STUDIA UBB NEGOTIA, LXI, 2, 2016, pp. 43-66
(RECOMMENDED CITATION)

SUSTAINABILITY REPORTING PRACTICES: A COMPARATIVE STUDY OF SOUTH AFRICAN AND BOTSWANA LISTED COMPANIES

BENDRIBA KIYANGA[1], CHRISTA WINGARD[2], CHRISTO CRONJÉ[3]

ABSTRACT. Sustainability reporting is a type of reporting concerning how entities deal with environmental, social, economic and corporate governance issues. This form of corporate reporting has become a primary form of corporate reporting – just like financial reporting. The purpose of this study was to determine the extent to which the sustainability reporting practices of the Johannesburg Stock Exchange (JSE) companies are comparable to those of the Botswana Stock Exchange (BSE) companies. The findings suggest that differences in the level of sustainability reporting could be due to fewer sustainable activities in the BSE sample or to inadequate reporting of sustainable activities in in the BSE sample. These results support the Institutional theory but seem to disagree with other theories that explain sustainability reporting. A study of Institutional differences between Botswana and South Africa is recommended.

Key words: Comparative analysis, Cross-country studies, Sustainability reporting, Environmental Disclosure, Corporate governance reporting, Contextual Disclosure, Voluntary Corporate Disclosure, Content analysis, CSR Reporting.

JEL Classification: M10 (General), M14 (Corporate Culture; Social Responsibility)

[1] *Master graduate, Department of Financial Accounting, University of South Africa (UNISA), bendriba@gmail.com*

[2] *Professor, Department of Financial Accounting, University of South Africa (UNISA), wingahc@unisa.ac.za*

[3] *Professor, Department of Financial Governance, University of South Africa (UNISA), cronjcj@unisa.ac.za*

1. Introduction

Sustainability reporting is a form of corporate reporting that focuses on economic, environmental, social, and corporate governance issues. It is not a new form of corporate reporting as it has been around for some time and practised under different names, including Contextual disclosure, Voluntary disclosure, and Corporate Social Responsibility (CSR) reporting.

What has happened is a paradigm shift in the way sustainability reporting is perceived. Information that was once regarded as proprietary, non-financial and management accounting in nature has now become primary information just like financial information. Furthermore, several organisations and initiatives have become involved in sustainability reporting including the International Federation of Accountants (IFAC), Global Reporting Initiatives (GRI), Organisation for Economic Co-operation and Development (OECD) and Institute of Directors in Southern Africa (IoDSA).

Why has sustainability reporting become a primary form of corporate reporting? First, it is said to offer entities that practise it a competitive edge over those that don't practice it or lag behind in practising it. Second, it is believed to improve the entities' relationship with their stakeholders. Thus, it is becoming increasingly imperative that entities regularly assess their sustainable practices against those of their competitors in order to maintain their competitive edge and their relationship with their stakeholders.

The purpose of this paper is to compare sustainability reporting practices of listed companies in Botswana and South Africa and make some generalisations from the findings. The rest of this paper is organised as follows: Theoretical framework, Literature review, Problem statement, Research methodology, and Conclusion and discussions.

2. Theoretical Framework

This study is informed by four theories: Agency Theory, Stakeholder Theory, Legitimacy Theory and Institutional Theory. These are among the recognised theories that try to explain and predict sustainability disclosure. Other studies that used these theories are Mbekomize and Wally-Dima (2013); Ali and Rizwan, (2013) and Kiyanga (2014).

Agency Theory is concerned with the relationship between the agent and the principal as well as with the methods and systems of aligning their often conflicting interests (Eisenhardt, 1989; Clarke, 2004.). The reduction of information asymmetry between the agent and principal through corporate reporting is regarded as one of the methods of aligning the interest of the agent and the principal. However, the Agency Theory does not explain all types of contextual disclosure. For example, disclosures made to protect company image or promote company transparency are explained by the Stakeholder Theory and the Legitimacy Theory.

The Stakeholder Theory regards a firm's stakeholders as all those with whom it has an implied social contract. These include shareholders, employees, suppliers, customers, the government and the society as a whole (Freeman, 1984). According to the stakeholder view, an organisation is morally accountable to all its stakeholders (Clarke, 2004; Gray, Owen & Adams, 1996). Failure of which may result in external pressure from government, pressure groups and some institutional investors for ethical investments and organisational change.

However, the critics of the Stakeholder Theory label it as a public relations tool due to its failure to take internal stakeholders on board although they also influence sustainability reporting disclosure. Adams and Larringa-Gonzalez (2007:333) therefore suggest that accountability and performance can be improved through the engagement of all stakeholders including internal ones by integrating sustainability issues into organisational processes and decision making.

After observing a link between the Stakeholder Theory and the Agency Theory, Power (1991) suggested that the Principal-–Agent Theory could be adapted to include accountability of management to the society as a whole rather than to shareholders alone.

The Legitimacy Theory shows that organisations disclose contextual information with the aim of being accepted by society (Deegan & Gordon, 1996). Applications of the Legitimacy Theory have been reported in several studies (De Villiers & Van Staden, 2006:763; Brookhart, Beeler & Culpepper 2005; Shocker & Sethi, 1974; Campbell, 2003). However, unlike the other two theories which focus on the interests of stakeholders, this theory focuses on the interest of the reporting entity.

The Institutional Theory views institutions as generally accepted and formalised social structures which develop through an organisation's coercive, normative and mimic isomorphism within the environment in which organisations operate (Scot, 2004, DiMaggio & Power, 1990, Suchman, 1995). The Institutional Theory posits that organisational behaviour such as the way organisations report their sustainable activities is influenced by these social structures (Scot, 2004). Amran and Haniffa, (2010) and Aerts, Cormier and Magnan, (2006) observed the application of this theory. However, this theory too does not fully explain or predict sustainability reporting on its own.

Although the four theories are different in terms of their assumptions and development, they to some extent explain sustainability reporting. However, none of them fully explains or predicts it. Consequently calls have been made for a multi-theoretical approach to sustainability reporting (Cormier, Magnan, Velthoven, 2005; Islam and Deegan, 2008).

3. Literature Review

The extant literature on comparative sustainability reporting is either cross-national or national in nature. Cross-national studies focus on comparative sustainability reporting practices of entities from different nations. Examples of such studies include studies on causes of differences in sustainability disclosure (Kolk, 2003, KPMG, 2005, Kolk, 2008) and studies on determinants of sustainability disclosure (Aguilera, Williams, Conley & Rupp, 2006). However, most of these studies were conducted in the West (Kolk, 2005; Maignan & Ralston, 2002; Berthelot, Cormier & Magnan, 2003).

National studies on comparative sustainability reporting practices tend to focus on comparative analysis of sustainability reporting practices of entities within the same nation. Although most of these studies were conducted in the West, there are few which were conducted in developing countries such as those by Moloi (2008), Doppegieter & De Villiers (1996), De Villiers and Van Staden (2004), Said, Zainuddin and Haron (2009); and Idowu and Towler (2004).

Sustainability reporting studies have just started to emerge in Botswana, they include Rankokwane (2008) and Mbekomize and Wally-Dima (2013), but none of these studies are cross-national in nature. In contrast South Africa has had several studies including Gouws and Cronjé (2008); De Villiers and Van Staden (2004). Other studies are Myburg, 2001; Doppegieter and De Villiers, 1996. Further studies were carried out by De Villiers (2003); De Villiers and Lubbe (2001); Moloi (2008) and De Villiers and Barnard, (2000), Just like in many developing countries most of these studies are national in nature.

This study has been informed by four studies: Doppegieter and De Villiers (1996) who observed that very few studies on sustainability reporting were conducted in developing countries; Adams and Larringa-Gonzalez (2007) who warned of the potential danger of generalising from studies from the West to developing countries; Azarian (2011) who describes comparison as a method of study in which two or more cases are contrasted to each other in relation to specific phenomena or along certain lines in order to explore parallels and differences among cases and the study by Mattem and Moon (2008) who argue that comparative studies on corporate social responsibility (CSR) can help entities best position themselves to import the best CSR practices.

4. Problem Statement

The observation by Doppegieter and De Villiers (1996:77) that very few of the comparative sustainability studies were conducted in developing countries and the warning by Adams and Larringa-Gonzalez (2007) of the potential danger of generalising the results from the studies from the West to developing countries raise the following unanswered question: "*What generalisations can be made from a comparative study of sustainability reporting practices involving two developing countries such as Botswana and South Africa*?"

The answers to this question will not only contribute to the growing literature on comparative sustainability reporting in developing countries, but will also shed light on the differences and similarities in sustainability reporting practices in Botswana and South Africa, thereby offering an opportunity for companies to learn from each other. The study also offers useful insights to policymakers in Botswana and South Africa; and stimulates further research on cross-country sustainability reporting practices.

5. Research Methodology

The unit analysis of the study is a company's annual report which falls in the calendar years 2010 to 2011. Data was extracted from (i) all companies listed on the Domestic Equity Board of the Botswana Stock Exchange (BSE) and (ii) an equal number of the top 40 companies (by market capitalisation) listed on the Johannesburg Stock Exchange (JSE); the JSE companies were selected from the same sector as those of the BSE companies (Table 1 below). Reports of BSE listed companies were collected from the companies' head offices while those of the JSE listed companies were downloaded from their respective websites.

The samples analysed consisted of 23 listed companies from the BSE and an equal number from similar sectors of the top 40 JSE listed companies. The companies falling in each sample and the industrial sectors in which they belong are presented in Table 1 below.

Table 1. The BSE and JSE selected companies by industry

Sector	BSE companies	JSE companies
Financial services	Barclays Bank Botswana Ltd African Banking Corporation First National Bank (FNB) Standard Chartered Letshego Holdings Ltd Imara Corporation Botswana Insurance Holding Corporation RDC Ltd Turnstar Ltd Prime Time Property Holdings Ltd	ABSA Group Ltd Growthpoint Prop Ltd Capital Shop Cent Grp Plc African bank Inv Ltd Nedbank Group Standard Bank Group Ltd FirstRand Ltd Old Mutual Plc Sanlam Limited RMB Holdings Ltd Investec Ltd
Consumer services	Olympia Corporation Ltd Furniture Mart Ltd Sefalana Cash and Carry Ltd Sefalana Ltd G$ Security Services RPC Data Ltd Chobe Ltd Cresta Ltd Wilderness Ltd FGS Ltd	Shoprite Holdings Ltd Naspers Ltd Woolworths Holdings Ltd Truworths International Ltd Massmart Holdings Ltd
Consumer goods	Sechaba Breweries Ltd	SAB Miller Plc. Tiger Brands Ltd Steinhoff International Holdings Ltd Compagnie Fin Richemont
Healthcare	Medical Rescue Ltd	Aspen Pharmacare Holdings Ltd
Energy	Engen Ltd	Sasol

Source: Botswana Stock Exchange & Johannesburg Stock Exchange

Content analysis is described as a critical study of recorded human communication, undertaken to make valid inferences about some phenomena (Cronjé, 2008:140 citing Mouton, 2001:165). Content analysis is used in this study because it is believed to be suitable for studies that involve large volumes of text such as analysis of company annual reports (Mouton, 2001:166). With the help of an internally developed sustainability practices disclosure checklist the contents of the annual reports of the companies in each sample were analysed to collect data on sustainable practices.

The disclosure checklist consists of 72 best sustainable practice indicators extracted from Global Reporting initiatives (GRI) guidelines and King III (IOD 2009) and covered the four perspectives of sustainability performance: Economic, Social, Environmental and Corporate governance perspectives. A "Yes" response to an item indicates that the company practises it while a "No' response indicates lack of practice. Using Excel software, the captured data was summarised into charts and tables that show the frequency of sustainability practices to allow comparative analysis.

Azarian (2011) describes comparison as a method of study in which two or more cases are contrasted to each other in relation to specific phenomena or along certain lines in order to explore parallels and differences among the cases. Mattem and Moon (2008) also argue that comparative studies on Corporate Social Responsibility (CSR) practices can help organisation to position themselves best to import the best CSR practices.

6. Findings

6.1. Comparative levels of sustainability disclosure

Figure 1 illustrates the comparative levels of sustainability disclosure of companies listed on the JSE and the BSE for 2010 and 2011.

Table 2 shows the comparative levels of disclosure of sustainability practices by sector on the BSE and the JSE for 2010 and 2011.

Table 2. Comparative levels of disclosure of sustainability practices by sector

	2010		**2011**	
Sector	**BSE**	**JSE**	**BSE**	**JSE**
Financial services	30%	70%	34%	75%
Consumer Goods services	59%	74%	62%	76%
Healthcare	32%	86%	29%	99%
Energy	33%	86%	32%	91%
Consumer services	37%	63%	38%	71%
Overall	34%	71%	37%	76%

Source: Authors' calculations based on research results

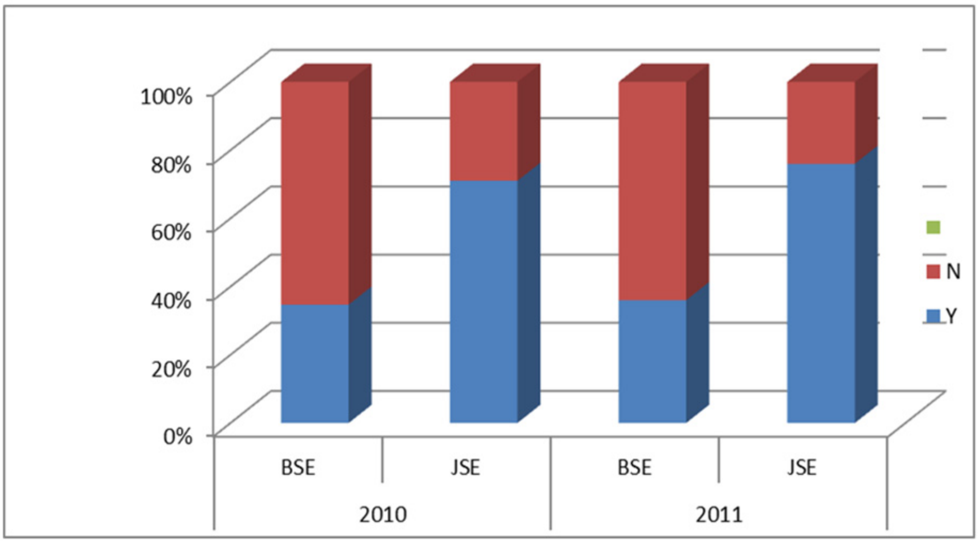


Figure 1. Comparative levels of sustainability disclosure

Source: Authors' calculations based on research result

- Sustainability disclosure performed
- Sustainability disclosure not performed

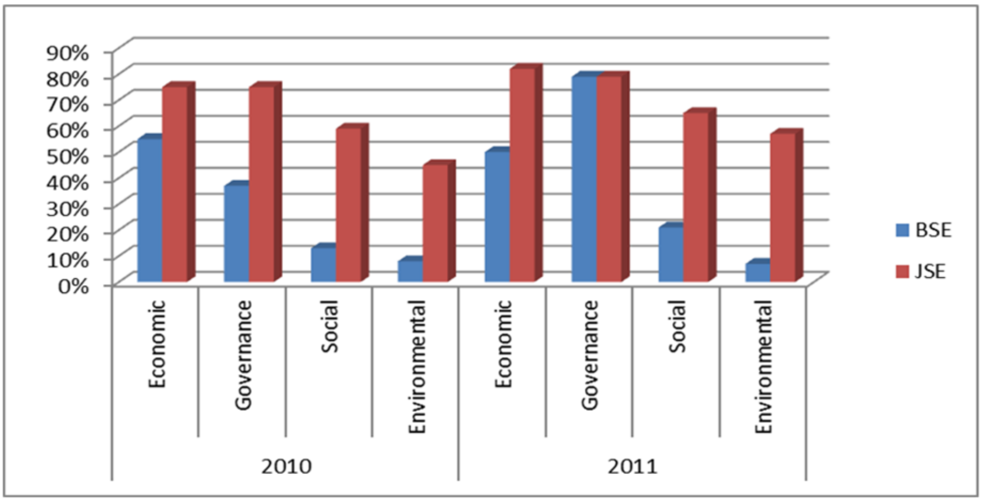
From Figure 1 it is clear that the JSE companies had a higher percentage of disclosure of sustainability practices than the BSE companies in both years and the difference was quite significant. Furthermore, both samples of companies experienced an increase in the overall level of disclosure over the period of the study.

As indicated by Table 2, all BSE sectors disclosed less sustainability information than the corresponding sectors in the JSE sample. The Energy and Healthcare sectors from the JSE sample had the highest levels of disclosure while financial services and the Healthcare sectors from the BSE sample had the lowest levels of disclosure.

6.2. Comparative levels of disclosure of different categories of sustainability practices

Figure 2 indicates the comparative levels of disclosure of the categories of sustainability practices for companies listed on the BSE and the JSE for 2010 and 2011.

Figure 2. Comparative levels of disclosure of categories of sustainability practices



Source: Authors' calculations based on research results

Table 3 reflects the comparative disclosure levels of categories of sustainability information by sector in respect of companies listed on the BSE and the JSE for 2010 and 2011.

From Figure 2, it can be seen that the level of disclosure of categories of sustainability practices was higher in the JSE sample than in the BSE sample in both years. The highest disclosed category for both samples is that of economic sustainable practices.

According to Table 3, the companies in the JSE sample reported all aspects of sustainability practises in both years, and the level of sustainability performance was relatively high and even increased over the period. In contrast the level of reporting relating to the BSE sample was lower in both years than that of the JSE sample. Furthermore, social and environmental sustainability practices were not reported by the Financial Services, Healthcare and the Energy sectors from the BSE sample at all.

Table 3. Comparative disclosure levels of categories of sustainability information by sector

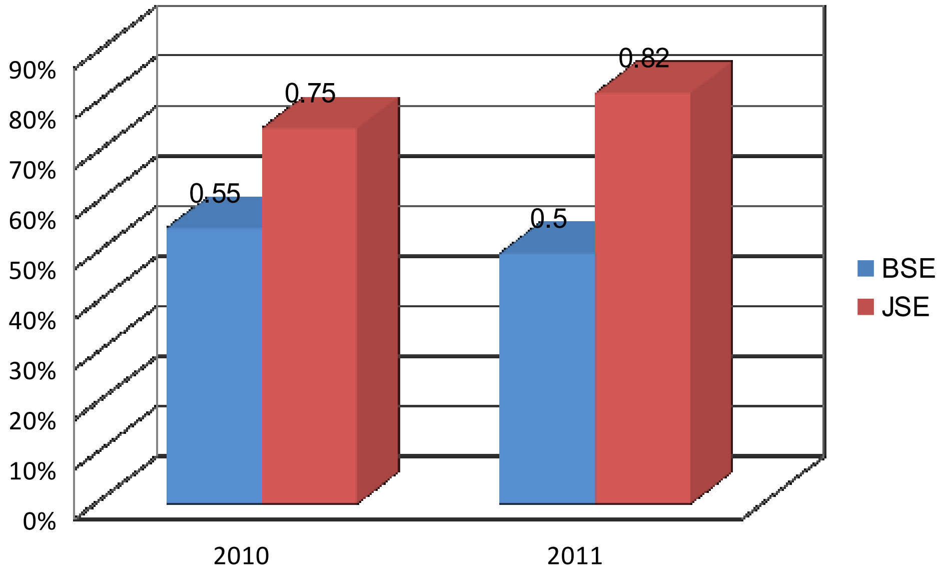
	2010								2011							
	BSE				JSE				BSE				JSE			
Category	Econ	Gov	Sos	Env	Econ	Gov	Sos	Env	Econ	Gov	Sos	Env	Econ	Gov	Sos	Env
Sector																
Financial services	50	32	11	0	71	74	52	32	52	39	13	0	79	81	53	43
Consumer goods	83	59	38	67	83	83	88	100	67	60	63	67	83	79	88	100
Healthcare	17	40	0	17	100	83	100	83	17	38	0	0	100	98	100	100
Energy	67	31	50	0	83	95	63	83	50	33	38	0	67	95	100	67
Consumer services	60	41	10	0	77	67	73	35	50	41	28	10	85	72	69	56

Source: Authors' calculations based on research results

6.3. Comparative levels of disclosure of economic sustainability practices

Figure 3 illustrates the comparative levels of disclosure of economic sustainability practices of companies listed on the BSE and JSE for 2010 and 2011.

Figure 3. Comparative levels of disclosure of economic sustainability practices



Source: Authors' calculations based on research results

Table 4(a) shows the comparative levels of disclosure of economic sustainability practices of companies listed on the BSE and the JSE for 2010 and 2011.

Table 4(a). Comparative levels of disclosure of economic sustainability practices by sector

	2010		2011	
Sector	**BSE**	**JSE**	**BSE**	**JSE**
Financial services	50%	71%	52%	79%
Consumer services	60%	77%	50%	85%
Healthcare	17%	100%	17%	100%
Energy	67%	83%	50%	67%
Consumer goods	83%	83%	67%	83%

Source: Authors' calculations based on research results

Table 4(b) reflects the comparative disclosure levels of the types of economic sustainable practices for companies listed on the BSE and the JSE for 2010 and 2011.

Table 4(b). Comparative disclosure levels of types of economic sustainability practices

	2010		2011	
Economic sustainability items	**BSE**	**JSE**	**BSE**	**JSE**
Favourable auditors' opinion	87%	100%	87%	100%
Financial highlights	93%	100%	96%	100%
Going concern status	78%	100%	74%	100%
Value added and its distribution	61%	91%	30%	78%
Significant financial assistance to or from government	9%	22%	9%	48%
Policies, practices and proportion spent on locally based supplies	4%	39%	4%	65%

Source: Authors' calculations based on research results

According to Figure 3, companies in the JSE sample had a higher disclosure of economic sustainability than companies in the BSE sample in both years. Furthermore Figure 3 shows that while the level of disclosure in the JSE sample increased slightly over the two-year-period that of the BSE sample decreased slightly during the same period.

A sector analysis of comparative disclosure of economic sustainability in Table 4(a) shows the JSE sectors outperforming the BSE sectors in both years. Table 4(a) also on one hand shows the Healthcare sector as the best disclosing sector in the JSE sample, and on the other hand the worst disclosing sector of the BSE sample in both years.

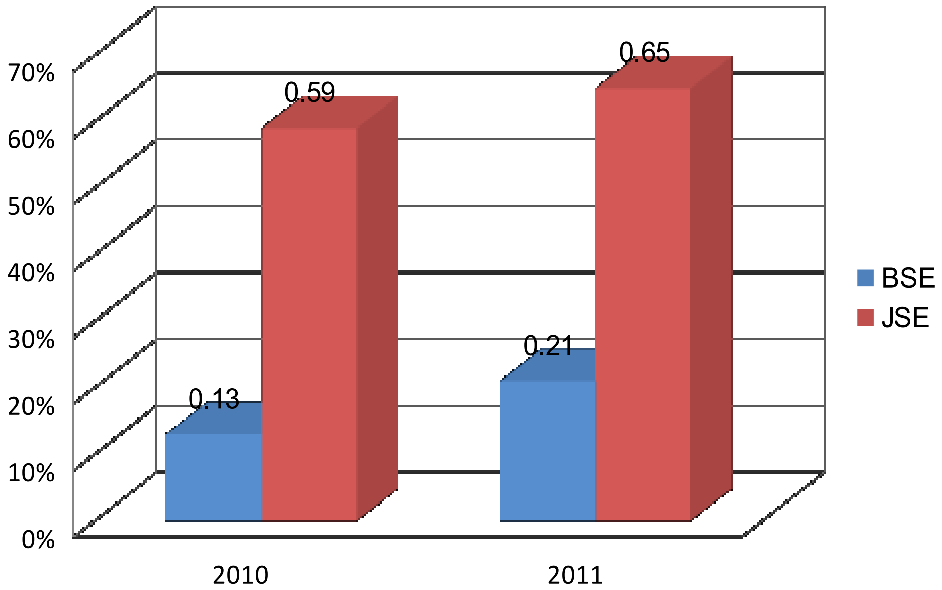
A further analysis of disclosure of comparative economic sustainability practices by items in Table 4(b) shows favourable auditors' report, financial highlights and going concern status as among the highly disclosed items by companies in both samples. Significant contribution to and from government, policies, practices and proportion spent on local based supplies were disclosed poorly.

6.4 Comparative levels of disclosure of corporate governance practices

Figure 4 shows the comparative levels of disclosure of corporate governance practices

In respect of companies listed on the BSE and the JSE for 2010 and 2011.

Figure 4. Comparative levels of disclosure of corporate governance practices



Source: Authors' calculations based on research results

Table 5(a) indicates the comparative levels of disclosure of corporate governance practices by sector for companies listed on the BSE and the JSE for 2010 and 2011.

Table 5(a). Comparative levels of disclosure of corporate governance practices by sector

	2010		2011	
Sector	**BSE**	**JSE**	**BSE**	**JSE**
Financial services	32%	76%	39%	81%
Consumer services	41%	69%	41%	72%
Healthcare	40%	82%	38%	98%
Energy	33%	89%	33%	95%
Consumer goods	59%	82%	60%	83%

Source: Authors' calculations based on research results

Table 5(b) reflects the comparative levels of disclosure of types of corporate governance practices in respect of companies listed on the BSE and the JSE for 2010 and 2011.

Table 5(b). Comparative levels of disclosure of types of corporate governance practices

	2010		2011	
Item	**BSE**	**JSE**	**BSE**	**JSE**
Ethical leadership	35%	98%	39%	87%
Board of directors	40%	89%	40%	85%
Internal audit	34%	26%	46%	74%
Audit committee	48%	77%	52%	82%
Compliance with laws	30%	80%	39%	84%
Governance of IT	0%	33%	0%	35%
Governance of risks	28%	78%	38%	83%
Company profile	100%	100%	100%	100%
Reporting style	5%	4%	7%	65%
Forward looking information	20%	42%	22%	80%
Stakeholder relationship	0%	53%	4%	78%

Source: Authors' calculations based on research results

As per Figure 4 the companies in the BSE sample reported an alarmingly low level of corporate governance activities in comparison to companies from the JSE sample.

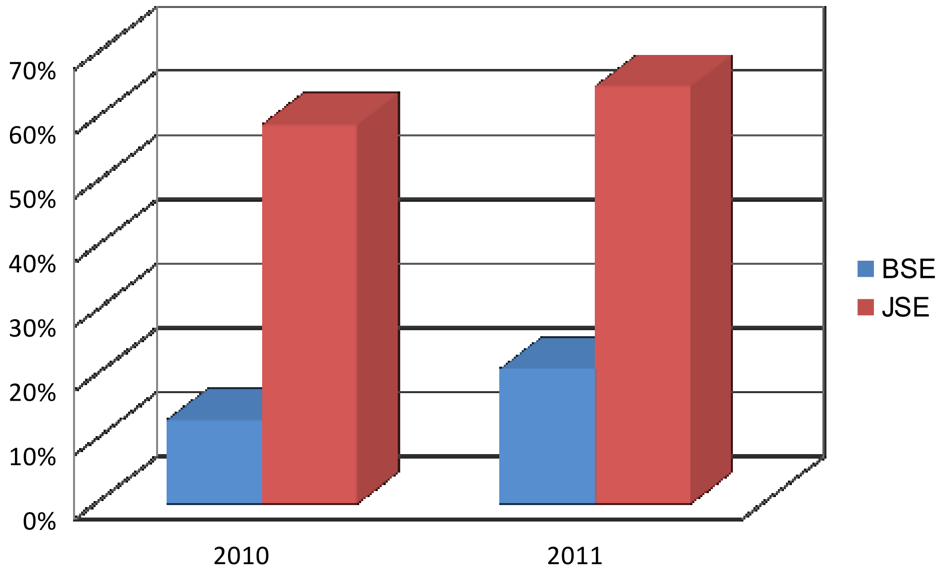
According to Table 5(a) with the exception of the Consumer goods sector all sectors of the BSE sample reported a very low level of corporate governance activities. In contrast all sectors from the JSE sample reported a very high level of corporate governance activities.

Table 5(b) governance of IT, Governance of stakeholder relationships and the disclosure of forward-looking information as the activities that were poorly practised by the companies from the BSE sample. Interestingly, the disclosure of Company profile was the only corporate governance item that was practised very well by the companies from both samples.

6.5. Comparative levels of disclosure of social responsibility practices

Figure 5 gives an indication of the comparative levels of disclosure of social responsibility practices for companies listed on the BSE and the JSE for 2010 and 2011.

Figure 5. Comparative levels of disclosure of social responsibility practices



Source: Authors' calculations based on research results

Table 6(a) illustrates the comparative levels of disclosure of social responsibility practices in respect of companies listed on the BSE and the JSE for 2010 and 2011.

Table 6(a). Comparative levels of disclosure of social responsibility practices by sector

	2010		2011	
Sector	**BSE**	**JSE**	**BSE**	**JSE**
Financial services	10%	52%	13%	53%
Consumer services	10%	61%	26%	69%
Healthcare	0%	100%	0%	100%
Energy	50%	63%	38%	100%
Consumer goods	38%	88%	63%	88%

Source: Authors' calculations based on research results

Table 6(b) gives an indication of the comparative levels of disclosure of types of social responsibility practices in respect of companies listed on the BSE and the JSE for 2010 and 2011.

Table 6(b). Comparative levels of disclosure of types of social responsibility practices

	2010		2011	
Item	**BSE**	**JSE**	**BSE**	**JSE**
HR policies	17%	61%	22%	65%
HIV & AIDS and Occupational Health	13%	65%	17%	70%
Safety of employees	13%	65%	22%	70%
Employee empowerment	22%	57%	30%	70%
Fair employment practices	13%	57%	26%	61%
Support for employee unions	0%	48%	17%	57%
Fair labour practices	9%	57%	9%	57%
Community activities	17%	65%	30%	74%

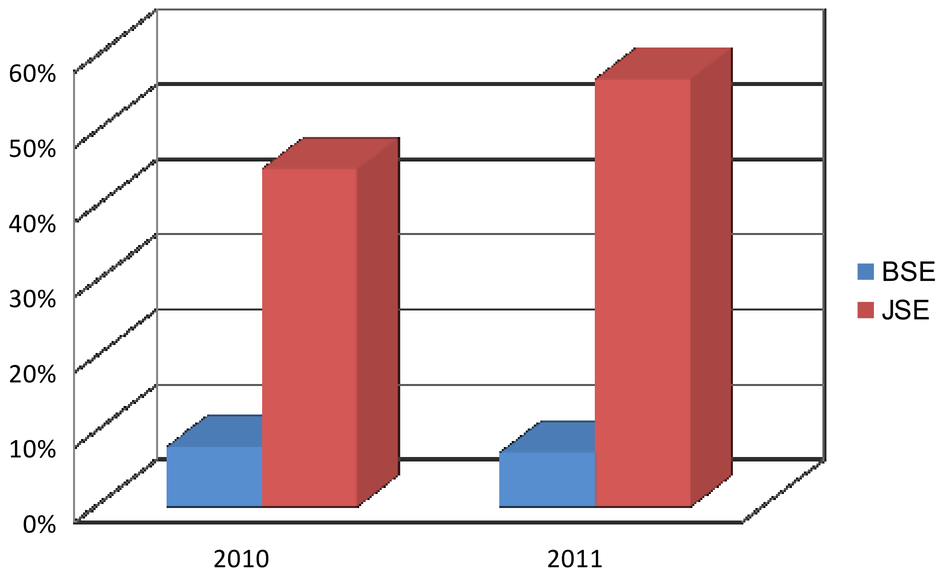
Source: Authors' calculations based on research results

According to Figure 5, the companies in the JSE sample outperformed companies in the BSE sample in disclosing social responsibility performance in both years by a significant margin. Table 6(a) shows Healthcare, Financial services and Consumer Goods services sectors as the worst-performing sectors from the BSE sample; and Healthcare and Energy sectors as the best performer from the JSE sample. Furthermore, according to Table 6(b) the performance of the companies in the BSE was dismal in all the social responsibility items appearing in the table.

6.6. Comparative disclosure of Environmental sustainability practices

Figure 6 shows the comparative disclosure of environmental practices in respect of companies listed on the BSE and JSE for 2010 and 2011.

Figure 6. Comparative disclosure of environmental practices



Source: Authors' calculations based on research results

Table 7(a) reflects the comparative levels of disclosure of environmental performance by sector of companies listed on the BSE and the JSE for 2010 and 2011.

Table 7(a). Comparative levels of disclosure of environmental performance by sector

	2010		2011	
Sector	**BSE**	**JSE**	**BSE**	**JSE**
Financial services	0%	32%	0%	50%
Consumer services	10%	48%	10%	56%
Healthcare	17%	83%	0%	100%
Energy	0%	83%	0%	67%
Consumer goods	67%	100%	67%	100%

Source: Authors' calculations based on research results

Table 7(b) shows the comparative levels of disclosure of the types of environmental sustainability practices for companies listed on the BSE and the JSE for 2010 and 2011.

Table 7(b). Comparative levels of disclosure of types of environmental sustainability practices

	2010		2011	
Item	**BSE**	**JSE**	**BSE**	**JSE**
Material waste and spills	13%	48%	9%	65%
Climate change	4%	42%	4%	57%
Water	9%	52%	9%	65%
Energy	9%	52%	9%	65%
Emissions	9%	48%	9%	61%
Biodiversity	4%	26%	4%	30%

Source: Authors' calculations based on research results

Figure 6 shows a very low level of disclosure of sustainable environmental activities by the companies in the BSE sample. In contrast companies from the JSE sample performed quite well. Table 7(a) shows the financial services and Energy sectors of the BSE sample having no environmental sustainability activities at all over the period covered by the study. The Financial services and Consumer goods sectors from the JSE sample had low levels of environmental sustaining activities as well. The poor practices by the BSE companies were on all environmental issues investigated in the study.

7. Conclusion and Recommendations

This study indicates that comparatively companies in the JSE sample had a higher level of disclosure of sustainable practices than those in the BSE sample in both years; and that the difference in the levels of corporate disclosure was across corresponding sectors as well as within major information categories and information items. The study also indicates that the level of reporting increased over the period in both samples.

The low levels of disclosure in the BSE could have been due to failure to fully report sustainable activities rather than to a lack of the activities themselves. Whatever the cause, the situation may be corrected by improving the reporting of sustainability information for example by mandating it, by improving the level of sustainability activities, particularly those relating to social responsibility, environmental issues and the governance of IT and stakeholder relationships.

Conceptually, the four theories discussed briefly in this study are supposed to explain corporate disclosure equally in both samples. Interestingly, the findings suggest that Agency Theory, Legitimacy Theory and Stakeholder Theory explained disclosure of sustainable practices much more in the JSE sample than in the BSE sample. It follows that although the sustainable disclosure level of the JSE companies is benchmarkable; the starting point in the benchmarking exercise should be an examination of the reasons why these theories failed to fully explain the disclosure of sustainable practices in the BSE companies. However, the Institutional Theory is supported fully by the findings of this study. The fact that Botswana is near South Africa does not make it the same as South Africa. There are economic, cultural, technological and even historical differences between the two countries. These could be in line with the Institutional Theory, the underlying causes of the differences in the level of sustainable disclosure.

As observed above, the finding that companies in a particular exchange have a higher level of disclosure of sustainable practices is not a criterion in selecting companies to benchmark on. This is because the difference in the levels of disclosure may be due to differences in institutional structures, in which case the best way to improve the quality of sustainability reporting would be to iron out differences in the social structures.

Since this study did not identify the actual causes of the differences in sustainability reporting practices in the two samples or conclude that the Institutional Theory completely explained those differences, the following possible areas for future research are proposed: (a) a study to determine if the difference in disclosure levels was due to inexistence of sustainable activities or lack of reporting skills in the BSE sample; (b) a study to establish institutional differences if any between South Africa and Botswana, and determine whether they are the causes of the differences in sustainability reporting practices between Botswana and South African listed companies.

REFERENCES

Adams, C.A. & Larringa-Gonzalez, C. 2007. 'Engaging with organisations in pursuit of improved sustainability accounting and performance'. *Auditing and Accountability Journal*, 20(3):333.

Aerts, W., Cormier, D. & Magnan, M. 2006, May-June). 'Intra-industry imitation in corporate environmental reporting: An international perspective'. *Journal of Accounting and Public Policy, 25*(3), 299–331.

Aguilera, R.V., Williams, C.A., Conley, J.M. & Rupp, D.E. 2006. Corporate and Social responsibility: A comparative analysis of the U.K. and the US. *Corporate Governance: An International Review,* 14(3): 147–157.

Ali, W. & Rizwan, M. 2013. Factors Influencing Corporate Social and Environmental Disclosure (CSED) Practices in The Developing Countries – An Institutional Theoretical Perspective. *International Journal of Asian Social Science*, 3(3): 590–609.

Amran, A. & Haniffa, R. (2010). 'Evidence in Development of Sustainability Reporting: A Case of a Developing Country'. *Business Strategy and the Environment,* 20(3):141–156

Azarian, R. 2011.'Potentials and limitations of Comparative Method in Social Science'. *International Journal of Humanities and Social science*, 1(1): 113–125.

Berthelot, S., Cormier, D. & Magnan, M. 2003. 'Environmental disclosure research: review and synthesis'. *Journal of Accounting Literature*, 22:1–44.

Brookhart, J.M., Beeler, J.D. & Culpepper, D. 2005. 'Regulatory guidance, legitimacy theory and environmental disclosure', *Journal of Accounting & Finance Research*, 13(2):1

Campbell, D. 2003. 'Intra- and intersectional effects in environmental disclosures: evidence for legitimacy theory'. *Business Strategy and the Environment,* 22, 357–371

Clarke, T. (ed). 2004. *Theories of Corporate Governance: The philosophical foundations of corporate governance*. 1st ed. London: Routledge.

Comier, D., Magnan, M., & Velthoven,B.V.,2005. Environmental disclosure quality in large German companies.economic incentives, public pressure or institutional conditions?.*European Accounting Review*,14(1) 3-39.

Cronjé, C.J. 2008. *Corporate Annual Reports (CARS): Accounting Practices in Transition*. V.D.M. Verlag Dr. Müller, Saarbrücken. Germany.

Deegan, G. & Gordon, B.1996. 'A Study of Environmental Disclosure Practices of Australian Corporations'. *Accounting and Business Research,* (26):187–199.

De Villiers, C.J. 2003. 'Why do South African Companies not report more environmental information when managers are so positive about this kind of reporting?' *Meditari Accountancy Research*, 11(1):11–23.

De Villiers, C.J. & Barnard, P. 2000. 'Environmental reporting in South Africa from 1994 to 1999: A research note'. *Meditari Accountancy Research*, 8(1):15–23.

De Villiers, C.J. & Lubbe, D.S. 2001. 'Industry differences in respect of corporate environmental reporting in South Africa: A research note'. *Meditari Accountancy Research*, 9: 81–91.

De Villiers, C. & Van Staden, C. 2004. *Trends in Environmental Reporting: Evidence from Africa*. *The Fourth Asian Pacific Interdisciplinary Research in*

Accounting Conference Singapore, July 4–6.

De Villiers, C. & Van Staden, C.J. 2006. 'Can less environmental disclosure have a legitimising effect? Evidence from Africa'. *Accounting Organisations and Society*, 31(8):763–781.

DiMaggio, P.J. & Powell, W.W. (1990). Introduction to the new institutionalism. In

W.W. Powell, & P.J. DiMaggio, *The New Institutionalism in Organizational Analysis.* Chicago, IL.: University of Chicago Press.

Doppegieter, J.J. & De Villiers, C.J. 1996. 'Environmental reporting practices in the South African energy sector'. *Management Dynamics*, 5(1):15–42.

Eisenhardt, K.M. 1989. 'Agency and institutional theory explanations: the case of retail sales compensation'. *Academy of Management Journal*, 31:488–511.

Freeman, R.E. 1984. *Strategic Management: A Stakeholder Approach*. Boston: Pitman.

Global Reporting Initiative (GRI). 2006. *Sustainability Reporting Guidelines*. Global Reporting Initiative: Boston.

Gouws, D.G. & Cronjé, C.J. 2008. 'Corporate annual reports: accounting practices in transition'. *South African Business Review*, 12(2):108–133.

Gray, R., Owen, D. & Adams, C. 1996. *Accounting and Accountability*: Changes and Challenges in Corporate, Social and Environmental Reporting. Prentice Hall Europe. Hemel Hempstead: Hertfordshire.

Idowu, S.O. & Towler, B.A.2004. 'A comparative study of the contents of corporate Social responsibility reports of U.K. companies'. *Management of Environmental Quality an International journal*, 15(4): 420–437.

Institute of Directors in Southern Africa (IoDSA). 2009. *King III Report on Corporate Governance for South Africa*. Johannesburg: IOD.

Islam, M.A., & Deegan, C. (2008). 'Motivations for an organisation within a developing country to report social responsibility information'. *Accounting, Auditing & Accountability Journal, 21*(6), 850–874.

Kiyanga, B.P.L. 2014. *Corporate disclosure quality – A comparative study of Botswana and South Africa*. Masters dissertation. Pretoria. University of South Africa.

Kolk, A., 2003. Trends in sustainability reporting by the Fortune Global 250. *Business Strategy and the Environment*, 12: 279-291.

Kolk, A. 2005. 'Environmental reporting by multinationals for the triad: Convergence or divergence?' *Management International Review*, 45(1) special issue/1:145–166.

Kolk, A. 2008. 'Sustainability, accountability and corporate governance: Exploring multinationals' reporting practices'. *Business Strategy and the Environment*, 17:1–15.

KPMG, 2005. KPMG international survey of corporate responsibility reporting

2005. Amsterdam, the Netherlands: KPMG Global Sustainability Services.

Maignan, I. & Ralston, D.A. 2002. 'Corporate Social Responsibility in Europe and the U.S.: Insights from Businesses' Self-representation'. *Journal of International Business Studies*, 33(3):497-514.

Matten, D. & Moon. 2008.'Implicit and Explicit CSR: A Conceptual Framework for a Comparative Understanding of corporate Social Responsibility'. *Academy of Management Review*, 33:404-424.

Mbekomize, C.J. & Wally-Dima, L. 2013. 'Social and Environmental Disclosure by Parastatals and Companies Listed on the BSE'. *Journal of Management and Sustainability,* 3(3):66-75.

Moloi, S.T.M. 2008. *Assessment of Corporate Governance reporting in the annual reports of South African listed companies.* Unpublished M. Com (Accounting) dissertation. University of South Africa.

Mouton, J. 2001. *How to succeed in your masters &doctoral studies*. A South African guide and resource book. Pretoria: Van Schaik Publishers.

Myburg, J.E. 2001.'The informativeness of voluntary disclosure in annual reports of listed industrial companies in South Africa'. *Meditari Accounting Research,* 9:199–216.

Power, M. 1991. 'Auditing and environmental expertise: Between protest and professionalization'. *Accounting, Auditing and Accountability Journal*, 4(3):30–42.

Rankokwane, B. 2008. An Evaluation of the Role of Supreme Audit Institutions in Promoting Environmental Accountability – the case of the Office of the Auditor General, Gaborone – Botswana. Unpublished Master of Science thesis. East Anglia: University of East Anglia.

Said, R., Zainuddin, Y. H. & Haron, H. 2009. 'The Relationship Between Corporate Social Responsibility Disclosure and Corporate Governance Characteristics in Malaysian Public Listed Companies'. *Social Responsibility Journal,5(3): 212–226.*

Scot, R.W. 2004. Reflections on Half a Century of Organisational Psychology, *Annual Review of Sociology,* 30:1–21.

Shocker, A. & Sethi, S. (1974). An approach to incorporating social preferences in developing corporate action strategies. California: Melville.

Suchman, C.M. 1995. 'Managing Legitimacy: Strategic and Institutional approaches'. *Academy Management reviews*, 20(3): 571–61.