Impression Management in Brazilian Football Clubs' Financial Reports

ABSTRACT

Objective: This research investigated possible impression management practices in Brazilian football clubs' financial reports.

Method: Impression management was analyzed based on the information omission and obfuscation (text readability) and the textual sentiment of financial reports disclosed by the top 30 Brazilian football clubs from 2018 to 2021.

Originality/Relevance: This study contributes to Brazilian football clubs' stakeholders by offering data about transparency in the disclosure of economic and financial information. The research alerts to possible manipulation by the administration of football clubs when using impression management in financial reports.

Results: The financial reports analyzed presented poor readability, which indicates possible information obfuscation. The textual sentiment – measured through the positive and negative tone adopted in the reports – showed relative dissonance with the economic-financial result. For example, one of the clubs used a positive tone in the text while presenting a negative accounting result.

Theoretical/Methodological contributions: The study addresses the narrative portrayed in financial reports disclosed by Brazilian football clubs, a sector that generates many direct and indirect jobs. The sector represents an important part of the entertainment industry and is responsible for billionaire transactions.

Keywords: Impression Management. Readability. Brazilian Football Clubs. Textual Sentiment. Finance.

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1 INTRODUCTION

The financial health of football clubs influences their ability to generate revenue, their viability as an organization, and their capacity to continue promoting the sport, as reported by the executive committee of the Union of European Football Associations (UEFA, 2010). Thus, sound financial management is crucial for these entities. However, it is noteworthy that organizations in the sports sector commonly experience financial difficulties (Alaminos & Fernández, 2019; Scelles et al., 2018; Szymanski, 2015). In fact, football clubs are well known for operating without budget constraints (Andreff, 2007; Storm & Nielsen, 2012; Terrienet al., 2017). Thus, although the teams' performance in tournaments remains a central element for a football club, the economic relevance of transactions and their peculiarities emerge in the sports sector as a relevant study object (Ruta et al., 2019).

In recent years, initiatives such as the Financial Fair Play in Europe and PROFUT in Brazil emerged as an attempt to regulate the sector and limit expenditures. They also contributed to establishing governance and transparency practices concerning financial reporting. Stakeholders in the football industry, such as fans, creditors, investors, and sports media (Anagnostopoulos, 2011; Buchholz & Lopatta, 2017) are interested in information about financial performance, which is an element that reveals the clubs' financial responsibility (Michie, 2000; Morrow, 2000).

Against this backdrop, the narrative portrayed when reporting economic and financial information gains relevance. Worldwide, narrative communication in financial reports is crucial to improve corporate reporting and the organization's ability to achieve specific objectives (Beattie et al., 2004). Also, the narrative brings together economic and financial information and the context of professional sports (File, 2018).

Free from legal and regulatory restrictions, the texts in reports offer the opportunity to access detailed information that is not assimilated through the numbers expressed in financial statements, i.e., information that helps users better understand the company's nature and potential (Morrow, 2006). In this sense, the narratives facilitate the interpretation of the information published, offering a context, building confidence in the organization, and lending credibility to management (Clatworthy & Jones, 2006).

From managers' point of view, the texts of financial reports may be an opportunity to present information that favors their image. The narrative in the organization's reports can be better explored compared to other forms of textual communication because it is directed to stakeholders and because the narrative is presented together with financial statements, offering credibility by association or legitimacy – which does not happen with other communication channels such as newsletters (Neu et al., 1998).

The text of accounting narratives is written to facilitate the interpretation of the information the football clubs disclose together with the mandatory accounts. However, because the reports are prepared with discretion, the perspective the managers adopt can favor or impair the quality of the information provided, which may be subjected to manipulation through impression management (IM) (Theiss & Beuren, 2022).

In the organizational context, IM is understood as the use of tactics to improve information and present it in a way that distorts the readers' perception to meet the managers' intentions (Godfrey et al., 2003). IM generally seeks to legitimize the company's actions based on the stakeholders' expectations (Arantes et al., 2019).

The analysis of accounting narratives prepared and disclosed under the managers' discretion reveals opportunistic IM, where the preparers emphasize good information and

content, seeking self-promotion (Merkl-Davies & Brennan, 2007; Merkl-Davies & Brennan, 2014; Riley et al., 2014).

The importance attributed to the football clubs' finances results in managers seeking to legitimize the information disclosed in the financial reports, and IM is one form of achieving this goal, offering techniques that help clubs to present information favorably. Some studies have investigated impression management in company reports, such as Morrow (2005) and File (2018). Morrow (2005) identified signs of selectivity in the disclosure of football clubs' reports and image management. Another study by this author found impression management from the lack of neutrality in the accounting reports of Italian football clubs (Morrow, 2006). File (2018) observed impression management through strategic linguistic choices in the communication of media interviews by one of Manchester United's managers.

This bulk of evidence points out that exploring the possible attempts to manipulate the stakeholders' behavior based on impression management in the narratives of financial reports is worthwhile. This research takes this path and aims to investigate possible impression management practices in Brazilian football clubs' financial reports.

Impression management was investigated from two perspectives of manipulation in reporting: information obfuscation and textual sentiment. The first perspective refers to the reports' readability level and adopts two indices, the Flesch-Kincaid readability index (FKRI), which indicates the time required to understand the information contained in the text, and the Flesch reading ease (FRE) score, which informs how easy a text is to read. The second perspective is the textual sentiment, i.e., whether the tone used in the financial reports is positive or negative.

The results showed that most of the 30 Brazilian football clubs analyzed disclosed economic-financial reports. However, the statements were classified as difficult to read, requiring time to read and understand. In 2021 there was a low level of information disclosure, which may suggest impression management through information obfuscation, where the clubs chose not to disclose negative information or make it difficult to understand. In the same year, the texts analyzed demonstrated a more significant negative tone.

The clubs' possible opportunistic behavior, most evidenced in 2020 and 2021, can be explained due to the negative effects of COVID-19. During the pandemic, clubs suffered a long period without games open to the public, which negatively impacted their results. Linsley and Lawrence (2007) state that companies tend to lower the readability levels of their reports when they wish to obfuscate unfavorable information.

The research contributes to stakeholders in the sense of making them aware of the clubs' transparency when disclosing economic and financial information and observing the possibility of manipulation by managers. It also seeks to contribute to society, considering that football has crossed the border of the most practiced sport in the world and has become an entertainment industry in which billionaire transactions are carried out every season (Kern et al., 2012). In addition, Nascimento et al. (2015) report that football plays a relevant social role, as it generates not only entertainment but also employment and income.

2 THEORETICAL FRAMEWORK

Impression management (IM) happens when an individual seeks to create and maintain a specific identity (Zaidman & Drory, 2001) or when trying to change people's perception of them and build a behavior or image considered adequate for a particular situation (Ward & Ravlin, 2017). This usually occurs to demonstrate a more pleasant image of oneself (Bozeman & Kacmar, 1997).

In the business context, IM is defined as the process by which individuals, through the manipulation of information, influence the perceptions of others about them (Rosenfeld et al., 1995; Kacmar et al., 2004). According to Dorry & Zaidman (2007), these practices happen more strongly when individuals interact with others who can offer them something (investors, creditors, and stakeholders in general).

Furthermore, IM occurs due to the influence of personal and situational factors (Leary & Kowalski, 1990). Under the influence of situational factors, a person is likely to engage in IM when they highly depend on another party to obtain financial resources or to achieve what they want (Zaidman & Drory, 2001).

Members of organizations engage in IM, which is directed at everyone who interacts with them in daily work activities (Hewlin, 2009). Such behavior can manifest in different ways, considering the different means of corporate communication involving a variety of genres, formats, and channels (Souza, 2021).

According to Merkl-Davies and Brennan (2007), managers can engage in two types of IM: concealment and attribution. Concealment can occur in two ways: by obfuscating information that does not favor the company and managers (e.g., making it difficult to read reports when the result was below expectations, hiding poor performance measures, diverting attention from bad news) or by emphasizing good news, favoring the company and managers (e.g., loading the report with positive words to emphasize the increase in profits, facilitating the reading of good news).

The obfuscation hypothesis emphasizes that information is not presented neutrally. Therefore, negative news can be hidden or written to make it harder to understand (Brennan et al., 2009). In the organizational context, lower-than-expected economic performance can influence how the report is written and presented (Cooper & Slack, 2015).

In the context of sports, football is no longer a mere cultural manifestation or a simple association of people with a common goal. It is now thought of under business logic. Stakeholders go beyond fans and sports media, as there are also investors, creditors, and the government interested in the clubs' financial information (Anagnostopoulos, 2011; Buchholz & Lopatta, 2017).

From an economic perspective, associations between football clubs and fans (clients) are an important source of revenue generation. Therefore, teams cannot neglect publicly disclosed information, which can be used to gain supporters (Liang, 2017).

Research on IM analysis in accounting narratives reported that the amount or length of the text does not necessarily represent the information quality (Beattie et al., 2004; Beretta & Bozzolan, 2004, 2008). The quality of the report can be defined as the extent to which it conveys meaning to investors and stakeholders and helps explain underlying financial performance or other non-financial impacts. Therefore, when a financial report is constructed from partial practices that manipulate the behavior of the information user, the statement may lose its neutrality.

Thus, Silva et al. (2020) analyzed the readability of financial reports, more specifically the explanatory notes, according to the disclosure level of OCPC 07 (guideline of the committee of accounting pronouncements). The authors' findings demonstrated that the report's readability increased after the OCPC 07. Also, the study observed that readability, reports similarity, and organization size influence the level of disclosure.

Regarding the result obfuscation hypothesis, there is evidence that performance below expectations can induce organizations to make their reports more difficult to understand. For example, Holtz and Santos (2020) point out that the size and economic performance of publicly traded Brazilian companies influenced readability metrics. Thus, larger companies with a poor performance presented reports that were difficult to understand.

Revista Contabilidade, Gestão e Governança. Brasília, V.25 N.3, p. 506-523, Sep.-Dec. 2022

509

In the international context, the results of Leung et al. (2015) stand out. The authors indicate that companies with a high risk of bankruptcy try to obfuscate information for their stakeholders by omitting data in their annual reports. Additionally, it is noteworthy that Brazilian football clubs have similar characteristics since the literature indicates that most large Brazilian clubs are insolvent and have negative economic results (Minatto & Borba, 2021; Oliveira & Borba, 2021). Brazilian football clubs may conceal information in reports due to economic and financial problems. Therefore, the first research hypothesis is:

H1: Brazilian football clubs practice impression management through the readability of texts in their financial reports.

Organizations use reports other than financial statements to inform their results. Press releases aim to inform the company's main results synthetically. From the analysis of these documents compared with MD&As (Management's Discussion and Analysis), the results of Davis and Tama-Sweet (2012) indicate that companies presented lower levels of pessimistic language and higher levels of optimistic language in press releases compared to the texts of the MD&As.

Furthermore, financial reports may contain relevant information to predict organizations' results. According to the results of Hájek et al. (2013), the tone used in such reports is an important factor for the analysis of the company's future performance.

The disclosure of financial reports considers stakeholders such as fans, players, media companies, sponsors, and investors interested in the clubs' sports or financial performance (or both) (Anagnostopoulos, 2011; Senaux, 2008; Morrow, 2013). These reports must present a complete scenario of their performance, including economic and financial information and data related to socio-environmental impact (Morrow, 2013). However, IM leads this type of disclosure to become more of a legitimation strategy than an information tool in the relationship with stakeholders (Slack & Shrives, 2008).

In Brazil, the legal requirement regarding the football clubs' financial reports is provided in Law 9615/98, known as "Lei Pelé." The law imposes the annual disclosure of financial statements (FS) and the audit report. The FS encompasses the balance sheet (BS), income statement (IS); cash flow statement (CFS); comprehensive income statement (CIS); changes in shareholders' equity statement (CSES), and explanatory notes (EN).

The disclosure of management reports, messages from the president, and comments regarding the economic-financial and sporting performance of the clubs are subjected to voluntary disclosure. These non-mandatory elements allow elaborating narratives and explanations supporting the economic-financial and sports results demonstrated in the mandatory accounting information.

In this sense, Slack and Shrives (2008) analyzed community reporting by English Premier League football clubs. The authors found that clubs included more social elements in their reports when the media questioned their legitimacy and highlighted the importance of annual reports in communication with stakeholders.

The clubs' sports performance may be linked to poor financial performance, considering that greater investments increase costs (debts) and improve sports performance. In this sense, Benin et al. (2019) observed that the Brazilian football clubs' scale – represented by assets and revenue – is positively associated with sporting performance. For the authors, this behavior is expected since large clubs often compete in the main tournaments, have more members, count on stadiums with greater capacity, and generate more revenues (from media contracts, ticket offices, and membership fees).

Thus, information disclosure can be an important tool for clubs to achieve their main goals, such as promoting self-image and sports products, disseminating their characteristics

and values, and attracting new supporters (investors, creditors, etc.). The hypothesis emerging from this context is:

H2: Brazilian football clubs practice impression management through the tone of the texts in their financial reports.

3 METHODOLOGY

The financial reports (financial statements, management reports, and explanatory notes) disclosed by the 30 Brazilian football clubs that played at least once in the main national league between the 2018 and 2021 seasons were analyzed. This decision was made based on the reports' availability and the clubs' economic and sporting relevance. Also, these football clubs have high visibility and potential to practice impression management (IM), whether in economic reports or other means.

The study analyzed IM (i) through the readability of the texts and (ii) the textual sentiment, i.e., the tone adopted in the narratives.

The proxies to assess these elements were:

I. Text readability: the Flesch reading ease (FRE) score was considered. This score considers the length of words and sentences used, indicating how difficult/easy it is to read the analyzed text, ranging on a scale from zero (difficult) to 100 (very easy). This method considers the number of syllables per word and the number of words per sentence, and the larger the words and sentences, the more difficult the reading of a text is (Equation 1).

$$IFLF = 206,835 - (1,015 x ASL) - (0,846 x ASW) \text{ (Equation 1)}$$

Where:
ASL = Average Sentence Length
ASW = Average number of syllables per word

The estimation of the reports' readability was conducted using Python software. First, the text was treated, eliminating accents and special, mathematical, and logical characters to avoid confusion between the terms of the programming language of the algorithms used. In addition, tables, headers, and figures were excluded from the files, as they could cause distortions in the Flesch index, following Li (2008) and Moreno and Casasola (2016). Then, a program developed in Python was used to count the syllables by words and words by phrases, considering the word division and the construction of phrases in Portuguese.

Table 1
Flesch reading ease score interpretation

Interpretation proposed by Flesch	
Score	**Readability**
90-100	Very Easy
80-90	Easy
70-80	Fairly Easy
60-70	Standard
50-60	Fairly Difficult
40-50	Difficult
0-30	Very Difficult
Interpretation proposed by Martins et al (1996)	
Score	**Readability**
75-100	Very Easy
50-75	Easy
25-50	Difficult
Below 25	Very Difficult

Source: Flesch (1948); Martins et al. (1996)

II: Tone of the text: indicated by the optimism or pessimism in the reports disclosed. Proxies were built from an automated reading of the texts. The Python software identified and counted the frequency of positive or negative words.

The optimistic or pessimistic content was identified through machine learning supported by a dictionary previously prepared with keywords based on the dictionary by Silva and Machado (2019). This technique is called bag-of-words and transforms unstructured data into a structured format. In the bag-of-words approach, each text is represented as a vector of words that occur in the document or more sophisticated representations such as phrases or sentences (Martins et al., 2003).

The texts were first treated by consulting the reports, which were available in HTML format. As mentioned before, some characters were eliminated (accents and punctuation and special, mathematical, and logical characters) to avoid conflicts between the terms of the programming language of the algorithms used to collect data and estimate the tone of the texts.

After cleaning the texts (extracting accents, punctuation, and special characters), we analyzed each term (each word in the dictionary) within the context of a sentence. Thus, considering that adverbs of negativity can precede words, this can make a term essentially positive or negative and present an opposite meaning in the context of the analyzed report.

To avoid erroneous positive and negative classifications, the programming located the two terms that precede the words, and when these terms were negative adverbs – never, not, nothing, nobody, nor, none, and neither – they were not classified as such.

The purpose of investigating the preceding terms is to avoid the presence of a false positive or negative in estimating the weight of positive and negative words. Thus, the clean texts (free of characters, numerical values, and biases) underwent automated reading, and the frequency of words considered positive and negative was estimated.

Finally, the tone of the text was the frequency of positive and negative words used in the narratives of the reports of each football club per year, divided by the total number of words contained in each report, i.e., the proportion of positive and negative words found in the texts of the reports disclosed (Equations 2 and 3).

$$P.T. = \frac{Total\ Positive\ Words}{Total\ number\ of\ words} \qquad (\text{Equação 2})$$

$$N.T. = \frac{Total\ Negative\ Words}{Total\ number\ of\ words} \qquad (\text{Equação 3})$$

4 RESULTS AND ANALYSIS

4.1 Results

The analysis revealed that some football clubs have evolved in the disclosure of financial reports. The clubs Atlético Mineiro, Botafogo, Ceará, Flamengo, Palmeiras, and São Paulo included a management report and/or a message from the president in the set of statements disclosed in recent years, adding informative content to its stakeholders.

Two clubs (CSA and Cuiabá) did not publish reports in at least one of the analyzed years, failing to comply with law 9615/98. The results showed 2021 as the year a higher percentage of clubs failed to disclose economic-financial reports – and, consequently, their equity position – suggesting a reduction in the organizations' transparency (Table 2).

It is worth mentioning that the negative impacts of the COVID-19 pandemic on the clubs' finances were significant, as some tournaments were postponed, and they could not

Revista Contabilidade, Gestão e Governança. Brasília, V.25 N.3, p. 506-523, Sep.-Dec. 2022

512

host games with fans in the stadium. This fact may have influenced the non-disclosure of reports during the crisis.

Table 2

Disclose percentage of each information during the period

Information Disclosed	2018	2019	2020	2021
FR	60,00%	66,67%	56,67%	50,00%
FRWEN	0,00%	3,33%	3,33%	3,33%
PM	10,00%	6,67%	3,33%	3,33%
MP	6,67%	3,33%	13,33%	3,33%
MR + PM	16,67%	16,67%	20,00%	30,00%
IT	0,00%	0,00%	3,33%	3,33%
Did not publish	6,67%	3,33%	0,00%	6,67%

Note**.** FR – Financial Reports with explanatory notes; FRWEN - Financial Reports with explanatory notes; PM – President Message; IT – Introductiory Text; MR – Management Report;MR+PM - Management Report and President Message.

The readability analysis through the FRE score showed relative homogeneity among the clubs' reports, with an average score of 38. It is noteworthy that seven clubs had a maximum score greater than 40, which suggests an improvement in readability. However, these scores were still low, considered difficult to read according to Flesch (1948), and fairly difficult to read according to Martins et al. (1996).

Atlético Mineiro, Athletico Paranaense, and Avaí had averages above 40 for this indicator, which denotes that these clubs presented the reports with the highest level of readability. The scores observed in the analysis of all documents suggest the adoption of IM practices in the financial reports through information obfuscation (Table 3).

Table 4 presents the readability score results based on the type of reports, i.e., similar reports were grouped, and the FRE average for the groups was calculated. The results showed that from 2018 to 2020, the group of clubs that released management reports presented documents that were not considered very difficult to read according to the levels described by Martins et al. (1996). This was the group presenting the most readable reports. A possible explanation for this result is that clubs administratively organized present better economic and sporting results. They present a more detailed report supported by a healthier financial performance.

The group of clubs that only disclosed the financial statements and explanatory notes (from 2018 to 2020) was the second most readable. Finally, the group of clubs that disclosed reports containing a message from the president (except for the year 2020) had lower levels of readability compared to other types of reports, indicating the difficulty of understanding the content of these reports.

The findings presented in Table 5 reinforce that, regardless of the type, all reports were considered difficult to read according to the FRE score. The fact that the COVID-19 pandemic influenced the clubs' reporting in three of the four years analyzed (2019, 2020, 2021) corroborates the hypothesis of information obfuscation (Brennan et al., 2009), which indicates that managers are biased and tend to avoid disclosing unfavorable information.

The analysis of the reports' readability sought to identify possible IM through information obfuscation. The analysis observed two indices, the Flesch-Kincaid readability index (FKRI), which focuses on the time required to understand the information, and the Flesch reading ease (FRE) score, which informs how easy a text is to read based on the size of words and phrases.

Revista Contabilidade, Gestão e Governança. Brasília, V.25 N.3, p. 506-523, Sep.-Dec. 2022

513

Table 3

Readability analisys in financial reports

Panel A: Descriptive Statistics per club			
Clubs	**FKRI Mean**	**FKRI Max.**	**FKRI Min.**
América MG	36,58	39,64	34,83
Atlético GO	35,16	36,9	34,57
Atlético MG	44,08	46,67	41,08
Athletico PR	41,19	41,76	40,83
Avaí	41,27	41,63	40,85
Bahia	39,42	40,56	38,33
Botafogo	37,69	37,78	37,64
Ceara	37,43	37,85	36,99
Chapecoense	37,4	39,18	36,25
Corinthians	37,21	37,48	36,74
Coritiba	38,76	44,06	36,66
Cruzeiro	39,04	45,2	36,97
CSA	37,05	37,06	37,04
Cuiabá	37,06	37,06	37,06
Flamengo	37,7	41,08	36,27
Fluminense	37,27	39,79	36,4
Fortaleza	37,13	39,07	36,45
Goiás	36,99	38,95	36,26
Grêmio	36,2	36,21	36,2
Internacional	36,18	36,19	36,18
Juventude	37,48	38,84	37,03
Palmeiras	36,88	37,13	36,26
Paraná	37,34	38,84	36,26
Ponte Preta	37,49	38,63	37,07
Red Bull	38,54	38,55	38,53
Santos	37,41	38,52	37,04
São Paulo	37,36	38,55	36,95
Sport	37,4	38,57	36,98
Vasco	36,51	37,04	36,25
Vitória	36,69	38	35,74
Panel B: Descriptive Statistics per year			
Year		**IFLF Mean**	
2018		37,34	
2019		38,55	
2020		38,55	
2021		38,53	
Total		**37,98**	

Note**.** FKRI - Flesch-Kincaid readability index (FKRI)

Table 4

Readability analisys per type of financial report

	FKRI Mean			
Financial Report	**2018**	**2019**	**2020**	**2021**
FR	37,55	37,46	37,38	39,05
PM	35,97	35,5	36,46	39,79
IT	-	-	34,57	36,90
MR	38,71	46,67	39,35	38,55
MR + PM	36,9	36,95	36,52	39,34

Note**.** - - Did not published; FR – Financial Reports with explanatory notes; FRWEN - Financial Reports with explanatory notes; PM – President Message; IT – Introductiory Text; MR – Management Report; MR + PM - Management Report and President Message.

The textual sentiment analysis showed that Sport Club do Recife had the highest proportion of positive words (5.94%) in the text. However, the analysis of the financial statements reveals negative results in all years, indicating a lack of coherence between the tone of the text and the numbers presented, evidence of IM (Table 5). This corroborates Tan et al. (2014), who found that when entities have problems with their results, they tend to adopt IM through textual sentiment.

Table 5

Tone analysis of published financial reports during 2018 and 2021

Panel A – Text tone per clube						
Clubs	**Pos/TW Mean**	**Pos/TW Max.**	**Pos/TW Min.**	**Neg/TW Mean**	**Neg/TW Max.**	**Neg/TW Min.**
América MG	1,81%	1,93%	1,74%	2,07%	2,17%	1,97%
Atlético GO	1,69%	1,70%	1,68%	2,19%	2,20%	2,18%
Atlético MG	1,23%	1,69%	0,10%	1,52%	2,20%	0,13%
Athletico PR	1,82%	1,98%	1,71%	1,84%	2,17%	1,73%
Avaí	1,79%	1,85%	1,71%	1,75%	1,77%	1,73%
Bahia	1,69%	1,70%	1,68%	1,71%	1,73%	1,68%
Botafogo	1,66%	1,68%	1,64%	1,70%	1,72%	1,68%
Ceara	1,63%	1,64%	1,62%	1,65%	1,66%	1,65%
Chapecoense	1,77%	2,17%	1,62%	1,74%	2,12%	1,60%
Corinthians	1,65%	1,66%	1,64%	1,61%	1,62%	1,60%
Coritiba	1,73%	2,06%	1,61%	1,69%	1,95%	1,59%
Cruzeiro	1,68%	1,88%	1,61%	1,68%	1,90%	1,60%
CSA	1,61%	1,62%	1,61%	1,63%	1,63%	1,62%
Cuiabá	1,62%	1,62%	1,62%	1,64%	1,64%	1,64%
Flamengo	1,68%	1,92%	1,60%	1,73%	1,97%	1,64%
Fluminense	1,67%	1,87%	1,59%	1,79%	2,01%	1,70%
Fortaleza	1,65%	1,80%	1,59%	1,34%	1,72%	0,20%
Goiás	1,64%	1,80%	1,58%	1,78%	1,97%	1,71%
Grêmio	1,56%	1,57%	1,56%	1,70%	1,70%	1,70%
Internacional	1,56%	1,56%	1,56%	1,71%	1,71%	1,70%
Juventude	1,62%	1,80%	1,56%	1,78%	1,99%	1,71%
Palmeiras	1,55%	1,56%	1,53%	1,70%	1,71%	1,69%
Paraná	1,60%	1,80%	1,53%	1,77%	1,99%	1,69%
Ponte Preta	1,59%	1,76%	1,52%	1,76%	1,94%	1,69%
Red Bull	1,73%	1,73%	1,73%	1,52%	1,95%	0,24%
Santos	1,57%	1,73%	1,52%	1,76%	1,95%	1,69%
São Paulo	1,26%	1,52%	0,49%	1,41%	1,70%	0,57%
Sport	2,62%	5,94%	1,52%	2,95%	6,73%	1,69%
Vasco	1,49%	1,50%	1,49%	1,68%	1,68%	1,68%
Vitória	1,54%	1,69%	1,49%	1,76%	1,94%	1,69%
Total	**1,67%**	**5,94%**	**0,10%**	**1,76%**	**6,73%**	**0,13%**
Painel B – Text tone per year						
Year	**Pos/TW Mean**	**Pos/TW Max.**	**Pos/TW Min.**	**Neg/TW Mean**	**Neg/TW Max.**	**Neg/TW Min.**
2018	1,56%	1,93%	0,10%	1,81%	1,81%	1,81%
2019	1,73%	1,73%	1,73%	1,73%	2,20%	1,60%
2020	1,73%	1,73%	1,73%	1,72%	2,18%	1,59%
2021	1,73%	1,73%	1,73%	1,90%	6,73%	0,20%
Total	**1,67%**	**5,94%**	**0,10%**	**1,78%**	**6,73%**	**0,20%**

The analysis also showed that 2021 was the year with the highest percentage of negative words in the reports (6.73%). This may be explained by the fact that the clubs had endured two years without revenues from ticket sales during the pandemic. The entities had to work hard to address the financial challenges posed in this period, and the negative tone adopted in the texts for 2021 probably reflected the crises. In this sense, Melo and Cabral

Revista Contabilidade, Gestão e Governança. Brasília, V.25 N.3, p. 506-523, Sep.-Dec. 2022

515

(2020) reported that the COVID-19 pandemic generated one of the biggest economic crises experienced by humanity since the Second World War.

4.2 Discussion

Data collected from the clubs' websites revealed a lack of standardization in their reporting during the analyzed period. For example, Atlético Goianiense and Grêmio published one type of report in two years and another in the subsequent years.

Only in 2020, Cuiabá disclose a financial report. The analysis of the club's income statement (which is publicly available) showed losses and a decrease in its cash and cash equivalent. Failure to publish information may indicate IM through information obfuscation.

The fact that Cuiabá did not disclose reports in the years when it had the biggest financial problems may be understood as an attempt to avoid negative reactions from stakeholders. This corroborates Rennekamp (2012), who observed that companies with poor economic performance seek to obfuscate information to prevent stakeholders from becoming aware of their negative situation.

Another negative example is the case of Red Bull Bragantino, which did not disclose explanatory notes and the management report, failing to comply with the regulations. The club changed its business model in the period and performed significant transactions that should be detailed in explanatory notes to inform users about the club's equity position.

The Brazilian football clubs preferred to present financial statements with explanatory notes (except for Red Bull Bragantino, which, as mentioned above, did not comply with this requirement). These documents are mandatory for large companies (public or privately held, or limited companies) and, according to the accounting standard CPC 26 issued by the Brazilian Accounting Pronouncement Committee, they are a structured representation of the organization's performance and equity and financial position.

Regarding the evolution of readability scores over the analyzed years, the average showed similar numbers, indicating a pattern of readability in the reports. This result is related to uniformity observed in the reports of each club in the period from 2018 to 2021. In general, the study did not identify substantial changes in how clubs present their reports over the years. It is common to observe the use of a model that is replicated in the following years.

According to the average FKRI, Internacional and Grêmio presented the reports most difficult to read. Although the clubs' reports adopted different standards, they obtained similar scores indicating poor readability.

In general, the financial reports disclosed by Brazilian football clubs are difficult to read. This evidence allows expanding to the football sector the conclusion of Merkl-Davies and Brennan (2007) for publicly traded companies, i.e., that managers adopt IM practices in reporting by obfuscating information.

5 FINAL CONSIDERATIONS

This research investigated possible impression management practices in Brazilian football clubs' financial reports. The study examined the 30 Brazilian football clubs that competed at least once in the main national league between the 2018 and 2021 seasons. It was possible to observe a lack of standardization in the report published (six types of reports were identified). The clubs themselves changed the type of reports from one year to the other.

The analysis of IM practices observed in financial reports showed the potential use of information obfuscation. The Brazilian football clubs disclosed reports that presented low levels of readability. Lack of readability is associated with the type of report, whether with a

message from the president or additional graphic and textual elements. Therefore, these elements should be considered when disclosing information to stakeholders.

The research concludes that managers of Brazilian clubs engage in IM to make it difficult for stakeholders to understand the economic and financial position of the entities, preventing them from identifying information that is unfavorable to the club, such as negative financial results. A contribution of the study is the analysis of elements that appear in the financial reports that can influence the interpretation of the information users.

In the textual sentiment analysis, there was a conflict between the tone of the text and the financial result disclosed by Sport Club do Recife. This club had the highest proportions of positive words in 2020 and 2021, but both years showed negative results. This demonstrates inconsistency between the positive content of the report text and the club's economic and financial performance.

It is possible to say that the Sport Club do Recife engaged in IM in some moments using an optimistic perspective and positive words in the text of its financial report in an attempt to mitigate the impression of the negative financial results. At another time, during the pandemic in 2020 and 2021, the club used a negative tone coherent with the situation of negative results due to a lack of revenues from ticket sales, loss of other revenue sources, and the postponement of tournaments.

The results should be considered only to understand the reality of the 30 clubs analyzed, and for the period from 2018 to 2021, without generalization for the other Brazilian clubs and other periods.

In addition, the effect of the COVID-19 pandemic may have influenced the results, and an analysis of a subsequent period is important to better understand the clubs' reality. The use of a single readability metric also presents a limitation, as it was originally built for another language and required some adaptations.

Therefore, future research could expand the scope of analysis to other sports entities, such as sports federations and confederations. Also, studies could explore the discourse of managers in press conferences held to present the financial results. Finally, the segregated analysis of financial statements may be an important strategy to identify possible differences in the level of readability in different topics.

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518

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519

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Gerenciamento de Impressão nos Relatórios dos Clubes Brasileiros de Futebol

RESUMO

Objetivo: *O objetivo desta pesquisa foi investigar possíveis práticas de gerenciamento de impressão nos relatórios financeiros divulgados pelos clubes brasileiros de futebol.*

Método: *Analisou-se o gerenciamento de impressão a partir da omissão e ofuscação de informações (legibilidade do texto) e do sentimento textual dos relatórios contábeis divulgados pelos 30 principais clubes durante o período de 2018 a 2021.*

Originalidade/Relevância: *Este estudo contribui para os stakeholders dos clubes brasileiros de futebol, informando sobre a transparência na divulgação das informações econômico-financeiras e sobre a existência de possíveis manipulações do seu comportamento, exploradas pelos gestores dos clubes de futebol, a partir da utilização do gerenciamento de impressão nos relatórios.*

Resultados: *Os resultados evidenciaram, em relação ao gerenciamento de impressão, que os textos dos relatórios divulgados pelos clubes apresentaram nível de dificuldade de leitura alto, o que indica possível ofuscação de informações. Já o sentimento textual, medido por meio do tom positivo e negativo, apresentou relativa dissonância com o resultado econômico-financeiro, em que um dos clubes apresentou tom positivo no texto, mas com um resultado contábil negativo.*

Contribuições Teóricas/Metodológicas*: O estudo aborda a narrativa presente nos relatórios contábeis dos clubes brasileiros de futebol, setor que gera empregos diretos e indiretos, além de movimentar a indústria do entretenimento, em que são realizadas transações bilionárias, capazes de gerar cifras expressivas.*

Palavras-chave*: Gerenciamento de Impressão. Legibilidade. Clubes Brasileiros de Futebol. Sentimento Textual. Finanças.*

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523