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COVID-19 SPECIFIC GOING CONCERN DISCLOSURES IN THE FINANCIAL STATEMENTS: EVIDENCE FROM AN EMERGING MARKET

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ABSTRACT

Purpose- This paper aims to evaluate whether companies in Bangladesh have properly disclosed the implications of the pandemic in their "Going Concern section" in annual reports.
Methodology- To achieve this goal, this study analysed COVID-19-specific disclosures in the “Going Concern” section of annual reports for listed textile and banking companies for 2020 and 2021 using discourse analysis. The study also utilized the impression management theory and techniques suggested by Caliskan et al. (2021) to explain the results.
Findings- The findings revealed that companies did not adequately evaluate the impacts of the pandemic on the going concern problem and instead used language strategically to manage stakeholder impressions. Companies predominantly employed defensive and performance-showcasing devices in their pandemic-related going concern disclosures, with assertive tactics being used in only a few cases.
Conclusion- The study's findings will have policy implications for the board of directors, management, and regulators of companies in shaping directives regarding future disclosures under crises such as COVID-19. Additionally, shareholders will benefit greatly from the findings in assessing the going-concern problem of companies. This study is groundbreaking in its assessment of going concern disclosures from a COVID-19 perspective and will expand the literature with new insights.

Keywords: Covid-19, going concern problem, going concern disclosures, impression managementi developing economy.
JEL Codes: G33, G38, M41

1. INTRODUCTION

COVID-19 has caused severe damage to many sectors of the global economy, including Bangladesh (Yamin, 2020). It is predicted that COVID-19 has significant implications for going concern uncertainty requiring adequate disclosure (KPMG, 2020). The assumption of going concern is one of the fundamental accounting concepts, which means that a company is financially stable enough to continue its operations in the long term or beyond the next fiscal period. This ensures that the company is less likely to be liquidated, can fulfil its obligations by utilizing its existing assets, and has the potential to earn profits in the future without having to liquidate its entity. The COVID-19 pandemic has disrupted global markets through factors such as supply chain and production disruptions, restrictions on the workforce and travel, reduced consumer spending, and negative sentiments, which adversely influence the financial outcomes, liquidity status, and cash flow forecasts of enterprises (Karim, Shetu, & Razia, 2021; Boissou & Phelps, 2020; Karim & Shetu, 2023). Therefore, it is predicted that the pandemic may affect the continuity of companies and thus may create a growing concern problem.

According to news published in The Financial Express (2020), manufacturing companies have experienced disruptions in their production, and their sales have started to decline due to various crises that certainly affect their company's continuity. Export-dependent industries have experienced severe crises because they cannot import their raw materials, purchase fuel, or export manufactured goods, as many countries have suspended their import and export activities. All types of transportation, including air, sea, road, and rail, were closed. All types of businesses, offices, and factories were also closed, except for the establishment of essential goods. Initially, the lockdown lasted for a few days, but later, it was extended several times. The International Monetary Fund (IMF) predicted that global growth could decrease three percent of the economy due to the coronavirus. There were significant disruptions in the economies of the nations that depended on tourism and hospitality for their prosperity. As the world's appetite for risk declined and currency pressures started to peep, emerging markets and developing economies started to face new concerns. In the latter half of 2020, the pandemic began to wane, and governments worldwide took measures to prevent widespread bankruptcies and financial turmoil, leading to a projected global growth of 5.8% in 2021. The pandemic has caused significant changes worldwide. To control the outbreak, countries implemented essential measures such as quarantines and social distancing, leading to a global lockdown (IMF, 2020).

As stated by Pippo (2020), the pandemic has had a notable influence on the performance of numerous businesses, potentially leading to operational closures for many firms due to a variety of factors such as a dollar crisis, decreased demand for goods or services, escalated levels of indebtedness, and higher-than-anticipated inflation rates. These elements could result in a decrease in a company's operational effectiveness and financial standing (Karim and Shetu, 2023). Managing these challenges and transparently communicating them to investors is a task facing both management and the board. Providing detailed and high-calibre information about the company's prospects and its capacity to navigate uncertainties is crucial. Hence, it is imperative to reveal the concerns about COVID-19-associated going concern concerns in companies' financial statements. The evaluation of businesses' adeptness to persist as a going concern has become significantly crucial with the propagation of the novel coronavirus. As outlined by KPMG (2020), certain considerations merit the attention of company management when evaluating the going concern scenario given the uncertainties prompted by the COVID-19 pandemic. Specific sectors have been more severely impacted, experiencing substantial disruptions to their business models due to the spread of the virus (Shetu and Karim, 2023).

The concept of "going concern" holds substantial significance within accounting principles and stands as a key assumption under the IFRS framework. It becomes the duty of management to evaluate this aspect at the conclusion of the accounting period while finalizing the financial statements. However, the prevailing economic landscape shaped by the pandemic has led numerous entities to face notable declines in revenue, profitability, and liquidity. This, in turn, has triggered apprehensions about their ability to sustain themselves as a "going concern." Consequently, the determination of whether financial statements should be formulated on a going concern basis might necessitate a heightened level of judgment compared to normal circumstances (IFRS, 2021). This judgment should stem from pertinent considerations such as the industry and geographical context, the financial health of the clientele and suppliers, the entity's liquidity and solvency, and its access to financial resources, among others (Stancheva-Todorova, 2021). If substantial uncertainties loom over the entity's ability to continue as a going concern, the board has a responsibility to communicate these events or conditions to investors, lenders, and other creditors. Furthermore, the board must factor in all foreseeable information that could substantially impact the entity's viability as a going concern (Stancheva-Todorova, 2021). The disclosures made must possess reliability and pertinence to enable prudent decision-making among users. In assessing the reliability of a management disclosure, investors typically consider four main facets: the context driving the disclosure, the credibility and capability of the management team, the extent of support for the message from both internal and external sources, and specific attributes of the disclosure itself, including its precision, timing, location of release, and timeframe (Rahman, 2012; Mercer, 2004).

This paper aims to examine whether company management has given adequate attention to the implications of the pandemic on a firm's 'going concern section' and to determine the management's responsibility to disclose the effects of COVID-19 ongoing concern following the International Financial Reporting Standards (IFRSs). To address these issues, various studies have been conducted. These evaluations include analysing how frequently the term "going concern" appears in the entire annual report by both auditors and management, as well as examining the statements made by managers and auditors concerning the going concern assumption and the impacts of COVID-19. This study also identifies new challenges arising from the continuing uncertainty of the COVID-19 situation in assessing the assumption of going concern and highlights the need for improved disclosure requirements in the context of COVID-19. The results are interpreted from the perspective of impression management.

This study considered Bangladesh as the sample of study for several reasons. The central point of this research has been to investigate pandemic-related going concern disclosures from the perspective of the Bangladesh economy, as there is a lack of studies that examine this emerging and growing economy. According to Karim and Riya (2022), there is regrettably little observance of disclosure standards in this context. Furthermore, corporate governance is weak in this emerging economy, as observed by Karim, Mitra, and Khan (2020), and fraudulent financial reporting is likely taking place in developing countries, as noted by Karim and Hossain (2020). In addition, the independence of independent directors in this economy is compromised through various means, as indicated by Karim and Mitra (2019), and shariah compliance in the country's Islamic banks' operations involves eye washing. (Karim & Shetu, 2020). Therefore, it is essential to conduct more research that focuses on developing economies.

From the perspective of Bangladesh's emerging market, this study reveals significant insights into COVID-19-specific going concern disclosures. Despite regulatory and professional directives, many companies have strategically managed stakeholder impressions rather than adequately disclosing the pandemic's impact on their going concern status. This behavior underscores a broader issue of compliance and transparency within the corporate governance framework of developing economies. The findings of this research have substantial implications for policymakers, regulators, and corporate boards. They highlight the need for more stringent and clear guidelines for crisis-related financial reporting to enhance transparency and stakeholder trust. By employing discourse analysis and impression management theory, this study provides a novel methodological approach to understanding pandemic-specific disclosures. This research not only fills a critical gap in the literature by focusing on the underexplored context of an emerging economy but also offers practical insights for improving disclosure practices. Future studies should continue to investigate these dynamics across different sectors and economies to build a more comprehensive understanding of global financial reporting standards and practices during crises such as COVID-19.

The remainder of this article is organized as follows: Section Two provides a comprehensive review of the relevant literature, highlighting key studies and findings related to the topic. Section Three delves into the theoretical framework underpinning the research, outlining the concepts and theories that guide the study. Section Four details the methodology used and explains the research design, data collection, and analysis methods employed. Section Five presents a thorough analysis of the data and discusses the findings in depth. Finally, Section Six offers the conclusion, discusses the study's limitations, and provides recommendations for future research and practice.

2. LITERATURE REVIEW

The global business landscape has been deeply affected by COVID-19, disrupting supply chains (Shetu and Karim, 2023), causing significant declines in revenue (Karim and Shetu, 2023), and affecting the going concern status of many companies. As a result, there has been increased attention given to the importance of going-concern disclosures in financial reporting, particularly in light of the unpredictability and instability brought about by the pandemic.

According to KPMG (2020), the COVID-19 pandemic has amplified the necessity for transparent and informative disclosures regarding going concern considerations. The firm underscores that companies should evaluate the influence of the syndemic on their operations, financial standing, and future outlook while assessing their going concern status. KPMG proposes that companies should furnish comprehensive and pertinent disclosures encompassing sensitivity analysis and scenario planning. These disclosures are intended to enhance investors' comprehension of the vulnerabilities and uncertainties associated with the company's viability as a concern. In a similar vein, Deloitte (2020) underscores the significance of lucid and succinct disclosures concerning going concern matters within the purview of the pandemic. The firm highlights the importance of companies openly sharing their assumptions and methodologies employed in evaluating their going concern status. Additionally, any uncertainties or risks tied to the pandemic that could impact the company's potential to continue operation should also be communicated transparently. Deloitte (2020) suggested that companies should establish transparent channels of communication with stakeholders and furnish insightful disclosures tailored to their unique circumstances. Similarly, PWC (2020) emphasizes the significance of strong and comprehensive disclosures concerning going concern matters due to the syndemic. The firm highlights the necessity for companies to meticulously assess their liquidity position and take into account the potential ramifications of the pandemic on their financial condition and future possibilities. PwC suggests that companies should offer transparent and succinct disclosures that shed light on the pivotal assumptions and uncertainties associated with their going concern situation. Additionally, these disclosures should encompass any potential measures that could be implemented to alleviate liquidity and financial risks.

Baskan (2020) conducted research that centered on the independent auditor's report and scrutinized the uncertainty associated with the going concern concept amid the syndemic. This paper sought to underscore the significance of going concern and how to handle the challenges brought about by the pandemic. The primary focus of the research was on the examination of the International Standard on Auditing Going Concern (ISA-570) and the discussion of requisite measures for incorporating it into entity auditor reports during emergencies. Stancheva-Todorova (2021) delved into the repercussions of COVID-19 on ongoing concern assessments from a managerial perspective. The research acknowledged the persistent uncertainty within the COVID-19 context and aimed to address the obstacles encountered by company management when evaluating the presumption of going concern. Despite the absence of explicit mandates, the responsibility of appraising the firm's potential to endure operational continuity rests with the business's management, given that it remains a principal assumption under the accounting framework (KPMG, 2020).

The European Securities and Markets Authority (ESMA, 2020) provided a public statement clarifying the concept of going concern amid the COVID-19 epidemic's influence on half-yearly financial statements of listed issuers. ESMA's directives centered on transparency in the financial statements of capital market participants stress the importance of accurately representing the real and potential financial impacts of COVID-19 on their financial state. The statement highlighted the necessity for accuracy and transparency in financial information for informed investor decision-making. Moreover, the IFRS (2020) issued clarifications on the application of IFRS 9 Financial Instruments and related standards in assessing going concern during the uncertain conditions caused by the COVID-19 pandemic.

However, the literature linking COVID-19 with going concern disclosures is very scarce. Hossain et al. (2022) evaluated COVID-19-specific disclosures from the impression management perspective and identified several strategies for hiding such disclosures. One such strategy was the use of vague and ambiguous language, which made it difficult to discern the actual effect of the pandemic on their activities. Another tactic was to downplay the impact of the pandemic on their business, either by minimizing the severity of the situation or highlighting their ability to overcome it. Additionally, Karim, Reza & Shetu (2024) have evaluated overall accounting disclosures with no focus on going concern issue. Another study by Donatella et al.

(2022) examined the disclosure of subsequent events related to COVID-19 by public entities. The researchers found that there was a positive correlation between the number of confirmed COVID-19 cases and the reporting of COVID-19 as a subsequent event by these entities.

Previous research has explored COVID-19 disclosures, yet no studies have specifically assessed the impact of COVID-19 on going concern disclosures. Moreover, this study introduces impression management theory, which is rarely applied to going concern assessments. Additionally, there is a lack of research addressing these disclosures in emerging economies. While Baskan (2020) focused on auditor reports about the effects of COVID-19 on going concern, this study aims to comprehensively analyse this impact by considering both the auditor and management perspectives. This research addresses these gaps by employing impression management strategies to scrutinize COVID-19-related going concern disclosures in Bangladesh's banking and textile sectors.

3. THEORETICAL FRAMEWORK

Impression management theory provides a useful framework for understanding how organizations may strategically communicate their response to the COVID-19 pandemic to shape stakeholder perceptions. Impression management theory posits that individuals and organizations engage in various strategies to influence the perceptions and attitudes of others toward them (Goffman, 1959). Clatworthy and Jones (2001) defined impression management as the control and manipulation of the impression presented to accounting information users to influence their decisions. Although impression management theory was originally developed to explain individual behavior, it has since been applied to organizational contexts (Hoogheimstra, 2000). After analysing various articles on the topic, Caliskan et al. (2021) categorized impression management into three primary groups—assertive strategies, performance-driven strategies, and defensive strategies. The authors also identified several subcategories within each of these main categories.

The management of organizations employs defensive strategies to address poor performance by manipulating the impressions of accounting information users (Clatworthy & Jones, 2001). These tactics encompass disassociation, excuses, justification, apologies, restitution, concealment, and omission (Caliskan et al., 2021; Fialho, 2021). During the COVID-19 pandemic, studies underscore organizations' utilization of impression management techniques. Performance-oriented tactics involve emphasizing performance to stakeholders through selectivity and performance comparison (Caliskan et al., 2021). Conversely, assertive tactics establish a specific reputation using methods such as ingratiations, self-promotion, exemplification, entitlement, and enhancement (Caliskan et al., 2021).

Impression management theory can be applied to the context of going concern disclosures in financial reporting. The management's decision to make or not make a going concern disclosure can be influenced by impression management motives. For example, if a company is experiencing financial difficulties, management may use defensive tactics such as concealment or omission to avoid negative disclosures that could harm the company's reputation and financial performance. On the other hand, if a company is performing well, management may use assertive tactics such as self-promotion or enhancement to emphasize positive information in disclosures.

From the perspective of COVID-19, organizations may use impression management tactics to shape stakeholders' perceptions of their response to the crisis (Hossain et al., 2022). Several studies have explored the use of impression management strategies observed in COVID-19-related disclosures. Hossain et al. (2022) analysed the financial statements of insurance companies and identified strategies such as downplaying the impact of the pandemic and highlighting CSR activities to build a favourable impression of the firm's response. Similarly, Li et al. (2021) examined the corporate social media posts of Chinese firms and found that they used tactics such as expressing empathy and emphasizing crisis management efforts to shape stakeholder perceptions. The extent of subsequent event disclosure related to COVID-19 has also been explored from the impression management perspective. Donatella et al. (2022) found that public entities exhibited a greater likelihood of reporting COVID-19 as an adjusting event in financial statements when there were confirmed cases of the virus in their jurisdiction, suggesting that they may be using disclosure to manage stakeholder perceptions of their response to the crisis. Nevertheless, the literature on going concern disclosure from an impression management perspective, let alone the COVID-19 viewpoint, is scarce. This study identified a significant research gap and sought to enrich the literature with new findings.

4. RESEARCH METHODOLOGY

To investigate COVID-19-specific disclosures in the financial statements of textile and banking firms in Bangladesh, this paper utilized discourse analysis and adopted an explanatory research approach. This study relied on impression management techniques, as suggested by Caliskan et al. (2021), to analyse the qualitative data.

4.1. Sample

This article analysed the financial statements of 58 textile companies and 33 banking companies in Bangladesh for the fiscal years 2020 and 2021. The data were collected directly from the reports by hand. These industries were selected for several reasons. First, the textile and banking sectors are significant contributors to the country's GDP and reflect the overall economy. The textile sector represents the manufacturing industry, while banks represent the service industry. Therefore, this study can compare the results between these two sectors.

4.2. Discourse Analysis

Previous research has employed discourse analysis to uncover impression management techniques in firm disclosures (Ahmad and Hossain, 2019). This method considers the broader context of language use (Dijk, 1990), examining speech and writing beyond single sentences. Context is crucial in effective discourse analysis (Mazumder and Hossain, 2019). Unlike content analysis, discourse analysis delves into "how" companies navigate the impact of COVID-19 rather than just "what" they disclose in annual reports. Various scholars approach discourse analysis differently.

This study adopts Caliskan et al.'s (2021) framework for analysis. Impression management theory is the core concept, identifying three tactics—performance-focused, defensive, and assertive—each with subcategories. This framework emerged from studies of various sources.

5. FINDINGS AND INTERPRETATIONS

5.1. Textual Analysis

The analysis of the study commences by evaluating the proportion of companies providing COVID-19-specific going concern disclosures within their financial statements. Table 1 shows the percentage of companies in the textile industry that disclosed their ability to sustain operations during the COVID-19 pandemic in 2020 and 2021.

In 2020, among a total of 58 companies in the textile industry, two companies (3%) included COVID-19-related going concern disclosures, leaving the remaining 56 companies (97%) without such disclosures. The following year, in 2021, the number of companies making these disclosures slightly increased to three (5%), while the percentage of companies abstaining from such disclosures decreased to 55 (95%). Overall, the degree of compliance is exceedingly minimal, implying that companies largely neglected to assess going concern issues stemming from the pandemic.

Table 1: Percentage of Textile Industry Companies with COVID-19-Related Going Concern Disclosures

Industry	Textile Industry (n=58)			
	2020	Percentage	2021	Percentage
Firms with disclosures related to COVID-19's impact on going concern.	2	3%	3	5%
Firms lacking disclosures regarding COVID-19's influence on going concern.	56	97%	55	95%
Total	58	100%	58	100%

Table 2 presents data on the percentage of companies in the banking industry that revealed their capacity to sustain operations in light of the COVID-19 pandemic for both 2020 and 2021. In 2020, among a total of 33 companies in the industry, 13 companies (39%) incorporated going concern disclosures related to COVID-19, while the remaining 20 companies (61%) did not. In the subsequent year, 15 companies (45%) included such disclosures, showing an increase, whereas the percentage of companies without such disclosures decreased to 18 (55%).

Table 2: Percentage of Banking Industry Companies with COVID-19-Related Going Concern Disclosures

Industry	Banking Industry (n=33)			
	2020	Percentage	2021	Percentage
Firms with disclosures related to COVID-19's impact on going concern.	13	39%	15	45%
Firms lacking disclosures regarding COVID-19's influence on going concern.	20	61%	18	55%
Total	33	100%	33	100%

In both industries, the percentage of companies making such disclosures increased from 2020 to 2021. However, in the banking industry, the increase was more significant (from 39% to 45%) than that in the textile industry (from 3% to 5%). Additionally, in both industries, most companies did not make COVID-19-related going concern disclosures in either year. However, the percentage of companies that did not make such disclosures was greater in the textile industry (97% in 2020 and 95% in 2021) than in the banking industry (61% in 2020 and 55% in 2021). This indicates the noncompliance and negligence of disclosures by corporations.

5.2. Analysis from Impression Management Perspective

After textual analysis, this section extends the assessment of why companies did not make disclosures and how they are trying to communicate with stakeholders. Here, we applied different impression management tools suggested by Caliskan et al. (2021) to explain disclosure and nondisclosures.

5.2.1. Defensive Tactics

The companies employed various defensive approaches, such as dissociation, justification, rhetorical manipulation, and manipulation of reading ease, to defend themselves. This section reports how companies have used defensive strategies for going concern disclosures during the pandemic.

Disassociation and justification

Disassociation and justification tactics encompass strategies employed by companies to distance themselves from negative outcomes while pledging to make improvements to mitigate these effects. In situations such as the COVID-19 pandemic, a company may admit to losses or damage while asserting that its actions are not responsible for adverse consequences. This approach allows the company to acknowledge its role without accepting full blame for the negative impact. It is a way of balancing accountability with the need to preserve its image in the face of challenging circumstances. Examples 1 and 2 elucidate how firms have used the justification of not disclosing the implications of the pandemic on the going concern assumption.

Example 1: "The Directors have chosen to use the Going Concern Basis while preparing the accounts because they believe that the company possesses sufficient resources to sustain its operations in the foreseeable future. Although the company is suffering from consecutive net losses, the management has taken adequate plans to overcome the situation. These plans include ensuring the maximum use of production capacity, which has increased in this reporting period, and increasing the sale through finding new customers. Although still negative, EPS has been improved compared to last year…………… The company is facing some difficulties with short and long-term bank loan which is disclosed below. The management has taken the necessary steps to reschedule the loans to ensure the working capital availability of the company." - Tallu Spinning Mills Ltd., (2021).

Example 2: "Due to the constantly changing and unpredictable nature of the situation, we do not believe it is feasible to give a specific numerical assessment of the potential effects of this outbreak on the Corporation." – AB Bank, (2020)

The company acknowledges that it is experiencing consecutive net losses but denies that COVID-19 has had any negative impact on its capacity to continue operations or on its outcomes. The company states that management has developed plans to overcome the situation and justifies its position by pointing out that although the earnings per share (EPS) is still negative, it has improved compared to last year. The company suggested that increasing sales volume is helping it manage to pay financial expenses with available operating profit. Additionally, the company has justified that the assessment of the impact of COVID-19 is impractical. This is an example of justification, where the company avoids responsibility for a negative outcome. Higgins and Walker (2012) argue that the presentation of factual information and logical reasoning can help to establish the credibility of the communicator and shape stakeholders' perceptions. In this case, the company presents facts and logical arguments in support of the going concern basis previously adopted.

Rhetorical manipulation

Rhetorical manipulation is a tactic that utilizes complex and unclear performance information alongside persuasive language and employs storytelling to hide details that could have negative impacts. This technique is aimed at altering the audience's perception of the information presented (Fialho et al., 2021). Companies have also adopted this technique in going concern reporting.

Example 3: "The Bank's financial statements have been prepared with the assumption that it will remain in operation for the foreseeable future, and there are no plans or legal requirements to reduce the scope of its activities or liquidate. Over the past few years, the Bank's key financial indicators, including liquidity, profitability, asset quality, provision adequacy, and capital adequacy, have all been positive. Additionally, all rating agencies have reported a "stable" outlook for the bank. The management is not aware of any significant uncertainties that could cast doubt on the bank's ability to continue as a going concern." -United Commercial Bank Ltd, (2020, 2021).

Example 4: "Company management is hopeful about its continuing operation as well as its product diversification and expansion of businesses, although all the matters have slowed down as a consequence of the pandemic coronavirus." - Alltex Industries Ltd., (2021)

In examples 3 and 4, the companies used rhetorical manipulation to highlight positive outcomes by emphasizing certain information and minimizing negative information through carefully chosen keywords and expressions. Despite experiencing some challenges, companies have continued to show a healthy trend for a few years, and rating agencies have given them a stable outlook. Business expansion and product diversification strategies are overemphasized to overcome the negativities of the pandemic. These keywords are used to highlight positive outcomes that influence stakeholders' impressions (Higgins and Walker, 2012).

Concealment and omission

Concealment and omission refer to intentionally hiding information that could have negative effects (Fialho et al., 2021). According to Rutherford (2005), managers tend to disclose less about the actual situation, which results in reduced clarity in their writing. In the case of examples 5 and 6, the companies emphasized their compliance with regulations by stating that their financial statements were prepared following accounting standards and were based on a going concern basis. However, they then provided reasoning to support their statement that there were no material uncertainties. Merkl-Davies and Brennan (2007) suggest that managers may intentionally use such arguments, reasoning, and defensive justifications to confuse readers and prevent them from investigating the issue further. The aim may be to conceal a crisis or prevent parties from investigating the actual situation of the company.

Example 5: "The bank, in particular, has no plans or legal requirements to halt its operations and liquidate its assets in the short term, potentially at low fire sale prices. Additionally, the management is not aware of any significant uncertainties that could cast doubt on the bank's ability to continue operating as a going concern." - One bank ltd, (2020, 2021)

Example 6: "The management does not perceive any concerns regarding the bank's ability to continue as a going concern in light of the recent COVID-19 pandemic." - AB Bank Ltd. (2020)

5.2.2. Performance-Oriented Tactics

Certain companies utilized performance-based strategies, focusing on highlighting their achievements and successes to impress their stakeholders. The following examples serve as evidence.

Example 7: "For the past few years, the Bank's key financial indicators, such as liquidity, profitability, asset quality, provision adequacy, capital adequacy, and credit rating, have exhibited a positive trend. Furthermore, the management is not aware of any significant uncertainties that could give rise to concerns about the Bank's ability to continue operating as a going concern." - Shahjalal Islami Bank Ltd. (2021)

Example 8: "The Bank has maintained a positive trend for several years and has recently been awarded an AA rating for long term and an ST-2 rating for the short term by Emerging Credit Rating Limited." -Dhaka Bank Ltd. (2020, 2021)

According to Merkl-Davies and Brennan (2007), companies have two choices when disclosing earnings: they can opt for the lowest previous-period baseline earnings figure to enhance year-on-year earnings (referred to as the benchmark earnings number), or they can use performance indicators for self-comparison or industry benchmarks. Examples 7 and 8 illustrate how, despite pandemic challenges, companies emphasized positive outcomes such as profit, credit payment, robust available capital, and favourable bank loan service ratings (CRISL). By presenting factual data in this manner, companies aimed to cultivate a positive perception of their capabilities. As noted by Schleicher (2012), managers may selectively present performance details to downplay negative news in favour of positive aspects. This approach elevates positive themes and language, resulting in a greater prevalence of favourable information. This strategic reporting enhances the credibility of communicators (Higgins and Walker, 2012; Hossain, 2017).

5.2.3. Assertive Tactics (Self-Promotion)

There is the testimony of several firms using self-promotional assertive tactics in managing impressions without showing any damaging effects on performance and the going concern assumption. Self-promotion is a widely known strategy for creating positive vibe in an organization (Caliskan et al., 2021). The management of organizations overemphasizes their capabilities and achievements, thereby increasing their reliability and proficiency (Caliskan et al., 2021). Examples 9 and 10 serve as evidence of self-promotion while having little focus on going concern disclosures.

Example 9: "EBL has no plans or legal obligations to decrease or shut down any of its operations. Additionally, the management team is not aware of any significant concerns that would jeopardize the bank's ability to continue operating." - Eastern Bank Ltd. (2021)

Example 10: "Management of the company makes such assessment (going concern) each year." -Anlimayarn Dyeing Ltd. (2020, 2021)

Regulations require management to assess the going concern assumption, but their emphasis on "management making assessment each year" can be interpreted as a method of self-advertisement. Leary and Kowalski (1990) suggest that impression-handling strategies adopted by managers depend on both their current and potential future image. In the two examples provided, management has emphasized their proficiency and dedication to successfully handling a crisis such as a pandemic. By doing so, they created a positive image of the organization for stakeholders during the pandemic while allowing people to know little or no perception of the implications of the crisis on the assumption of going concern.

6. CONCLUSIONS, LIMITATIONS, AND RECOMMENDATIONS

The pandemic has significantly impacted businesses globally, including the banking and textile industries in Bangladesh. The industries in Bangladesh have faced various challenges because of the pandemic, such as decreased demand for products and services, supply chain disruptions, and liquidity issues. These difficulties have significantly influenced the company's application of the going concern assumption, which is a foundational accounting principle supporting the creation of financial statements. Professional accounting bodies have urged specific disclosure of going concern assessments due to the pandemic. This study has attempted to assess disclosure compliance from an impression management perspective based on the banking and textile sectors of Bangladesh for the period 2020-2021.

The outcomes of the study suggest that most companies in the textile and banking industries did not assess and disclose the implications of the syndemic on the firm's capacity to carry on operations. These firms have used defensive and performance-related strategies in going concern disclosures, with only a few using self-promotion tools. This finding is consistent with Schleicher & Walker's (2010) study, which found that risky and loss-making companies tend to use positive language in their disclosures and reduce the number of negative statements.

This study provides a preliminary understanding of how companies manage crises through strategic corporate communication. The application of impression management tools suggested by Caliskan et al. (2021) to analyse going concern disclosures is also unique. This approach offers a new perspective for interpreting corporate narratives and may attract attention from policymakers and the business community given the long-term impact of the pandemic on the economy.

The study under discussion possesses several noteworthy limitations that warrant consideration. Foremost among these limitations is its restricted scope, which encompasses only two sectors. While the study's findings may provide valuable insights into these sectors, they cannot be readily generalized to other industries. This is an important aspect to consider, as the impact of COVID-19 and the motivations behind disclosure practices can vary substantially across different sectors. Another aspect that bears mentioning is the exploratory nature of the study. As an exploratory study, its primary goal was to delve into the landscape of COVID-19-related disclosures and gain a preliminary understanding of the factors at play. While this approach is valuable for generating hypotheses and uncovering initial trends, it falls short of offering definitive conclusions or establishing causal relationships. Therefore, the findings should be regarded as suggestive rather than conclusive. In light of these limitations, there is ample room for future research endeavors to build upon and refine the insights provided by this study. Quantitative studies could be conducted across a more extensive range of industries. By doing so, researchers can not only broaden the understanding of how COVID-19 disclosures manifest but also identify sector-specific nuances that might impact disclosure practices. Such an approach would enable a more comprehensive assessment of the factors that influence the decision-making behind COVID-19-related disclosure. Furthermore, a cross-industry comparison would likely be a productive avenue for future exploration. This could unveil novel issues and considerations pertinent to COVID-19 disclosures that might not have been apparent within the confines of the current study's focus on just two sectors. Cross-industry comparisons can shed light on variations in disclosure practices, potential challenges, and even best practices that transcend sector boundaries.

In conclusion, the ongoing viability of a business is a pivotal consideration in financial reporting, particularly during times of crisis. Accounting standards, independent auditing, and management responsibilities collectively emphasize the significance of evaluating a company's ability to continue its operations. This helps maintain the integrity of financial reporting and equips stakeholders with the information needed to navigate uncertain and challenging circumstances.

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