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**Research Article**

## **Artificial, Emotional, and Narrative Intelligence in Corporate Disclosure and Decision-Making: An Integrative Accounting, Behavioral, and Information Systems Perspective**

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### **ABSTRACT**

The contemporary corporate reporting environment is undergoing a profound transformation driven by advances in artificial intelligence, growing recognition of emotional and behavioral dimensions of decision-making, and increasing regulatory and stakeholder scrutiny of financial and non-financial disclosures. This study develops an integrative theoretical analysis that connects artificial intelligence, emotional intelligence, managerial psychology, and voluntary disclosure behavior within accounting and corporate communication contexts. Drawing strictly on established literature in accounting, information systems, behavioral decision theory, and recent works on artificial and emotional intelligence, the article synthesizes insights from textual analysis of disclosures, CEO personality traits, signaling theory, and disclosure incentives. It examines how artificial intelligence tools influence access to scientific knowledge, student and employee cognition, and the preparation and interpretation of financial disclosures, while emotional intelligence shapes tone, narrative structure, and strategic disclosure decisions. The paper further explores how optimistic tone, disclosure length, and narrative complexity interact with managerial incentives, competitive pressures, and organizational structure. Methodologically, the study adopts a qualitative, theory-driven analytical approach, integrating prior empirical findings and conceptual frameworks to develop a cohesive explanation of disclosure behavior in AI-augmented environments. The results highlight that artificial intelligence amplifies both transparency and strategic obfuscation, while emotional intelligence moderates how information is framed and perceived. The discussion elaborates on theoretical implications for voluntary disclosure theory, signaling models, and behavioral accounting, while also addressing limitations inherent in text-based and interpretive research. The study concludes by

outlining future research directions that integrate multimodal sentiment analysis, ethical considerations, and cross-cultural perspectives on intelligence-driven corporate reporting.

## **KEYWORDS**

Artificial intelligence, emotional intelligence, corporate disclosure, narrative reporting, behavioral accounting, signaling theory

## **INTRODUCTION**

The evolution of corporate disclosure practices has historically mirrored changes in organizational complexity, regulatory expectations, and technological capability. Early accounting research emphasized numerical financial statements as the primary vehicles of information transmission between firms and stakeholders. Over time, however, scholars recognized that corporate reporting extends far beyond numbers, encompassing narratives, tone, voluntary disclosures, and qualitative explanations that shape stakeholder perceptions and decisions. This realization led to a rich body of literature examining why firms disclose information voluntarily, how managerial incentives influence disclosure choices, and how users interpret disclosed information under conditions of uncertainty (Raffournier, 1995; Schipper, 1981; Scott, 1994).

In parallel with these developments, advances in artificial intelligence have begun to reshape how information is produced, accessed, analyzed, and interpreted. Artificial intelligence tools facilitate large-scale text analysis, automate report generation, and enhance access to scientific and professional knowledge (Mishra, 2023). At the same time, emotional intelligence has emerged as a critical factor influencing employee behavior, leadership effectiveness, and organizational

communication (Mishra et al., 2025). Together, artificial and emotional intelligence introduce new dimensions to corporate disclosure practices, affecting not only what information is disclosed but also how it is framed, interpreted, and acted upon.

The increasing length and narrative complexity of corporate reports, particularly annual filings, underscore the importance of understanding disclosure as a cognitive and emotional process rather than a purely technical one. Research has shown that corporate filings have grown substantially longer over time, raising questions about information overload, strategic obfuscation, and the balance between transparency and complexity (Cazier & Pfeiffer, 2016). Text-based analyses further reveal that tone and language choices convey implicit signals about firm performance, risk, and managerial confidence, often influenced by executive personality traits such as narcissism (Buchholz et al., 2018).

Against this backdrop, this article seeks to develop a comprehensive theoretical analysis that integrates artificial intelligence, emotional intelligence, and established disclosure theories. The central problem addressed is the lack of an integrative framework that explains how technological intelligence and human emotional capacities jointly shape corporate disclosure behavior and its interpretation. While prior studies have examined textual features of disclosures,

voluntary disclosure incentives, and managerial psychology in isolation, there remains a gap in understanding how these elements interact in an AI-augmented reporting environment.

The literature also suggests that competition, organizational structure, and regulatory pressures influence disclosure decisions in nuanced ways. For example, bank competition has been shown to affect accounting choices and operational decisions through textual signals embedded in disclosures (Bushman et al., 2014). Divisionalization decisions and disclosures convey information content that markets interpret strategically (Bühner & Möller, 1985). Similarly, late regulatory filings reflect both information systems and accounting issues, highlighting the interconnectedness of technology and reporting processes (Cao et al., 2010).

By synthesizing insights from these diverse strands of literature, this article aims to contribute to accounting and information systems research in several ways. First, it extends voluntary disclosure theory by incorporating artificial and emotional intelligence as explanatory variables. Second, it deepens understanding of narrative reporting by linking tone, sentiment, and disclosure length to managerial cognition and incentives. Third, it offers a conceptual foundation for future empirical research using advanced AI-based text and sentiment analysis methods, such as multimodal approaches to earnings calls and filings (Tailor & Kale, 2025).

## **METHODOLOGY**

The methodological approach adopted in this study is qualitative, integrative, and theory-driven. Rather than generating new empirical data, the research systematically analyzes and synthesizes

existing theoretical and empirical findings from the provided literature to construct a cohesive conceptual framework. This approach is appropriate given the study's objective of developing an in-depth theoretical understanding of how artificial intelligence and emotional intelligence intersect with corporate disclosure practices.

The analysis begins with a close reading of foundational disclosure theories, including voluntary disclosure models, signaling theory, and incentive-based explanations of reporting behavior (Ross, 1977; Raffournier, 1995; Scott, 1994). These theories provide the baseline assumptions regarding information asymmetry, managerial incentives, and stakeholder interpretation. Building on this foundation, the study integrates behavioral perspectives that emphasize cognitive maps, decision structures, and psychological traits influencing disclosure choices (Axelrod, 1976; Buchholz et al., 2018).

Artificial intelligence is incorporated into the analysis as both a technological enabler and a contextual factor that alters disclosure dynamics. Prior research on AI's role in accessing scientific publications and influencing student cognition is examined to understand how AI reshapes information environments more broadly (Mishra, 2023; Mishra & Mishra, 2024). Insights from multimodal sentiment analysis research further inform the discussion of how AI tools process and interpret narrative disclosures (Tailor & Kale, 2025).

Emotional intelligence is treated as a moderating factor that influences how managers and employees perceive information, make disclosure decisions, and craft narratives. Theoretical insights

into emotional intelligence in organizational contexts are drawn from recent interdisciplinary work linking AI and emotional intelligence to employee behavior and performance (Mishra et al., 2025). These insights are integrated with accounting literature on tone, narrative optimism, and disclosure length to explain variations in reporting practices.

Throughout the analysis, emphasis is placed on descriptive explanation rather than formal modeling. Relationships among variables are articulated conceptually, with careful attention to theoretical implications, counter-arguments, and contextual contingencies. This methodology allows for deep elaboration of complex interactions without reliance on quantitative data or visual representations.

## **RESULTS**

The integrative analysis yields several key findings regarding the role of artificial and emotional intelligence in corporate disclosure and decision-making. First, artificial intelligence emerges as a dual-force influence on disclosure practices. On one hand, AI enhances transparency by improving access to information, enabling sophisticated text analysis, and supporting timely reporting processes. On the other hand, AI facilitates strategic disclosure behavior by allowing firms to craft narratives that optimize tone, sentiment, and complexity in ways that influence stakeholder perceptions.

The literature indicates that access to scientific and professional knowledge through AI-driven platforms reduces information barriers and empowers both preparers and users of disclosures (Mishra, 2023). This increased access, however,

also raises expectations for disclosure quality and comprehensiveness, contributing to longer and more complex reports (Cazier & Pfeiffer, 2016). The result is an environment in which information abundance coexists with cognitive overload.

Second, emotional intelligence significantly shapes the narrative dimensions of disclosure. Managers with higher emotional intelligence are better equipped to anticipate stakeholder reactions, manage impressions, and frame information in ways that balance optimism with credibility. This finding aligns with evidence that CEO personality traits, such as narcissism, influence the use of optimistic tone in corporate communications (Buchholz et al., 2018). Emotional intelligence moderates this relationship by enabling more nuanced and adaptive narrative strategies.

Third, the analysis highlights that disclosure incentives remain rooted in traditional economic considerations, such as signaling firm quality and reducing information asymmetry, but are increasingly mediated by technological and emotional factors. Signaling theory suggests that firms disclose information to convey private signals about performance and prospects (Ross, 1977). In an AI-augmented environment, these signals are embedded not only in numerical metrics but also in textual features that AI tools can detect and interpret.

Fourth, organizational context and competition influence how intelligence-driven disclosure practices manifest. Research on bank competition demonstrates that competitive pressures affect both accounting choices and the tone of disclosures, reflecting strategic adaptation to market conditions (Bushman et al., 2014). Similarly, decisions related to organizational

structure, such as divisionalization, carry informational content that stakeholders interpret through disclosed narratives (Bühner & Möller, 1985).

Finally, the findings suggest that delays and irregularities in regulatory filings often reflect underlying information systems challenges, highlighting the interdependence of technology and accounting processes (Cao et al., 2010). Artificial intelligence has the potential to mitigate these issues by automating data integration and reporting, but its effectiveness depends on organizational capabilities and governance structures.

## DISCUSSION

The results of this integrative analysis have important theoretical and practical implications for accounting, information systems, and organizational research. From a theoretical perspective, the findings extend voluntary disclosure theory by introducing artificial and emotional intelligence as critical contextual variables. Traditional disclosure models assume rational actors responding to economic incentives under information asymmetry. While these assumptions remain relevant, they are insufficient to explain disclosure behavior in environments characterized by advanced AI tools and heightened attention to narrative and emotional cues.

The incorporation of emotional intelligence into disclosure theory addresses long-standing critiques that accounting research underestimates the role of human cognition and affect. Cognitive map theory suggests that decision-makers interpret information through structured mental representations shaped by experience and values

(Axelrod, 1976). Emotional intelligence influences these cognitive maps by affecting how managers perceive risks, opportunities, and stakeholder expectations. As a result, disclosure decisions are not merely technical choices but also emotional and psychological acts.

Artificial intelligence further complicates this picture by altering both the production and consumption of disclosures. AI-driven text analysis tools enable regulators, investors, and analysts to detect patterns, sentiments, and anomalies that were previously difficult to identify. This increased scrutiny incentivizes firms to be more strategic in their narrative disclosures, potentially leading to more sophisticated forms of impression management. Critics may argue that such strategies undermine transparency, but proponents contend that narrative framing is an inherent aspect of communication and can enhance understanding when used responsibly.

The discussion also highlights important limitations. The reliance on existing literature and conceptual analysis means that the findings are interpretive rather than empirically tested within this study. While the synthesis draws on robust prior research, future empirical studies are needed to validate and refine the proposed relationships. Additionally, the focus on textual disclosures may overlook other forms of communication, such as visual and interactive reporting formats, which are increasingly relevant in digital environments.

Another limitation concerns cultural and institutional diversity. Disclosure practices and the role of emotional intelligence may vary across countries and regulatory regimes. While the underlying theories have broad applicability, contextual factors such as legal systems, investor

protection, and cultural norms warrant closer examination in future research.

## CONCLUSION

This article has developed a comprehensive theoretical analysis of how artificial intelligence and emotional intelligence intersect with corporate disclosure and decision-making. By synthesizing insights from accounting, information systems, behavioral theory, and recent interdisciplinary research, the study demonstrates that disclosure practices are shaped by a complex interplay of economic incentives, technological capabilities, and human emotional capacities.

The analysis underscores that artificial intelligence enhances both transparency and strategic narrative construction, while emotional intelligence moderates how information is framed and interpreted. Together, these forms of intelligence redefine the boundaries of voluntary disclosure, signaling, and narrative reporting. The findings contribute to a deeper understanding of disclosure behavior in contemporary corporate environments and provide a foundation for future empirical research using advanced AI-based analytical methods.

As organizations continue to integrate artificial intelligence into their reporting processes and as stakeholders place greater emphasis on qualitative disclosures, understanding the emotional and cognitive dimensions of disclosure will become increasingly important. This study invites scholars and practitioners alike to move beyond narrow technical perspectives and to embrace a more holistic view of corporate reporting as an intelligent, emotional, and strategic communication process.

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