

Drivers of Managers' Inertia in Response to Reliable Disclosure of Information

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Abstract

The flow of information in the capital market is strategically important because it determines the path of investors' decisions. In this decision-making process, the managers of the companies can disclose timely and reliable information based on their cognitive and perceptual characteristics of capital market situations. This article aims to contribute to the capital market knowledge literature by presenting the framework of managers' inertia drivers in response to reliable disclosure of information. This study adopted mixed, both inductive and deductive approaches to develop an integrated framework, validate its practicability, and verify its effectiveness in selected firms listed on the Tehran Stock Exchange, respectively. In developing the framework and implementation procedure, the study employed a systematic screening data collection (qualitative) approach to review the managers' inertia drivers. Then, in this study's second phase, the Interpretive Rating Process (IRP) and Fuzzy Reference System are used to develop the framework of managers' inertia drivers in response to reliable disclosure of information. The study's results in the qualitative part indicate the determination of 8 driving areas of managers' inertia in the reliable disclosure of information. On the other hand, the quantitative section results showed that managers' overconfidence and excitability are the most influential fields in stimulating managers' inertia in the timely disclosure of information. Based on the results, it was determined that the excitability of managers' overconfidence in creating inertia causes managers' subjective estimates to cause exclusivity in information disclosure.

Keywords: Managers' Inertia; Reliable Information Disclosure; Interpretive Rating Process (IRP).

Introduction

Shareholders and other users of financial information need helpful information and timely disclosure to make sound economic decisions. Therefore, valuable information and timely disclosure should usually be provided based on the decisions of company managers in the capital market to assist in earning forecasting in stakeholder decisions and through which they can adequately assess companies' prospects (Restrepo et al., 2022). However, entities without external pressures and legal and professional requirements are usually reluctant to disclose sufficient financial information. They consider information disclosure costly (Tan et al., 2022) because one of the functions defined for accounting is to provide helpful information; it is beneficial and timely for investors to determine the value of securities and assist in informed investment

decisions. Therefore, managers and their perceptual practices can effectively provide this information (Marjanian et al., 2020).

Management has a significant impact on the direction of the company's goals and plans, the structure and internal processes of the company due to its high power at the top of a pyramid, but it is essential to always keep in mind the assumption that the possibility that management will use its power and influence for opportunistic behaviors and affect the quality of accounting information disclosure cannot be unexpected (Shiah-hou, 2021). In such circumstances, the study of the CEO's influence and power on the quality of accounting information disclosure has theoretical value and practical importance to increase the transparency of accounting information and improve the effectiveness of the capital market (Taheri Abed et al., 2018). One of the characteristics of the power created for the CEO is the inertia in management decisions.

The principle of inertia states in physics that when no external force is applied to a body, or the result of its forces is zero, it becomes static, reduces its dynamism, and creates inertia or so-called resistance to change (Konig et al., 2012). From the perspective of agency theory concerning the position of CEO and creating inertia, external stimuli such as the existence of shareholders' expectations and the capital market, the supervision of relevant institutions and organizations, etc. act, which can cause the level of performance inertia of managers to break to some extent. However, when the stillness and immobility in the structural layers, Social and institutional, institutionalized, the power of the CEO is strengthened, and this issue leads to the rejection of change and challenges while increasing the gap in agency costs; it causes inertia in the decisions of the CEO (Zhang et al., 2021). The CEOs of companies often show indifference to change, and a kind of sluggishness is seen in their financial operations and decisions (Ebrahimi, 2015), which causes inertia. One of the points where this behavior occurs is the resistance to the timely reflection of bad news. Bad news or negative news directly targets the information content of companies and causes the information content of profits to change in different situations, such as the presence of negative news in the company; these changes can lead to adverse capital market reactions (Ecker et al., 2021).

Therefore, it is essential to note that managers can disclose information in a variety of ways without much restraint and without adequate oversight, which, while disclosing without legal restrictions, does not have compelling content for deciding the pillars of the capital market and transmits information in a way that does not expose the bad and negative news of the company so as not to receive an adverse reaction from the capital market, because legislators

and developers have not disclosed specific standards on the harmfulness or usefulness of disclosed information and its timeliness and reliability (Kamyabi et al., 2017) and this can split the facts and theories related to information asymmetry and agency theory. Therefore, based on the explanations provided, the reason for this research can be examined from the following two perspectives.

First, although in previous studies such as Danisman (2017); Kim et al. (2016); and Van Der Steen (2009), respectively "Exploratory analysis in the dimensions of bad news market management"; "The Impact of Bad News Reflection and the Manager's Interaction with Stakeholders" and "Management Inertia Against the Changing Functional Nature of Information Disclosure", but so far no research, due to the lack of a coherent theoretical framework on CEO inertia in disclosing bad news, has provided a model of CEO inertia in timely reflection of bad news to stakeholders and then examined the effect of CEO inertia dimensions on bad news reflection and doing this research can help to develop the theoretical literature to fill the gap of agency costs in order to improve the level of supervision to meet the expectations of stakeholders and expand the level of theoretical knowledge about the research subject based on the structural characteristics of companies in different communities and capital markets.

Second, the results of this study can help regulators such as policymakers and developers of financial reporting standards to help improve the quality of financial reporting by raising the level of awareness of stakeholder information needs to control unpredictable probabilities in their estimates, such as the inertia of managers in timely disclosure of news to strengthen the level of investment attractiveness in the capital market. Therefore, according to the issues raised in relation to the CEO inertia in the timely and negative reflection of company news, this study first seeks to provide a model in this area, then seeks to examine the effect of the CEO's inertia on the timely reflection of bad news to stakeholders.

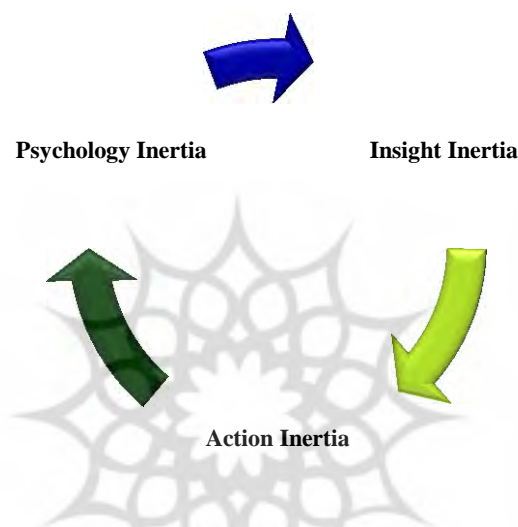
Literature Review

CEO Inertia and Reflecting Negative News

Inertia results from resistance and behavioral inflexibility, expressing attachment to not accepting changes in a field (Shariatnejad & Mousavi, 2021). This concept reflects the declining trend of stable structures against change, which cannot be assured to ensure its functional future. Inertia, therefore, is defined both behaviorally and structurally as a phenomenon based on the

rejection of change because it considers allowing change to be a loss of benefits, benefits that are not necessarily in line with the interests of other stakeholders and are probably in conflict (Hurajah et al., 2020). The source of inertia in organizational behaviors is usually irresponsibility and reliability, which makes companies unable to accept, and this reluctance puts the level of interests of external stakeholders at risk. Godkin and Allcorn (2008) consider inertial attitude to have three dimensions, which are:

Figure 1. Dimensions of Inertial Attitude (Source: Godkin & Allcorn, 2008)



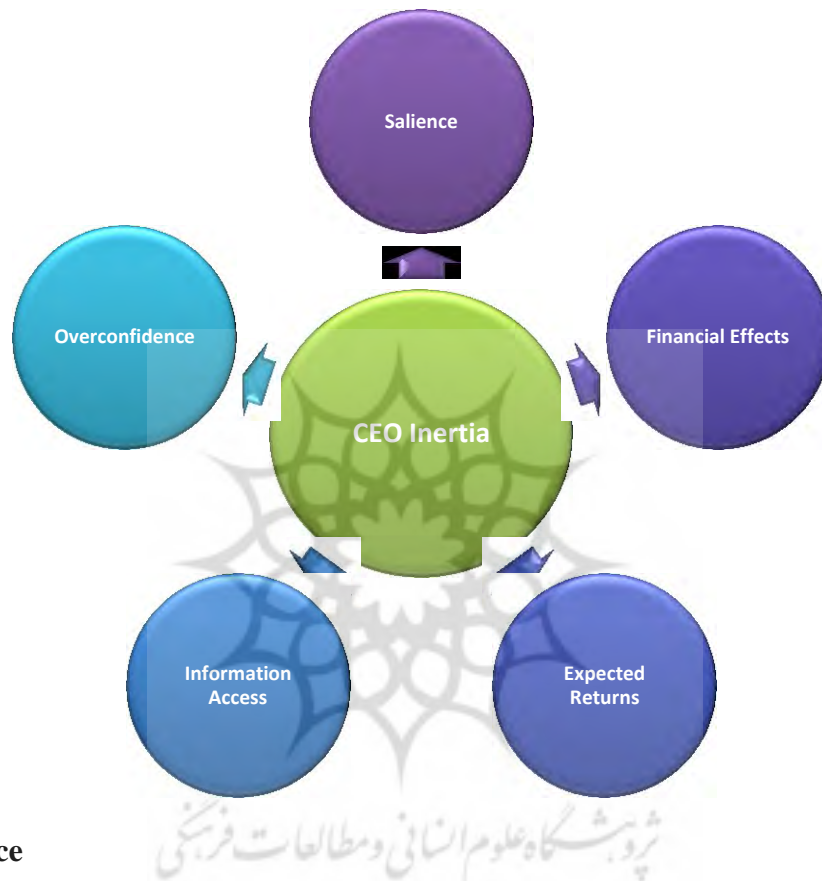
Inertia in insight, inertia in action, and psychological inertia. Inertia in insight is related to mental models and theories of action, while practical inertia is examined from the two dimensions of management hypotheses and default control. Psychological inertia is the tendency to maintain the status quo (or default option) unless compelled by a psychological motive to intervene or reject this. In order to develop the knowledge of inertial functions in news disclosure, the focus is on possible examples in the capital market. In order to develop the knowledge of inertial functions in news disclosure, the focus is on possible examples in the capital market. In this regard, it should first be stated that new financial theories based on two principles of behavioral functions in financial reporting are always examined:

1. Perfect Rationality
2. Maximizing Utility

The main assumptions of traditional or modern financial theory are the complete rationality of investors and decision-making in order to maximize the

expected utility (Azad et al., 2020). The following are some patterns and examples based on managers' behavioral inertia in needing to promptly reflect the news to stakeholders based on adaptations from previous research.

Figure 2. Review of Some Criteria of CEO Inertia in Timely Reflecting of News



Saliency

Saliency arises from information that is presented distinctly from the past. This allows this information to remain well in the person's mind so they can easily retrieve it from memory. For example, a company always publishes relatively identical information with growth and procedure with a specific pattern (Khaleghi Kasbi et al., 2020). After several years, due to behavioral contradictions such as CEO inertia, there may be a negative deviation in this process of providing company information to stakeholders. Under these circumstances, investors or users of this information infer that this will happen again in the coming years, and this will cause investors to overreact to new information (Aktas et al., 2018).

Financial effects

This effect causes the judge to generalize this characteristic to other characteristics under the influence of a desirable characteristic of the person or subject being examined. Such erroneous citations can lead to incorrect stock market pricing. For example, the occurrence of the phenomenon of inertia in the disclosure of information can change the inferential arguments of investors because, based on the emergence of such behavior of the company, its evaluation prospects in predicting the company's dividends are subject to change and this is likely to widen the gap between investors and the company (Rosenweig, 2007).

Expected returns

In the current financial literature, the expected return forecast is based on realized returns. However, many previous studies, such as Fieberg et al. (2019), French (2019), and Kumar (2018), have shown that the realized return is a substitute variable with a disorder. This effect is manifested in the fact that investors take action to predict the expected return by observing a phenomenon similar to previous events. In these circumstances, the presence of CEO inertia in the timely reflection of the news causes increasing information asymmetry, the return expected by investors is not clear compared to the actual return of the company, and in these circumstances, the risk of falling stock prices in the future is usually probable (Yu & Xiao, 2022).

Error accessing information

This error occurs when stakeholders subconsciously pay more attention to the information available to the mind due to the inertia of timely disclosure of company news. For example, suppose a company in which the person has no shares goes bankrupt. In that case, the individual observes the stock disclosure operations of the invested company more sensitively. In this case, more emotional reactions are likely to be shown with any change in the disclosure process (Khaleghi Kasbi et al., 2020).

Overconfidence

CEO overconfidence has received particular attention in corporate finance and economics research because it might distort corporate decisions (Suresh, 2013). Evidence has shown that managers with such characteristics overestimate their abilities and capabilities, and this estimate increases even more with the importance of those tasks for the person. Too much confidence, however, may delay the functions of information disclosure, which may make investors and shareholders more willing to offer the stock bought in the market, and this can

reinforce the bulk of investor behavior. It is also essential to note that managers with overconfidence are more likely to cheat and manipulate accounts. Managers must be more optimistic about the company's profitability and accurately predict profits (Graham & Harvey, 2012).

Therefore, considering the explanations provided regarding the CEO's inertia in reflecting the news in a timely manner to the stakeholders, he can present the research questions in the following order:

1. What are the drivers of managers' inertia in response to reliable disclosure of information?
2. What are the most critical drivers of managers' inertia in response to reliable disclosure of information in the Tehran Stock Exchange (TSE)?

Prior Research

Eachempati and Srivastava (2022) conducted a study entitled "The Role of Accounting in Controlling Investors' Feelings against the Disclosure of Corporate Financial News." In this research, content analysis was used to determine the dimensions of news-based emotions and disclosure of investors' information in terms of the mixed analysis method. The identified indicators for stock market predictability were then evaluated using regression techniques. The results showed that investors are more inclined to reflect news than to disclose company information in decision-making. It was also found that news coverage strongly affects the market response and creates less information gap between the company and stakeholders. Managers of companies also try to reflect the news on time when changes in the capital market are low. Respond positively to controlling investors' emotions before fully disclosing information.

Chen et al. (2021) conducted a study entitled "The CEO's Professional Experience in Exposing and Risking Stock Price Falls." This research is methodologically based on cross-sectional regression through a mix of qualitative analysis to measure the CEO's professional experience and quantitative analysis to measure the variable risk of stock price falls over the one year 2018-2019 at the level of US companies was performed with the participation of their CEOs. The results showed that managers' professional experience in withstanding the company's external and internal pressures during the tenure has a positive relationship with the risk of falling stock prices. Huang and Gao (2021) conducted a study entitled "Strategic Inertia and Stability of Capital Structure." This study examined the effect of strategic inertia on the stability of the capital structure of companies listed on the China Stock Exchange between 2004 and 2016. The results show that strategic inertia

stabilizes the capital structure, and this can increase information asymmetry in the long run. Lack of financial knowledge was also identified; Low tenure and low management ownership are considered as the totality of strategic inertia reinforcing factors that can stabilize the capital structure. Strategic inertia creates a kind of resistance of company managers to borrowing without assets and financial leverage, which can reduce information asymmetry and stabilize the capital structure.

Khajavai et al. (2019) conducted a study entitled "Cost Adhesion and Cost Inertia: A Model of Two Cost Drivers of Asymmetric Cost Behavior." The statistical sample of the research includes 130 companies listed on the Tehran Stock Exchange in 2003-2015. The testing of the hypotheses showed that the extended model has greater explanatory power in cost stickiness than the previous model. In addition, the hypothesis of higher cost inertia than cost stickiness in the extended model was not confirmed. The results also showed that the trend of sales changes in previous years is influential in shaping the expectations of managers so that due to the upward (downward) trend of sales in previous years, managers' view of the future performance level is optimistic (pessimistic) and they expect the uptrend to include future performance. Under optimistic (pessimistic) conditions, managers show a more significant (less) tendency to maintain surplus resources, even if current period performance declines, and finally, it creates costs (anti-adhesion) costs.

Pourheidari and Foroughi (2019) conducted a study entitled "Investigating the Effect of CEO Influence on the Quality of Accounting Information Disclosure." The study sample includes 122 companies listed on the Tehran Stock Exchange from 2010 to 2017. The results of testing the research hypotheses indicated that the timeliness of accounting information has a negative and significant relationship with management power. However, no significant relationship was found between the quality of accounting information disclosure and the reliability of accounting information with management power. The results indicate that although managers use their power to schedule information disclosure, they do not use this power to undermine the reliability of accounting information.

As can be seen, research similar to the nature of this research has yet to be conducted. Therefore, conducting this research in terms of thematic nature and statistical analysis can effectively fill the theoretical gap in behavioral financial functions.

Research Methodology

One of the most essential methods of implementation in any research is knowing the nature of the methodology of a study. This study aims to present a model, in terms of results, that is placed in the right of developmental research. The lack of theoretical coherence regarding the concepts and theories of presenting the CEO's inertia model to disclose information reliably has made this research seek to create an integrated framework. On the other hand, this study is considered mixed in terms of the type of data because, in the qualitative part, through systematic content screening, it seeks to identify areas related to strengthening the CEO's inertia in the reliable disclosure of information to stakeholders. The interpretative ranking process based on the multi-criteria decision-making (MCDM) method is used in the quantitative part and the following. These analytical processes are implemented in the form of a matrix so that through the pairwise comparison of row "*i*" and column "*j*," interpretive determination of the priorities of the investigated phenomenon is carried out. In implementing the Interpretive Ranking Process (IRP), the relationships between criteria are used as implicit and transferable relationships, similar to the Interpretive Ranking Process (ISM).

Statistical Population and Sample

This section presents the statistical population sampling method and sample size by separating qualitative and quantitative sections. In the qualitative section, 14 experts in the field of accounting at the university level were selected based on the level of scientific and cognitive competencies in the field of research, based on a homogeneous sampling method to perform the qualitative part of the research. In line with the goal of homogeneous sampling, individuals with a coherent understanding of the subject and its related roots should be selected as participants. In the quantitative part, the target population consisted of 20 experienced brokers in the capital market who were selected and participated in this research due to the requirement of fuzzy logic analysis while having the necessary experimental and scientific conditions. Usually, it is a cross-matrix questionnaire with 15 to 30 people. Researchers such as Ecer (2020), Kahraman et al. (2014), and Liang and Mendel (2000) described the selection of the target population as limited by the multi-stage process of analysis.

In the following line of Table (2), to finally determine the maximum frequency of the managers' inertia drivers in response to reliable disclosure of information by placing an "☑" sign in front of each research, what is the information?

Table 2. The process of determining the drivers of managers' inertia

No.	Researcher	1	2	3	4	5	6	7	Total	Confirm/Delete
	Components	Adhikari & Zhou (2022)	Restrepo et al. (2022)	Martins et al. (2020)	Zhang et al. (2019)	Dow et al. (2018)	Pourheidari & Foroughi (2019)	Taheri Abed et al. (2018)		
1	Inertia stimulation based on conservatism	☑	☑	☑	☑	-	-	☑	4	Confirm
2	Inertia based on organizational culture	-	-	☑	-	☑	-	-	2	Delete
3	Inertia stimulation based on managerial perception	-	☑	-	☑	☑	-	☑	4	Confirm
4	Inertia stimulation based on lack of institutional supervision	☑	-	☑	☑	-	☑	-	4	Confirm
5	Inertia stimulation based on managerial behavior overconfidence	☑	☑	-	-	☑	☑	-	4	Confirm
6	Inertia based on the organizational structure of the CEO	-	-	☑	-	-	-	☑	2	Delete
7	Inertia stimulation based on managerial tenure	-	☑	☑	-	☑	☑	-	4	Confirm
8	Inertia stimulation based on managerial ownership	☑	☑	-	☑	☑	-	☑	5	Confirm
9	Inertia based on organizational strategies of the CEO	-	☑	-	-	-	☑	☑	3	Delete
10	Inertia stimulation based on managerial power	☑	-	-	-	☑	☑	☑	4	Confirm
11	Inertia based on the composition of the board of directors	-	-	☑	-	☑	-	☑	3	Delete
12	Inertia stimulation based on managerial duality	☑	☑	-	☑	-	☑	-	4	Confirm
13	Inertia based on the family ownership of the CEO	-	-	-	☑	☑	-	-	2	Delete

The definitions of these dimensions have been stated by identifying the eight drivers of managers' inertia in response to reliable disclosure of information based on the highest frequency of approved research in Table (3).

Table 3. Definitions of selected components

Components	Definitions
Inertia stimulation based on conservatism	An essential part of inertia related to the timely disclosure of information to stakeholders in the CEO is related to the CEO's insight into the beliefs and expectations that stakeholders have of management practices in the Tehran Stock Exchange (TSE). The point at which the CEO tries to rely on his characteristics to rely on its principles and beliefs in disclosing news and information while maintaining caution in the field of financial reporting, and in this situation, while maintaining the stability of information procedures, to overcome the fear of losing its managerial position at the top of the organizational pyramid (Restrepo et al. (2022)).
Inertia stimulation based on managerial perception	Perceptual inertia in the CEO based on timely disclosure of news and information to stakeholders refers to the occurrence of perceptual errors and personal bias of the CEO in understanding the balanced interests between those in power with shareholders and other stakeholders outside the company, which can be considered as a factor to resist the timely disclosure of news and the reflection of management decisions to stakeholders. Based on this inertia, the CEO always attributes the company's successes to himself and avoids presenting his managerial decision-making mistakes to the stakeholders (Zhang et al., 2019).
Inertia stimulation based on lack of institutional supervision	Inertia stimulation based on lack of institutional supervision refers to the external parts of controlling the performance of CEOs in the timely disclosure of news and information, which can range from governance functions to structural functions in the capital market. This makes the CEO act boldly in adhering to his or her disclosure capabilities and resisting timely disclosure of information to stakeholders (Martins et al., 2020).
Inertia stimulation based on managerial behavior overconfidence	Another part of the CEO's inertia in disclosing news in a timely manner to stakeholders is the CEO's overconfidence. Usually, the presence of this behavioral trait in the CEO makes the person have too much confidence in their expertise and capabilities in the field of corporate agency and in their decisions to rely solely on their capabilities to cover the risks arising from their investment decisions. A trait that, if unsuccessful, is likely to mask its poor performance by trying to distort the facts by failing to disclose news and information to stakeholders promptly. So that there is no doubt about their actions (Adhikari & Zhou (2022)).
Inertia stimulation based on managerial tenure	Another reason for the inertia in the CEO's decisions to disclose news and information promptly is the CEO's tenure. Usually, despite some fortification, the CEO seeks a long-term tenure in the position of CEO. These managers usually try to maintain past practices and avoid making decisions that increase stakeholder expectations of the company's operations to maintain their reputation in managing its affairs at the end of the tenure. Despite this approach in the CEO approach, the reflection of positive news is usually prioritized over bad and negative news, which can lead to increased information asymmetry and, consequently, the risk of falling stock prices in the future (Dow et al., 2018).
Inertia stimulation based on managerial ownership	Another factor of inertia in the timely disclosure of news and information to stakeholders in the CEO is related to the CEO's managerial ownership. When the CEO has a significant stake in the company, based on the theory of public choice and rationality, he tries to increase his interests or those of other power holders. Who has appointed him as the CEO of the firm, therefore, managerial ownership can be considered as another factor in the area of individual actions of the CEO who tries to avoid affecting his available interests by making his own decisions due to resistance to the protection of stakeholders (Dow et al., 2018).
Inertia stimulation based on managerial power	As can be seen from the concept of inertia, an essential part of the CEO's resistance to the timely disclosure of news is the level of structured power that prevents control mechanisms from monitoring the CEO's performance in the timely disclosure of news and information to stakeholders. Usually, the power derived from the position of CEO, which is rooted in the culture of the company or family ownership, can be considered a positive stimulus in creating CEO inertia to timely disclose news and information to stakeholders (Adhikari & Zhou (2022)).

Inertia stimulation based on managerial duality	The last dimension of the CEO's inertia in the timely disclosure of news and information to stakeholders is related to the duality of the CEO's duty. Although changes in standards and institutional requirements today have prevented the simultaneous tenure of the chairperson and CEO of the company, the presence of a vice president on the board and the position of CEO can also be another factor that causes the CEO to expose a range of actions in the company's decisions which does not upset the balance of the company's integrity through massive and emotional decisions in the capital market (Dow et al., 2018).
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In the next step, the fuzzy Delphi analysis is used to determine the consensus of experts to match the identified drivers of managers' inertia in response to reliable disclosure of information. This analysis is based on the distance between two fuzzy averages and the threshold limit 0.2 to evaluate the model's dimensions (Balu et al., 2020). This analysis covers five scales of fuzzy language, and experts were asked to rate each component based on its category.

Table 4. Delphi Fuzzy Process

	Numerical value	9	7	5	3	1			No n-Fu zzy Mean	Mean Difference	Result
	fuzzy value	(9,7 ,10)	(5, 7,9)	(3, 5,7)	(1, 3,5)	(0, 1,3)	Max	Min			
Drivers of Managers' inertia	Inertia stimulation based on conservatism	12	2	0	0	0	9.10	7.45	8.05	0.11	<input checked="" type="checkbox"/>
	Inertia stimulation based on managerial perception	11	3	0	0	0	9.05	7.40	8.00	0.15	<input checked="" type="checkbox"/>
	Inertia stimulation based on lack of institutional supervision	12	1	1	0	0	9.00	7.42	8.03	0.14	<input checked="" type="checkbox"/>
	Inertia stimulation based on managerial behavior overconfidence	13	1	0	0	0	9.20	7.85	8.22	0.18	<input checked="" type="checkbox"/>
	Inertia stimulation based on managerial tenure	10	4	0	0	0	8.95	7.30	7.90	0.14	<input checked="" type="checkbox"/>
	Inertia stimulation based on managerial ownership	12	2	0	0	0	9.10	7.45	8.05	0.13	<input checked="" type="checkbox"/>
	Inertia stimulation based on managerial power	11	2	1	0	0	9.00	7.38	7.95	0.08	<input checked="" type="checkbox"/>
	Inertia stimulation based on managerial duality	12	1	1	0	0	9.08	7.42	7.98	0.14	<input checked="" type="checkbox"/>

Based on the evaluation of the areas of inertia stimulation in the reliable disclosure of information, it was determined that considering that the average difference threshold is less than 0.2, the theoretical consensus regarding the dimensions of identification is confirmed. Therefore, eight drivers of managers' inertia in response to reliable disclosure of information based on the theoretical framework developed below enter into fuzzy analysis. In this section, as the last step of qualitative analysis, the theoretical model of research to analyze the drivers of managers' inertia in response to reliable disclosure of information is presented.

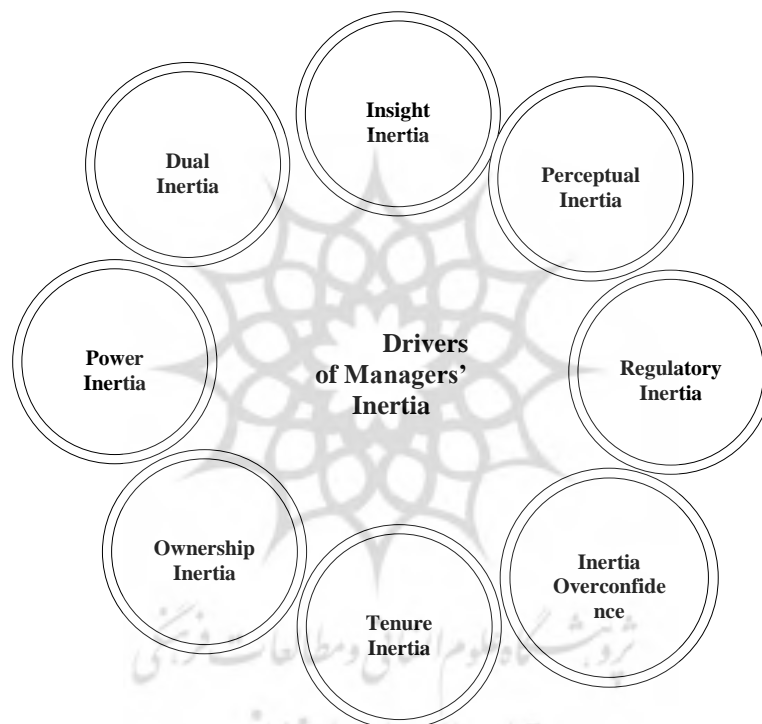


Figure 5. Theoretical Model of Research

Quantitative Section Findings

Next, as explained earlier, the research enters the interpretive rating analysis (IRP) phase to determine the most effective field of inertia stimulation in the reliable disclosure of information. Therefore, for the pairwise comparison of research components, the process of evaluating the influence of row "*i*" on column "*j*" or vice versa or reciprocally is used. In order to create interactive matrices, the level of direct, symmetric, or indirect communication should be

considered in line with the explanations. In order to determine the type of relationships, it is suggested that according to experts, it is used based on the symbols listed in Table (5):

Table 5. Self-Interaction Matrix Abbreviations

Symbols			
O	X	A	V
$i \not\leftrightarrow j$	$i \leftrightarrow j$	$i \leftarrow j$	$i \Rightarrow j$
if Factors “i” and “j” are unrelated	if Factors “i” and “j” influence each other	if Factor “j” influences Factor “i”	if Factor “i” influences Factor “j”

Considering the abbreviations of this analysis, the structural self-interaction matrix (SSIM) will be formed.

Table 6. Self-interaction matrix of inertia stimulation fields

		I	I1	I2	I3	I4	I5	I6	I7	I8
Drivers of Managers' inertia	Inertia stimulation based on conservatism	I1	-	V	O	V	O	V	V	O
	Inertia stimulation based on managerial perception	I2		-	O	V	O	O	V	O
	Inertia stimulation based on lack of institutional supervision	I3			-	O	V	V	V	V
	Inertia stimulation based on managerial overconfidence	I4				-	A	A	A	A
	Inertia stimulation based on managerial tenure	I5					-	V	V	A
	Inertia stimulation based on managerial ownership	I6						-	A	A
	Inertia stimulation based on managerial power	I7							-	A
	Inertia stimulation based on managerial duality	I8								-

In this section, the interpretation matrix should be determined by comparing row "i" and column "j" and the mode index in the following order.

Table 7. Interpretive analysis of the cross-matrix of inertial fields

I	I1	I2	I3	I4	I5	I6	I7	I8
I1	E	I1 → I2		I1 → I4		I1 → I6	I1 → I7	
I2		E		I2 → I4			I2 → I7	
I3			E		I3 → I5	I3 → I6	I3 → I7	I3 → I8
I4				E				
I5				I4 ← I5	E	I5 → I6	I5 → I7	
I6				I4 ← I6		E		
I7				I4 ← I7		I6 ← I7	E	
I8				I4 ← I8	I5 ← I8	I6 ← I8	I7 ← I8	E

In this section, based on the process of conversion of abbreviations defined in table (5), the method of conversion of abbreviation symbols presented in table (8) by research experts should be taken into consideration.

Table 8. Abbreviations of Self-Interaction Matrix to Adjacency Matrix

Convert symbols to numbers 0 and 1	
V	If the cell (i, j) in the SSIM is V, then the cell (i, j) value in the AM is one, and the cell (j, i) value is 0.
A	If the cell (i, j) in the SSIM is A, then the cell (i, j) value in the AM is 0, and the cell (j, i) value is 1.
X	If the cell (i, j) in the SSIM is X, then the cell (i, j) value in the AM is one, and the cell (j, i) value is 1.
O	If the cell (i, j) in the SSIM is O, then the cell (i, j) value in the AM is 0 and the cell (j, i) value is 0

In this section, based on these concepts, the achievement matrix is formed to determine the comparison of row " i " and column " j " based on 0 and 1.

Table 9. Matrix of Achieving the Fields of Inertial Stimulation

		I	I1	I2	I3	I4	I5	I6	I7	I8
Drivers of Managers' inertia	Inertia stimulation based on conservatism	I1	1	1	0	1	0	1	1	0
	Inertia stimulation based on managerial perception	I2	0	1	0	1	0	0	1	0
	Inertia stimulation based on lack of institutional supervision	I3	0	0	1	0	1	1	1	1
	Inertia stimulation based on managerial overconfidence	I4	0	0	0	1	0	0	0	0
	Inertia stimulation based on managerial tenure	I5	0	0	0	1	1	1	1	0
	Inertia stimulation based on managerial ownership	I6	0	0	0	1	0	1	0	0
	Inertia stimulation based on managerial power	I7	0	0	0	1	0	1	1	0
	Inertia stimulation based on managerial duality	I8	0	0	0	1	1	1	1	1

In the continuation of the analysis, in order to determine the indirect relationship between the fields of inertial stimulation in the timely disclosure of information, the pairwise comparison of the i th component is compared two by two with all the elements from $(i + 1)$ th to n th. The "" option has been used for each yes response relationship, which means there is a polar relationship between the research components.

Table 10. Pairwise comparison between propositional themes based on matrix form

I1 ↔ I8														
	I1 → I2	I2 → I1	I1 → I3	I3 → I1	I1 → I4	I4 → I1	I1 → I5	I5 → I1	I1 → I6	I6 → I1	I1 → I7	I7 → I1	I1 → I8	I8 → I1
I1	N	N	N	N	N	N	N	N	N	N	N	N	N	N
I2 ↔ I8														
	I2 → I3	I3 → I2	I2 → I4	I4 → I2	I2 → I5	I5 → I2	I2 → I6	I6 → I2	I7 → I2	I2 → I7	I8 → I2	I2 → I8		
I2	N	N	N	N	N	N	N	N	N	N	N	N		
I3 ↔ I8														
	I3 → I4	I4 → I3	I3 → I5	I5 → I3	I3 → I6	I6 → I3	I7 → I3	I3 → I7	I8 → I3	I3 → I8				
I3	N	N	N	N	N	N	N	N	N	N				
I4 ↔ I8														
	I4 → I5	I5 → I4	I4 → I6	I6 → I4	I7 → I4	I4 → I7	I8 → I4	I4 → I8						
I4	N	Y	N	Y	N	Y	N	Y						
I5 ↔ I8														
	I5 → I6	I6 → I5	I5 → I7	I7 → I5	I5 → I8	I8 → I5								
I5	N	N	N	N	N	Y								
I6 ↔ I8														
	I7 → I6	I6 → I7	I8 → I6	I6 → I8										
I6	Y	N	Y	N										
I7 ↔ I8														
	I8 → I7	I7 → I8												
I7	Y	N												

Based on the pairwise comparison matrix, in this section, the final achievement matrix is developed based on the indirect relationship of the research components. In this process, by determining the relations of the symmetric matrix according to Table (11), "1*" is determined.

Table 11. Final Achievement Matrix of Inertial Stimulation Fields

	I	I1	I2	I3	I4	I5	I6	I7	I8	
Drivers of Managers' inertia	Inertia stimulation based on conservatism	I1	1	1	0	1	0	1	1	0
	Inertia stimulation based on managerial perception	I2	0	1	0	1	0	0	1	1*
	Inertia stimulation based on lack of institutional supervision	I3	0	0	1	0	1	1	1	1
	Inertia stimulation based on managerial overconfidence	I4	1*	1*	1*	1	1*	1*	1*	1*
	Inertia stimulation based on managerial tenure	I5	0	0	0	1	1	1	1	0
	Inertia stimulation based on managerial ownership	I6	0	0	0	1	0	1	0	0
	Inertia stimulation based on managerial power	I7	0	0	1*	1	0	1	1	1*
	Inertia stimulation based on managerial duality	I8	0	0	0	0	1	1	1	1

According to the determination of the level of direct and transitional influence of the fields of inertia stimulation of timely disclosure of information, in the next step, a pairwise comparison should be made through the fuzzy linguistic scale to achieve the final matrix, which is presented in (12).

Table 12. Fuzzy Pairwise Matrix Comparison Matrix of CEO's Inertia

	I	I1	I2	I3	I4	I5	I6	I7	I8	
CEO inertia in timely disclosure of information	Inertia stimulation based on conservatism	I1	1/00	2/12	6/21	6/21	8/34	2/12	4/23	2/12
	Inertia stimulation based on managerial perception	I2	0/47	1/00	4/23	6/21	4/23	6/21	8/34	2/12
	Inertia stimulation based on lack of institutional supervision	I3	0/16	0/23	1/00	6/21	6/21	2/12	4/23	6/21
	Inertia stimulation based on managerial behavior overconfidence	I4	0/16	0/16	0/16	1/00	2/12	8/34	4/23	2/12
	Inertia stimulation based on managerial tenure	I5	0/11	0/23	0/16	0/47	1/00	2/12	2/12	6/21
	Inertia stimulation based on managerial ownership	I6	0/47	0/16	0/47	0/11	0/47	1/00	4/23	2/12
	Inertia stimulation based on managerial power	I7	0/23	0/11	0/23	0/23	0/47	0/23	1/00	4/23
	Inertia stimulation based on managerial duality	I8	0/47	0/47	0/16	0/47	0/16	0/47	0/23	1/00

Then, a fuzzy expansion in the rows and columns of each of the dimensions of the research was used to calculate each of the weights of drivers of managers' inertia in response to reliable disclosure of information. The

following equation is used to calculate the weight:

$$\tilde{W} = \tilde{r} \otimes [\tilde{r} \otimes \dots \otimes \tilde{r} \otimes \dots \otimes \tilde{r}]^{-1}$$

To do this, we must first calculate the first weight with the fuzzy sum of the column and row elements as a general matrix:

$$\sum \tilde{S}_i = \sum_{i=1}^n \sum_{j=1}^n x_{ij}$$

The sum of the elements of the column and row of drivers of managers' inertia in response to reliable disclosure of information will be as follows:

$$\sum_{i=1}^3 \sum_{j=1}^3 \tilde{x}_{ij} = (13.453, 22.136, 54.093)$$

To normalize the matrix of drivers of managers' inertia in response to reliable disclosure of information, the sum of the values of that criterion must be divided by the sum of all components (column elements). Because the values are fuzzy, the fuzzy sum of each line is multiplied by the inverse of the sum. The inverse sum must be calculated.

$$\text{if } \tilde{F} = (l, m, u) \text{ then } \tilde{F}^{-1} = \left(\frac{1}{u}, \frac{1}{m}, \frac{1}{l}\right)$$

So, based on the following relation, we will have:

$$\left(\sum_{i=1}^3 \sum_{j=1}^3 \tilde{x}_{ij}\right)^{-1} = (0.003, 0.005, 0.02)$$

Therefore, the results of normalization of prioritizing the drivers of managers' inertia in response to reliable disclosure of information are determined according to Table (13):

Table 13. Normalization of the values of CEO's Inertia in the timely reflection

Drivers of managers' inertia in response to reliable disclosure of information	The final matrix
Inertia stimulation based on conservatism	$I1 \Rightarrow \sum_{j=1}^8 \tilde{x}_{1j} = (0.044, 0.062, 0.089)$
Inertia stimulation based on managerial perception	$I2 \Rightarrow \sum_{j=1}^8 \tilde{x}_{2j} = (0.094, 0.197, 0.233)$
Inertia stimulation based on lack of institutional supervision	$I3 \Rightarrow \sum_{j=1}^8 \tilde{x}_{3j} = (0.052, 0.098, 0.134)$
Inertia stimulation based on managerial behavior overconfidence	$I4 \Rightarrow \sum_{j=1}^8 \tilde{x}_{4j} = (0.112, 0.209, 0.251)$
Inertia stimulation based on managerial tenure	$I5 \Rightarrow \sum_{j=1}^8 \tilde{x}_{5j} = (0.072, 0.126, 0.177)$
Inertia stimulation based on managerial ownership	$I6 \Rightarrow \sum_{j=1}^8 \tilde{x}_{6j} = (0.092, 0.188, 0.219)$
Inertia stimulation based on managerial power	$I7 \Rightarrow \sum_{j=1}^8 \tilde{x}_{7j} = (0.049, 0.073, 0.109)$
Inertia stimulation based on managerial duality	$I8 \Rightarrow \sum_{j=1}^8 \tilde{x}_{8j} = (0.089, 0.151, 0.211)$

According to Table (9), each of the obtained values of fuzzy and normalized weight related to the drivers of managers' inertia in response to reliable disclosure of information to the stakeholders. There are several methods for degassing, such as the Chang Degree Method, the Center of Gravity Method, and the Minkowski Method. In this study, the following method is proposed for de-fuzzing (DTrIT¹):

$$DTrIT = \frac{\frac{(u_v - l_v) + (m_v - l_v)}{3} + l_v + \alpha \left[\frac{(u_L - l_L) + (m_L - l_L)}{3} + l_L \right]}{2}$$

According to the above relationship, according to the Table below, the final weight values of the CEO's dimensions of inertia are reflected in the timely information given to stakeholders.

Table 14. Defuzzification of the final weight values of the CEO's Inertia in the timely reflection

CEO inertia	Defuzzification Weights	Weight Normalization	Rank
Inertia stimulation based on conservatism	0.048	0.029	8 th
Inertia stimulation based on managerial perception	0.103	0.069	2 nd
Inertia stimulation based on lack of institutional supervision	0.072	0.061	6 th
Inertia stimulation based on managerial behavior overconfidence *	0.129	0.111	1 st
Inertia stimulation based on managerial tenure	0.080	0.069	5 th
Inertia stimulation based on managerial ownership	0.091	0.082	3 rd
Inertia stimulation based on managerial power	0.059	0.042	7 th
Inertia stimulation based on managerial duality	0.083	0.071	4 th

Therefore, based on two criteria of diffusion of component weight and weight normalization of each of them, it was determined that inertia based on CEO uncertainty is the most critical driver of managers' inertia in response to reliable disclosure of information at the level of Tehran Stock Exchange (TSE).

Conclusion

This study aims to identify drivers of managers' inertia in response to the reliable disclosure of information. As the analytical processes of the research showed, due to the methodological support, in this research due to the lack of a clear and coherent framework regarding identifying the dimensions of the

CEO's inertia in disclosing information to stakeholders promptly, this study, based on a combination of qualitative and quantitative analyzes, first determined the CEO's inertia dimensions in disclosing information in a timely manner and then proceeded to prioritize it to answer the second question of the research to determine the most critical dimension of CEO inertia.

Therefore, in the qualitative section, based on the method of critical evaluation and Delphi analysis, eight dimensions of this issue were identified and approved. Then, in the quantitative part of the research, based on fuzzy two-dimensional hierarchical analysis, it was determined that inertia based on CEO uncertainty is the most critical driver of managers' inertia in response to reliable disclosure of information at the level of the Tehran Stock Exchange (TSE). In analyzing this result, it should be noted that the CEO's overconfidence is a function of creating a one-dimensional approach in which the CEO can resist changes that are considered outside the CEO's management practices to serve the stakeholders' interests. In this situation, more than any other factor, inertia can lead to conflicts of interest between the CEO and the decision-maker in disclosing company information to stakeholders, especially shareholders.

This inertia is due to exaggeration in forecasting. Information perception and personal knowledge evaluate estimates of management's ability to increase return on investment far from the truth. If it does not succeed, it always tries to delay the presentation and timely reflection of information to stakeholders by magnifying and persuading the disclosure of information on a particular subject to prevent emotional and possibly massive behaviors in the market due to reveal your poor managerial performance. On the other hand, inertia due to overconfidence in the CEO results from having specific information that stakeholders may be unaware of, in which case, relying on their ability to estimate information, they overestimate the future profits and cash flows of their business in order to persuade stakeholders to invest in stocks by creating a positive outlook on the company's risk and future returns. Overconfidence managers overestimate the probability and impact of desirable (positive) events on the company's cash flows and underestimate the probability and impact of adverse events. They compensate for the failure in this field by promptly hiding the news and information from the stakeholders. Conclusions obtained by Adhikari and Zhou (2022), Restrepo et al. (2022), Dow et al. (2018), and Pourheidari and Foroughi (2019) correspond.

To complete the result of this research, it should be stated that this group of managers usually rely on their abilities in developing investment plans,

regardless of market realities when the level of its expectations in a project or investment is not met, the amount of inertia in the CEO increases significantly. You should hide your information and weak actions to cover your poor performance.

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