

© Kamla-Raj 2011

PRINT: ISSN 0971-8923 ONLINE: ISSN 2456-6756

J Soc Sci, 29(2): 151-158 (2011)

DOI: 10.31901/24566756.2011/29.02.06

An Investigation of the Economic Performance of Sustainability Reporting Companies Versus Non-reporting Companies: A South African Perspective

Pieter Buys, Merwe Oberholzer and Panagiotis Andrikopoulos*

*North-West University, School of Accounting Sciences, Private Bag X6001,
Potchefstroom 2520, South Africa*

Telephone: + 27 18 299 1435, Fax: + 27 18 299 1426; E-mail: pieter.buys@nwu.ac.za

**Department of Accounting and Finance, Faculty of Business and Law,
De Montfort University, Leicester LE2 7BQ, UK*

JEL Classification Code M10 (General), M14 (Corporate Culture; Social Responsibility), M41 (Accounting)

KEYWORDS Corporate Social Responsibility. Financial Performance. Shareholder Value. Stakeholder Value. Sustainability. Sustainable Development

ABSTRACT This study explores the potential differences in the economic performances of companies that report on their sustainability information and those companies that do not report thereon. Even though there have been similar studies conducted in 1st world countries, this is the first study of its kind in a developing economy, and considers the economic performances of South African publicly listed companies. Annual performance data, from 2002 to 2009, for the two groups of companies was taken from the McGregor BFA database. The significance of the average differences between key financial indicators of the test-group and the control-group was determined by the t-test, while the difference of positive or negative Economic Value Added and Market Value Added values between these two groups was also evaluated. Even though some evidence indicates that companies that disclose sustainability reports may experience better economical performance, the statistical analysis could not confirm a definite positive relationship between sustainability reporting and economic performance.