



12th International Conference on New Ideas in MANAGEMENT, ECONOMICS & ACCOUNTING

10 - 12 August 2023 Berlin, Germany

Accountability in times of the Covid-19 pandemic – evidence from South Africa

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Abstract

During the Covid-19 pandemic, the finance, accounting and investor relations (IR) staff were generally considered non-critical, and legislation required them to work remotely. The paper explored the concept of accountability during the pandemic by focusing on two asynchronous communication channels of the largest companies listed on the Johannesburg Stock Exchange (JSE) in South Africa. The first objective was to determine the efficacy of using email to receive stakeholder enquiries. The second objective was to determine the companies' readiness to communicate information about the impact of the Covid-19 pandemic on their operations and resources to stakeholders. An online questionnaire was emailed to the contact email addresses of 331 JSE-listed companies. Responses indicate that the use of email to receive enquiries was less than optimal. As expected, most companies were ready to disclose how their financial capital, especially cash resources, was impacted by Covid-19. Reporting on human capital was the second most popular disclosure category, reflecting concern for the safety and welfare of employees. Companies were least prepared to disclose the impact on the natural environment, probably due to measurement difficulties. The paper's contribution lies in presenting tentative results on how companies in South Africa demonstrated accountability to all stakeholders during a time of high uncertainty and risk. The low response rate as well as the high percentage of faulty email addresses might suggest a general lack of accountability and accessibility to all but large investors and analysts, even beyond pandemic conditions.

Keywords: stakeholders, investor relations, communication channels, email, corporate reporting, six capitals