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The Futures - Ezekiel Guti University Journal of Leadership, Governance and Development aims to provide a forum for eldership, development and governance solutions based on a systems approach and thinking.

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FINANCIAL DISCLOSURE AND INTERPRETATION OF FINANCIAL RESULTS IN ZIMBABWE STOCK EXCHANGE LISTED COMPANIES

GIFT C. MANHIMANZI[1], EDSON GWANGWAVA[2]AND KUDZANAI MATOWANYIKA[3]

Abstract

This research investigates the influence of financial disclosure on the performance of the Zimbabwe Stock Exchange (ZSE)-listed companies. Most literature sources are available on developed countries with a few on developing countries. A pragmatic philosophical approach involving the use of exploratory, descriptive and explanatory research design is adopted to fully understand the research questions. Quantitative results were complemented by qualitative data obtained from interviews. In conducting the survey, a sample of 110 respondents was selected using the Krejcie and Morgan (1970) sample estimation tables. The targeted respondents included ZSE- listed companies. A scale structured questionnaire was used to collect data. Spearman coefficient and multiple regression analysis were used to analyse data with the aid of Social Package for Social Sciences (SPSS). The Cronbach Alpha test was performed and all the values were greater than 0.7 and, therefore, accepted (Nunnally and Beinstein, 1994).It is revealed that independent variables (level of disclosure and type of disclosure) have a positive influence on performance of listed companies, according to the Spearman Correlation test which yielded a minimum correlation coefficient of 0.58 and a maximum of 0.78, leading to the rejection of proposed null hypothesis. Accordingly, this study concludes that the new International Financial Reporting Standards (IFRS), intended to promote greater disclosures, will contribute to the improvement of the companies' financial performance. Consequently, the government should make sure that additional disclosures are issued through various regulatory bodies so that

[1]Gift Chipo Manhimanzi, Lecturer, Department of Accounting, Finance and Human Capital Management, Zimbabwe Ezekiel Guti University, Bindura, Zimbabwe (gmanhimanzi@staff.zegu.ac.zw, https://orcid.org/0009-0009-3565-573X).

[2]Edson Gwangwava, Senior Lecturer, Department of Accounting, finance, Chinhoyi University of Technology, Chinhoyi, Zimbabwe (egwangwava@cut.ac.zw.https://orcid.org/0000-0001-6629-7861).

[3]KudzanaiMatowanyika, Senior Lecturer Department of Accounting and finance, Chinhoyi University of Technology, Chinhoyi, Zimbabwe (kmatowanyika@cut.ac.zw.https://orcid.org/0000-0003-1372-3980).

investors may make informed decisions about whether or not to invest. This research also suggests that, in addition to the legally required disclosures, any listed company wishing to expand and achieve sustainable financial performance, should make every effort to disclose all relevant information to investors in the financial report. The study contributed not only to literature on financial disclosure, but filling the gap in literature, providing immense usage for these techniques.

Keywords: Level of disclosure, type of disclosure, listed companies, international financial reporting standards

INTRODUCTION

Information and its usage are expensive and not all agents can afford them. Other opponents of harmonisation emphasize the distinctiveness of economic, political, social and cultural surroundings, stating that imported standards do not meet a country's information needs. Previously, financial statement users made decisions based on produced financial statements that reviewed previous year's performance (Watson and Monterio 2017). It was assumed that as the needs of stakeholders and investors changed, so would reporting formats and standards. However, the business community has been chastised for failing to keep up with the developments, with "business reports lagging rather than leading" (Flöstrand and Ström, 2018).

In addition to the annual report, entities can disclose financial information through a variety of other channels (e.g. prospectus, interim report, press coverage, journals, newspapers, government publications, interviews with officials, seminars), but the annual report is the only document produced on a regular basis to comply with mandatory requirements and, more importantly, is central to the organisation's construction of its own external image (Gray *et al.,* 2019). Corporations differ from sole proprietorships and partnerships in that limited corporations are governed by a legislative framework that requires the publication of information which would otherwise be confidential (Collis and Jarvis, 2016). According to Flöstrand and Strom (2016), financial disclosure is necessary for public interest since public corporations may raise cash on the stock market by public subscription to shares at the exchange.

As of March 2018, there were 5860 companies listed on the Mumbai Stock Exchange in India, according to Wallace (2017). The Companies Act of

1956 mandates corporations to keep accurate records and to create and submit audited financial statements to their shareholders in order to provide a genuine and fair assessment of the company's financial status (Ali, Ahmed and Henry, 2018). Corporate reporting is governed by the Act. Listed firms must adhere to additional requirements of the Securities and Exchange Act enforced by the Securities and Exchange Board of India, as well as compile financial statements in accordance with International Financial Reporting Standards (IFRS) (Ram 2016).

According to Krumme (2017), recent events (like the collapse of Enron), in which investors lost more than US$63.4 billion and stockholders of WorldCom paid more than US$175 billion for their shares, nearly three times what was lost in the collapse of Enron, have increased pressure to reconsider the method and scope of disclosure even in the USA. The Lehman Brothers crisis and collapse, in which approximately US$680 billion was lost in September 2008, nearly brought the global financial system to its knees (Wolff, 2011). According to Leisenring and James (2018), "this is surprising in the sense that once the USA was compared to Asia, unlike the Asians in particular, Americans know more or less of what is being done with their money (Jere, Ndamba and Mupambireyi, 2014).

The ZSE received a negative independent auditors' report for non-compliance with International Accounting Standard (IASs) 21 - The Effect of Changes in Foreign Exchange Rates and International Accounting Standard (IAS) 29 - Financial Reporting in Hyperinflationary Economies (Zimbabwe Stock Exchange Report, 2019), Statutory Instrument 33 of 2019 provides that, for accounting and other purposes, all assets and liabilities valued and expressed in US dollars immediately before the effective date shall be deemed to be valued in RTGS at a rate of 1:1 to the US dollar on and after the effective date. This was contrary to IASs 21 - The Effects of Changes in Foreign Exchange Rates, which requires an assessment of the change in functional currency and the presentation of financial statements at a rate that approximates the market rate. The ZSE was required to follow S.I. 41/2019, which provides that if there is any conflict between a local pronouncement issued by the board via a notice in the Government Gazette and any international standard, the local pronouncement takes precedence to the degree of the inconsistency.

Globally, the demand for corporate disclosure is increasing rapidly due to agency conflicts and information asymmetry between managers and shareholders which have led to several corporate failures (Nandi and Ghosh, 2018). Although corporate governance systems have been widely used in strengthening the quality of financial reporting and corporate disclosure, several corporate scandals and failures have continued to occur around the globe. "Major cases of corporate failures include Enron, Parmalat, Satyam, Qwest Communications International, Tyco, Freddie Mac, Lehman Brothers, Xerox and WorldCom" (Elisabetta, Hugh and Lorenzo,2016:142). The research gap has been identified in the area of financial disclosure, application of IFRS with specific reference to Zimbabwean listed companies. Therefore, this study seeks to explore the implications of financial disclosure on the performance of the ZSE listed companies.

CONCEPTUAL FRAMEWORK

The level of financial information and the type of disclosure are important, and this study attempts to highlight the impact of independent variables, with particular reference to the performance of the ZSE listing counters. As a result, there are also important factors that determine the impact of financial disclosures and can drive certain levels of public company performance.

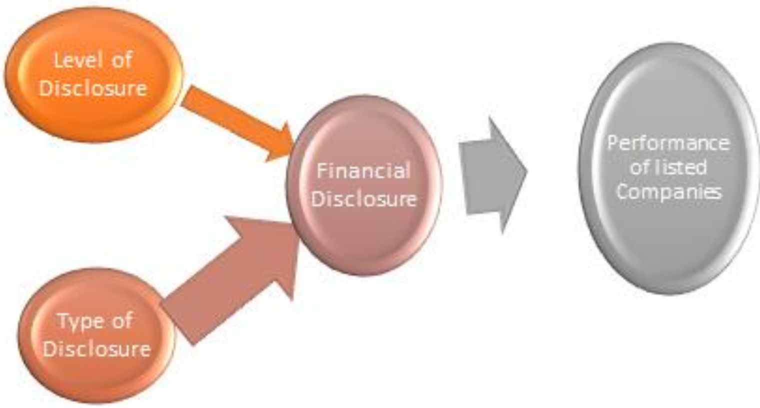

Figure 1 (Authors, 2024)

THEORETICAL FRAMEWORK

Despite the fact that other theories, which include the Stakeholder Theory and the Stewardship Theory, also significantly contribute, the Agency Theory provides the foundation for financial reporting. (Deloitte, 2016; Villanueva-Villar, Rivo-Lopez and Lago-Penas, 2016) The Agency Theory has been defined as a theory of ownership framework of the organisation (Song, Wang and Cavusgil, 2015) that addresses the interaction between agents and principals. The primary element of the Agency Theory is the degree of difference between ownership and management, which may lead to a potential conflict of interest between the two main parties—owners, who also happen to be shareholders or principals and those in charge of running the business concern, who are known as management or agents. According to Bouckova (2015) and Fratini and Tettamanzi (2015), the connection is one established by a formal agreement in which the principal hires the agent to carry out particular tasks on his behalf. In this relationship, the principal may assign the agent tasks involving decision-making, accountability and authority with the understanding that the agent will implement and carry out particular roles and responsibilities in return for payment.

THE STEWARDSHIP THEORY

Zabri, Ahmed and Wah (2016) make it abundantly evident that a version's rationality in the sphere of science and technology has traditionally been updated at the implementation of its projections and no longer at the accuracy of its assumptions. Donaldson and Davis (1991) created the Steward Theory, which they define as a relatively novel viewpoint between ownership and control on opposite sides of the coin. An interrelated collection of observations based on the Stewardship Theory istied to the goals of senior management. The theory suggests the possibility for what is referred to as the "pro-organisational" goals of executives, in contrast to agency's pessimistic assumptions about the self-inclined and self-serving motivations of top-level management. Burker (2015) argues that a manager's personal identification with the organisation's goals, objectives, mission and vision serves as a stronger motivator for overall performance than a manager’s inherent greed. Sarea *et al.*(2021) suggest that the idea that managerial goals and intentions are at odds with those of investors is refuted by the Stewardship Theory, which contends that as both parties have a power and influence on fully maximising long-term stewardship of an enterprise, they may already be closely allied. In the Zimbabwean context, managers and directors of large corporations largely influence the decision-making process and determine the type of disclosure to be implemented.

POSITIVE ACCOUNTING THEORY (PAT)

This study is underpinned by the Positive Accounting Theory (PAT). Prior to the mid-1960s, accounting research was mainly normative, seeking to prescribe 'what should be' or 'what ought to be' in relation to accounting measurement and financial reporting. Normative accounting research failed to provide an empirical explanation to accounting practice (Omran and El-Galfy, 2014). This led to the development of positive accounting research to combat this limitation. PAT came into existence in the 1960s from the work of Fama on the Efficient Market Hypothesis. It was later popularised by Gordan (1964), who posits that senior management was likely to manipulate the information in the financial statements in their own favour by selecting accounting procedures that maximise their own utility (Umoren, 2009). According to Watts and Zimmerman (1990), early studies that applied PAT are Ball and Brown (1968) and Beaver (1968). PAT is an accounting theory which seeks to explain and predict how choices of accounting standards, methods and information disclosure formats are made (Watts and Zimmerman, 1990). It is based on the assumptions that preparers act opportunistically in making accounting choices, contracting how costing between an entity and its stakeholders influence the choice of accounting practices and that there is an explicit set of accounting choices to select from (Kiyanga, 2014). Watts and Zimmerman (1986) highlight key hypotheses of PAT to include the bonus plan hypothesis, the debt/equity hypothesis and the size hypothesis. The bonus plan hypothesis states that managers of entities with bonus plans are more likely to choose accounting procedures which shift reported earnings from future periods to the current period, other things being equal. The debt/equity hypothesis posits that the larger the debt/equity ratio, the more likely the entity's manager selects accounting procedures which shift earnings from future periods to the current period, other things being equal. The size hypothesis states that the larger the entity, the more likely managers choose accounting procedures which defer reported earnings from the current to future periods, other things being equal. Kiyanga (2014) observes that so far, evidence from tests of the theory's hypotheses is consistent implying that the theory does explain and predict the choice of accounting practices.

Al-fehani *et al.* (2021) assert that all publicly traded companies operate within a well-defined framework, subject to common rules and laws.

> For publicly traded companies, IFRS and IASs provide clear processes and standards for how financial reports are prepared and ultimately disclosed,

> demonstrating transparency of truthfulness and reliability. (Al-Sartawi, 2018:45).

Bhasin and Shaikh (2017:80) postulate that IASs1 'Presentation of Financial Statements' provides a clear format for preparing these financial statements, that is, the Income Statement, Statement of Changes in Equity, Balance Sheet and, more importantly, Cash Flow Statement. Musa (2019) argues that the primary explanation for financial accountability in a turbulent business environment is financial disclosure. The primary goal of literature review is to find out what other researchers say about a problem of interest within a known research area (Saunders and Lewis, 2014). The rationale for an essential literature survey is to provide a framework for what is already known about the topic of the paper.

Parker (2022) defines disclosure as the reporting of financial and non-financial information to users of accounting reports, especially investors, which can be made according to legislation or accounting standards or can be voluntary. Cooke (2022) states that:

> disclosure comprises mandatory and voluntary items of information provided in the financial statements, notes to the accounts, management's analysis of operations for the current and forthcoming year and any supplementary information

Abdulrahman (2018), in reviewing the preceding definitions of disclosure, posits that corporate disclosure is a wide-ranging term which goes beyond the annual reports. He, therefore, narrowed it down to suit his study. According to him, disclosure is the publication of any type of information through corporate annual reports, which are necessary, relevant and material to the various user groups in making their judgments and decisions about a company. Lee (2022) (as cited in Hajian and Rostami, 2014) believes that disclosure refers to an accurate and timely release of information about the business strategy, financial performance and corporate governance to the general public by a company.

According to Al-Zarouni (2018),

> The definition of corporate disclosure varies and the concept itself covers a wide area. It goes beyond the corporate annual reports to cover information outside the financial statements, such as discussion of competition, economic statistics and analysis of company.

Owusu-Ansah (2018a) and Wallace and Naser (2015) see disclosure as a communication of economic information, whether financial or non-financial, quantitative or otherwise, concerning a company's financial position and performance. Disclosure results in a combination of mandatory and voluntary items that constantly interact with each other. Mandatory disclosure is a company's obligation to disclose a minimum amount of information in corporate reports (Owusu-Ansah, 2018a; Wallace and Naser, 2015), whereas voluntary disclosure is a provision of additional information when mandatory disclosure is unable to provide a true state of a company's value and managers' performance. Voluntary disclosure is the release of additional information about a firm in excess of the statutorily required disclosure.

Margaritis and Psillaki (2017) used research data from French companies in traditional business sectors like textiles and pharmaceuticals as well as business development sectors like computers, studies and development, to examine the relationship between the capital structure, ownership and enterprise overall performance of the company. The variables in this model are the same as those in Wei *et al.* (2015), but additional variables, such as the proportion of current assets and the percentage of non-current assets, may be clearly determined. While Zeitun and Tian (2017) investigated the one-way relationship between debt ratio and a few factors affecting financial performance, Margaritis and Psillaki (2016) conducted a two-way study using two tested regression models. Results support the cause-and-effect link between debt ratio and financial performance, as well as the reverse. Wei *et al.* (2015) identify the market, financial indicators based entirely on books and financial reports on enterprises as the elements impacting financial performance. For the years 2012 to 2014, information was obtained from 167 indexed non-financial businesses listed on the Amman-Jordan Stock Exchange in 16 different business categories. According to Tran and Nguyen (2016), Return on Assets (ROA) serves as a stand-in for a financial report variable when viewed from a financial perspective.

Companies with high liquidity levels are more likely to disclose more information to show their superior performance to investors, regulatory authorities and lenders, that they can fulfill their short-term obligations and continue in operational existence (Shehata, Dahawy and Ismail, 2014). However, companies with low liquidity levels may also disclose more information to avoid shareholders' claims and to prove that management is aware of the company's problems (Wallace *et al.*, 1994; Wallace and Naser, 1995; Alsaeed, 2006). The majority of prior studies mentioned above use current ratio as a proxy for liquidity. A firm's liquidity has also been reported to be associated with its corporate disclosure level. Regulatory bodies, as well as investors and lenders, are more concerned about the going-concern status of firms (Wallace and Naser, 1995; Naser *et al.*, 2002). In view of this, firms that are able to meet their short-term financial obligations without recourse to the liquidation of their active non-current assets, may desire to make this known through disclosure in their annual reports (Owusu-Ansah, 1998b; Naser and Al-Khatib, 2000).

A firm's liquidity position can be measured by the ratio of the firm's current assets to current liabilities. Some argue that quick (acid-test) ratio; current assets less inventory to current liabilities, is a more stringent measure of corporate liquidity. However, empirical investigations have shown inconclusive results. For example, while Belkaoui and Kahl (2018) show that financially strong firms are more likely to disclose more information than their financially weak counterparts, Wallace *et al.* (2014), Wallace and Naser (2015), Naser and Al-Khatib (2018) and Naser, *et al.* (2020) find that liquidity is significantly and negatively associated with disclosure level. Other studies, however, find no such association (e.g., Alsaeed, 2015; Owusu-Ansah 2018b).

Theoretically, management tends to disclose more information when the firm is performing well than when it is performing poorly (Wallace *et al.* 2017). Also, in the presence of disclosure costs, firms disclose more information as their performance exceeds a certain threshold. Based on the Signalling Theory, researchers argue that a firm with higher profitability is inclined to disclose more information in its annual report to signal its superior performance to the market (Cooke, 1989; Wallace, *et al.*, 2014; Wallace and Naser, 2015; Archambault and Archambault, 2018). On the other hand, firms may voluntarily disclose information in order to justify their unexpected poor performance and to reduce the likelihood of a substantial negative stock price response in the event that a particular piece of information becomes a mandatory disclosure item (Skinner, 2015). Empirical evidence on the direction of relationship between firm performance and disclosure is mixed and inconclusive. While some studies (Wallace *et al.*, 2014; Naser, 2018; Naser *et al.*, 2022) report that firms tend to disclose more information when they are experiencing favourable earnings results.

Kasmir (2019) defines a financial condition that describes an organisation's health condition after the FS are prepared based on relevant data, it will show the financial condition. According to Muoz and Bolvar (2015), while discussing organisational or institutional challenges, a statement concerning financial constraints is frequently discussed. The government's financial situation is an important factor in its ability to meet its payment obligations (Giroux and Deis, 2023). This means that, in order to send good signals about their performance, local governments must make their financial reports public as a monitoring mechanism (Garcia and Garcia, 2008). Furthermore, users of financial reports also want to know how government funds are used, particularly when it comes to funding service providers and public programmes (Styles and Tennyson, 2017). In line with Marsella and Aswar (2019), local governments with good financial conditions will increase the disclosure of financial statements. Giroux and McLelland (2018) assert that the role of governance as measured by financial conditions can increase the value of information presented by existing regulations. Financial conditions can have an impact on FS disclosure, since financial statements are an important part of the government's financial credibility (Ingram and DeJong, 2017).

Financial condition describes a health condition in the organisation. After the financial statements are prepared based on relevant data, the financial condition will be shown. The financial condition in question is knowing how much assets (wealth), liabilities (debt) and capital (equity) are in the financial statements. These financial conditions are used to evaluate company performance (Kasmir, 2019). It can be concluded that a financial condition is a condition that, as a whole, describes the performance of the local government in which the financial condition can be useful for various parties who need it. Tabash (2019) states that high disclosure will have higher operating performance. A study related to financial conditions, namely Giroux and McLelland (2018) show that financial conditions have a positive effect on the disclosure of FS with total debt as an indicator.

Law No. 32 of 2014 explains that decentralisation can give authority and power to local governments in managing and utilising existing resources in their own regions and in terms of managing their finances. The goal of regional independence is to determine the extent to which local governments' ability to support operational activities is not reliant on balancing funding from the federal government.

High political competition will have intense financial data disclosure. Pérez *et al.* (2018) discovered a positive and statistically significant link between political rivalry and public financial transparency, proposing that politicians seeking more votes aim to accommodate the requirements of as many voters as feasible. Therefore, the more competition, the more incentives one receives to disclose. In addition, Laswad *et al.* (2015) state that high political competition will result in more supervision by political competitors and society. Political competitors will monitor the performance of local governments and find weaknesses. Local governments with high political competition will disclose their financial reports to demonstrate fulfillment of promises during the campaign.

RESEARCH METHODOLOGY

This research was conducted using the pragmatic research philosophy which uses both qualitative and quantitative methods, hence it is called a mixed approach. The pragmatic philosophy is chosen because it covers the weaknesses of both the qualitative and quantitative research. More so, it helps to generalise data and enable the researcher to develop a holistic approach to fully incorporate numerous factors into the study. Research approach refers to the systematic and structured ways to conduct research and they differ in terms of their underlying logic and methods of inquiry (Creswell, 2001). Mixed approach is used as it allows the researcher to use a diversity of methods, combining inductive and deductive thinking and offsetting limitations of quantitative and qualitative research through a complementary approach. In carrying out the research, a sample size of 110 was chosen using the Krejice and Morgan (1970) sample estimation tables at 5% confidence interval, with 95% confidence level. In this study, there are 110 respondents from a sampling pool of 1300. The sample size is large enough to represent the population and the respondents were fair enough to give a reasonable result.

The descriptive research design using quantitative and qualitative methods enabled the research to use research instruments such as interviews and questionnaires and to also use a representative sample, making it easy to analyse data. Questionnaires were shared online using a monkey survey and responses were recorded.

DATA PRESENTATION AND ANALYSIS

RELIABILITY TESTS

To ensure validity and reliability of the data collection instrument, reliability tests were performed using the IBM SPSS of Cronbach's Alpha test against the variables which include; level of financial disclosure and type of financial disclosure. Table 1 shows the values.

Table 1: Reliability Test Statistics *(Primary Data)*

Scales	Cronbach Alpha	No. of items
Level of financial disclosure	0.7	2
Type of financial disclosure	0.832	2

According to Cohen (1988), if the value of Cronbach is above, it is said that Table 1 indicates a coefficient value on the Cronbach Alpha test performed on level of financial disclosure which had 8 aspects being measured. The alpha coefficient value was greater than the minimum of 0.7 (Cronbach, 1951). This showed reliability of the aspects measuring the aspects is positive thus allowing the researcher to make valid and credible conclusions.

THE LEVEL OF FINANCIAL DISCLOSURE ON PERFORMANCE OF LISTED COMPANIES

Table 2: Descriptive Statistics *(Primary Data)*

	Mean	Std. Deviation	N
Average Total level of financial disclosure	3.8000	.84511	70
Average Total performance of listed companies	3.9257	.95594	70

Table 2reviews that respondents were in support of the questionnaire on the relation to level of financial disclosure on performance of listed companies. The average total level of financial disclosure was 3.8000 and 3.9257 for performance of listed companies. This data shows that respondents were in agreement with the information given by the research.

In addition, Table 2 reviews that level of financial disclosure has a strong positive effect on performance of listed companies. The results indicate a significant positive effect of level of financial disclosure as an independent variable on performance of listed companies; hence a positive relationship exists between level of financial disclosure and performance of listed companies.

Table 3: Pearson Correlations *(Primary Data)*

		Average Total financial disclosure	Average Total performance of listed companies
Average Total level of financial disclosure	Pearson Correlation	1	.789**
	Sig. (2-tailed)		.000
	N	70	70
Average Total performance of listed companies	Pearson Correlation	.789**	1
	Sig. (2-tailed)	.000	
	N	70	70

**. Correlation is significant at the 0.01 level (2-tailed).

Table 3 shows a positive relationship between level of financial disclosure and performance of listed companies. Pearson's model and a two-tailed test were used and the results show that there is a significant relationship between the two variables.

The level of financial disclosure has a significant effect on performance of listed companies because a knowledgeable level of financial disclosure is related largely to the results shown within the financial statements (Armaad and War, 2016).

Table 4: The Regression analysis *(Primary Data)*

	Unstandardised coefficients			**T**	**Sig.**
	B	**Stud. Error**	**Beta**		
Constant	.428	.247	.419	1.736	.087
	.892	.084		10.576	.000
Dependent Variable					
R	0.789[a]				
R square	.622				
Adjusted R r squared	.616				
Stud error of the estimate	.59210				
F statistics	111.856				
Sig.	.000[b]				

Table 4 signifies that there is a strong positive relationship between level of financial disclosure and performance of listed companies as the p-values are less than 0.05 (5%). This indicates that level of financial disclosure has a direct influence on performance of the stock exchange. These results are in line with McCracken (1989) who highlights that level of financial disclosure has a positive effect on performance of listed companies.

THE INFLUENCE TYPE OF FINANCIAL DISCLOSURE ON PERFORMANCE OF LISTED COMPANIES

Table 5: Descriptive Statistics *(Primary Data)*

	Mean	Std. Deviation	N
Average total type of disclosure	3.7643	1.19032	70
Average total performance of listed companies	3.8143	1.20485	70

Table 5 shows that respondents were in agreement with the questionnaire on the relation to type of disclosure on performance of listed companies. The average total type of disclosure reliability was 3.7643 and 3.8143 for performance of listed companies. This data clearly signifies that respondents were in agreement with the information given by this research. Furthermore, the table shows that type of disclosure has a positive effect on performance of listed companies. The results indicate a significant positive effect of type of disclosure as an independent variable on performance of listed companies, thereby making it a dependent variable. This signifies that a positive relationship exists between type of disclosure and performance of listed companies. Aziz (2013) shows that one cannot talk about type of disclosure without considering performance of listed companies, meaning to say that these variables correlate.

Table 6: Pearson Correlation *(Primary Data)*

		Average total type of disclosure	Average total performance of listed companies
Average total type of disclosure	Pearson Correlation	1	-.348**
	Sig. (2-tailed)		.003
	N	70	70
Average total performance of listed companies	Pearson Correlation	-.348**	1
	Sig. (2-tailed)	.003	
	N	70	70

**. Correlation is significant at the 0.01 level (2-tailed).

CORRELATION

Table 6 reviews that a strong positive relationship between type of financial disclosure and performance of listed companies. This is because, after performing a two-tailed test, the result was 0.01, and according to Pearson, if P is less than 0.05, there is a positive relationship between the variables.

Table 7: Regression Analysis *(Primary Data)*

	Unstandardised coefficients			**T**	**Sig.**
	B	Std. Error	Beta		
Constant	3.685	.298	-.348	12.358	.000
	-.315			-3.066	.003
Dependent Variable					
R	0.348^a				
R square	.121				
Adjusted r squared	0.109				
Std error of the estimate	0.75992				
F statistics	9.400				
Sig.	$.003^b$				

Table 7 shows that there is a significant relationship between type of financial disclosure and performance of listed companies. This is according to Cohen (1988), who states that if P is less than 0.05, the relationship is significant. Such tests indicate a correlation between the recipient's readiness to give the knowledge validity and meaning (Holland *et al.*, 2003).

Table 8: Summary of Hypothesis testing using Spearman Correlation Coefficient *(Primary Data)*

Hypotheses	**Test**	**Significant**	**Results**
H1	Spearman Correlation Coefficient	Positive	Accepted
H2	Spearman Correlation Coefficient	Positive	Accepted
H3	Spearman Correlation Coefficient	Positive	Accepted
H4	Spearman Correlation Coefficient	Positive	Accepted

DISCUSSION OF FINDINGS

RELIABILITY TEST (CRONBACH ALPHA TEST)

The coefficient values on the Cronbach Alpha test performed were greater than the minimum of 0.7 (Cronbach, 1951). The study produced high Cronbach values, revealing consistent relationship among various items used. The Cronbach values ranged from 0.719 to 0.835. Basing on the validity and reliability literature, these are considered high values and, therefore, acceptable.

The Relationship between Level of Disclosure and Performance of Listed Companies

Table 4 reveals that level of disclosure has a strong positive relationship with performance of listed companies. This signifies that level of disclosure varies directly proportionally with performance of listed companies. These results are in agreement with Azhar and Meriyani (2017), who submit that level of disclosure influences performance of listed companies.

The Relationship between TYPES of Disclosure on Performance of Listed Companies

Table 5 reveals that type of disclosure has a positive effect on performance of listed companies. This implies that a strong positive relationship exists between type of disclosure and the performance of listed companies. This suggests that full disclosure will reflect all areas of a company's performance and this is very crucial for stakeholders to make an informed decisions in as far as investment decisions are concerned.

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Summary of the Study

The research focuses on the influence of financial disclosure on performance of Zimbabwean listed companies. Research findings reveal that level of disclosure and type of disclosure contribute to performance of listed companies, implying that the dependent, mediating and independent variables vary directly proportionally to each other.

To Explore the Relationship between Level of Disclosure and the Performance of Listed Companies

Study results reveal that that level of disclosure has an influence on performance of listed companies. These results are in line with Bhasin and Shaikh who found out that level of disclosure has a positive relationship with performance of listed companies. When companies publish their financial statements, they are exposed to competitors since these financial statements become available for public scrutiny and this was supported by Al-Sartawi (2018), who postulates that level of disclosure positively influences the performance of listed companies.

TO INVESTIGATE THE INFLUENCE OF TYPE OF DISCLOSURE TO PERFORMANCE OF LISTED COMPANIES

From the research it was found that type of disclosure has a strong positive relationship with performance of listed companies. This implies that type of disclosure varies directly proportionally with performance of listed companies. These results are in agreement with Watson and Monterio (2017) and Ram (2016) who both highlight that type of disclosure has a direct positive impact on performance of listed companies. This is further reinforced by Krumme (2017) who states that type of disclosure influences performance of listed companies.

CONCLUSION AND RECOMMENDATIONS

The study examines the influence of level of disclosure on performance of the Zimbabwean Stock Exchange listed companies. The study reveals that a positive relationship exists between the independent, mediating and dependent variables. The following recommendations made: Table 2 reveals that the level of disclosure has a positive influence on performance of listed companies. This signifies that a direct relationship exists between level of financial disclosure and performance of listed companies. This implies that it is of paramount importance that companies disclose all assets, liabilities, income and expenses in order to attract investors. It is also established that level of disclosure in Table 3 has a direct positive relationship with the performance of listed companies. This means that level of disclosure influences performance of listed companies, hence level of disclosure varies directly proportionally to performance of listed companies.

Table 5 also clearly indicates that type of disclosure has a positive impact on performance of listed companies. This signifies that type of disclosure contributes to performance of listed companies, enabling a company to gain more potential investors. This shows that type of disclosure varies proportionally to type of disclosure. It is shown that type of disclosure has a positive influence on performance of listed companies, implying that a direct relationship exists between type of disclosure and performance of listed companies

This study looks into the connection between business financial performance in Zimbabwean's listed companies and financial reporting disclosures. The findings demonstrate that financial reporting disclosures, particularly the explanatory variables taken into account in this study, significantly improve the financial performance of Zimbabwean listed companies. It also makes the point that when specific disclosures are made in the financial report, investors and shareholders are encouraged to give up money for equity financing. Accordingly, this study concludes that the new International Financial Reporting Standards (IFRS), which are intended to promote greater disclosures, contribute to the improvement of the companies' financial performance.

Consequently, the government should make sure that additional disclosures are issued through various regulatory bodies such as the Public Accountants and Auditors Board (PAAB), so that investors may make informed judgments about whether or not to invest. This research also suggests that, in addition to the legally required disclosures, any listed company that wishes to expand and achieve sustainable financial performance should make every effort to disclose all relevant information to investors in the financial report. This will help to maintain the trust and commitment of shareholders in terms of equity, particularly in light of the current economic liquidity crisis.

For instance, banks, who currently provide the majority of funding to the real estate sector, suffer the most as a result of investors selling their equities due to the tapering effect and the Reserve Bank of Zimbabwe's on-going tightening of monetary policy. The requirement for cash reserves on deposits in the public sector is anticipated to increase to 100%, while deposits in the private sector are expected to increase to 15% as well. In light of this, banks will continue to be motivated to increase profits through improved cost control, a greater emphasis on non-interest revenue and expansion of their loan books, particularly in the real estate sector.

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