Impression management:
Examining executives’ external influence activities

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Securities analysts’ consensus estimates constitute an important performance target for firm managers. Faced with an externally set performance target, managers attempt to both influence analysts and achieve the target. We draw on the impression management literature to investigate how and when firm manager’s attempt to influence perceptions of key stakeholders who evaluate them. We distinguish between impression management activities that are intended to influence reputation and those that are intended to influence image. Hypotheses of how much impression management managers undertake relative to firm performance and analyst forecasts include a range of activities such as providing forecast guidance, increasing the number of conference calls to analysts, firm press releases, and efforts to give CEOs celebrity status. We test these hypotheses using a longitudinal panel of firms with high levels of analyst coverage. Findings suggest managers take a variety of actions that vary with firm performance and target audience.