

College of Accounting Sciences

Research focus areas for 2021: Department of Financial Intelligence

RESEARCH FOCUS AREA: STAKEHOLDER COMMUNICATIONS BY STOCK EXCHANGE LISTED-COMPANIES

Effective communication with current and potential investors, as well as other stakeholders of the company, is important for achieving optimum valuation of the company's share price. Transparent communication also serves to foster trust between management, investors and other stakeholders, although impression management remains an issue. Research methods in this area consist primarily of quantitative (statistical) analysis of mostly secondary data, or computerised narrative (tone) analysis of corporate reports.

*This focus area **excludes** public administration entities (national, provincial and local), State Owned Entities (SOEs), non-profit organisations, unlisted companies and SMMEs.*

Please note that the bullets are not Topics *per se*, but areas of potential investigation. You have to find the gap in the knowledge or research problem in one of these areas, or a new area of investigation that still resides under the broad focus area.

Potential areas for investigation are *inter alia*:

- Voluntary disclosures (i.e. excluding audited annual financial statements) and communications with investors and analysts using different channels of dissemination
- Industry differences relating to voluntary disclosure practices of listed companies
- Long-horizon investors and their disclosure behaviour
- Narrative aspects of voluntary disclosures (using textual analysis for tone etc.), including impression management
- Determinants of Integrated reporting quality (*note: comparing year-on-year adoption is already well researched*)
- Risk reporting and determinants

Recommended reading list:

- Adhariani, D. & de Villiers, C. 2019. Integrated reporting: perspectives of corporate report preparers and other stakeholders. *Sustainability Accounting, Management and Policy Journal*. 10(1):126–156. DOI: 10.1108/SAMPJ-02-2018-0043.
- Agarwal, V., Taffler, R.J., Bellotti, X. & Nash, E.A. 2016. Investor relations, information asymmetry and market value. *Accounting and Business Research*. 46(1):31–50. DOI: 10.1080/00014788.2015.1025254.
- AICPA. 1994. *Improving Business Reporting - A Customer Focus: Meeting the information needs of investors and creditors*. New York: American Institute of Certified Public Accountants.
- Amoozegar, A., Berger, D., Cao, X. & Pukthuanthong, K. 2020. Earnings conference calls and institutional monitoring: Evidence from textual analysis. *Journal of Financial Research*. 43(1):5–36. DOI: 10.1111/jfir.12199.
- Akerlof, G. 1970. The market for "lemons": Quality uncertainty and the market mechanism. *Quarterly Journal of Economics*. 84(3):488–500. DOI: 10.1007/978-1-349-24002-9_9.

- Beattie, V.A., Pratt, K. & ICAS. 2002. *Voluntary annual report disclosures: what users want*. Edinburgh: Institute of Chartered Accountants of Scotland (ICAS).
- Bushee, B. & Miller, G. 2012. Investor Relations, Firm Visibility, and Investor Following. *The Accounting Review*. 87(3):867–897. DOI: 10.2308/accr-10211.
- Bushee, B. & Noe, C. 2000. Corporate Disclosure Practices, Institutional Investors, and Stock Return Volatility. *Journal of Accounting Research*. 38(Supplement):171–202. DOI: 10.2307/2672914.
- Chaidali, P. & Jones, M. 2017. It's a matter of trust: Exploring the perceptions of Integrated Reporting preparers. *Critical Perspectives on Accounting*. 48:1–20. DOI: 10.1016/j.cpa.2017.08.001.
- Chahine, S., Colak, G., Hasan, I. & Mazboudi, M. 2020. Investor relations and IPO performance. *Review of Accounting Studies*. In Press. DOI: 10.1007/s11142-019-09526-8.
- Churet, C. & Eccles, R.G. 2014. Integrated reporting, quality of management, and financial performance. *Journal of Applied Corporate Finance*, 26(1):56-64.
- Cohen, J., Hoff, B., Nath, L. & Wood, D. 2007. *The Use of Non-Financial Information: What do investment professionals want?* Chestnut Hill, MA: Boston College Center for Corporate Citizenship - Institute for Responsible Investment.
- Elshandidy, T., Fraser, I. & Hussainey, K. 2013. Aggregated, voluntary, and mandatory risk disclosure incentives: Evidence from UK FTSE all-share companies. *International Review of Financial Analysis*, 30(1):320–333. <https://doi.org/10.1016/j.irfa.2013.07.010>.
- Enslin, Z., Bruwer, W. & Viljoen, C. 2015. Enhancing risk-related disclosure in South Africa: A study on guidelines and current practices. *Journal of Economic and Financial Sciences*, 8(1):261-280.
- Esterhuyse, L. & Wingard, C. 2016. An exploration of the online investor relations (IR) practices of companies listed on the Johannesburg Stock Exchange (JSE). *South African Journal of Economic and Management Sciences*. 19(2):215–231.
- Esterhuyse, L. 2019. Towards corporate transparency: The link between inclusion in a socially responsible investment index and investor relations practices. *The Bottom Line*. 32(4):290–307. DOI: 10.1108/BL-03-2019-0081.
- Fama, E.F. & Jensen, M.C. 1983. Separation of ownership and control. *Journal of Law & Economics*. 26:301–325.
- Fama, E.F. & Laffer, A. 1971. Information and capital markets. *Journal of Business*. 44(3):289–298.
- Huang, K. & Petkevich, A. 2016. Investment Horizons and Information. *Journal of Business Finance & Accounting*. 43(7-8):1017–1056. DOI: 10.1111/jbfa.12205.
- Jensen, M.C. & Meckling, W.H. 1976. Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*. 3:305–360.
- Marchetti, P., Siciliano, G. & Ventrone, M. 2020. Disclosing Directors. *European Business Organization Law Review*. 21(2):219–251. DOI: 10.1007/s40804-019-00172-w.
- Meek, G.K., Roberts, C.B., & Gray, S.J. 1995. Factors influencing voluntary annual report disclosures by U.S., U.K. and continental European multinational corporations. *Journal of International Business Studies*, 26(3): 555–572. <https://doi.org/10.1057/palgrave.jibs.8490186>.
- Serafeim, G. 2015. Integrated reporting and investor clientele. *Journal of Applied Corporate Finance*. 27(2):34–51. DOI: 10.1111/jacf.12116.
- Spence, M. 1973. Job market signaling. *The Quarterly Journal of Economics*. 87(3):356–374. DOI: 10.2307/1882010.
- Willows, G.D. & Rockey, J.A. 2018. Share price reaction to financial and integrated reports. *South African Journal of Accounting Research*. 32(2-3):174–188. DOI: 10.1080/10291954.2018.1514141.
- Yin, C., Ward, C. & Tsolacos, S. 2018. Motivated monitoring: The importance of the institutional investment horizon. *International Review of Financial Analysis*. 60:197-212. DOI: 10.1016/j.irfa.2018.08.011.

STAFF MEMBER	Current supervision allocation	Number of available positions for 2021
<p>Dr L Esterhuyse https://orcid.org/0000-0003-0140-7980</p> <p>Leana Esterhuyse is a senior lecturer in the Department of Financial Intelligence and completed her master's degree on the Internet as facilitator of investor communications. She then completed her PhD thesis on the association between shareholder investment horizon and the quality of online investor relations.</p> <p>Leana has authored several articles and presented various conference papers. She is a co-author of a financial management textbook.</p> <p>Leana is a CA(SA) with more than ten years' experience at various listed companies before becoming an academic.</p>	<ul style="list-style-type: none"> • 1 MPhil Master's student • 2 MCompt Master's students 	<ul style="list-style-type: none"> • 1 MCompt Master's student • 1 MPhil Master's student
<p>Ms A Ravat</p> <p>Ayesha Ravat is a senior lecturer in the Department of Financial Intelligence. Her master's study was on risk disclosure in integrated reports. Ayesha worked at Deloitte within the Banking Regulations Consulting division before she joined Unisa in 2010. She teaches on the CTA financial management stream.</p>	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • 1 MCompt Master's student (co-supervision)
<p>Prof D Scheepers</p> <p>Debbie Scheepers is a Professor in the Department of Financial Accounting. She is a CA(SA) with a Doctorate in Accounting Sciences. She specialises in voluntary reporting framework research. She has successfully supervised Master's degree students, published from her research and is a co-author and editor of numerous Financial Accounting textbooks.</p>	<ul style="list-style-type: none"> • 7 MCompt/MPhil students 	<ul style="list-style-type: none"> • 1 MPhil or PhD student

Model of supervision	Candidates will be allocated to a supervisor but will be required to work independently within the requirements of higher degree studies. Each department in the College of Accounting Sciences has various research focus areas, which may change over time. With regards to this research focus area, the supervisors in the Department of Financial Intelligence and some supervisors from the Department of Financial Accounting work together as their interests are linked to this focus areas.
Selection criteria: M Compt (Accounting Sciences) MPhil (Accounting Sciences) and	<p>In addition to the minimum admission criteria on the application website, and in terms of par. 3.3 in the <i>Procedures for Master's and Doctoral Degrees</i>, the acceptance of potential students is based on the following criteria:</p> <ul style="list-style-type: none"> • Adequate supervisory <u>capacity</u> and <u>research expertise</u> in the discipline or department; • Academic record and background of student; • Language competency of student;

<p>PhD (Accounting Sciences)</p>	<ul style="list-style-type: none"> • Suitability and viability of the intended research; • An approved selection procedure, which is in line with Unisa's policies on equality and diversity in the discipline or department. <p><u>It is compulsory for all applicants to prepare a five-page expression of intent essay.</u> The quality of the essay will be used to rank the applications based on the criteria stated above. The expression of intent essay must include the following compulsory elements:</p> <ul style="list-style-type: none"> • Personal motivation to pursue studies in this topic (maximum 60 words) • Topic • Short literature review (<i>with in-text references using Harvard referencing style</i>). Please refer to the section on Recommended Reading – the research process and methodology, on how to buy a Unisa Library membership in order to access full text research articles (not all articles are Open Access). The literature review should demonstrate, as a minimum that you have at least read the recommended articles for the specific focus area under which you are applying. Consulting free webpages (e.g. Wikipedia) and textbooks alone does not constitute an academic literature review. The literature review should also speak to your topic and the broad focus area that you are applying to. • Potential contribution of the study answering the question “What do you want to research?” For PhD applications, please note that replication studies are not acceptable, i.e. investigating a phenomenon in Country/Province/Exchange X, when it has already been investigated in multiple domains, is not a theoretical contribution. • Research problem / research question/ research objective/ research aim answering the question “Why do you want to do research on the topic?” • Proposed methodology answering the question “How are you going to achieve the above?” <p>List of references (use Harvard Referencing method). There are multiple free sources on how to apply Harvard Referencing. Please show that you are serious about academic research by following this instruction.</p>
<p>Selection procedure</p>	<ol style="list-style-type: none"> 1. Apply for a student number. 2. Apply during the prescribed application period for a space in the <i>Department of Financial Intelligence</i> research focus areas. Ensure that you apply online, and attach your essay of intent and other requested documentation. 3. Staff members from the relevant registration support department will verify that you have provided the required information and that your qualifications meet the criteria for admission to the degree. Only complete and qualifying applications are sent to the academic department for consideration. 4. The selection process firstly ranks the applications of the candidates within each specific focus area based on the criteria stated above. Therefore, the content and quality of the expression of intent essay is important as students are competing for a limited number of supervision openings. The specific focus areas indicate the expertise in the department. The highest ranked applications are then reviewed for equality and diversity. The applications are therefore ranked to match the applications with the available supervision capacity and expertise, while taking equality and diversity into account. Where adequate <i>supervision capacity remains</i>, applications beyond the specific focus areas will be considered,

	<p>especially where a high quality essay of intent indicates a suitable and viable topic and a supervisor with the expertise is available.</p> <p>Generally, you should be notified of the outcome of your application during January. The notification will be done by staff from the relevant registration support department.</p>
Documents to support the application in addition to the Expression of intent essay	<p>One-page abbreviated CV including:</p> <ul style="list-style-type: none"> • Academic qualifications • Work experience • Contact details • Previous research (if any)
Recommended reading – the research process and methodology	<p>You will be required to write an essay of intent on your own. Normally when you decided to do a Master's or PhD study, you have an idea in mind or a topic that is of interest to you. The expression of intent essay is therefore your initial documentation of the idea, which has been developed into a rough topic in the chosen field of study.</p> <p>You therefore need to take the idea and review recent literature on the area of interest to establish what has already been done and whether the research problem is topical and sufficient sources exist. Please ensure that you refer to the reading list of the Focus Area that you intend to apply in. As part of the research process, you have to find a research problem/question. What you intend doing in your study to address the research problem or answer the question (the objectives) will be the focus of your proposed study.</p> <p>You will note that when you search articles on Google Scholar, an abstract appears. To access the full text, an access fee of approximately \$40 per article is payable, which you may not be able to afford. As a prospective student, you may contact the Unisa library to apply for special library membership. Click on the following link for details: http://libguides.unisa.ac.za/ask/LibraryMembership</p> <p>The following reading list will help you understand the research process and methodologies better:</p> <p>The research process:</p> <p>Biggam, J. 2018. <i>Succeeding with your Master's Dissertation: a step by step handbook. Fourth Edition.</i> Berkshire, England: Open University Press.</p> <p>Hofstee, E. 2006. <i>Constructing a good dissertation: a practical guide to finishing a Master's, MBA or PhD on schedule.</i> Johannesburg: EPE. (Available from the following website: http://www.exactica.co.za/book.php).</p> <p>Mouton, J. 2001. <i>How to succeed in your Master's and Doctoral studies.</i> Pretoria: Van Schaiks.</p> <p>Trafford, V & Leshem, S. 2008. <i>Stepping stones to achieving your Doctorate: By focusing on your viva from the start.</i> Berkshire, England: Open University Press.</p> <p>The research methodology:</p> <p>Leedy, P.D. and Ormrod, J.E. 2016. <i>Practical research: planning and Design.</i> 11th edition. New Jersey: Pearson Education, Inc.</p>

	<p>Ryan, B, Scapens, RW & Theobald, M. 2002. <i>Research method and methodology in finance and accounting</i>. 2nd edition. London: Thomson.</p> <p>Salkind, MJ. 2016. <i>Exploring research</i>. 9th Edition. Upper Saddle River, NJ: Pearson Education International.</p> <p>Smith, M. 2020. <i>Research Methods in Accounting</i>. 5th Edition. London: SAGE publications Ltd.</p>
Recommended reading – search tools	<p>Search tools:</p> <p>Google Scholar is a helpful tool to search for information relating to your research topic. If you have a student number, you can use the facilities of the University.</p> <p>A link to Library guides on Unisa's Library home page is another source of information. You can consult the completed Theses and dissertations portal under the institutional repository in the Library to familiarise yourself with what is required to complete your qualification. You can also search the aspects of the research process you would probably like to know more about on YouTube, for example: how to develop a good research topic; the literature review; academic writing; research methodology; etc. You will note that many of these YouTube videos are from academics at universities. The videos will obviously not replace the more detailed reading that you will need to do if your application is successful, but they provide a fair source of background information on the research process, which should assist you both in the writing of the required essay and in continuing with the study if your application is successful.</p>
Difference between a Master's and a PhD study	<p>In a PhD study, the student must demonstrate that they are contributing to the advancement of the theory in the discipline. Investigating something purely because it has not been done before, or prior results are inconclusive is not sufficient. Please review the NQF level descriptors on the SAQA website http://www.saqa.org.za/docs/misc/2012/level_descriptors.pdf to differentiate between what is expected at NQF level 9 for a Master's study and level 10 for a PhD study.</p> <p>The following blogs (in the field of education, but the principles are still universal) may also be helpful:</p> <ul style="list-style-type: none"> • https://sites.google.com/site/johannescronje/ • https://patthomson.net/2018/04/02/thesis-knowhow-how-the-contribution-can-create-coherence/ • https://thesiswhisperer.com/

Other Research Focus Areas in the Department of Financial Intelligence (refer to separate documents)

Research focus area:

**Management Accounting,
Financial Management
and Control**

Research focus area:

**The Fourth Industrial
Revolution (4IR) and
Development Finance**