependent variable is the level of FLD, and the second dependent variable is the tone of FLD. In the data collection process, the PsyCap variable, with its four elements (self-efficacy, hope, optimism, and resilience), was measured based on the study by Kim et al. (2019). As for the FLD level variable and the tone of FLD variable, a questionnaire was designed to measure each of them(Appendix 1 , Appendix 2). The questionnaire was reviewed by a number of experienced and specialized professors in the field of research, and their feedback was incorporated to finalize the questionnaire. Statistical software was used to analyze the data.

1.6. Research Variables

These relation between research variables can be demonstrated as follows:

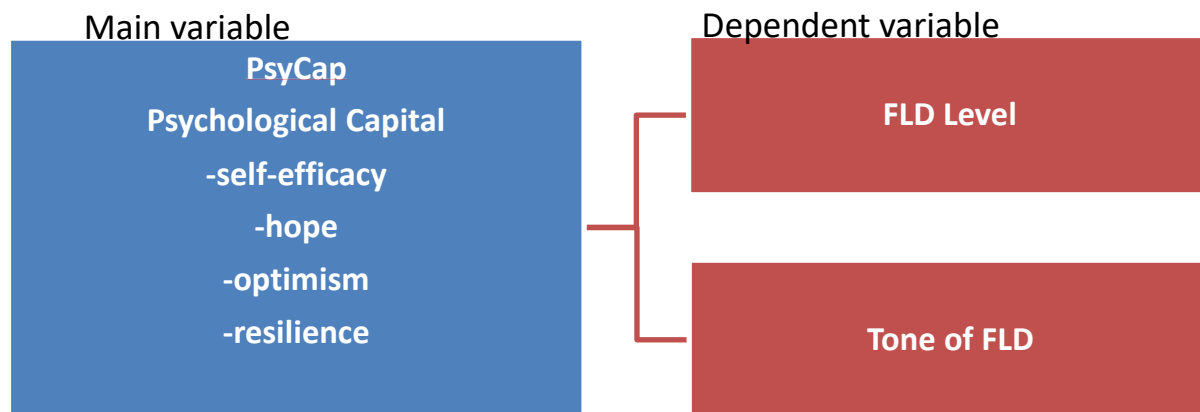


Fig. (1) Inter-variable relation

1.7. previous studies

Several empirical studies have addressed the research variables as follows:

- Xu, 2020: The purpose of this study was to investigate how the four dimensions of organizational psychological capital—self-efficacy, hope, optimism, and resilience—affect the caliber of financial reporting by businesses that were listed on the website of the U.S. Securities and Exchange Commission (SEC) between 2003 and 2017. There were 35,060 observations in the sample. According to the study, prior research has shown a favorable correlation between organizational psychological capital and ethical atmosphere, employee happiness, and well-being. These characteristics have been proven to have a positive impact on the quality of corporate financial reporting. Thus, this research postulated that an organization's PsyCap and the caliber of its financial reporting would be positively correlated. Furthermore, the research discovered that organizations with inadequate governance procedures are more affected by organizational PsyCap in terms of financial reporting quality. This suggests that, under certain circumstances, PsyCap becomes more significant at the corporate level.

- Bassyouny et al. (2020): The purpose of this research was to identify the primary drivers of narrative tone in the UK environment, where managers have more freedom to shape narratives with stakeholders. The upper echelons hypothesis is used in this research, which emphasizes on the traits of top managers. The results of computerized textual analysis indicate that positive tone is driven in the UK by the traits of both visible and invisible CEOs, and that this link is controlled by corporate governance features. In particular, CEOs who are older, female, and have financial expertise tend to be less upbeat. According to the research, narcissistic CEOs are more likely than nonnarcissistic CEOs to have a positive tone when psychological traits are taken into account. However, this association weakens in companies with a more autonomous board. Additionally, this research discovered a negative correlation between positive tone and the independence of the board and audit committee. Furthermore, this research discovered a negative correlation between positive tone and female CEOs when there are more women on board.

- Al Lawati et al., 2023: The purpose of this research was to investigate how financial success affects the tone of FLD by businesses and to assess whether managers use impression management or provide truthful justifications whether business performance is good or bad. The tone of FLD in the chairpersons' remarks of Omani financial institutions from 2014 to 2018 was assessed using the content analysis approach. The hypotheses were also tested using regression analysis. According to the research, businesses that do well reveal more good news, while those that perform poorly reveal more bad news. This essay offers proof that Oman's management provide truthful justifications in their accounts.

2. THEORETICAL FRAMEWORK

2.1. Psychological Capital (PsyCap)

The concept of PsyCap originated from the positive psychology movement, which was highlighted by Martin Seligman in 1998 during his address to the American Psychological Association. In his speech, he called for psychology to refocus on the positive aspects and to understand and leverage individuals' more positive attributes.



Avey et al. (2014) define PsyCap as an individual's positive psychological state of development, characterized by high confidence in putting forth the necessary effort to succeed in challenging tasks, positive optimism about the possibility of success now and in the future, hope that includes personal determination to move forward, and the ability to withstand difficulties and adverse circumstances. Luthans et al. (2015) define PsyCap as "an individual's positive psychological state of development". Moreover, PsyCap goes deeper than "what you know?" (human capital), "who you know?" (social capital), and "what you own?" (economic capital), extending to "who you are?" and "who you will become?" They identified four positive psychological states that positively influence employees' mental states, attitudes, and opinions. Self-efficacy, optimism, hope, and resilience are these four traits. According to Baron et al. (2016), PsyCap is a positive personal resource that aids people in succeeding in a variety of spheres of life.

PsyCap refers to an optimistic and constructive mindset that leads to personal development and better performance in the workplace. According to the concept of positive psychology, "doing good when feeling good" is linked to performance in a happy mental state, ultimately leading to greater achievements in life (Khan et al., 2022). Thus, individuals with high PsyCap are characterized by their ability to control the future, are more willing to take responsibility for their actions, and have a higher chance of succeeding in life.

PsyCap represents personal skills, including economic, social, and human skills, that a company possesses to achieve entrepreneurial efficiency at both local and global levels. Therefore, it examines advanced and positive psychological traits in terms of performance and plays a role in addressing current challenges. It is characterized by self-efficacy, confidence in achieving goals, a willingness to take on challenges, choosing difficult tasks, and achieving current and future success. It also involves hope in redirecting paths and resilience in the face of difficulties and problems (Nwanzu and Babalola, 2019).

From the above definitions, it is clear that PsyCap is one of the most important capabilities and resources a company can possess, which can be developed and invested in due to its representation of positive behaviors and emotions that lead to conviction in abilities and skills that achieve current or future goals and address various challenges in the work environment.

There are several dimensions (elements) for measuring PsyCap, but the actual focus is on four dimensions, which are the most commonly used in studies, as follows: Novitasari et al. (2020: 7-8).

Self-Efficacy: Self-efficacy is defined as an individual's belief in their ability to achieve their goals. These expectations are reflected in the choice of activities, the effort expended, the ability to face difficulties, and the improvement of behavior. Self-efficacy is developed through life experiences and determines the path an individual follows, whether in a creative or conventional manner.

Hope: Hope is defined as a state of positive motivation regarding the future, based on an individual's sense of interactive success. This dimension is made up of two parts: "alternative pathways," which refers to the availability of several options that guarantee the individual can reach their goal, and "willpower," which is the latent energy within an individual that allows them to accomplish their goal.

Optimism : Optimism is defined as a pattern of positive interpretation, which attributes positive events to internal, permanent, and pervasive causes, while attributing negative events to external, specific, and temporary circumstances. Optimistic employees have a greater ability to motivate themselves to take action. This is strongly associated with creative behavior, as employees who are driven to achieve goals tend to experiment with new things in order to accomplish their objectives.

Resilience : Resilience refers to the state of positive adaptation to difficulties and adversities that an individual faces, as well as their ability to cope with risks, crises, and challenges associated with change. It also signifies an individual's capacity to rise from difficult situations, adapt to overcome obstacles, and achieve high performance. Resilience is a dynamic process of positively adjusting to the pressures an individual encounters in daily life. It involves regaining balance, gathering strength after facing obstacles and problems, and successfully overcoming them while continuing to move forward.

An adaptable employee is one who demonstrates sincere acceptance of reality, holds firm beliefs supported by core values when encountering problems and difficult circumstances, and maintains or regains the ability to achieve success. Consequently, organizations can benefit from resilience by learning from past mistakes, which serve as lessons for the present to create new development opportunities. By investing in these opportunities for learning, growth, and progress, companies can foster a resilient workforce (Purwanto et al., 2021).

2.2. Forward-looking disclosures (FLD)

In recent years, listed companies have been required, under regulations and governance rules, to provide more information and enhance the transparency of annual reports to meet the expectations of all stakeholders (Dicko et al., 2020).



FLD is considered crucial, given the growing interest it has garnered. In order to improve communication with different parties and lessen information asymmetry, businesses are eager to incorporate FLD in their reports.

Quantitative statistics or narrative explanations are used to convey information that looks forward. FLD is "the information that captures the current plans and future forecasts," according to Athanasakou and Hussainey (2014). Information concerning plans and predictions, which may subsequently be given as historical data, enables investors and other stakeholders to evaluate the company's future financial performance.

A study by Bozanic et al. (2018) indicated that FLD increases companies' ability to access capital markets, as it enhances the likelihood of obtaining external financing compared to companies that do not disclose such information. This disclosure should provide reliable information. Additionally, management is responsible for the company's performance in front of investors and shareholders, so companies use FLD to avoid losing their positions and to justify the future dimensions of company performance.

3. THE IMPACT OF PSYCAP ON THE LEVEL AND TONE OF FLD

3.1. The impact of PsyCap on the Level of FLD

Accounting disclosure for the purpose of presenting a company's performance and financial position consists of two components: the first is Digital Disclosure, which includes absolute financial values, and the second is Descriptive Disclosure, which encompasses the tone and level of accounting disclosure, as well as the readability of financial reports by users.

Despite being optional, businesses are required to provide thorough FLD information in their yearly reports. This is due to the fact that corporations may attract new investors and maintain existing ones by fully disclosing forward-looking information (Dzaraly et al., 2018). As a result, a crucial factor in this context is the degree of disclosure of forward-looking information.

A study by Tan et al. (2015) indicated that companies with a high level of forward-looking information disclosure are more trustworthy to investors. This is because forward-looking information is more relevant for decision-making, as it helps in understanding the company's current and future financial position, strategies, plans, and the working environment. The absence of forward-looking information may lead users to base their expectations on information from other sources, which may be inaccurate. Additionally, such information is often not available fairly to all investors. These situations can be avoided by disclosing forward-looking information to external parties.

On the other hand, Chipfupa and Wale (2018) highlight that individuals with self-confidence persevere when facing difficulties, and optimistic individuals turn these obstacles into opportunities to think differently, quickly regain balance, and innovate new approaches. When resources are limited, individuals face high-risk decisions. Individuals with a high level of positive psychological capital are more willing to make decisions and use flexible strategies. Therefore, positive PsyCap serves as an important means for managing and effectively utilizing all forms of other resources.

The behavioral characteristics of managers are among the financial behavior concepts that have gained prominence in both financial theory and psychology. Managers' behavioral traits can influence how they prepare and present information, as they aim to maximize long-term shareholder interests. Consequently, they may hesitate to disclose sensitive information or information that could provoke negative reactions regarding investments (RAFIEE et al., 2023). Thus, preparers play a role in determining the level of disclosure of forward-looking information.

3.2. The impact of PsyCap on the Tone of FLD

The tone of FLD in annual company reports has garnered increasing attention from many researchers and professional bodies. Fisher et al. (2020) defined the tone of disclosure as the means by which managers narrate accounting information in corporate reports using specific words that can have positive or negative connotations.

The disclosure's tone, which combines both positive and negative attitudes in textual material, may express management's unbiased assessment of the company's growth plans and prospects. In this respect, management's expectations and opinions about the company's future developments are reflected in forward-looking information, which is a crucial part of the Management Discussion and Analysis section of annual reports. Better projections about the company's future growth and operational performance are anticipated to accompany forward-looking statements, which are often delivered in a favorable manner (Li et al., 2024).

Forward-looking information is inherently less regulated, granting managers greater discretionary power. This stems from the absence of specific standards for the tone of disclosure, making it more difficult to verify (Cazier et al., 2020).

Among the theories explaining the tone of such disclosures is Agency Theory. According to this theory, the tone managers use in narrative disclosures may result from their personal interests or an intention to deceive the market. On the other hand, Behavioral Theory suggests that the tone may stem from the psychological and personal characteristics of managers. According to Signaling Theory, the tone of disclosure can convey additional information,



such as managers' feelings and attitudes, which is useful for market participants to better assess company fundamentals (Chen et al., 2024; Nassirzadeh and Pouryousof, 2023).

A study by Davis and Tama-Sweet (2012) found that executives tend to adopt a more optimistic (positive) and less pessimistic (negative) tone in accounting disclosures related to economic earnings. This is because the market is likely to respond significantly to the nature of the tone used in disclosures, thereby encouraging executives to strategically manage such disclosures. However, their discretionary authority in choosing the characteristics of narrative disclosure tone may influence stakeholders' perceptions and decisions. As Schleicher (2012) argues, positive statements in corporate reports do not always reflect good news. Managers may use language to mislead external users by biasing what is disclosed.

4. THE APPLIED ASPECT

4.1. Description of the Sample and Testing the Reliability of the Scale

4.1.1. Description of the Sample

In order to clarify the main characteristics of the research sample individuals, including managers, investors, Auditors of auditing firms, and financial analysts, the following is a brief description of the research sample individuals.

Table (1): Characteristics of sample members

S	Variables	Categories	Frequency	Percentage
1	Gender	Males	144	67.3
		Females	70	32.7
		total	214	100
2	Age	Less than 25 years old	38	17.8
		From 25 to 35 years old	72	33.6
		From 35 to 45 years old	58	27.1
		More than 45 years old	46	21.5
		Total	214	100
3	Academic qualification	Bachelor's Degree	122	57
		Master's Degree	36	16.8
		Ph.D.	24	11.2
		Other	32	15
		Total	214	100

The following can be observed from the table:

Gender: Table (1) clearly shows that the proportion of men is around 67% of the research sample size, while the proportion of females is roughly 33%.

Age: Table (1) makes it clear that 17.8% of the research sample's participants are under 25, 33.6% are between 25 and 35, 27.1% are between 35 and 45, and 21.5% are above 45.

Academic qualification: It is evident from Table (1) that (57%) of the total study sample individuals have a Bachelor's degree, (16.8%) have a Master's degree, (11.2%) have a Ph.D., and (15%) have other qualifications.

4.1.2. Testing the Reliability of the Scale

The stability and contradiction-free consistency of the questionnaire are referred to as reliability. It refers to getting the same result when the same sample is given the questionnaire again. The Cornbrash alpha coefficient was used by the researcher to determine the questionnaire's reliability.

Cornbrash Alpha: the equation of Cornbrash Alpha was used to assess the instrument's reliability on the sample of 214 questionnaires in order to gauge the instruments' dependability. The research instrument's reliability coefficients are shown in Table (2).

Table (2): Alpha coefficient for the reliability of questionnaire scales

Variables	Number of Questions	Alpha Coefficient
Axis 1: Psychological Capital (PsyCap)	15	0.888
Dimension 1: Self-efficacy	4	0.733



Dimension 2: Hope	4	0.720
Dimension 3: Optimism	4	0.741
Dimension 4: Resilience	3	0.716
Axis 2: Level of FLD	10	0.857
Axis 3: Tone of FLD	10	0.728
Total	35	0.933

With a total of (0.933) for all 35 questionnaire questions, Table (2) above makes clear that the overall reliability coefficient values for the study axes are strong. The first axis' reliability coefficient value was 0.888, the second axis' reliability coefficient was 0.857, and the third axis' reliability coefficient was 0.728. This indicates that the questionnaire has a high level of reliability and can be relied upon for the field application of the study, according to Nunnally's scale, which adopted (0.7) as the minimum threshold for reliability (Nunnally and Bernstein, 1994).

4.2. ANALYSIS OF RESULTS AND TESTING OF HYPOTHESES

The statistical results obtained are presented and analyzed by addressing the study hypotheses, which aim to determine the impact of PsyCap (self-efficacy, hope, optimism, and resilience) on the level of FLD. Additionally, the study seeks to examine the impact of PsyCap (self-efficacy, hope, optimism, and resilience) on the tone of FLD.

4.2.1 Testing the Variance Inflation Factor (VIF) and Tolerance Index

To verify the multicollinearity relationships between the independent variables PsyCap (self-efficacy, hope, optimism, and resilience), the Variance Inflation Factor (VIF) and Tolerance Index were used. It is assumed that the VIF values should be less than (10) and the Tolerance values should be greater than (0.1). The results are shown in the following table:

Table (3) Results of the Variance Inflation Factor (VIF) and Tolerance Index Tests

Variables	VIF	Tolerance
Dimension 1: Self-efficacy	2.717	0.368
Dimension 2: Hope	3.621	0.276
Dimension 3: Optimism	2.611	0.383
Dimension 4: Resilience	1.967	0.508

We observe from the table above that all Variance Inflation Factor (VIF) values are less than (10), and the Tolerance Index values are greater than (0.1). This indicates that there is no issue of multicollinearity among the independent variables.

4.2.2. Testing Hypothesis and Results interpretation

- The main hypothesis: (Impact of PsyCap (self-efficacy, hope, optimism, and resilience) on the level of FLD, as well as the tone of FLD.)

The following table displays the findings of a correlation analysis between the independent variables and the dependent variables:

Table (4) Results of the Correlation Test Between Independent and Dependent Variables

Variables	Level of FLD	Tone of FLD
Axis 1: Psychological Capital	0.896**	0.680**
Dimension 1: Self-efficacy	0.833**	0.596**
Dimension 2: Hope	0.822**	0.651**
Dimension 3: Optimism	0.712**	0.616**
Dimension 4: Resilience	0.721**	0.439**

**Statistically significant at the 0.01 significance level

*Statistically significant at the 0.05 significance level

It is evident from the table above that the correlation coefficients between the independent and dependent variables are statistically significant at the 0.01 significance level. This suggests that the independent and dependent variables have a substantial and positive association.

-The first main hypothesis: (Impact of PsyCap on the level of FLD.)

The effect of the independent variable (PsyCap) on the dependent variable (level of FLD) was ascertained using simple linear regression in order to test this hypothesis.



Table (5) Results of the Simple Linear Regression

Variables	B	T	Sig.
Constant	0.588	3.299	0.001
Psychological Capital (PsyCap)	0.867	20.709	0.000
F-Test Value	428.858	P-Value	0.000
Coefficient of Determination (R ²)	0.803	Adjusted Coefficient of Determination (R ²)	0.801
Durbin-Watson		2.152	

Based on statistical analysis, the results shown in the above table demonstrate the model's importance since the F-statistic's (Sig.) value was less than 0.05, or precisely 0.000, confirming the model's validity for testing and the reliability of its findings. The lack of autocorrelation and spurious regression is shown by the Durbin-Watson value of 2.152, which is higher than the R-squared value of 80%.

The independent variable has an 80% explanatory power over the dependent variable, according to the (R-squared) value of 0.803. The adjusted R-squared was (0.801), meaning that the independent variable affects the dependent variable by about 80%. The remaining 20% is ascribed to extraneous factors, including random errors brought on by measurement precision, sample testing accuracy, and other factors.

Interpretation of the Results of Main Hypothesis 1

The results of the statistical analysis show that the (Sig.) value for the independent variable, PsyCap, is less than (0.05), as it was (0.000), indicating that there is a significant effect of PsyCap on the level of FLD.

As for the equation of the simple linear regression, it can be represented as follows:

$$Y = 0.588 + 0.867X1$$

Where:

Y: The level of FLD.

X1: PsyCap.

-The Sub-Hypotheses of Main Hypothesis 1: (Impact of PsyCap (self-efficacy, hope, optimism, and resilience) on the level of FLD.)

The influence of the independent variables (self-efficacy, hope, optimism, and resilience) on the dependent variable (level of FLD) was assessed using multiple linear regression in order to examine the sub-hypotheses.

Table (6) Results of the Multiple Linear Regression

Variables	B	T	Sig.
Constant	0.245	1.393	0.167
Self-efficacy	0.417	6.746	0.000
Hope	0.224	3.253	0.002
Optimism	0.061	1.379	0.171
Resilience	0.235	5.401	0.000
F-test Value	135.929	P-Value	0.000
Coefficient of Determination (R ²)	0.842	Adjusted Coefficient of Determination (R ²)	0.836
Durbin-Watson		2.241	

Based on statistical analysis, the results shown in the above table demonstrate the model's importance since the F-statistic's (Sig.) value was less than 0.05, or precisely 0.000, confirming the model's validity for testing and the reliability of its findings. There was no autocorrelation or spurious regression, as shown by the Durbin-Watson value of 2.241, which was higher than the R-squared value of 84%.

The independent factors have an 84% explanatory power over the dependent variable, according to the (R-squared) value of 0.842. The independent variables have an approximate 84% influence on the dependent variable, according to the (Adjusted R-squared) value of 0.836. The remaining 16% is attributable to extraneous factors, including random errors brought on by measurement precision, sample testing accuracy, and other factors.

Interpretation of the First Sub-Hypothesis of Main Hypothesis 1

The results of the statistical analysis show that the (Sig.) value for the independent variable, PsyCap (self-efficacy), is less than (0.05), as it was (0.000), indicating a significant effect of PsyCap (self-efficacy) on the level of FLD.

Interpretation of the Second Sub-Hypothesis of Main Hypothesis 1



The results of the statistical analysis show that the (Sig.) value for the independent variable, PsyCap (hope), is less than (0.05), as it was (0.002), indicating a significant effect of PsyCap (hope) on the level of FLD.

Interpretation of the Third Sub-Hypothesis of Main Hypothesis 1

The results of the statistical analysis show that the (Sig.) value for the independent variable, PsyCap (optimism), is greater than (0.05), as it was (0.171), indicating that there is no significant effect of psychological capital (optimism) on the level of FLD.

Interpretation of the Fourth Sub-Hypothesis of Main Hypothesis 1

The results of the statistical analysis show that the (Sig.) value for the independent variable, PsyCap (resilience), is less than (0.05), as it was (0.000), indicating that there is a significant effect of PsyCap (resilience) on the level of FLD.

As for the multiple linear regression equation, it can be represented as follows:

$$Y = 0.245 + 0.417X1 + 0.224X2 + 0.061X3 + 0.235X4$$

Where:

Y : The level of FLD.

X1 : Self-efficacy.

X2 : Hope.

X3 : Optimism.

X4 : Resilience.

-The second main hypothesis : (Impact of PsyCap on the tone of FLD.)

The effect of the independent variable (PsyCap) on the dependent variable (the tone of FLD) was ascertained using basic linear regression in order to test this hypothesis.

Table (7) Results of the Simple Linear Regression

Variables	B	T	Sig.
Constant	1.562	5.624	0.000
Psychological Capital	0.620	9.492	0.000
F-Test Value	90.099	P-Value	0.000
Coefficient of Determination (R ²)	0.462	Adjusted Coefficient of Determination (R ²)	0.457
Durbin-Watson		1.689	

Based on statistical analysis, the results shown in the above table demonstrate the model's importance since the F-statistic's (Sig.) value was less than 0.05, or precisely 0.000, confirming the model's validity for testing and the reliability of its findings. There was no autocorrelation or spurious regression, as shown by the Durbin-Watson value of 1.689, which was higher than the R-squared value of 46%.

The independent variable has a 46% explanatory power over the dependent variable, according to the (R-squared) value of 0.462. The independent variable influences the dependent variable by roughly 46%, according to the (Adjusted R-squared) value of 0.457. The remaining 54% is ascribed to extraneous factors, including random errors brought on by measurement precision, sample testing accuracy, and other factors.

Interpretation of the Results of Main Hypothesis 2

The results of the statistical analysis show that the (Sig.) value for the independent variable, PsyCap, is less than (0.05), as it was (0.000), indicating that there is a significant effect of PsyCap on the tone of FLD.

As for the simple linear regression equation, it can be represented as follows:

$$Y = 1.562 + 0.620X1$$

Where:



Y: The tone of FLD.

X1: PsyCap

- The Sub-Hypotheses of Main Hypothesis 2: (Impact of PsyCap (self-efficacy, hope, optimism, and resilience) on the tone of FLD.)

The influence of the independent variables (self-efficacy, hope, optimism, and resilience) on the dependent variable (the tone of FLD) was assessed using multiple linear regression in order to examine the sub-hypotheses.

Table (8) Results of the Multiple Linear Regression

Variables	B	T	Sig.
Constant	1.592	5.342	0.000
Self-efficacy	0.194	1.860	0.066
Hope	0.237	2.035	0.044
Optimism	0.225	2.998	0.003
Resilience	-0.046	-0.626	0.533
F-test Value	24.594	P-Value	0.000
Coefficient of Determination (R ²)	0.491	Adjusted Coefficient of Determination (R ²)	0.471
Durbin-Watson		1.660	

Based on statistical analysis, the results shown in the above table demonstrate the model's importance since the F-statistic's (Sig.) value was less than 0.05, or precisely 0.000, confirming the model's validity for testing and the reliability of its findings. The lack of autocorrelation and spurious regression is shown by the (Durbin-Watson) value of 1.660, which is higher than the (R-squared) value of 49%.

The independent factors have a 49% explanatory power over the dependent variable, according to the (R-squared) value of 0.491. The independent variables have an approximate 47% influence on the dependent variable, according to the (Adjusted R-squared) value of 0.471. The remaining 53% is attributable to extraneous factors, including random errors brought on by measurement precision, sample testing accuracy, and other factors.

Interpretation of the First Sub-Hypothesis of Main Hypothesis 2

The results of the statistical analysis show that the (Sig.) value for the independent variable, PsyCap (self-efficacy), is greater than (0.05), as it was (0.066), indicating that there is no significant effect of PsyCap (self-efficacy) on the tone of FLD.

Interpretation of the Second Sub-Hypothesis of Main Hypothesis 2

The results of the statistical analysis show that the (Sig.) value for the independent variable, PsyCap (hope), is less than (0.05), as it was (0.044), indicating that there is a significant effect of PsyCap (hope) on the tone of FLD.

Interpretation of the Third Sub-Hypothesis of Main Hypothesis 2

The results of the statistical analysis show that the (Sig.) value for the independent variable, PsyCap (optimism), is less than (0.05), as it was (0.003), indicating that there is a significant effect of PsyCap (optimism) on the tone of FLD.

Interpretation of the Fourth Sub-Hypothesis of Main Hypothesis 2

The results of the statistical analysis show that the (Sig.) value for the independent variable, PsyCap (resilience), is greater than (0.05), as it was (0.533), indicating that there is no significant effect of PsyCap (resilience) on the tone of FLD.

As for the multiple linear regression equation, it can be represented as follows:

$$Y = 1.592 + 0.194X1 + 0.237X2 + 0.225X3 - 0.046X4$$

Where:

Y: The tone of FLD.

X1: Self-efficacy.

X2: Hope.

X3: Optimism.

X4: Resilience.

CONCLUSIONS



1. PsyCap is one of the most important capabilities and resources that a company possesses, which can be developed and invested in due to its representation of positive psychological behaviors and emotions that lead individuals to recognize their abilities and skills to achieve current or future goals and address various challenges in the work environment.
2. The FLD is of great importance in meeting the needs of investors and other stakeholders; however, the level of disclosure is a critical factor in this regard.
3. Companies disclose forward-looking information at varying levels and tones (positive, neutral, negative). In many cases, companies manage these tones and the level of what is disclosed.
4. There is an impact relationship between three elements of PsyCap (self-efficacy, hope, resilience) and the level of FLD. Additionally, there is an impact relationship between two elements of PsyCap (hope, optimism) and the tone of FLD.

RECOMMENDATIONS

1. Researchers in the field of accounting should pay attention to the concept of PsyCap and explore its diverse relationships with accounting variables, as well as attempt to measure and disclose it in a manner similar to other forms of capital.
2. It is essential to provide high-quality forward-looking information and identify the factors influencing the level of disclosure to ensure that relevant information is available to enable users to make appropriate decisions.
3. The tone of forward-looking information disclosure should reflect the actual conditions of the company.
4. Regulators should establish guidelines regarding the level and tone of companies' forward-looking information disclosures.

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Appendix 1
Questioner of Level of FLD

No	questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	FLD provides timely forward-looking information.					
2	forward-looking information is presented clearly and concisely.					
3	All important aspects of the future are covered in the information provided.					
4	The forward-looking information presented is reliable and verifiable.					
5	FLD reflect the company's transparency in presenting challenges and opportunities.					
6	forward-looking projections are periodically compared with actual outcomes.					
7	The assumptions underlying forward-looking projections are clearly stated.					
8	Sufficient information about potential					



	forward-looking risks is provided.					
9	The forward-looking information assists in rational decision-making.					
10	Providing more accurate and comprehensive forecasts enhances the quality of forward-looking information disclosure.					

Appendix 2
Questioner of Tone of FLD

No.	questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The tone of FLD plays an important role in shaping stakeholders' perceptions of the company.					
2	Trust in FLD can change based on their tone.					
3	Improving the tone of companies' FLD to better reflect their vision and forecasts enhances investor and stakeholder confidence in the company.					
4	The tone can be positive, neutral, or negative, each reflecting the company's optimism or pessimism about the future.					
5	The tone of FLD conveys management's strategic vision.					
6	Presenting positive FLD reflects confidence in achieving future goals and new opportunities.					
7	Positive disclosures focus on future opportunities, expected growth, and the belief in overcoming challenges.					
8	That the tone of the FLD fairly reflects the Company's condition.					
9	FLD with a pessimistic (negative) tone reflect potential challenges and difficulties.					
10	Pessimistic disclosures diminish confidence in the company's ability to overcome challenges.					