

A Study on the Impact of Multiple Large Shareholders on Management's Tone Manipulation

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Abstract. This study takes A-share listed companies in Shanghai and Shenzhen from 2012 to 2023 as the research objects, and empirically tests the impact of multiple large shareholders on managers' tone manipulation behavior. The research finds that the ownership structure with multiple large shareholders can inhibit managers' tone manipulation. Mechanism tests show that multiple large shareholders reduce managers' tone manipulation behavior by alleviating financing constraints. Further research reveals that the inhibitory effect of multiple large shareholders on managers' tone manipulation is more significant in enterprises with low internal governance levels. The above research conclusions have important theoretical and practical significance for how to restrict managers' tone manipulation, and also provide new evidence for large shareholders to participate in corporate governance.

Keywords: Multiple large shareholders; managers' tone manipulation; corporate governance.

1. Introduction

The accounting information of enterprises can be categorized into standardized quantitative information disclosure and non-standardized qualitative information disclosure. In recent years, with the development and refinement of China's capital market and big data information analysis technologies, traditional quantitative financial information has gradually become insufficient to meet the needs of external stakeholders. Consequently, qualitative textual information has emerged as an increasingly crucial medium for information transmission. The "Management Discussion and Analysis" (MD&A) section in corporate annual reports is a cornerstone of textual information disclosure. As a key characteristic of MD&A texts, tone reflects management's positive or negative stance on the company's operating performance and development trends. It exerts a significant influence on market investors' information interpretation, thereby shaping the investment decisions of market participants such as securities analysts and retail investors. Currently, China's information disclosure system lacks explicit and quantifiable standards for the expression format of textual information in the MD&A section. Compared with the disclosure of financial numerical information, management retains substantial discretionary power in MD&A disclosure. Furthermore, the disclosure of MD&A texts does not require auditing by certified public accountants—factors that collectively create leeway for tone manipulation. In the process of disclosing textual information, management may engage in tone manipulation driven by self-interested motives. Unsubstantiated tone manipulation exacerbates the degree of information asymmetry in the market, gives rise to the risk of stock price crashes, triggers chain reactions in the capital market, and undermines investors' interests as well as corporate value. Therefore, exploring effective approaches to curb management's tone manipulation and enhance the quality of textual information disclosure has become a focal point in current academic research. Existing literature has examined the impact on management's tone manipulation from perspectives including the Communist Party of China (CPC) organizations' participation in governance (Bao & Li, 2021), political connections (He & Wan, 2020), and performance gaps (Jiang et al., 2023). While effective corporate governance mechanisms are also of great significance for improving the quality of textual information disclosure and facilitating the healthy development of the capital market, few studies have investigated the impact on management's tone manipulation behavior from the perspective of ownership structure in corporate governance.

As the foundation of corporate governance structure, ownership structure exerts an influence on the decision-making of shareholders' meetings, management behavior, and corporate performance. With the advancement of the split-share structure reform and the mixed-ownership reform of state-owned enterprises in China, the concentration of state-owned shares has continued to decline. The ownership structure characterized by the coexistence of multiple large shareholders has become increasingly prevalent among Chinese listed companies and has rapidly emerged as a focal point of research in the field of corporate governance. These large shareholders—unlike controlling shareholders—have no direct appointment relationships or complex social ties with management. To a certain extent, they can exercise supervision and restraint over management's opportunistic behaviors. Meanwhile, compared with minority shareholders, these large shareholders hold higher share proportions, thereby possessing greater say in corporate decision-making. Existing research has not yet reached a conclusive consensus on the governance role of the ownership structure with coexisting multiple large shareholders. Some scholars argue that multiple large shareholders can play a supervisory and governance role: they mitigate agency problems, check and balance controlling shareholders, effectively reduce the expropriation of other shareholders (Wang et al., 2017), and protect the interests of minority shareholders. In contrast, other scholars contend that multiple large shareholders may collude with controlling shareholders, exploit information advantages to engage in insider trading, encroach on the rights and interests of minority shareholders (Lü & Li, 2015), exacerbate agency problems, and thus undermine corporate governance capacity. Additionally, some scholars further argue that the "excessive supervision" of controlling shareholders by multiple large shareholders may lead to a decline in the controlling shareholders' work motivation (Zhu et al., 2018). Existing studies on the economic consequences of the coexistence of multiple large shareholders have mainly focused on corporate performance, investment and financing decisions. Few studies have examined the impact of this specific ownership structure arrangement on the self-interested behaviors of corporate management.

Against this backdrop, this study focuses on the supervisory and governance effects exerted by multiple large shareholders. From the perspective of the coexistence of multiple large shareholders, it explores whether such an ownership structure exerts a governance role on management's tone manipulation and analyzes its underlying mechanism. The potential contributions of this study are as follows: (1) It expands the research on the economic consequences of the coexistence of multiple large shareholders, enriching the empirical evidence in the field of ownership structure and corporate governance. (2) It enriches the research on the influencing factors of management's tone manipulation, complementing the existing literature that primarily examines the impact of institutional factors or performance-related variables. (4) It holds practical significance for listed companies to strengthen internal governance, for investors to make rational investment decisions, and for regulatory authorities to improve the textual information disclosure system, thereby promoting the healthy and orderly development of the capital market.

2. Theoretical Analysis and Research Hypotheses

According to impression management theory, driven by self-interested motives or "information obfuscation," management may exploit the discretion in MD&A texts to engage in tone manipulation, thereby conveying misleading information and influencing the decision-making of financial report users. Agency theory and information asymmetry theory suggest that the lack of effective oversight in internal governance (resulting from the separation of ownership and control in enterprises) and gaps in external regulatory constraint mechanisms are the primary reasons for management's tone manipulation. Effective corporate governance serves as a crucial means to mitigate such manipulation (Zhang et al., 2015). As a key corporate governance mechanism, ownership structure places large shareholders in a critical position in shareholder governance. Existing literature indicates that under an ownership structure with coexisting multiple large shareholders, these shareholders possess sufficient motivation and capacity to concern themselves with the enterprise's development and supervise management behavior. First, when multiple large shareholders exist in a company, the

increase in ownership balance restricts large shareholders' behaviors of pursuing private benefits and makes it difficult for them to collude with management. Consequently, multiple large shareholders tend to enhance returns through collaborative supervision (Basu et al., 2017), which strengthens their motivation to supervise management. Furthermore, management's tone manipulation not only harms investors' interests but also undermines the company's long-term development. To avoid the risk of significant depreciation of their own wealth in the future, large shareholders with relatively high shareholdings have stronger incentives to supervise management's tone manipulation behavior.

Second, multiple large shareholders possess the capacity to supervise both controlling shareholders and management. Compared with a single large shareholder, the control coalition formed by multiple large shareholders is more conducive to restraining the "tunneling" behavior of controlling shareholders (Boateng & Huang, 2017) and reducing agency conflicts caused by excessive management power. Multiple large shareholders are often regarded as an alternative mechanism for protecting the rights and interests of minority shareholders. The contestability of corporate control by other large shareholders increases the difficulty for controlling shareholders to pursue private benefits (Boubaker & Sami, 2011), thereby narrowing the space for collusive tone manipulation between controlling shareholders and management. Furthermore, multiple large shareholders can exercise supervisory roles by exercising voting rights at shareholders' meetings, effectively alleviating both Type I and Type II agency problems. This reduces the opportunistic behaviors of controlling shareholders and management, and lowers the degree of information asymmetry within the company (Jiang et al., 2018). As the degree of internal and external information asymmetry decreases, the risks and costs of management's tone manipulation behavior increase significantly, forcing management to reduce tone descriptions in textual information disclosure that are inconsistent with actual conditions. Meanwhile, since other large shareholders hold a relatively large number of shares, they can directly participate in the company's operational and management decisions by appointing directors or senior executives. This inhibits collusion between controlling shareholders and management, thereby reducing management's opportunistic behaviors such as tone manipulation.

Other large shareholders can also use the "exit threat"—which involves selling shares to trigger a stock price decline—to constrain management. This alignment of interests between management and large shareholders compels management to rectify self-serving behaviors, reduce tone manipulation, and steer the company toward the goal of "maximizing shareholder value" rather than "maximizing management's personal interests." In summary, this study proposes the following hypothesis:

H: The ownership structure with coexisting multiple large shareholders can inhibit management's tone manipulation.

3. Research Design

3.1. Sample Selection and Data Sources

This study selects A-share listed companies in Shanghai and Shenzhen from 2012 to 2023 as the research sample, and processes the data as follows: (1) Excluding samples of listed companies in the financial industry; (2) Excluding samples of ST (Special Treatment) and *ST (Delisting Risk Warning) companies; (3) Excluding samples with no large shareholders (i.e., the shareholding ratio of the largest shareholder is less than 10%); (4) Excluding samples with missing relevant data; (5) To mitigate the impact of extreme values, the main continuous variables involved in this study are winsorized at the 1% and 99% levels. After the above processing, a total of 25,675 sample observations are obtained. For the definition of large shareholders in this study, the combined shareholding of concert parties is calculated. Data on concert parties are obtained from the WIND database; data on management tone are sourced from the CNRDS; and other data are retrieved from the CSMAR Database.

3.2. Definition of Key Variables

3.2.1. Independent Variable: Multiple Large Shareholders (Multi)

According to the Company Law of the People's Republic of China, shareholders holding more than 10% of the shares are entitled to propose or convene extraordinary general meetings on their own initiative, and have the right to appoint senior executives or directors to the company, thereby participating in the company's internal governance and various decision-making processes. Following the approach of Jiang et al. (2017), this study defines shareholders with a shareholding ratio exceeding 10% as "large shareholders." For shareholders acting as concert parties, their shareholdings are aggregated and treated as a single shareholder. A company is defined as having "multiple large shareholders" if it has two or more large shareholders (including the largest shareholder) each holding more than 10% of the shares, in which case the variable Multi is assigned a value of 1; otherwise, Multi is assigned a value of 0.

3.2.2. Dependent Variable: Management Tone Manipulation (ABTONE)

The tone of MD&A primarily consists of normal tone and abnormally positive tone. Management's tone manipulation typically focuses on the abnormally positive tone, which therefore needs to be isolated. Drawing on the study by Xie & Lin (2015), this study calculates the management's net optimistic tone (TONE) using Model (1):

$$TONE = \frac{\text{Positive} - \text{Negative}}{\text{Positive} + \text{Negative}} \quad (1)$$

Where: Positive refers to the number of positive tone words in the MD&A; Negative refers to the number of negative tone words in the MD&A. TONE represents management's net optimistic tone—a higher value of TONE indicates a more positive tone adopted by management. Subsequently, drawing on the research of Wang & Wang (2018), management tone manipulation (ABTONE) is measured using the residual term of the regression model. Additionally, the residual term of Model (2) is calculated as the proxy variable for management tone manipulation (ABTONE_FE) in the robustness test. A higher value of ABTONE or ABTONE_FE signifies a greater degree of management's manipulation of MD&A tone.

$$TONE_{i,t} = \beta_0 + \beta_1 ROA_{i,t} + \beta_2 RET_{i,t} + \beta_3 SIZE_{i,t} + \beta_4 BTM_{i,t} + \beta_5 RET_SD_{i,t} + \beta_6 ROA_SD_{i,t} + \beta_7 AGE_{i,t} + \beta_8 LOSS_{i,t} + \beta_9 D_ROA_{i,t} + \epsilon_{i,t} \quad (2)$$

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In Model (2): *i* denotes the firm; *t* denotes the year; TONE refers to management's net optimistic tone (as defined previously); $ROA_{i,t}$ represents the firm's current-year performance (return on assets); $RET_{i,t}$ stands for the firm's 12-month holding period return in the current year; $SIZE_{i,t}$ is the natural logarithm of the firm's total annual assets; $BTM_{i,t}$ denotes the firm's book-to-market ratio; $RET_SD_{i,t}$ is the standard deviation of the firm's monthly stock returns; $ROA_SD_{i,t}$ represents the standard deviation of the firm's performance (ROA) over the past five years; $AGE_{i,t}$ is the natural logarithm of the number of years the firm has been listed; $LOSS_{i,t}$ is a dummy variable, assigned a value of 1 if the firm incurs a loss in the current year, and 0 otherwise; $D_ROA_{i,t}$ is calculated as (net profit in period *t* - net profit in period *t*-1) divided by total assets in period *t*-1; $\epsilon_{i,t}$ and $\sigma_{i,t}$ are residual terms. Based on Model (2), Model (3) adds a control for the firm's future earnings. Among the variables in

Model (3), $F_ROA_{i,t}$ represents the ratio of net profit in period $t+1$ to total assets in period t ; all other variables are consistent with those in Model (2).

3.2.3. Control Variables

Drawing on existing studies, this study selects the following variables as control variables and controls for year and industry effects. The specific definitions of these variables are presented in Table 1.

Table 1. Variable Definition Table

Variable Type	Variable Symbol	Variable Definition
Dependent Variable	ABTONE	Management tone manipulation, calculated with reference to the model by Wang & Wang (2018)
Independent Variable	Multi	Dummy variable, taking the value of 1 if a listed company has multiple large shareholders, otherwise 0
Control Variables	Size	Natural logarithm of the company's total assets at the end of the year
	Lev	Total liabilities at the end of the year / Total assets at the end of the year
	ROE	Net profit at the end of the period / Balance of shareholders' equity
	Growth	(Operating income in the current year / Operating income in the previous year) - 1
	Board	Natural logarithm of the number of board members
	Indep	Number of independent directors / Total number of directors
	Age	$\ln(\text{Current year} - \text{Company establishment year} + 1)$
	Top1	Number of shares held by the largest shareholder / Total number of shares
	Dual	Taking the value of 1 if the chairman and general manager are the same person, otherwise 0
	BM	Book value / Total market value
	Mshare	Number of shares held by management / Total share capital
	Year	Year dummy variable
	Ind	Industry dummy variable

3.3. Model Specification

To test the above hypothesis, the following baseline regression model is constructed:

$$ABTONE_{i,t} = \alpha_0 + \alpha_1 Multi_{i,t} + \alpha_2 \sum Controls + \epsilon_{i,t} \quad (4)$$

Where: $ABTONE_{i,t}$ represents management tone manipulation; $Multi_{i,t}$ is the proxy variable for multiple large shareholders, defined as a dummy variable which takes the value of 1 if a company has multiple large shareholders in year t , and 0 otherwise; $\sum Controls$ denotes the relevant control

variables. If the coefficient α_1 is significantly negative, the hypothesis is validated, indicating that multiple large shareholders can inhibit management tone manipulation.

4. Empirical Analysis

4.1. Descriptive Statistics

The descriptive statistics of the main variables in this study are presented in Table 2. For ABTONE, the mean value is 0.008, the standard deviation is 0.111, with a maximum value of 0.241 and a minimum value of -0.284. This indicates that most enterprises in the sample exhibit management tone manipulation behavior, and there are certain differences in the degree of tone manipulation across samples. The mean value of Multi is 0.244, meaning that over one-fifth of the enterprises in the sample have multiple large shareholders. This demonstrates that the ownership structure with multiple large shareholders has a strong practical basis and research significance in corporate governance. The statistical distribution of control variables is basically within the expected reasonable range, which is consistent with the findings of previous studies.

Table 2. Descriptive Statistics Results

Variable	N	Mean	SD	Min	P50	Max
ABTONE	25675	0.008	0.111	-0.284	0.015	0.241
Multi	25675	0.244	0.429	0	0	1
Size	25675	22.50	1.282	19.72	22.32	26.14
Lev	25675	0.447	0.199	0.0510	0.442	0.896
ROE	25675	0.0500	0.137	-0.634	0.0620	0.358
Growth	25675	0.132	0.369	-0.570	0.0780	2.204
Board	25675	2.122	0.199	1.609	2.197	2.708
Indep	25675	37.77	5.618	33.33	36.36	80
Age	25675	3.022	0.285	1.609	3.045	3.555
Top1	25675	39.22	15.59	10	37.54	90
Dual	25675	0.251	0.434	0	0	1
BM	25675	0.629	0.263	0.117	0.619	1.211
Mshare	25675	9.760	15.83	0	0.270	60.91

4.2. Baseline Regression Results

Table 3 reports the baseline regression results of this paper. The regression coefficient of Multi is -0.007 and is significant at the 1% level, indicating that compared with the ownership structure with a single large shareholder, the coexistence of multiple large shareholders can inhibit the level of management tone manipulation in enterprises, which validates the hypothesis of this paper.

Table 3. Multiple Large Shareholders and Management Tone Manipulation

VARIABLES	ABTONE
Multi	-0.007***
	(-4.53)
Size	0.001
	(1.03)
Lev	0.011**
	(2.57)
ROE	-0.019***
	(-3.27)
Growth	0.027***
	(13.30)
Board	0.017***
	(3.91)
Indep	0.001***
	(4.00)
Age	0.007**
	(2.56)
Top1	0.000
	(0.06)
Dual	-0.002
	(-1.04)
BM	-0.011***
	(-3.14)
Mshare	0.000
	(0.68)
Constant	-0.110***
	(-5.48)
Observations	25,675
R-squared	0.142

Robust t-statistics in parentheses

*** p<0.01, ** p<0.05, * p<0.1

4.3. Robustness Tests: Replacement of the Dependent Variable

To test the robustness of the baseline regression results, this study replaces the measurement method of the dependent variable. Considering that MD&A may contain management's expectations for the company's future performance, the regression residual value of Model (3), denoted as ABTONE_FE, is used as the proxy variable for management tone manipulation to perform the regression. The regression results are presented in Table 4. The regression coefficient of Multi remains significantly negative at the 1% level, indicating that after replacing the measurement method of management tone manipulation, the regression results are consistent with those of the baseline regression. This verifies the robustness of the previous conclusions.

Table 4. Replacement of the Dependent Variable

VARIABLES	ABTONE_FE
Multi	-0.007***
	(-4.20)
Size	0.001
	(1.63)
Lev	0.012***
	(2.61)
ROE	-0.026***
	(-4.22)
Growth	0.025***
	(11.56)
Board	0.018***
	(4.03)
Indep	0.001***
	(3.76)
Age	0.009***
	(3.07)
Top1	0.000
	(0.55)
Dual	-0.002
	(-1.15)
BM	-0.016***
	(-4.19)
Mshare	0.000
	(0.16)
Constant	-0.122***
	(-5.67)
Observations	22,469
R-squared	0.125

Robust t-statistics in parentheses

*** p<0.01, ** p<0.05, * p<0.1

4.4. Mechanism Test: Multiple large shareholders, Financing Constraints, and Management Tone Manipulation

Based on impression management theory, enterprises facing greater financing constraints tend to see their management intensify tone manipulation to secure more financing. Moreover, compared with enterprises with low financing constraints, those with high financing constraints confront greater market pressure, which strengthens management's motivation to engage in tone manipulation. Excessively high financing constraints also raise the cost of earnings management; in such cases, management is more inclined to adopt textual tone manipulation—an inconspicuous method—for impression management. Agency problems are among the primary causes of enterprises' financing constraint dilemmas, and improving corporate governance is a crucial approach to alleviating agency problems (Wang & Jiang, 2017). The supervisory behavior of multiple large shareholders can yield positive corporate governance effects: it effectively restrains the agency problems of controlling shareholders, reduces the information asymmetry between creditors, external investors, and the enterprise's internal management, and helps the enterprise obtain external funds with longer terms and lower costs. This, in turn, eases the financing constraints faced by the enterprise. Therefore, this study argues that the coexistence of multiple large shareholders inhibits management tone manipulation by alleviating enterprises' financing constraints.

To test the above mechanism, this study adopts the SA index to measure the degree of financing constraints, following the method of Yan et al. (2020). A smaller SA index indicates more severe financing constraints for the enterprise. The regression results are presented in Table 5. Column (1) examines the relationship between multiple large shareholders and financing constraints. The

regression coefficient of Multi is significantly positive at the 1% level, indicating that multiple large shareholders can alleviate the financing constraints faced by enterprises. Column (2) tests the relationship among multiple large shareholders, financing constraints, and management tone manipulation. The regression coefficient of SA is significantly negative at the 1% level, while the regression coefficient of Multi remains significantly negative at the 1% level but is weaker compared to that in the baseline regression. This suggests that financing constraints play a partial mediating role in the impact of multiple large shareholders on management tone manipulation, verifying the mechanism that multiple large shareholders inhibit management tone manipulation by alleviating enterprises' financing constraints.

Table 5. Regression Analysis of the Mediating Effect of Financing Constraints

VARIABLES	(1) SA	(2) ABTONE
SA		-0.016*** (-3.05)
Multi	0.021*** (9.20)	-0.007*** (-4.32)
Size	0.048*** (33.72)	0.002* (1.90)
Lev	0.004 (0.77)	0.011*** (2.58)
ROE	-0.063*** (-8.28)	-0.020*** (-3.44)
Growth	-0.011*** (-4.00)	0.027*** (13.23)
Board	0.012** (2.14)	0.017*** (3.95)
Indep	0.002*** (8.56)	0.001*** (4.17)
Age	-0.705*** (-141.40)	-0.004 (-0.95)
Top1	0.000*** (7.26)	0.000 (0.21)
Dual	0.008*** (4.03)	-0.001 (-0.96)
BM	-0.095*** (-21.36)	-0.012*** (-3.54)
Mshare	0.000** (2.50)	0.000 (0.73)
Constant	-2.859*** (-80.44)	-0.155*** (-6.20)
Observations	25,675	25,675
R-squared	0.711	0.142

Robust t-statistics in parentheses

*** p<0.01, ** p<0.05, * p<0.1

4.5. Further Analysis: Internal Governance Level

In an enterprise with a high-level internal governance environment, the board of directors, board of supervisors, and various committees can fully exert their supervisory functions to constrain the self-interested behaviors of controlling shareholders and management. Additionally, sound corporate governance helps reduce internal and external information asymmetry, which narrows the space for management to conduct tone manipulation. Therefore, the governance role of the ownership structure with coexisting multiple large shareholders is relatively limited in enterprises with inherently high governance levels. In contrast, in enterprises with low governance levels, controlling shareholders and management are more likely to collude, and management can more easily mislead investors through tone manipulation. In such cases, the supervisory and governance effects exerted by other

large shareholders are more prominent. Thus, this study hypothesizes that the inhibitory effect of multiple large shareholders on management's tone manipulation behavior is more significant in enterprises with low internal governance levels than in those with high internal governance levels.

To test this argument, this study draws on the indicator design method proposed by Zhou et al. (2020). Specifically, it selects management compensation and management shareholding ratio to represent the enterprise's incentive mechanism; independent director ratio and board size to characterize the supervisory role of the board of directors; institutional investor shareholding ratio and ownership balance degree to reflect the supervisory role of the ownership structure; and the duality of chairman and general manager (whether the two positions are held by the same person) to denote the general manager's decision-making power. Principal Component Analysis (PCA) is conducted using the above 7 indicators to construct the corporate governance level index (Gov). On this basis, the full sample is divided into subgroups for regression analysis according to the industry-year median of Gov: Enterprises with a governance level higher than the median are classified into the "high governance level group," where Gov is assigned a value of 1; Enterprises with a governance level lower than the median are classified into the "low governance level group," where Gov is assigned a value of 0. The regression results are presented in Table 6. In the low internal governance level group, the regression coefficient of Multi is significantly negative at the 1% significance level. In the high internal governance level group, the regression coefficient of Multi is -0.004 but statistically insignificant. These results indicate that the inhibitory effect of multiple large shareholders on management tone manipulation is more pronounced in enterprises with low internal governance levels.

Table 6. Heterogeneity Analysis Based on Corporate Internal Governance Level

	(1) Gov=0	(2) Gov=1
VARIABLES	ABTONE	ABTONE
Multi	-0.011*** (-4.80)	-0.004 (-1.60)
Size	0.002 (1.55)	0.000 (0.09)
Lev	0.008 (1.28)	0.014** (2.33)
ROE	-0.013 (-1.56)	-0.033*** (-4.30)
Growth	0.027*** (9.85)	0.029*** (10.95)
Board	-0.002 (-0.32)	0.025*** (3.96)
Indep	0.001* (1.94)	0.001*** (4.64)
Age	0.006 (1.37)	0.009** (2.39)
Top1	-0.000 (-1.16)	-0.000 (-0.98)
Dual	-0.004 (-1.38)	0.002 (1.08)
BM	-0.021*** (-4.27)	0.000 (0.03)
Mshare	-0.000 (-0.99)	0.000*** (2.62)
Constant	-0.077*** (-2.71)	-0.132*** (-4.15)
Observations	12,501	12,373
R-squared	0.146	0.148

t statistics in parentheses

* p < 0.1, ** p < 0.05, *** p < 0.01

5. Research Conclusions and Implications

This study takes A-share listed companies in Shanghai and Shenzhen from 2012 to 2023 as the research sample, and systematically explores the impact of multiple large shareholders on management tone manipulation using empirical methods. The research results show that the coexistence of multiple large shareholders can exert a positive supervisory and governance effect, significantly inhibiting management tone manipulation in enterprises. Mechanism tests reveal that the inhibitory effect of multiple large shareholders on management tone manipulation is achieved by reducing the degree of enterprises' financing constraints. Further research finds that the restrictive effect of multiple large shareholders on management tone manipulation is more significant in enterprises with low internal corporate governance levels.

The research conclusions of this study provide new evidence for the relationship between multiple large shareholders and management's textual tone manipulation. To reduce tone manipulation behavior, efforts can be made not only to improve external supervision but also to adjust the ownership structure and give full play to the supervisory effect of multiple large shareholders in corporate governance. Based on the research conclusions, the following implications are derived: (1) From the perspective of regulatory authorities: Regulatory authorities should actively establish a quality evaluation system for textual information disclosure to promote the healthy and orderly development of the capital market. (2) From the perspective of enterprises themselves: Enterprises should integrate internal and external governance environments and establish a reasonable ownership structure. (3) From the perspective of investors: General investors should view management's tone dialectically and make rational investment decisions.

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