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THE IMPACT OF SUSTAINABILITY REPORTING ON THE PERFORMANCE OF LISTED COMPANIES IN ZIMBABWE.

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF BACHELOR OF COMMERCE HONOURS DEGREE IN ACCOUNTING AND FINANCE AT LUPANE STATE UNIVERSITY

MAY 2018
ABSTRACT

The research study sought to ascertain the impact of Sustainability Reporting on the performance of listed companies in Zimbabwe. The main objective covered in this study was to determine the impact of sustainability reporting on performance of companies listed on the Zimbabwe Stock Exchange. The secondary objectives were; to ascertain the level of sustainability reporting on listed companies in Zimbabwe and to identify factors that influenced companies’ attitude towards Sustainability Reporting. Cross section design was used in carrying out this study. In the study Sustainability reporting was taken to be the independent variable and the dependent variables included sales growth, net profit and return on equity. Only four companies were considered in the Zimbabwe Stock Exchange as they were the only companies who had produced the sustainability reports for the period under study. Both primary data and secondary data was utilized for the research. Hausman Tests were carried out by the researcher so as to identify the best model to adopt in carrying out panel regression. Fixed effects model in panel regression was engaged for data analysis and the findings indicated that Sustainability Reporting had impacted positively on the performance of listed companies. It was also noted that the level of Sustainability reporting is very low in the country hence companies are advised to consider this kind of reporting system. Moreover it was discovered that company size, is one of the factors that influence company’s attitude towards sustainability reporting. Among recommendations given based on the findings of the study, the researcher recommended that accounting bodies should introduce sustainability reporting into mandatory continuing professional education program as this would add value to the profession of accountants in Zimbabwe.