DOI: [10.9774/GLEAF.4700.2015.se.00011]

An Analysis of the Prominence of Corporate Governance in South African Media for the Period 1990–2012*

Adri W.A.J. van der Merwe and Derick de Jongh
Albert Luthuli Centre for Responsible Leadership, University of Pretoria, South Africa

Jess Schulschenk
University of Cape Town, South Africa

Minnette D. Nieuwoudt
Media Tenor, South Africa

- Corporate governance
- Corporate sustainability
- Inclusive stakeholder approach
- Agenda setting theory
- Ethical leadership framework

Sound corporate governance is a key driver for sustainable business performance, particularly for companies in developing countries. Since the media fulfils an important function in developing discourse regarding the role of business in society, we investigate the role that the South African print media has played to place corporate governance on the public agenda, and report on the level to which the term corporate governance and related topics appeared in the South African print media from 1990 to 2012. Based on agenda setting theory, we present a descriptive statistical analysis of the frequency (first level agenda setting) as well as the tonality (second level agenda setting) of corporate governance in selected South African print media over the 22-year period. Our findings suggest that while corporate governance has gained prominence in the media over the period of analysis, media reporting on this and related issues have a predominantly negative balanced tonality. We conclude that the print media is not yet sufficiently setting the agenda and breaching the public's awareness threshold to substantially foster ethical corporate behaviour. Recommendations for further research are discussed.

* Our sincere thanks to the Media Tenor South African office for the data coding, analysis and research support; to Ernst & Young and the South African Institute of Chartered Accountants (SAICA) for research funding and support as well as to the Advisory Board of the Corporate Governance Research Programme at the Albert Luthuli Centre for Responsible Leadership, University of Pretoria for their project guidance and support.

Dr **Adri W.A.J. van der Merwe** is currently involved with the Albert Luthuli Centre for Responsible Leadership at the University of Pretoria on a part-time basis, supporting research and publication activities. She has also been appointed to develop and present the Strategic Communication module of the Centre's Post-Graduate Diploma in Integrated Reporting in 2014. Adri is an Executive Director at the Verto Group.

The Albert Luthuli Centre for Responsible Leadership, Faculty of Economic and Management Sciences, University of Pretoria, Private Bag X20, Hatfield, 0028, South Africa

dr.adrivandermerwe@telkomsa.net

Professor **Derick de Jongh** entered academia after a 13-year banking career where he focused largely on human resource development, ultimately with a specialization in corporate strategy, strategic market positioning and corporate citizenship. His move to academia was spurred by a deep and personal realization that the private sector in South Africa was failing dismally in reflecting critically on the purpose of business and, more specifically, on the role of business in society. His desire to understand this complex landscape better led him to enrol for doctoral studies at the University of Pretoria, which he completed in 2002 with a doctorate entitled *Indicators of corporate social performance in South Africa*. Through his doctoral studies Derick realized that the best way of shaping the debate on corporate citizenship in South Africa was to establish a university-based centre focusing on research and teaching on the broad topic of corporate responsibility and governance.

The Albert Luthuli Centre for Responsible Leadership, Faculty of Economic and Management Sciences, University of Pretoria, Private Bag X20, Hatfield, 0028, South Africa

derick.dejongh@up.ac.za

Jess Schulschenk led a two year research programme on the drivers and consequences of corporate governance for the Albert Luthuli Centre for Responsible Leadership at the University of Pretoria. She is a Senior Researcher with Ernst & Young where she is responsible for directing research initiatives relating to corporate governance and sustainability. She is currently a PhD candidate with the Graduate School of Business at the University of Cape Town and holds a Master's of Philosophy (cum laude) in Sustainable Development Management and Planning from the University of Stellenbosch.

PO Box 2192, Somerset West, 7129, South Africa

jess.schulschenk@gmail.com

Minette D. Nieuwoudt received her BA in Psychology, Philosophy and Research Methodology with distinction from the University of Pretoria in 2011. She has since gone on to complete a BSocSci (Hons) degree in Psychology and started an MA degree in Research Psychology at the University of Pretoria. As a student she was inducted into the Golden Key International Honour Society and received academic colours for her excellent academic performance during the completion of her Bachelor's degree. Minnette is currently working as a researcher at Media Tenor analysing the media's impact on the public agenda.

306 Glenwood Road, Lynnwood Park, Pretoria, 0081, South Africa

m.nieuwoudt@mediatenor.co.za

Globally, unprecedented attention is being paid to corporate governance and corporate sustainability issues. This follows in the wake of the wave of international corporate scandals since Enron in 2001, which have exposed the prevalence of serious forms of ethical and social misconduct in business. The underlying cause of these scandals, as well as the global recession and the resulting crisis among leading financial institutions in the first decade of the 21st century, is increasingly presented as a crisis of corporate governance, which essentially puts corporate sustainability at risk (Cacioppe *et al.*, 2008, p. 681; Davies *et al.*, 2010, p. 531; King, 2009, pp. 8,10; Pirson, 2009, p. 1,5; Rossouw, 2002, p. 406; Uslaner, 2010, pp. 110-111).

The widespread response to issues such as these has led to a revived focus on and critical consciousness of the need to curtail the negative impact of organized business on society, a realization of the importance of ethics in the private sector, and the intensification of the stakeholder view. The fact is that private sector companies are a powerful force in today's postmodern society, and this leaves all their stakeholders vulnerable and at risk from the commercial and social actions of these companies (Brennan & Solomon, 2008, p. 890; McKnight & Chervany, 2002, p. 36; Mitchell, 2001, p. 110; Perrow, 2000, p. 469).

However, companies are also vulnerable to the actions of their stakeholders. Today, ordinary individuals have been rendered the means to make their voices heard and act against those companies that they believe are breaching their social contract with the community and society—a contract that gives companies their legitimate status within society (De la luz Fernández-Alles & Valle-Cabrera, 2006, p. 503; King *et al.*, 2010, p. 292).

This poses a severe challenge to companies in the 21st century, since it is asserted that the current crisis of corporate governance, resulting in a lack of stakeholders' trust and therefore their support, presents a major threat to long-term corporate success and viability (Pirson, 2009, pp. 1-2,6; Van der Merwe, 2013, p. 4). This highlights the need for sound corporate governance frameworks to ensure corporate sustainability.

The issue of corporate governance is therefore critical for all companies, and particularly for companies in developing countries, such as South Africa (SA). Like any other developing country, SA needs to practise sound corporate governance principles in its private sector if it wants to attract foreign investments, gain national and international legitimacy, overcome poverty and low economic growth, and improve its socio-economic and environmental challenges in order to set the country on a path to sustainable development (Armstrong *et al.*, 2005, p. 1; Fig, 2005, p. 599; Rossouw, 2002, p. 406).

This is particularly pertinent if the history of corporate structure, management, and corporate governance in SA is taken into account. Corporate governance has been a reasonably well-developed concept in SA since the establishment of the King Committee on Corporate Governance in 1992, at the instigation of the Institute of Directors of Southern Africa (IoDSA) and the release of the first King Report in November 1994.

The successive King Codes of Governance Principles issued in 2002 and 2009 set international standards of best practice in corporate governance by bringing to the fore key concepts including stakeholder inclusivity, information technology (IT) governance, and integrated reporting, based on the central values of responsible leadership and ethical governance. However, prior to 1992 South Africa operated in a very different environment from that in developed economies and advanced capital markets—one where its corporate practices, laws, and regulations were lagging behind international norms (Armstrong *et al.*, 2005, p. 9; Malherbe & Segal, 2001, p. 3; Ntim *et al.*, 2013, p. 3).

In light of the importance of sound corporate governance practices and the link to stability and growth, as well as the drastic changes that have taken place in SA's corporate governance since the early 1990s, we asked just how prominent the concept of corporate governance is on the public agenda. In an attempt to answer our research question—and using agenda setting theory as a theoretical point of departure—we investigated the prominence of corporate governance in South African media over the period 1990–2012.

Agenda setting theory describes the ability of news media to influence the prominence of issues on the public agenda. In other words, if an issue is covered extensively by the media, it is more likely to be regarded as important by the public that consume, either directly or indirectly, the media (Carroll & McCombs, 2003, pp. 36-37; McCombs *et al.*, 1997; Miller, 2006, p. 1003). Based on this we hold that an analysis to determine the level of coverage of corporate governance in the media will give an indication of how prominent the issue of corporate governance is on the public—and therefore business—agenda.

The remainder of this paper is organized as follows: The first section provides a brief overview of the background to corporate governance in SA prior to 1990. In the second section we define corporate governance and other key concepts, followed by a brief outline of the context and key terms used in the media analysis. In the fourth section we provide the theoretical basis for the media analysis by discussing agenda setting theory and the role of the media in society, based on our literature review. The fifth section describes the research methods employed for our media analysis and this is followed by the presentation and analysis of the empirical results. We discuss the findings of the results in the seventh section, and conclude our paper by discussing recommendations, practice implications, and areas requiring further research.

Background to corporate governance in SA prior to 1990

There were a number of factors that defined SA's unique corporate governance environment before 1992. These include the turbulent political environment due to the apartheid regime, the country's isolation from the global economy due to financial sanctions, the lack of foreign product competition due to tariffs and political isolation, and the concentration of capital in a small number of mining finance houses which controlled the majority of wealth in the economy, creating highly skewed capital control.

The characteristics of the dominant South African mining finance houses included diversified holdings, an inward focus, intra-group transactions, control blocs, disempowered minorities, and a focus on family control with relatively stagnant corporate control procedures. With the flow of capital into the mining industry came the flow of financial structures, corporate practice, decision-making habits, business ethics, and control structures. The characteristics of the mining finance houses then pervaded the economy and set the tone for SA's unique corporate governance experience during this period whereby control was entrenched through pyramid structures that ruled the corporate sector during this time (Malherbe & Segal, 2001, pp. 14-16; Ntim *et al.*, 2013, p. 3; Rossouw *et al.*, 2002, p. 291).

Today, SA's corporate structure has changed irrevocably and little of that comfortable, introverted world of pre-1992 remains. Political reform, rapid trade liberalization, demanding international investors, an emerging markets crisis, and rapid-fire regulatory reform—with legislation, regulations, listing rules and accounting standards converging to international norms—have forced South African corporations, their managers, and domestic shareholders to change, to engage with various stakeholders instead of just shareholders, and to adhere to sound governance principles (Malherbe & Segal, 2001, p. 3; Rossouw *et al.*, 2002, p. 294).

These changes came about because of the development path chosen by SA since becoming a democracy in 1994, when the new government chose to avoid the confiscation of property, and instead opted to seek growth, which, among other things, could fund expanded social services and more employment. In order to attain higher growth, SA in 1994 needed to increase the mobilization of both domestic and foreign capital, as well as use that capital more efficiently. It is from this context that the need for formal corporate governance codes which encouraged the redistribution of corporate power within a pluralistic economy arose. Seen in this context, corporate governance affects both stability and growth prospects for SA as a developing country (Malherbe & Segal, 2001, p. 3).

The IoDSA, as a business industry body, played a critical role in setting the course of corporate governance developments in SA, which strengthened when they commissioned the King Committee in 1992 to write the first King Report. This initiative was among others supported by the South African Chamber of Business (SACOB), the Institute of Chartered Secretaries and Administrators (ICSA), the South African Institute of Chartered Accountants (SAICA), and the Johannesburg Stock Exchange (JSE). The role that business leaders played to establish standards for corporate governance principles and practices in SA should therefore also be acknowledged (Rossouw *et al.*, 2002, p. 296; Schulschenk, 2012, p. 7).

Defining corporate governance and other key concepts

Corporate governance

Sir Adrian Cadbury, regarded as the architect of corporate governance reform, says that a corporate governance system should align the interests of individuals, companies, and society (Caulkin, 2002; Taylor, 2010, p. 13). As the author of the Cadbury Report (1992), one of the most influential reports on governance in the UK, he holds that a governance framework is there both to encourage the efficient use of resources and to require accountability for the stewardship of these resources, in order to align and balance the interests of individuals, corporations, and society as closely as possible (Rossouw *et al.*, 2002, p. 297; SAICA, 2013).

Corporate governance is then essentially about the internal practice by which companies are managed and controlled (Casson, 2013, p. 6; Rossouw *et al.*, 2002, p. 289). However, we also hold that this internal governance system needs to be based on and guided by an ethical framework. This is in line with King III's definition of corporate governance as 'the organization's practical expression of ethical standards' (King, 2009, p. 21).

By ethical we mean that one should not only consider what is good for oneself, but also consider the good of others (King, 2009, p. 51; Rossouw, 2002, p. 407). The ethical nature of corporate governance is largely determined by how stakeholders are defined within corporate governance—by who the 'others' are whose well-being should also be considered by a company. After the following definition of who we regard the stakeholders to be that should be considered, and a description of the inclusive stakeholder approach, we provide a brief overview of how and where ethics fit into the framework of corporate sustainability.

Stakeholder and inclusive stakeholder approach

We define a stakeholder as any person or group who has a direct interest, involvement, or investment in a company, who can affect the company and its operations, or who can be affected by the company, its decisions, and operations (Hatch & Schultz, 2008, pp. 192-193; King, 2009, p. 100; Steyn & Puth, 2000, p. 5). A stakeholder is therefore not just regarded as a person or group of people who may benefit from or be harmed by the actions of the company (Davies *et al.*, 2003, pp. 58-59), but as someone who can also either hinder or assist the company in its endeavours, thereby affecting the company's sustainable success.

This definition is in line with the inclusive stakeholder approach advocated in King III, which is based on the principle that the board of directors should consider the legitimate interests and expectations of all the relevant stakeholders (not just shareholders), on the basis that this is the ethical thing to do and in the best interests of the company (King, 2009, p. 12).

A company earns the necessary approval to operate from its stakeholders. These self-same stakeholders can decide to withdraw their support and their sanction of the company's business operations, should they lose their trust in it because they believe that the company is acting unethically and is in violation of its social contract with the wider society (Jones, 2007, p. 48; King, 2009, p. 22; Pirson, 2009, p. 23).

Stakeholder theory views companies as systems that are dependent on their internal and external stakeholders for survival. The key assertion is that the capacity of a company to generate sustainable wealth over time is linked to its relationship with its entire stakeholder network, and particularly in supporting and enhancing its sustainable value-creation processes by earning and safeguarding its stakeholders' trust (Eccles *et al.*, 2013, p. 9; Freeman *et al.*, 2010, p. 86; Perrini & Castaldo, 2008, p. 1).

The central argument is that a company that recognizes the joint interests of all of its stakeholders, and then works towards creating value for all of them in order to earn their trust and support, will be managing its business ethically and will therefore make its business work at its best, which will also benefit its shareholders (Eccles *et al.*, 2013, p. 19; Freeman *et al.*, 2010, p. 9; Friedman & Miles, 2006, p. 160).

One of the biggest challenges for sound corporate governance practices during the past two decades has been the prevailing managerial mind-set that separates business and ethics in leaders' decision-making (Freeman *et al.*, 2010, pp. 4-6; Mackey, 2009, p. 76; Rossouw, 2002, p. 410). Stakeholder theory suggests that the adoption of the relationship between a company and its stakeholders as a unit of analysis provides a more effective way to conceptualize and deal with combining these issues (Freeman *et al.*, 2010, pp. 5-6; Mackey, 2009, p. 104). This does not imply that profit-optimization is discarded as a corporate objective. To the contrary, Germany and Japan are often cited as examples where inclusive stakeholder approaches resulted in improved financial performance and profit-optimization (Rossouw, 2002, p. 408).

The inclusive stakeholder approach then represents a departure from the standard and predominant understanding of business, namely that a company is merely a vehicle to maximize returns to the owners of capital. While economists such as Milton Friedman hold that a successful business is characterized only by its ability to maximize profits for its shareholders, the inclusive stakeholder theory holds a more extended view, namely that in order to maximize profits a company needs great products and services that customers want, solid relationships with suppliers that keep operations on the cutting edge, inspired and committed employees who stand for the company mission and push it to get better, and supportive communities that allow businesses to flourish (Casson, 2013, p. 6; Freeman *et al.*, 2010, p. 11; Mackey, 2009, p. 83).

Based on a growing body of evidence, a company that takes a more sustainable approach to its business will enjoy positive benefits such as increased profitability, a more engaged workforce, improved operational efficiencies, a more secure licence to operate, greater access to capital, customer and employee attraction and retention, increased revenues, enhanced brand value and reputation and increased stakeholders' trust and support (Eccles *et al.*, 2013, p. 19; Gao & Bansal, 2012, pp. 243-244; Lloyd & Mey, 2010, p. 2).

Corporate sustainability

In light of the inclusive stakeholders' approach, the need for a company to manage its resources responsibly and to sincerely take up its stewardship role, with its environmental, economic and social dimensions (Hamann *et al.*, 2002, p. 44; Jamali, 2006, p. 812; Sarkis *et al.*, 2006, p. 752), is acknowledged and included in the meaning of corporate sustainability in this paper. This conceptualization of a company that adheres to the principles of people, planet and profit is also inherent in the King III 'triple bottom line' definition of a company as a responsible corporate citizen (King 2009, p. 61).

However, we expand the concept of sustainability in this paper to include more than just these three principles. While the appeal of the triple bottom line approach lies in its conceptualization of the three responsibilities that companies need to manage, balance and reconcile to get a more balanced view of overall corporate performance, the actual management of the interrelationships and potential conflicts between the three legs of sustainability remains a challenge (Gao & Bansal, 2012, p. 244; Haque, 2010; Rossouw *et al.*, 2002, p. 297; Sarkis *et al.*, 2006, p. 752).

We hold that if sustainability is found at the intersection of the three principles of environment, society, and economy, it must ensue from 'an underlying rationality that is common to all three and more basic than that which is peculiar to each one individually' (Bañon Gomis *et al.*, 2011, p. 179). We support the argument that ethics can provide such a unifying and underlying rationality. The concept of corporate sustainability is then expanded to include the strategic adoption of a proactive ethical stance to assist a company to manage the potential conflicts, disputes, and compromises between the three sustainability principles more effectively (Bañon Gomis *et al.*, 2011, p. 175; Casson, 2013, p. 13; Gao & Bansal, 2012, p. 247; Haque, 2010).

We define corporate sustainability as a company's ability to do, and continue to do, business and achieve its economic success—its profit and growth—in a manner that is maintainable, viable and wholly morally justifiable, now and in the future, since it has voluntarily adopted ethics as its core principle to guide conduct in the company (Van der Merwe, 2013, p. 21). Corporate sustainability is then related to a company's ability to conduct its present business operations in such a way that it does not put the likelihood of its own sustained existence and capacity to meet its future needs at risk (Bañon Gomis *et al.*, 2011, p. 175; D'Amato & Roome, 2009, p. 422; King, 2009, p. 61; Moss Kanter, 2011, p. 71).

Ethical leadership framework

Within this view of corporate sustainability, directors then take on a voluntary ethical stewardship role towards all stakeholders and build an ethical corporate culture. Effective ethics management is not about forced compliance with the law or the mere existence of an ethics code of conduct, but about a response to sound ethical leadership and the example leaders set from the top (Casson, 2013, p. 27; D'Amato & Roome, 2009, p. 428; Lloyd & Mey, 2010, p. 2; Malan, 2010, p. 64; Malan & Smit, 2001, p. 39; Rossouw, 2002, p. 408).

Good governance is therefore fundamentally about ethical and responsible leadership (King, 2009, p. 9). It concerns the systems and processes of management, which the board of directors uses to ethically govern the company's behaviour, culture, and conduct. This is done by ensuring responsibility, accountability, fairness, and transparency in the company's relationship with all its stakeholders, and which aims to achieve a balance between economic, social, individual, and collective goals, by seeking to align as closely as possible the interests of individuals, the company, and society as a whole. Responsible leaders therefore need to be ethical, transparent, answerable, and accountable towards all identified stakeholders to help ensure their company's sustainability (Bandsuch *et al.*, 2008, p. 101; Bucklund *et al.*, 2012, online; D'Amato & Roome, 2009, pp. 427-428; King, 2009, p. 10; Rossouw, 2002, p. 407).

The sentiment of the voluntary adoption of a principled business leadership model, which at its core incorporates a worldwide vision for ethical and responsible corporate behaviour, is subscribed to by a number of scholars, albeit under different labels (Caux Roundtable, 2012; Freeman & Phillips, 2002, p. 339; Haque, 2010; Mackey, 2009, pp. 71-113; Palmer, 2011, pp. 1-12; Strong, 2009, pp. 3-35). One such a label that we subscribe to is the concept of ethical capitalism, which was promulgated by the Caux Roundtable in 1994, and which is in line with King III (King, 2009, pp. 19, 21, 50-51). The essence of this concept is an acceptance of doing business based on a common respect for the highest moral values, moving beyond the letter of law towards a spirit of trust (Friedman & Miles, 2006, p. 276; King, 2009, pp. 9, 52; Marsden & Andriof, 1998, p. 333).

Overview of context and key terms used in research analysis

Corporate governance in SA has received increased attention over the past two decades (Malherbe & Segal, 2001, p. 7; Rossouw *et al.*, 2002, p. 296). In order to understand the prominence of the term in South African media over the time period 1990–2012, an overview is provided of the context and key terms used in the research analysis.

The research period covers the development of the King Codes of Corporate Governance, as well as important historical events such as the advent of democracy in SA, the implementation of the Broad-Based Black Economic Empowerment (BB-BEE) Act of 2003, and the new Companies Act of 2008. The successive King codes released over the past two decades mark notable shifts in the developing discourse regarding the role of business in society.

Period 1990–1994

The early 1990s marked a turbulent political and economic environment for South Africans. The apartheid regime, and with it the sanctions which isolated SA from the global economy, were coming to an end as the negotiations phase between the then ruling National Party and the African National Congress (ANC) commenced. At that stage, SA's corporate practices, laws, and regulations were not on par with international norms for a number of reasons, as discussed earlier in this paper.

In 1992, with the imminent advent of democracy in SA, IoDSA commissioned the King Committee to write a set of principles that would promote best practice in corporate governance as SA sought to become internationally competitive. The King Committee released the first King Code of Governance Principles (King I) in SA in 1994. King I aimed to provide companies with practical guidance for business operations that would include ethical behaviour. This code also introduced the concept of stakeholder inclusivity. In 1995, the Johannesburg Stock Exchange (JSE) gave traction to the governance codes by making compliance with aspects of the King Code a listing requirement (Malherbe & Segal, 2001, p. 5; Rossouw *et al.*, 2002, pp. 296-298).

The main protagonists in our media analysis therefore include Mervyn King (Chair of the King Committee), the King Reports, the IoDSA, the JSE and South African companies. The topics relating to the protagonists include governance standards and practices, stakeholder inclusivity, ethical practice, and compliance.

Period 1994–2000

South Africa became a democracy in 1994, led by the ANC. The new government implemented policies such as the Reconstruction and Development Plan (RDP) in 1994, and the Growth, Employment and Redistribution Policy (GEAR) in 1996. The ANC government also implemented the Insider Trading Act in 1998. We mention these policies since they share themes with the King Code that would have been reported on by the media. Combined, these developments set the scene for increasing corporate scrutiny and higher expectations of stakeholder inclusivity (Fig, 2005, p. 600; Malherbe & Segal, 2001, p. 7; Rossouw *et al.*, 2002, pp. 298-299).

Period 2000–2002

In the early part of the 21st century, the global corporate environment was changing rapidly, and there was a growing awareness on issues of sustainability, particularly following the Enron scandal in 2001. This also followed a number of high profile corporate failures experienced in SA during the late 1990s (i.e. the collapse of the Macmed, Leisurenet and some of the Nedbank companies), which were attributed mainly to poor corporate governance practices, including increased executive compensation. This, and the heightened international attention to the topic, highlighted the need for a significant change in corporate governance practices and led to a review of King I (Ntim *et al.*, 2013, p. 3).

King II, released in 2002, expanded many of the best corporate governance practices of King I, including a detailed section that deals with executive remuneration issues, and further outlined the principles of an inclusive stakeholder approach and responsible, ethical leadership. King II assigned responsibility for corporate governance to the board of directors, with regard to the environmental, social and governance (ESG) as well as the ethical performance of the corporation (Rossouw, 2002, p. 409; Ntim *et al.*, 2013, p. 3).

Period 2002–2009

The government implemented the Broad-Based Black Economic Empowerment (BB-BEE) Act in 2003, which was aimed at bringing about changes in management representivity, skills development and preferential procurement, as well as at redirecting historically skewed capital flows via ownership structures. The BB-BEE Act mirrored many topics covered by King II, such as the acknowledgement of Ubuntu values and different cultural contexts within companies to foster transformation.

Another example of the government's attempt at an economic overhaul for the country, is the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) which was launched in 2006 (South African Government Information, 2012). This national growth initiative embodied similar principles as suggested by the King Codes, including corporate social responsibility (CSR).

The promulgation of the new Companies Act of 2008 substantially influenced how business was conducted in SA, given its legislative impact. During 2009 the third King Report (King III) was released to address contemporary issues faced by business in a practical manner. The main focus points included responsible leadership, ethical values, sustainability, corporate citizenship, and integrated reporting. These are some of the terms included in our media analysis as topics related to corporate governance (see Appendix A, Table 6 for list).

Agenda setting theory and role of media in corporate governance

The role of the media is to collect, select, certify, repackage, disseminate, and amplify information to the public. In doing so they dramatically reduce the cost the public faces to become informed, and increase the number of people who can learn of the behaviour of others, thus increasing the effect of reputation.

The media is then a powerful tool for transferring information between different stakeholders in society, and can therefore be considered to be a secondary stakeholder to business. By filtering and framing information, the media plays a central role in shaping public perceptions and influences how the public act in relation to business (Bignon & Miscio, 2010, pp. 390-392; Chan *et al.*, 2012, p. 1; Dyck *et al.*, 2008, p. 1098; Habermas, 2006, p. 419; McCombs, 2004, p. 38; Miller, 2006, p. 1003).

In order to better understand how the media operates and how it can be more effective in fulfilling its role, also in terms of corporate governance, a few considerations need to be taken into account. Due to time and organizational constraints, news outlets can provide information about a limited number of events and issues. This means that journalists must choose, process, and filter the news, and as such, the news media can only focus attention on a few key priorities—those that are deemed newsworthy by the editors and journalists.

The day-to-day selection and display of news by journalists then focuses the public's attention and influences its perceptions. Over time, those aspects of public affairs that are prominent in the news usually become prominent in public opinion, that is, the issues that the news media prioritizes often become the issue priorities of the public. Put differently, this means that the news media sets the public agenda.

Agenda setting theory

The basic premise of agenda setting theory, developed initially by McCombs and Shaw in 1972 and expanded over the years with a number of studies conducted worldwide, is that the media has the ability to influence the prominence of issues on the public agenda. The theory has been widely explored since its inception in the political sphere, but it is also said to hold water in business communication (Carroll & McCombs, 2003, p. 36; Habermas, 2006, p. 415; Valenzuela, 2011, p. 438; Wu & Coleman, 2009, p. 785). Agenda setting theory purports the existence of two levels of agenda setting. An overview of these two levels, as well as the relationship between them, follows.

First level of agenda setting

On the first level of agenda setting, the prominence or salience (i.e. the frequency) of issues in news media leads people to perceive those issues as more important than others and therefore brings these issues to the fore on the public agenda. First-level agenda setting then focuses on the amount of coverage of an issue, suggesting that the media decide what issues the public will be aware of (Carroll & McCombs, 2003, p. 37; Chan *et al.*, 2012, p. 4; Westerman, 2005, pp. iv, 9; Wu & Coleman, 2009, p. 774).

McCombs (2004, pp. 43-45) cites several studies that have found that the general range of time-spans to produce the optimum match between the media and public agendas is one to eight weeks, with a median span of three weeks. In every case, the agenda setting effects were sizeable. Literature also indicates that agenda setting effects are bound to be stronger when the type of issue emphasized by the media resonates with an individual's values. Valenzuela (2011, pp. 440, 455) found that, in general, when participants faced issues in the news that were consistent with their values, their salience ratings for those issues were higher compared to the salience ratings of value-inconsistent issues.

Second level of agenda setting

The second level of agenda setting refers to the way or manner in which these issues are reported, to the way in which those issues are described, which influences the public's opinions of the issues.

While the first level of agenda setting focuses on getting readers' attention, the second level focuses on influencing readers' comprehension of the issue, and how they should feel about it. This is also referred to as the affective dimension of agenda setting theory, which focuses on the emotional qualities of the attributes given to the issue, on whether the tone of those substantive attributes is positive, negative, or neutral (Bhattacharya *et al.*, 2009, p. 664; Carroll & McCombs, 2003, pp. 37-38; Liu & McConnell, 2013, p. 5; Wu & Coleman, 2009, p. 776).

Relationship between these two levels

In order to understand the relationship between these two levels of agenda setting theory, reference can be made to the classic cognitive model, which involves first learning about something new, then forming an attitude toward it, and finally taking a behavioural action such as buying the product, adopting an innovation, subscribing to an idea, committing to a cause, or voting for a candidate. This is similar to the hierarchy of effects theory, which concerns three components, namely cognitive knowledge (learn), affective attitudes (feel), and active behaviour (do) (Carroll & McCombs, 2003, p. 38; Wu & Coleman, 2009, p. 777).

Looking at agenda setting through the lens of the hierarchy of effects, the first level then corresponds to an issue or figure gaining the public's attention and then the public learning about it. The second level of agenda setting then represents the affinity dimension, that is, when people form impressions of a person or an issue based on its attributes. However, while the sequence of these three elements is important in terms of the hierarchy of effects theory, it does not clearly indicate which of these two levels has the biggest effect on the behavioural outcome. Wu and Coleman (2009, pp. 777, 785) have found that feelings about attributes (second level) have a stronger effect on behaviour than cognition about issues (first level). This links to the issue of framing, which is discussed in more detail next.

Second level attributes and framing

Studies in agenda setting theory have then developed from the original assertion that the media tells people what to think about but not how to think, to the assertion that the media tells people what to think about and how to think about it. This means that while the issue of salience (object) has remained a powerful quality of agenda setting theory, the nature of an issue's salience and the manner by which that issue is presented (attribute domain) is more critical.

The attributes assigned to an object take the form of words, phrases, or individual sentences, but it is the collective use of these attributes that creates the overall frame by which an idea is portrayed, which moves the discussion along a certain direction or steers it in line with a certain agenda. A frame can then be thought of as a procedure, while the attributes within a frame could be considered the individual building blocks of this frame (Scheufele & Iyengar, 2012, p. 3; Westerman, 2005, p. 6-7).

Both the selection of objects for attention and the selection of frames for thinking about these objects are powerful agenda setting roles, but central to the news agenda and its daily set of objects (issues) are the perspectives that journalists, and subsequently members of the public, employ to think about each object.

By combining salience with attribute emphasis and framing, an object is then brought to the public's attention at the first level, and through the second level the media influences the public how to think about the issue through the way in which it frames the issue. While interpretations on framing have varied among researchers, they all share the commonality that frames are constructed, intentionally or unintentionally, to portray messages with a certain angle and to communicate the meaning and importance of this angle to the audience (Habermas, 2006, p. 419; McCombs & Shaw, 1993, p. 62; Scheufele & Iyengar, 2012, pp. 5, 12; Westerman, 2005, pp. 3, 11-13).

Consequently, the media has the power to bring certain issues to the public agenda, and to influence how the public thinks about those issues. The ways in which the media chooses to report on these issues tend to frame the public's perspective of these issues, which in turn is likely to influence the public's opinion of the companies involved. The potential influence of the media as outlined in agenda setting theory needs to be kept in mind when considering the extent to which a topic, such as corporate governance, is reflected in the media.

As such, the media analysis reported in this paper examined the prominence of issues in the media by looking at the volume of coverage related to corporate governance in SA as well as the way in which this issue and its related topics are framed by looking at the tendency (i.e. positive, negative or neutral tone) of the coverage of these issues.

Role of the media in corporate governance

The literature suggests that the media can influence corporate governance by bringing governance issues to the attention of various stakeholders, including the general public (Chan *et al.*, 2012, p. 2; Dai *et al.*, 2013, p. 2; Dyck & Zingales, 2002, p. 12; Liu & McConnell, 2013, p. 37). Agenda setting theory highlights the important role that the media fulfils in serving the interests of the broader public, and in helping to shape a better future for business and society.

However, in order to fulfil this role effectively, an independent media is key, especially media that is privately owned and unhindered by political influence. The successful transfer of salience from the media agenda to the public agenda can only occur wherever there is a reasonably open political system and a reasonably open media system.

Freedom of press is a cornerstone of any democracy and one of the most important ways to 'fight' corruption and foster ethical behaviour. There is evidence that a free and credible media is related to country-level economic growth and that pressure created by press coverage can play an important role in the corporate governance of firms. The role that the media then plays in placing corporate governance on the public agenda is then particularly critical in a developing country, such as SA ((Habermas, 2006, p. 420; Dyck & Zingales, 2004, pp. 582, 586; Malan & Smit, 2001, p. 120; McCombs, 2004, p. 37; Miller, 2006, p. 1002).

Evidence of positive governance interventions through the media

There are many examples of documented positive governance interventions through the media in general, including the reversal of governance violations (Chan *et al.*, 2012, p. 1; Dyck *et al.*, 2008, pp. 1129-1130) and the pressuring of managers to act in ways that are 'socially acceptable' because they do not want to face the private cost of being portrayed as 'the bad guy' (Dyck *et al.*, 2008, p. 1099; Dyck & Zingales, 2002, p. 16). The media has also acted as a disciplining mechanism against insider trading activities by restating regulatory filings of these activities, and adding value through ensuing dissemination of information based on the same initial release (Chan *et al.*, 2012, p. 2; Dai *et al*, 2013, pp. 27-28; Miller, 2006, p. 1003).

In their study of 636 large acquisition attempts that were accompanied by a negative stock price reaction at their announcement (value-reducing acquisition attempts) from 1990 to 2010, Liu and McConnell (2013, p. 1) found that, in deciding whether to abandon a value-reducing acquisition attempt, managers' sensitivity to the company's stock price reaction at the time of the announcement was influenced by the level and tone of media attention to the proposed transaction.

These results imply that the media can (and do) play a positive role in shaping corporate policy and corporate governance, at least in some circumstances (Chan *et al.*, 2012, p. 3; Liu & McConnell, 2013, p. 37; McCombs & Shaw, 1993, p. 64; Miller, 2006, p. 1002). Dyck *et al.* (2008, p. 1129) found that while domestic media in most developing countries are not very powerful in pressuring companies to behave (due to little or no credible media outlet and an unsophisticated public opinion), exposure of corporate governance violations in the international press seems to promote some readdress, as long as companies need credibility to raise capital or establish joint ventures abroad.

Role of media in corporate governance

The media can fulfil its role in corporate governance in a number of ways. It can publish news and make actions known that are in violation of sound corporate governance practices to its audiences, and because of the reputational cost related to this, pressure the violator to redress the situation. This is particularly effective when the media increases the reputational cost for a violator through the negative slant or manner in which the media messages related to the violation are reported.

A second role of the media in terms of corporate governance is to create common or public knowledge about a violation. This will result in other people feeling obliged to condemn the violation and to distance themselves from the violator, in order to protect their own reputations.

Third, the media's role in corporate governance is related to their power to change the probability of enforcement. This can be done through a number of channels or mechanisms through which the press can have an effect. Media pressure can lead to a regulator or a politician to intervene; stakeholder activists can mobilize the general public to act or the company itself can relent, realizing the reputational costs of continuing the battle. Dyck *et al.* (2008, p. 1098) found evidence that suggests that the primary mechanism through which media coverage has an effect is by increasing the reputational cost of misbehaviour in relation to a relevant audience.

The media's role in corporate governance can also be seen in terms of its ability and power to impact on the size of the penalty for a violation, either through the size of the legal penalty (should the violator be taken to court), or by influencing the party(s) that need to enforce the rules against the violator, since they would want to protect their own public image and reputation.

Ways in which the influence of the media can be made more effective include increasing the distribution and reach of the media channel (more readers lead to a greater reputational impact), as well as improving the reputation and credibility of the media channel itself, so that it becomes a trusted source. Third, the media can be made more effective in directing the public agenda by increasing their coverage of original news (investigative journalism), instead of just rebroadcasting information that has been provided to them via press releases or another paper, since the former is regarded as being more credible and therefore more effective. Media coverage is also more effective when it reports on behaviour that violates norms and values that are widely accepted in society (Bignon & Miscio, 2010, p. 395; Chan *et al.*, 2012, p. 2; Dyck *et al.*, 2008, p. 1129; Miller, 2006, p. 1019).

It is important to remember that apart from the traditional media, whose role is to collect, disseminate and amplify information to the public, there is a multitude of social media channels at individuals' disposal to get and distribute information en masse about organizations that they feel have violated their contract with society. This means that the public in turn, can further amplify information that they have become aware of through the traditional (credible) media.

Media biases can impede the media's role in corporate governance

The discussion above has outlined the positive role that the media can play in fostering and encouraging sound corporate governance. However, it is also important to take a brief look at those aspects that can prejudice the media to shirk the positive role it can play in corporate governance.

The literature mentions the determinants of possible media biases, which are generated for example by advertising pressure, media ownership, powerful institutions, competition for audience, the level of visibility of the company being reported on, as well as the quid pro quo between journalists and sources. This means that news coverage is driven by more than just the fundamental appeal of each piece of news; the lobbying efforts applied by those with an interest in the news being published or not being published also influence coverage. This means that the media is not just a mirror of reality, but rather that it can influence that which people perceive to be real (Bhattacharya *et al.*, 2009, p. 660; Bignon & Miscio, 2010, p. 384; Dyck *et al.*, 2008, pp. 1097, 1128; Dyck & Zingales, 2004, p. 582; Miller, 2006, p. 1030).

It should also be noted that, in general, SA has a weak tradition of independent, investigative journalism. The major print and electronic media are owned by large corporate groups, linked to the demands of the economy. 'Journalists often merely rewrite corporate press releases rather than questioning corporate practice. The number of crusading journalists with integrity is very small' (Fig, 2005, pp. 613-614). This impacts on the effectiveness of the South African media's role to successfully place corporate governance on the public agenda, since the successful transfer of salience from the media agenda to the public agenda is dependent on a reasonably open and independent media system (McCombs, 2004, p. 37).

Method

The main objective of this research was to investigate the prominence of corporate governance in South African media over the period 1990–2012. This study focused only on traditional print news media, and did not take the coverage of corporate governance in the South African broadcast and online media channels into account.

While there are differing views related to the strength of the agenda setting roles of various media channels, there is evidence that the larger capacity of newspapers, and the added time-luxury they have to create more intricate messages, relative to for example television news, means that the print readers often have a longer period of time to be exposed to and learn the newspaper agenda (McCombs, 2004, p. 49; Westerman, 2008, p. 8). The media analysis was conducted by Media Tenor SA (2013).

Data collection

Using a predetermined codebook (see Appendix B, Table 8), we analysed a selected South African media set (see Appendix C, Table 9) to determine any mentions of corporate governance over the period 1990–2012.

The selected media set incorporates print media from various parts of the country and ranges across regional and national, daily and weekly publications, consequently eliminating bias of urban versus rural living. In total we identified, analysed, and captured 377 articles according to the predetermined codebook.

The coding was done on two levels, namely the article level and the statement level. The article level provided us with a broad overview of the topic of the reporting and the statement level provided in-depth details of the reporting.

Using the 377 articles we identified from the selected media set, we then analysed the articles on a statement level (8,737 statements), and then collated and analysed the coded information. Statements were analysed for the variables of the subject, topic, and source, as well as the tendency or tonality of the reporting.

Methodology

We used a descriptive model for analysis, which means that we counted the frequency of each value (assigned to three individual variables). In other words, we counted the number of statements related to each of the three identified variables, namely the subject, the topic, and the source.

Variables

Variables can be defined as any factor that can be controlled or changed. In the context of this analysis, we did not control or change the variables, but merely observed changes in the variables. As such, we looked for three main variables when we analysed a particular article or statement in a publication. These variables were the subject, the topic, and the source. Analogous to a story, the subject was regarded as the protagonist of the story, the topic was what the story was about, and the source was the author of the story.

We then assigned a code and a value to each variable. The codes were used to capture the data and are only of use to the researchers. The value on the other hand indicates the possible form the variable can take. The codebook (see Appendix B, Table 8) can be used to see all the variable forms analysed for this report.

Explanation of variable values for parameters of research

The aim of this discussion is to give an overview of the values that we assigned to each of the three variables.

- **Subject variable**. We regarded the subject to be any person or organization anticipated to have an effect on or to be affected by corporate governance in SA. Thus, the values assigned to the subject variable (see Appendix A, Table 5) are mainly South African companies and any committees or organizations that affect the creation or change of corporate governance

- **Topic variable**. We assigned a number of values to the topic variable, after a review of the literature (see Appendix A, Table 6). These values had a direct or indirect relation to one or more of the subjects listed in Table 5 and as such were substantiated as values for the topic variable
- **Source variable**. The source variable refers to the person, company, or institution that is the origin of tendency for the statement on the subject (see Appendix A, Table 7). The source variable is used to identify whom the media engaged most for comment on issues related to corporate governance, in other words, whose voice made an impact

Tendencies: tonality of reporting

The explicit and implicit tendency of a report can vary and we have therefore coded both separately. This is to say that the tone of voice when reporting on a topic can differ when read as is versus read in the context of the article as a whole. This is to account for writing styles like sarcasm, irony and the like. When there was no clear tendency, we assumed it to be neutral. Neutral tendency is more common, because it is indicative of the objective style inherent in news reporting.

Where both positive and negative tendencies applied, we determined the dominating aspects and coded it either as 'rather positive' or 'rather negative'. We calculated a balanced rating percentage value to determine the overall tendency of coverage (see Table 4). In order to calculate the balanced rating, we used the following formula: Balanced rating (%) = (positive tendency/total number of statements) – (negative tendency/total number of statements) 100.

Results and analysis

Using a descriptive model of analysis, we analysed the data collected from selected South African media using histograms, cross tabulations and overlay cross tabulations. Historical events were taken into account, resulting in a contextually relevant report.

Timeline of media coverage 1990–2012

A timeline of the media coverage of the topic corporate governance in the South African media for the period 1990–2012 (see Figure 1) provides an overall outline of the prominence of this specific topic during the research period.

Figure 1 Timeline of corporate governance as a topic in the media (1990–2012)
Source: Media Tenor South Africa Database 2012

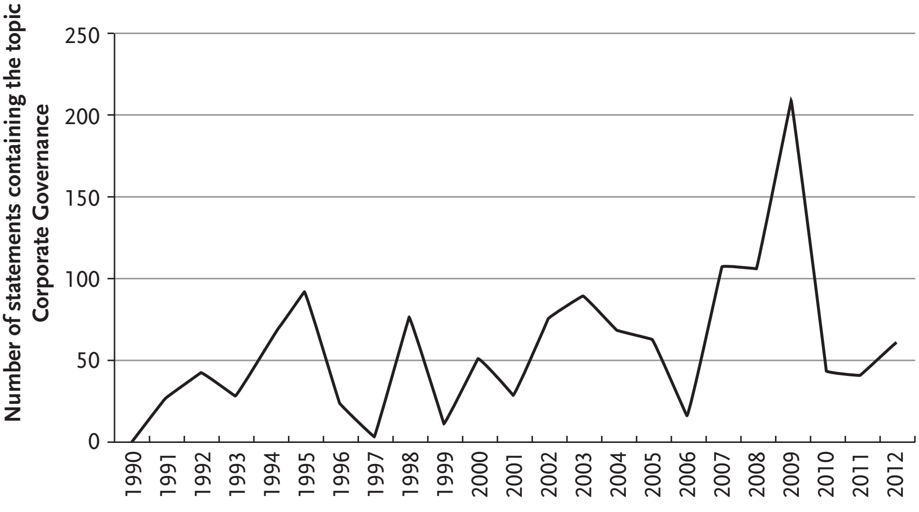


Figure 1 demonstrates huge variation of the coverage of corporate governance in the South African media for the period 1990–2012, but the overall trend seems to be upward. At a glance, corporate governance has gained prominence in South African media over the 22-year period of analysis.

It is important to note that corporate governance was reported on before the King reports were released and can therefore be considered to have already been on the public agenda. 1992 marked the first peak in coverage, which could be attributed to the increase in discussion of business's role in transformation toward democracy (Fig, 2005, p. 599) or the commissioning of the King Committee by the IoDSA in the same year. The release of the Cadbury Report in 1992 would have also increased volumes of reporting on corporate governance in the media. Between 1993 and 1995, there was a rapid increase in coverage, which coincided with the release of King I in 1994.

After 1995, the volume of coverage dropped significantly in 1997 to the lowest point during the 22 years under review. It is possible that the media was more focused on the implementation of the Growth, Employment and Redistribution Policy (GEAR) in 1996. Corporate governance was back on the agenda after 1997 and peaked again in 1998. This is especially interesting since there were no King reports being released to instigate the volumes covered in the media, but the Insider Trading Act was released in 1998 and encapsulated much of the same ethical values with regard to transparency as corporate governance did.

The turn of the century was seen as a threat to business operations as business leaders anticipated that computers would crash with the new date format, as illustrated in an article titled *Y2K is a boardroom problem* published by the *Business Day* (8 October 1999, p. 16). The corporate environment felt particularly vulnerable to the effects of the 'millennium bug' since most big companies were fully IT operational and dependent.

Volume of coverage on corporate governance declined until 2001, but started picking up after that with a peak in 2003. It is interesting to note this, since the Enron scandal broke in 2001 and was framed as a corporate failure due to a lack of responsible leadership and corporate governance. This increase also coincided with the release of King II in 2002 and the BB-BEE Act of 2003 in South Africa.

The next peak was in 2007 and the coverage from 2007 to 2009 displayed the most sustained coverage, implying that during this time corporate governance was a 'hot topic' in the media. This period coincided with the period of gestation of the new Companies Act, which fulfilled international demands for the introduction of concepts like corporate governance into local legislation. The corporate law amendment process started in 2004 and by the end of 2007 the Corporate Laws Amendment Act effected some change to the Companies Act of 1973. The new Act was published in 2008 and signed by the President in 2009 with the initial intention for the Act to come into effect in 2010 (BDO, 2011).

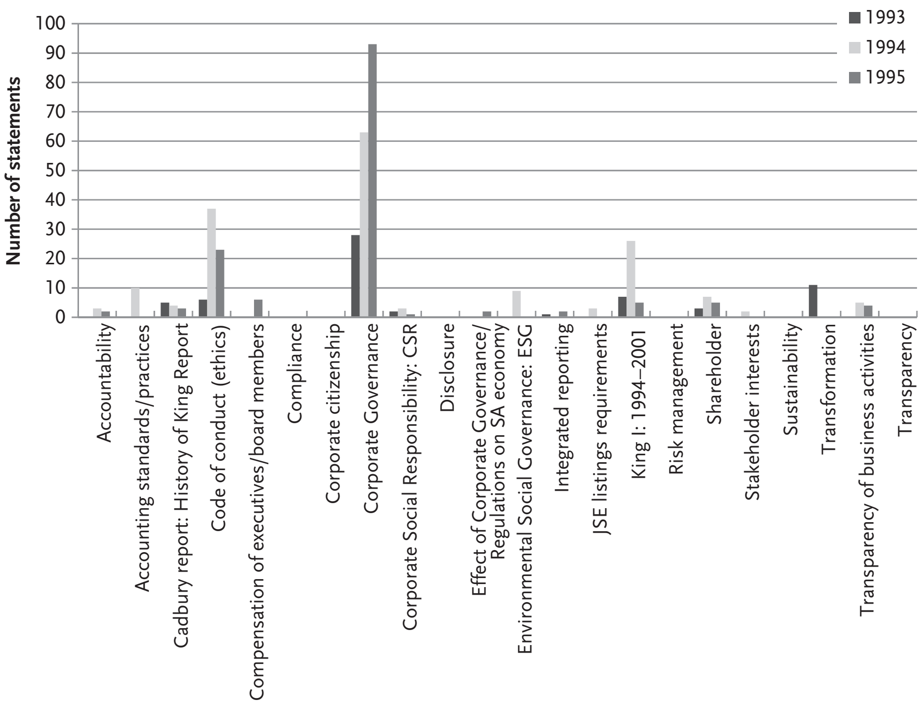
Coverage peaked in 2009, the same year that King III was released and the new Companies Act was promulgated. After 2009, it was expected that the volume of coverage on corporate governance as a topic would increase or at least be sustained to some extent, but it did not. Figure 1 shows that coverage dipped and reached a trough in 2011, the year in which the new Act came into effect. Furthermore, the period between 2010 and 2012 illustrated the lowest sustained period of coverage of the corporate governance topic in the media.

Overall, the trend observed is that even though there were increased volumes of coverage on corporate governance in the years after the release of King I and King II, the coverage after the release of King III decreased dramatically. In an attempt to understand this decrease, we looked at the frequency of coverage of corporate governance and its related topics coinciding with the release of each King report, which is discussed in more detail next.

Frequency of coverage around release of King I

Figure 2 illustrates the frequency of coverage of corporate governance and related topics for the year leading up to, the year of, and the year after the release of King I.

Figure 2 Coverage pre and post release of King I
Source: Media Tenor South Africa Database 2012



In Figure 2, each line represents the number of statements per year for different topics. This method of graphic-time series illustration allows one to isolate specific topics and the year it was most covered in the South African media.

The same group of topics peaked across the different years analysed, including the topics corporate governance, code of conduct (ethics), King I, and shareholders. In comparing the three years, corporate governance was the topic that received the highest coverage in 1993 (the year before the release of King I and the year before democracy), with a notable peak in coverage on the topic of transformation. The highest covered topics in 1994 (the year of the release of King I and the first year of democracy) were (in descending order) code of conduct (ethics), King I, and shareholders.

Corporate governance as a topic increased in prominence over the three-year period with the highest coverage in 1995 compared to the previous years. It is noteworthy that the topic of corporate governance gained most coverage the year after the release of King I.

It is also important to note that although the King report emphasized the movement to a stakeholder model of business in society, the media still covered the shareholder topic more extensively than the stakeholder interests' topic (see Table 1).

Table 1 Shareholder vs. stakeholder interests 1993–1995
Source: Media Tenor South Africa Database 2012

Topic	1993	1994	1995
Shareholder	3	7	5
Stakeholder interests	0	2	0

Frequency of coverage around release of King II

Figure 3 illustrates the frequency of coverage of corporate governance and related topics for the year leading up to, the year of and the year after the release of King II.

Figure 3 Coverage pre and post release of King II
Source: Media Tenor South Africa Database 2012

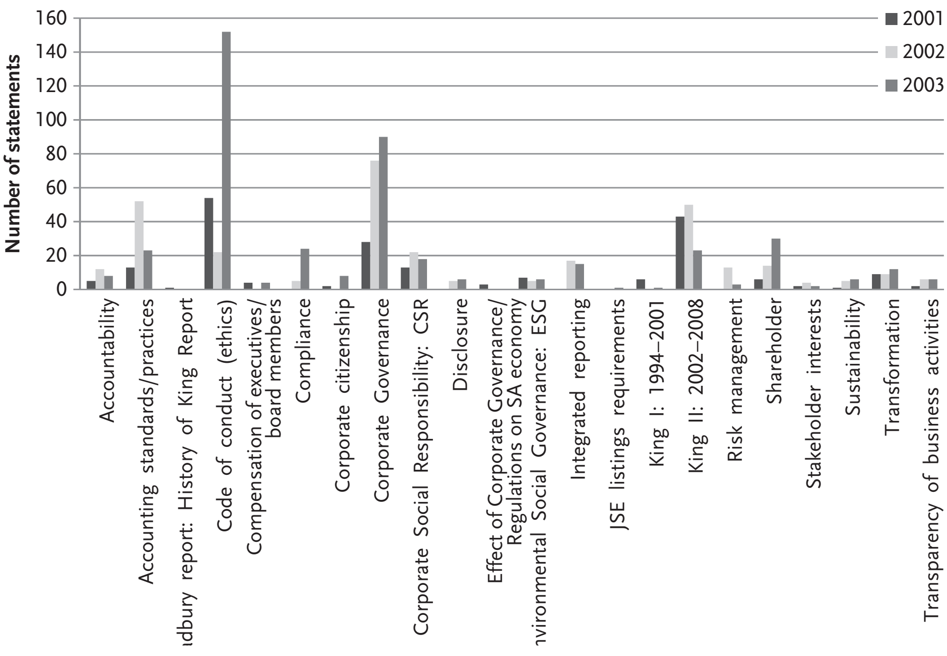


Figure 3 shows a more varied pattern of topic coverage over the three years under review. Most coverage (related to the number of statements coded) occurred in 2003 (post King II release), particularly with regards code of conduct (ethics), corporate governance, and shareholders. However, specific coverage on accounting standards/practices, King II, CSR, and integrated reporting were some of the topics that received more coverage in 2002.

The significant increase in the volume of coverage on the topic code of conduct (ethics) in 2003 is worth mentioning, since it coincided with the importance King II placed on different ethical value systems in South African society. As with King I, the bulk of the media reporting on corporate governance as a specific topic occurred in the year after the release of the respective King report. It is also important to note that the media's reporting on the shareholder topic still outweighed its reporting on the stakeholder topic during this period (see Table 2), as was the case during the period of the release of King I.

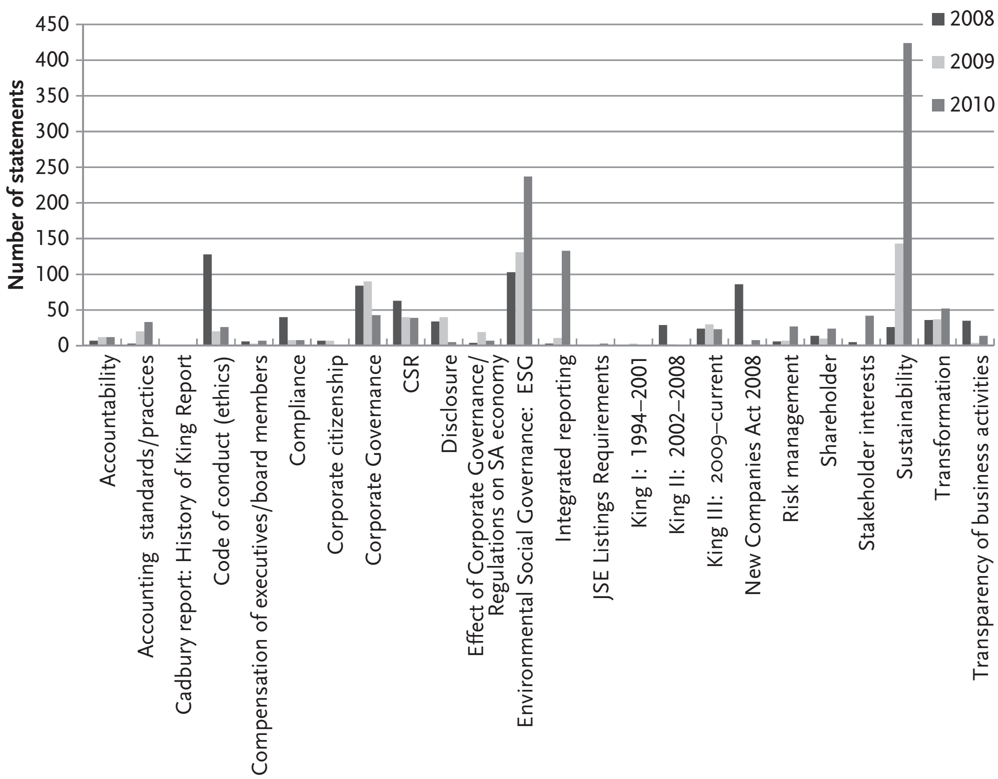
Table 2 Shareholder vs. stakeholder interests 2001–2003
Source: Media Tenor South Africa Database 2012

Topic	2001	2002	2003
Shareholder	6	14	30
Stakeholder interests	2	4	2

Frequency of coverage around release of King III

Figure 4 illustrates the frequency of coverage of corporate governance and related topics for the year leading up to, the year of, and the year after the release of King III.

Figure 4 Coverage pre and post release of King III
Source: Media Tenor South Africa Database 2012



The volume of coverage on corporate governance is significantly higher over the three year period from 2008 to 2010 compared to the three year periods surrounding the release of both King I and King II, respectively. The trends shown in Figure 4 are robust and congruent with issues raised in King III. First, transformation reached a notable peak in 2010. This coincided with King III's focus on integrating social transformation and sustainability as part of corporate strategy. Second, the topic of ESG has increased dramatically, but is also in line with the dialogue occurring between the corporate sector and civil society and as was suggested in King III. Coverage of integrated reporting as a topic also increased significantly in 2010.

It is also significant to note that the stakeholder topic, for the first time, received higher coverage than the shareholder topic in 2010 (see Table 3).

Table 3 Shareholder vs. stakeholder interests 2008–2010
Source: Media Tenor South Africa Database 2012

Topic	2008	2009	2010
Shareholder	14	10	24
Stakeholder interests	5	2	42

Month to month coverage of King III and corporate governance in 2009

Figure 5 illustrates the month to month coverage of King III and corporate governance in 2009.

Figure 5 Month to month coverage near the release of King III in September 2009
Source: Media Tenor South Africa Database 2012

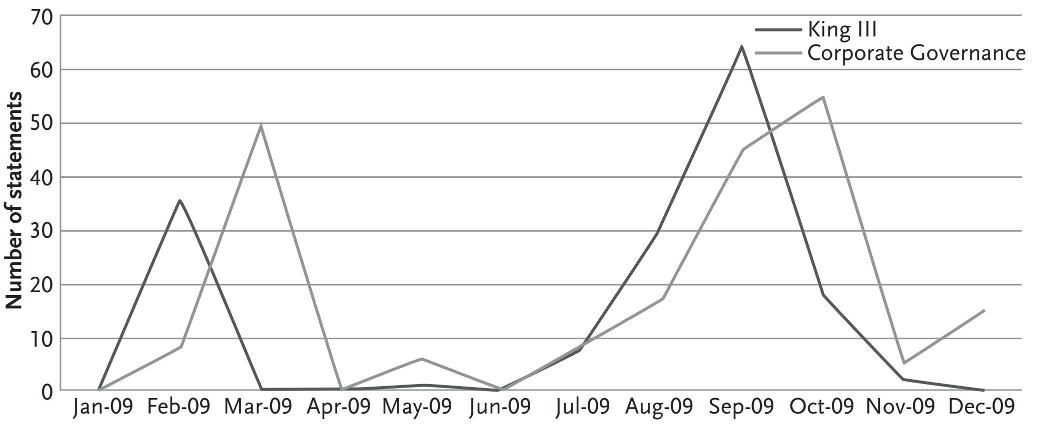


Figure 5 demonstrates the prominence of King III and corporate governance in the media for the year of 2009. There is a clear spike in media coverage on both King III and corporate governance in September 2009 and October 2009, respectively. This coincided with the release of King III in September 2009, and indicates that the media took note of the report and the issue of corporate governance. Similarly, a smaller but noticeable spike in February 2009 coincided with the release of a draft of King III (*The Times*, 26 February 2009, p. 26).

As the issues faced by business and society changed with time, the focus of the King reports and media coverage also changed accordingly. The prominence of corporate governance in the media has changed significantly over the 22-year period of analysis. As the King reports gained corporate appeal and the issues highlighted in the reports were taken on board by business, the prominence of corporate governance in the media also increased. As the graph above (Figure 5) indicate, after the release of the King reports, corporate governance seemed to gain prominence in the media.

Coverage per print medium for 1990–21012

Figure 6 illustrates the media coverage of corporate governance and its related topics per print medium for the entire 22-year research period.

Figure 6 Corporate governance and related topics in South Africa: Media coverage (1990–2012)

Source: Media Tenor South Africa Database 2012

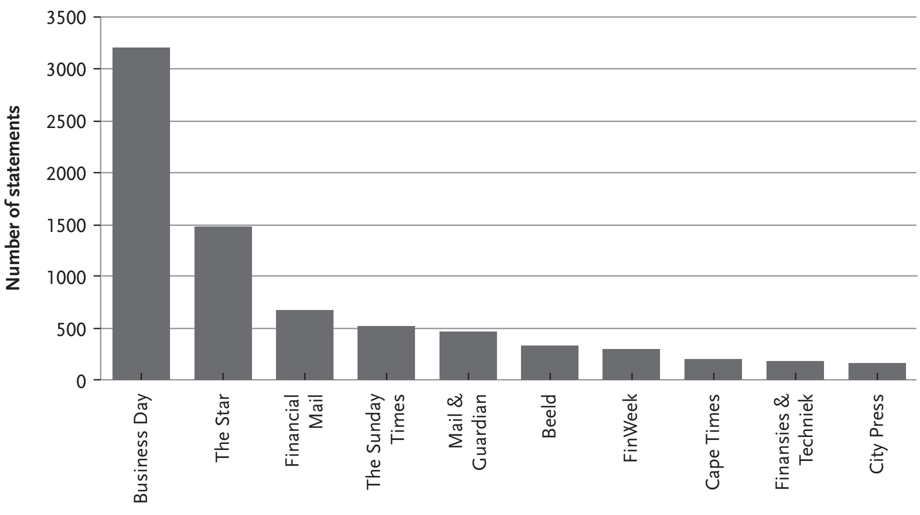


Figure 6 illustrates the number of statements on corporate governance and its related topics per print medium for the period 1990–2012. Based on a total of 8,737 statements in selected South African media for the period, it is clear that corporate governance and its related topics are most prominent in *Business Day*. This finding is to be expected, since this daily publication focuses on business-related topics from the private and public sectors.

The question of readership enters the discussion here, given that *Business Day* and the *Financial Mail* are both corporate-orientated media aimed at readers mainly drawn from this sector. It is interesting to note that *The Star* was the second highest ranked in terms of reporting on corporate governance and related issues, since it is not a typical business-focused newspaper. *The Star* contains the Business Report, which appears in other newspapers as well, for example the *Cape Times*. In this analysis, the Business Report was not analysed separately, but the great variance between *The Star* and other newspapers that contain the Business Report (for example the *Cape Times*, which has the second highest coverage of corporate governance of all the papers that contain the Business Report), still appears to indicate that *The Star* (main body) covered issues of corporate governance extensively.

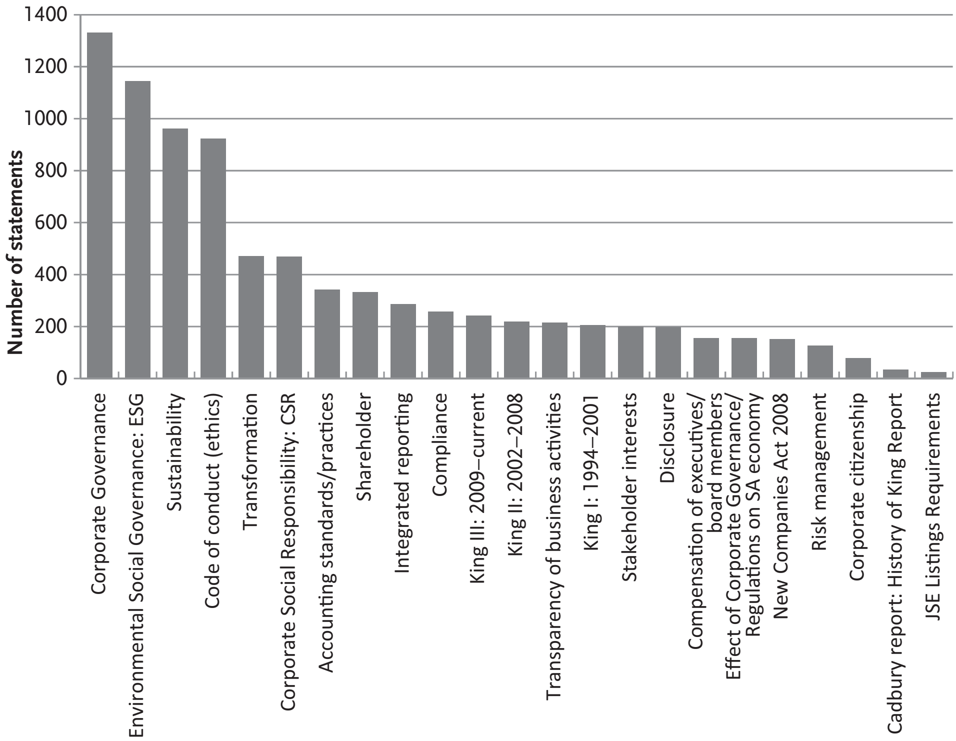
This is encouraging because it indicates that corporate governance is relatively prominent in non-business focused media as well, meaning that corporate governance is transcending the corporate realm into the lives of everyday civil society. *The Star* has an average readership of approximately 840,000 readers per issue, which is significantly higher than *Business Day*'s 79,000 print readership. The implication of this is that, considering the prominence of corporate governance in *The Star* combined with its vast readership, many South Africans have been exposed to the issue.

Total media coverage of corporate governance and related topics 1990–2012

Figure 7 illustrates the total media coverage of corporate governance and its related topics in the South African print media for the research period.

Figure 7 Corporate governance and related topics in South Africa: Topic coverage (1990–2012)

Source: Media Tenor South Africa Database 2012



The topic corporate governance received the highest level of coverage over the 22-year research period (1990–2012), followed closely by ESG, sustainability, code of conduct (ethics), and transformation. These are current global issues and are addressed in King III. It is also interesting to note that each subsequent King report received more coverage than the preceding one, and that media interest peaked around the release of King III.

While these topics represent the 'right' agenda in terms of how we have defined corporate governance and corporate sustainability in this paper (based on and guided by an ethical framework and the inclusive stakeholder approach advocated in King III), it should be taken into account that three of these topics only started becoming prominent during the latter part of this research period. This finding, coupled with volumes of coverage steadily increasing over the 22-year period, indicates that the issue of corporate governance was not immediately prominent in the media, and that it took the media a while to jump on the proverbial bandwagon. The release of each King report helped to create the momentum needed to increase the prominence of corporate governance in the media.

It is significant to note that the shareholder topic received higher coverage than the topic of stakeholder interests over the entire research period. However, it should be kept in mind that stakeholder interests as a topic only became more prominent than the shareholder topic for the first time in 2010 (see Table 3).

Different sources related to media coverage of corporate governance 1990–2012

Figure 8 illustrates the different sources related to the coverage of corporate governance and its related topics in the South African print media for the entire research period.

Figure 8 Corporate governance and related topics in South Africa: Source coverage (1990–2012)

Source: Media Tenor South Africa Database 2012

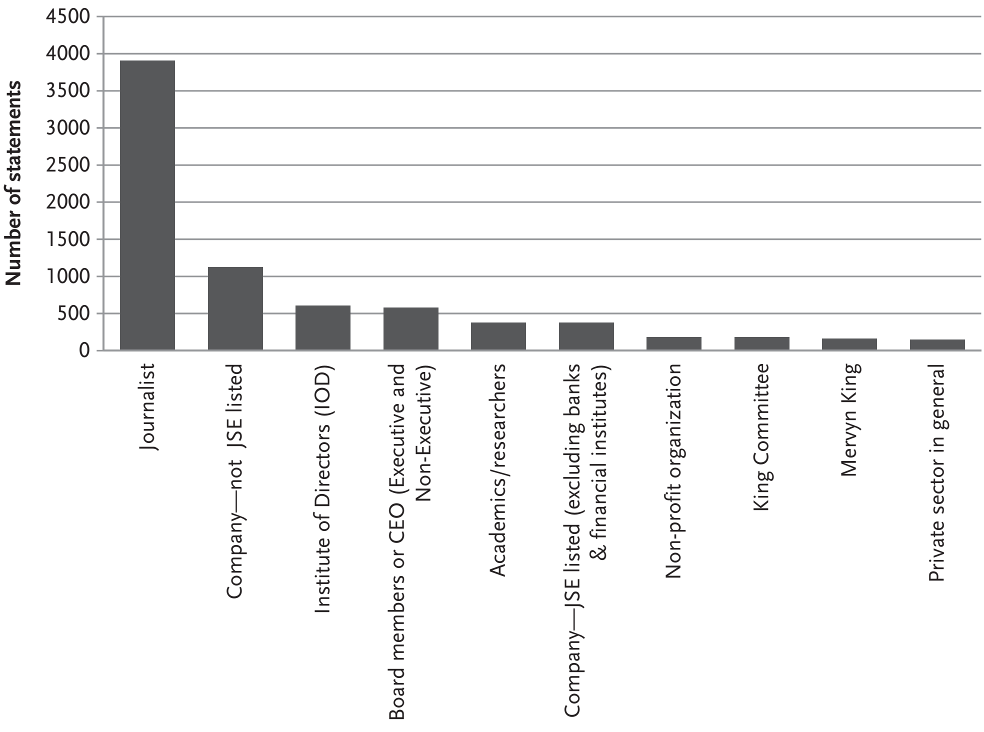


Figure 8 demonstrates the sources of media content or the share of voice on corporate governance and related topics in the South African media. Based on 8,737 statements in selected South African media, journalists and non-JSE listed companies make up the largest proportion of this share of voice. Since a requirement for listing on the JSE is the application of certain aspects of the King Codes, it is of particular interest that the non-JSE listed companies appear to have discussed issues of corporate governance in the media more frequently than JSE listed companies. The IoDSA, together with board members, played a vital role in disseminating information on corporate governance in SA.

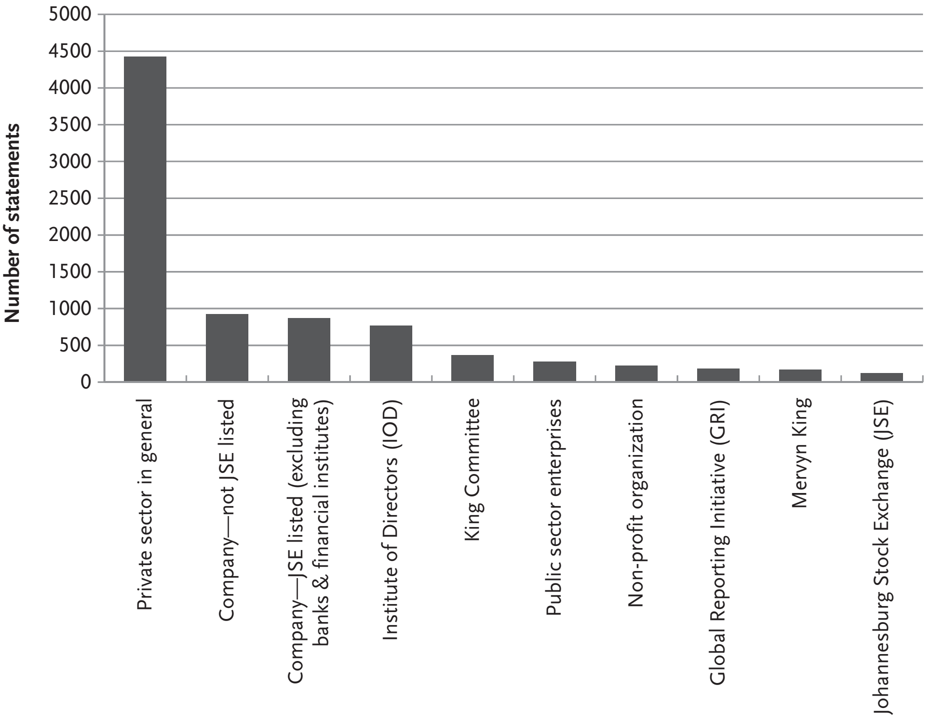
It is worth noting that political parties' voice on corporate governance was negligible. The sources who contributed most on issues related to this topic (barring journalists at 47%) were non-JSE listed companies (13%), IoDSA (7%), and board members (7%).

Coverage of different subjects 1990–2012

Figure 9 illustrates the coverage that specific subjects or protagonists received. These subjects are similar to the sources as discussed above, since it is often the subjects who speak about specific topics in the media, thus becoming a source.

Figure 9 Corporate governance and related topics in South Africa: Subject coverage (1990–2012)

Source: Media Tenor South Africa Database 2012



Based on 8,737 statements in selected South African media, Figure 9 demonstrates that the private sector was spoken about most with regard to corporate governance during 1990–2012. The second most covered subject was non-JSE listed companies, followed closely by JSE listed companies. This result could perhaps be attributed to the JSE listing requirement, which requires companies wanting to be listed on the JSE to comply with the codes set out in the King reports.

Balanced tonality of media reporting 1990–2012

In Table 4, each topic's balanced tonality is given, which indicates the tendency of the reporting on each topic or, in other words, the extent to which the coverage of a topic has a predominantly negative, positive or no clear tone. Balanced tonality centres on 0, indicating that the coverage of a topic was neutral, and that an impartial style was adopted in the reporting of the topic. Any value that deviated from 0 then indicated either a negative balanced tonality (less than 0) or a positive balanced tonality (more than 0) in the reporting. Any value between 0 and 1 was regarded as slightly negative or positive, whereas any value over 1 was regarded as negative or positive.

Table 4 Balanced rating (%) and volume
Source: Media Tenor South Africa Database 2012

Balanced tonality (%) and number of statements		
Accounting standards/practices	0.29%	341
Code of conduct (ethics)	0.11%	922
Sustainability	0.10%	962
Accountability	0.00%	142
Cadbury report: History of King Report	0.00%	34
Corporate citizenship	0.00%	79
Integrated reporting	0.00%	286
JSE Listings Requirements	0.00%	24
King I: 1994–2001	0.00%	206
King III: 2009–current	0.00%	242
New Companies Act 2008	0.00%	155
Risk management	0.00%	126
Corporate social responsibility: CSR	–0.43%	468
Transparency of business activities	–0.47%	215
Corporate governance	–0.60%	1331
Shareholder	–0.60%	332
Effect of corporate governance/regulations on SA economy	–0.65%	155
Environmental social governance: ESG	–0.79%	1145
Transformation	–0.85%	472
King II: 2002–2008	–1.38%	218
Stakeholder interests	–1.51%	199
Disclosure	–2.02%	198
Compliance	–2.33%	258
Compensation of executives/board members	–3.20%	156

As is evident from Table 4, 9 of the 24 topics received a neutral balanced tonality (0), indicating that the topic was simply reported in an impartial style. Only three topics received a positive balanced rating, namely accounting standards/practices, code of conduct (ethics), and sustainability, while 12 topics received a negative balanced rating.

Of these 12 topics, 7 received a slightly negative balanced rating (greater than 0 but less than 1). These included (in ascending order) corporate social responsibility, transparency of business activities, corporate governance, shareholder interests, effect of corporate governance/regulations on the SA economy, environmental social governance, and transformation. Five received a more negative balanced tonality rating (greater than 1). These were the topics of King II, stakeholder interests, disclosure, compliance, and the compensation of executives and board members.

The fact that the specific corporate governance topic received a slightly negative balanced tonality rating (–0.60%) needs to be contextualized, in that the topic had garnered only 1,331 statements in the 36 South African print media over a 22-year period.

It is not surprising that compensation of executives/board members received the most negative coverage, because top executives are often perceived as 'fat cats' who earn millions in bonuses. For example, a quote related to wildcat strikes in the mining industry at the end of 2012 shows this negative tendency:

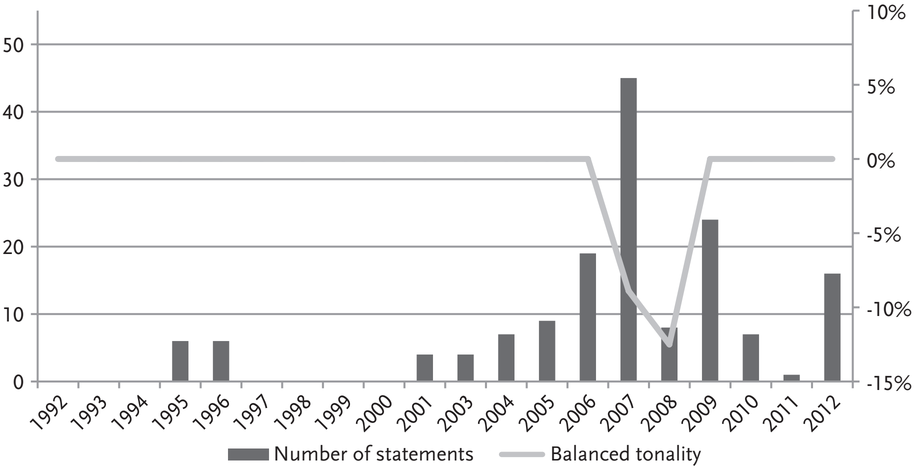
> While no one denies that senior executives should be incentivised appropriately, the amounts sometimes paid as bonuses are completely out of kilter in the context of the current economic environment and given the levels of poverty and unemployment that are threatening our social stability and economic viability (*Business Day*, 13 December 2012, online).

Coverage/tonality on compensation of executives/board members 1990–2012

In Figure 10 the balanced tonality and number of statements made in the media on the topic of compensation of executives/board members is displayed graphically.

Figure 10 Media reporting on the topic of compensation of executives/board members

Source: Media Tenor South Africa Database 2012



It is worth noting that compensation of executives/board members garnered very little media attention during the first part of the period of analysis, but started to gain prominence from 2001 onwards. The drop in balanced tonality from 0 per cent (or neutral reporting) to a negative 9 per cent in 2007 coincided with increased media interest in the issue.

Media interest resulted from the announcement the IoDSA made in June 2007 that it would actively tackle the issue of director remuneration. *Business Day* (22 June 2007, p. 2) followed the story closely and reported rather critically on the situation in SA as it stood at the time. The tonality drop in 2008 coincided with the global financial crisis when executives came under fire for receiving big bonuses when their mismanagement of certain financial institutions resulted in a global recession. Despite SA not being hit by the crisis to the same extent as other countries around the globe, the country did not go through the crisis unscathed. Increased media interest in compensation of executives/board members also coincided with the release of a draft of King III. For example, on 26 February 2009 *Business Day* (p. 19) reported: 'Account has been taken of international norms, and in particular attention has been paid to massive bonuses paid out to executives in certain sectors in SA'.

Discussion

We present our key findings in terms of agenda setting theory first, before making more detailed observations about certain specific results. Our first two key findings, in line with agenda setting theory, are related to the salience (i.e. frequency) of reporting in the topic of corporate governance as well as the tonality of the media coverage on corporate governance and its related issues over the 22-year research period.

Frequency/coverage of corporate governance in the media (1990–2012)

Our research findings on the frequency of the reporting on corporate governance in South African media over the period 1990–2012 suggest that corporate governance as a topic has gained prominence in the media over the period of analysis, even though the number of articles and statements are relatively low compared to other themes in the media, for example financial performance, mergers and acquisitions, and human resource-related matters.

By means of a predetermined codebook (see Appendix B, Table 8) and a selected South African media set (see Appendix C, Table 9), we were only able to identify 377 articles addressing the term corporate governance (or related topic) over the 22-year period, and from an in-depth analysis of these articles we could identify 8,737 statements related to corporate governance or its related topics.

However, even though the coverage of corporate governance as a topic in the media has been relatively low, our research shows that media coverage of this topic has increased in South African media over the last 22 years. We have already discussed these results in detail earlier in this paper, based on Figure 1, which demonstrates the variation in the coverage of corporate governance in the South African media for the period 1990–2012, and illustrated the overall upward trend.

We now turn our focus on discussing, contextualizing and interpreting some of the main peaks and valleys in the overall coverage.

The increase in coverage in 1995, the year after the release of King I in 1994, can possibly be related to the fact that this issue became topical once companies started implementing the suggested practices and discussions on implementation were initiated. The increase in coverage in 2003 followed in the wake of the Enron scandal which broke in 2001, which was framed as a corporate failure due to a lack of responsible leadership and corporate governance. This increase in 2003 also coincided with the release of King II in 2002 and the BB-BEE Act of 2003 in South Africa.

The peak in coverage in 2007 was sustained until 2009, when coverage of corporate governance reached an all-time high in the South African media. This peak followed directly after the release of King III in September 2009, and in the same year that the new Companies Act, which introduced concepts such as corporate governance into local legislation, was promulgated.

After 2009, it was expected that the volume of coverage on corporate governance would increase or at least be sustained to some extent, but it did not—it declined. In fact, the period between 2010 and 2012 illustrated the lowest sustained period of coverage of corporate governance as a topic in the media. Since this decrease after the release of King III was in stark contrast to the trend of increased volumes of coverage on corporate governance in the years after the release of King I and King II, we then looked at the frequency of coverage of corporate governance and its related topics that coincided with the release of each King report in an attempt to understand and explain this decrease. Our proposed explanation for this decrease is discussed in a subsequent section, following the next discussion of our findings related to the tonality of the coverage of corporate governance and its related issues over the research period.

Tonality of corporate governance reporting in the media (1990–2012)

Having discussed the prominence of corporate governance as a topic in South African media over the period of analysis (first level agenda setting), we now turn our discussion to the manner in which corporate governance and its related themes have been reported on during the period of analysis (second level agenda setting). Our results show that there is a slightly negative balanced tonality related to overall media coverage on corporate governance and its related issues (see Table 4). In other words, the extent to which corporate governance and its related topics have been covered in South African media over a 22-year period is predominantly slightly negative.

Of the 24 topics, nine received a neutral balanced tonality; three received a positive balanced tonality rating; while 12 topics received a negative balanced tonality rating. Of these 12 topics, 7 received a slightly negative rating, while 5 received a more negative balanced rating. These were the topics of King II, stakeholder interests, disclosure, compliance, and the compensation of executives and board members.

As is evidenced from the literature (Bhattacharya *et al.*, 2009, p. 664; Carroll & McCombs, 2003, pp. 37-38; Liu & McConnell, 2013, p. 5; Wu & Coleman, 2009, p. 776), tonality has a bigger influence on agenda setting than mere salience. In view of this, the more negative tonality on the reporting of these issues is a concern. The implication of this is that the South African media, which is setting a slightly negative agenda, is influencing the public agenda and so public opinion negatively.

While the negative tendency related to the coverage of the compensation of executives and board members is appropriate, especially in light of the global and local corporate failures, which were ascribed mainly to poor corporate governance practices, including increased executive compensation, the negative tendency related to the coverage of the other four topics is not appropriate. Stakeholder interests, disclosure, and compliance are topics inherent in the King reports and crucial aspects of sound corporate governance.

The negative tonality related to stakeholder interests is especially pertinent, particularly when the lack of prominence of this topic until 2010 is taken into account. Since this topic lacks both salience (first level) and positive attributes/frame (second level), we hold that the South African media has not succeeded in setting the agenda for this topic, nor sufficiently for the issue of corporate governance in general.

Explaining the decrease in corporate governance reporting after 2009

As mentioned earlier, the significant decrease in the coverage of corporate governance as a topic after the release of King III in 2009 was in total contrast to the trend of increased volumes of coverage on corporate governance in the years after the release of the first two King reports. In an attempt to understand and explain this decrease, we looked at the frequency of coverage of corporate governance and its related topics that coincided with the release of each King report.

The three-year analyses of the topics being covered in the media linked to the release of each of the King reports (looking at each year of release, as well as the year prior to and after each release), showed that the focus of the King reports and media coverage changed over the period of analysis, reflecting the changing issues faced by business and society with time. These changes became clearer by looking at the overall top three topics per report period.

For the period 1993–1995 (King I), the top three topics were corporate governance, code of conduct (ethics), and King I, respectively. During the next reporting period (2001–2003), which was related to the release of King II, the top three topics were code of conduct (ethics), corporate governance, and accounting standards/practices. The following period (2008–2010) showed a more prominent change, with new topics ranking in the top three positions, namely transformation, ESG, and integrated reporting (with code of conduct (ethics) following closely).

Juxtaposing the introduction of these 'new' top three topics in 2010 with the overall decrease in media coverage on the topic of corporate governance after 2009, we hold that these findings would suggest that from 2009/2010 there was a growing awareness of the issues discussed within the context of corporate governance (including transformation and sustainability), which has resulted in the term itself decreasing in prominence. In other words, we interpret the decrease in the coverage of the topic corporate governance after the release of King III in 2009 as a positive, in that it indicates that the media stopped being focused on corporate governance as a topic in itself and starting dealing with the issues within corporate governance, which we interpret as an indication of the evolution of awareness on the issues within corporate governance.

This possible explanation gains greater traction if one takes into account that the term 'stakeholder', for the first time, received higher coverage than the term 'shareholder' in 2012 (see Table 3), which could also serve as an indication of how the media's agenda has changed since the release of King I.

We conclude that the decrease in coverage of the topic corporate governance in 2009, after the release of King III, is then related to a terminology issue, which is that while the initial focus was on the term corporate governance, used more in an abstract manner, the topic itself was later replaced by more specific and practical topics related to the issues inherent in corporate governance. As such, we hold that corporate governance as an abstract phenomenon has 'matured' in 2010 to a more practical point (especially in SA) that relates to issues such as transformation, ESG, integrated reporting, and ethics. This in itself is an important finding, in that it suggests that the media, particularly after King III, started setting the ‘right’ agenda in terms of corporate governance.

The influence of the King reports and business on corporate governance in SA

Based on the descriptive analysis, it is apparent that the increase in coverage of corporate governance or its related topics has often coincided with the release of each of the King reports. Our analysis of the prominence of corporate governance in South African media shows that each of the three King reports positively influenced the salience of corporate governance in the media. We found that each subsequent King report received more coverage than the preceding one, even after King III, where the coverage was much more relevant to the inherent meaning of the King reports and corporate governance.

This finding, coupled with the steady increase of coverage over the 22-year period, indicates that the issue of corporate governance was not immediately prominent in the South African media, and that it took them some time before they started contributing to setting the corporate governance agenda. The release of each King report helped to create the momentum needed to increase the prominence and significance of corporate governance in the media. Therefore, it stands to reason that the King reports influenced the prominence of corporate governance in South African media.

This also indicates that the IoDSA, which commissioned the King reports, as well as several other business industry bodies (SACOB, ICSA, SAICA and the JSE) through their support of this initiative, positively influenced the corporate governance agenda set by the South African media, as these reports gained corporate appeal and as the issues highlighted in the reports were taken on board by business.

We also note the fact that political parties represented a negligible voice on corporate governance during the research period, and that South African business, rather than its government, was the driving force behind the corporate governance agenda during the research period, with non-listed JSE companies, IoDSA and board members acting as the sources who contributed most on issues of corporate governance (excluding journalists).

Shareholder vs. stakeholder interests

However, despite evidence of some positive influence on corporate governance flowing from the King reports, our findings show that there was one topic where the South African media agenda clearly lagged. Even though the first King report in 1994 (and subsequent reports) emphasized the importance of a stakeholder inclusive model of business in society, signalling a clear break away from the standard and predominant shareholder model, the South African media continued to cover the topic ‘shareholder’ more extensively during the research period (1990–2012). It was only in 2010, after the release of King III, that stakeholder interests as a topic gained more prominence over shareholder mentions for the first time.

This continued focus on shareholder interests vis-à-vis an inclusive stakeholder approach could be contextualized by taking into account that corporate governance and related topics were covered most prominently in *Business Day*, a daily publication that focuses on business related topics from the private and public sectors. However, the fact that *The Star*, as the second highest ranked source in terms of the coverage of corporate governance and related issues, is not a typical business-focused newspaper and reaches a much wider audience, raises a pertinent question—why did it take the media so long to change the agenda it was setting in terms of the inclusive stakeholder approach that is a cornerstone of sound corporate governance practices?

It is important to note that coverage is driven by more than just the inherent appeal of each piece of news. It is also influenced by various media biases and lobbying efforts applied by those with an interest in what is being published to influence that which people perceive to be real and important. Therefore, by influencing the media agenda, the continued focus on shareholder interests may be a reflection of a lingering legacy of the corporate world of pre-1992.

Effectiveness of the South African print media's agenda setting role

While the results show that the media's agenda setting role has started becoming more effective since 2009, we hold that their role in this regard is still lacking. Taking into account that the media, particularly in a developing country such as South Africa, plays an integral part to shape a better future for business and for society by serving the interests of the broader public, we hold that corporate governance and its related topics have not gained the prominence or tonality that it should have received to date in the media.

The fact that shareholders as a topic has received higher coverage than the topic of stakeholder interests over the entire research period, that stakeholder interests as a topic only became more prominent in 2010, and that it received an overall negative balanced tonality rating, is indicative of the media's delayed response to set the corporate governance agenda in line with the King philosophy.

As such, we hold that the media has not been as effective in their agenda-setting role with regard to corporate governance and its related topics as it should or could have been. While there has been some positive improvements following the release of King III in 2009, we suggest that the media has missed an opportunity to positively shape the public discourse on corporate behaviour sooner, and through that an opportunity to positively shape South African society for the better of all.

Despite some improvements from 2010 onwards, we believe that the South African media—by not giving even more attention and coverage to the topic of corporate governance and its related issues and by not ensuring a more (positive) balanced tonality in its coverage of most of the relevant issues—is not yet setting the relevant agenda in terms of the critical importance of corporate governance and its related topics to sufficiently and effectively influence and set the public, and therefore the corporate business, agenda in SA.

As a developing country, South African business and society need to become fully aware of, and embrace, the need for sound corporate governance practices and the need to change behaviour and adopt ethical practices, in order for the country to be able to develop and grow for the betterment of all its people. The media's limited role to date, its negative tonality (and possible lack of investigative journalism in this regard) is not yet contributing—in as much as it is capable of—to building and developing a better South Africa.

Conclusions and recommendations

We conclude this paper with our overall conclusions and recommendations, an outline of the limitations to this research as well as an indication of areas for future research.

Conclusion and recommendations

Our overall conclusion is that the role that the South African media has played to date to place corporate governance on the public agenda has not been as effective as it should—and could—have been. Based on agenda setting theory, we found that the level to which the South African media has reported on the topic of corporate governance from 1990 to 2012 (first level agenda setting) has been limited. The relatively small amount of coverage corporate governance received in the analysed media, especially in comparison with other topics such as, inter alia, financial performance, is an indication that the media is not effectively fulfilling its first role in terms of agenda setting, namely to bring the issue of corporate governance to the fore on the public agenda, by increasing the salience (i.e. the frequency) of this topic (as well as its related topics) in the news media, which would lead people to perceive those issues as more important than others.

Second, and more pertinently, we found that the slightly negative tonality in reporting of corporate governance and its related topics (second level agenda setting) is also affecting the media's role to positively contribute to shaping a better South African business and society. Since tonality has a bigger influence on agenda setting effects than mere salience does, this makes a very important conclusion. The fact that the media's tone on these topics is more negative implies that the broader public—and the South African business community—will start forming their own views on the issue of corporate governance and ethical behaviour from a more negative sense.

Corporate governance is supposed to be a constructive phenomenon, but based on this research and our findings of how it is positioned on the media and therefore the public agenda in SA, it seems to be more counter-constructive. We believe that the South African media has missed an excellent opportunity to date to influence not only corporate behaviour but also to shape South African business and society in a positive way.

It is encouraging to note the progressive changes in media reporting since 2009, in that the right issues are increasingly being reported on. However, a concerted effort by the South African media is needed to further this agenda by increasing coverage, investigative journalism and independent, balanced reporting about the core issues of corporate governance (including transformation, sustainability as evidenced in integrated reporting, and ethics). The role that the media then plays in placing corporate governance on the public agenda is then particularly critical in a developing country, such as SA.

Business and other industry bodies such as IoDSA, SACOB, ICSA, SAICA and the JSE should also assist to enable editors and journalists to understand corporate governance, its underlying philosophy, and its impact on creating a better South Africa. We hold that if editors and journalists of South African media have a more comprehensive understanding of corporate governance and its related topics, they would be in a better position to analyse trends in corporate governance and to provide constructive reporting, evidence and solutions to issues of ethics and responsibility.

South African businesses can also contribute to increasing the media and therefore the public's awareness and understanding of corporate governance, by increasing their share of voice through making corporate spokespeople and experts more prominent in the media. The aim of corporate communications in this regard should be to promulgate issues of corporate governance to the media and to frame it in a balanced light, by creating awareness and understanding of the concept of corporate governance as inherently being about promoting best practice in ethical behaviour. This can be done by increasing spokesperson visibility in the media, which will increase business's share of voice on the issue of corporate governance.

We suggest that all these recommended actions would assist greatly to extend and improve the media's agenda, and through that the public/business agenda, on corporate governance and its critical role in helping to develop and grow SA as a developing country.

Limitations

A key limitation of this study is the fact that we only analysed the content of the print media to determine the prominence of corporate governance on the public agenda, based on agenda setting theory, but we have not combined this analysis with an opinion poll to check and validate the prominence of this topic on the public agenda. This also means that we could not test whether the timeframe to produce the optimum match between the media and public agendas in SA is in line with similar studies that have tested the effects of the media's agenda setting role.

Another limitation is related to the channel used to determine the prominence of corporate governance in the South African media. We have only focused on traditional print media, and have not included any broadcast or online media channels. A limitation linked to this is that we did not distinguish between the coverage of original information or news (based on investigative journalism) and coverage related to information that was merely rebroadcast by a newspaper.

The retrospective collection of articles from news clippings also has the limitation that some archives may be incomplete and as a result, low noted volumes of coverage could be related to this part of the study. Lastly, while we aimed to be as comprehensive as possible to ensure that we included all the relevant search terms used in the codebook, it is possible that we may have inadvertently excluded a relevant term.

Possible areas for future research

Future research could extend the study to include more in-depth studies of specific issues or themes raised from the study, such as the contentious issue of executive remuneration. Combining this analysis with an opinion poll to check and validate the salience of this topic on the public agenda would be another area for future research to consider. Comparing the results presented in this paper with international trends of corporate governance reporting in the media would provide interesting insights into the path dependency of South African corporate governance relative to international developments.

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Appendix A: Values assigned to the subject/topic/source variables

Table 5 Values assigned to the subject variable

Private sector in general
Company - JSE Listed (excluding Banks & Finance & Insurance)
Bank; Financial Company; Insurance Company
Company - NOT JSE Listed
Johannesburg Stock Exchange (JSE)
Public sector enterprises
Non-profit Organizations
Mervyn King
King Committee
Institute of Directors of Southern Africa (IoDSA)
South African Institute of Chartered Accountants (SAICA)
Global Reporting Initiative (GRI)
Organisation for Economic Co-operation and Development (OECD)
International Integrated Reporting Committee (IIRC)
Integrated Reporting Committee (IRC)

Table 6 Values assigned to the topic variable

Corporate Governance	Corporate governance was the over-arching theme of this research. All subjects were related to this topic.
King I (1994-2001)	The first King Report on Corporate Governance in South Africa. Much of the discussion around issues related to corporate governance before the release of King I was addressed in this report.
King II (2002-2008)	The second King Report on Corporate Governance in South Africa. This was aimed at keeping the practice and principles relevant with then current trends in the corporate sector, including international trends. It also incorporated the African philosophy of 'Ubuntu' as a base for ethical guidelines.
King III (2009-2012)	The third King Report on Corporate Governance in South Africa contextualised developing concepts such as corporate citizenship and integrated reporting. This report was released in order to keep corporate governance practices current and in line with legislative developments such as the new Companies Act.

Continued

JSE Listings Requirements	This topic is a cornerstone for compliance with corporate governance in South Africa and was implemented in 1995.
New Companies Act (2008)	The implementation of this Act played a role in initiating the revision of King II and writing of King III.
Cadbury Report (History of King Report)	The United Kingdom's Cadbury Report was an influential report on corporate governance developments, released in 1992 (Brennan & Solomon, 2008, p. 889).
Accountability	The World Summit on Sustainable Development (2002) was an important event in the evolving definition of corporate citizenship, putting corporate accountability firmly on the governance agenda (Hamann *et al*., 2002, p. 45). King II emphasised corporate accountability as one of the ways in which corporate failures could be mitigated. There has been a movement towards a greater focus on financial services accountability to a broader range of stakeholders (Brennan & Solomon, 2008 p. 392).
Disclosure	Disclosure is part of the traditional mechanisms of accountability (discussed above) (Brennan & Solomon, 2008, p. 392).
Compliance	Compliance is the measure of a business enacting the King Codes of Governance Principles.
Sustainability	This is an overarching topic, relevant to development and corporate practice as a whole.
Transformation	Transformation is relevant to emerging markets and countries with an unequal socio-economic balance. Transformation is closely linked to reconciliation of past and present. Fig (2005, p. 616) extends this idea by equating effective CSR with 'equitable post-apartheid transformation'.
Integrated reporting	The integration of material financial and non-financial reporting with a view to providing a holistic understanding of company performance and strategy. This topic was mentioned extensively in King III.
Risk management	Risk management is part of the traditional mechanisms of accountability (Brennan & Solomon, 2008, p. 887). It is also included in King II, as a pioneering topic in the corporate governance discourse.
Accounting standards/ practices	The accounting standards and/or practices generally accepted amongst South African business inform the route corporate reporting takes and therefore what is ultimately practiced. This value is closely linked to integrated reporting.
Code of conduct (ethics)	Corporate governance is a code for business practice, which includes a foundation based on ethics.

Compensation of board members/ executives	Executive remuneration is a contentious topic, and gained exposure with the release of King II.
Corporate citizenship	Hamann *et al*. (2002, p. 44) note that business is simultaneously seen as a voluntary, active agent for sustainable development and a source of social and environmental problems. Thus, the role of business in sustainable development in South Africa can be seen as its corporate citizenship.
Environmental Social Governance (ESG)	King II recommends that companies report regularly on their social and environmental engagement over and above any legal requirements (West, 2009, p. 4). ESG is of increasing importance in the larger corporate governance debate.
Corporate Social Responsibility (CSR)	CSR is an internationally accepted practice of triple bottom line business practice. Fig (2005, p. 599) emphasises the importance of CSR in emerging economies and especially South Africa's economy where there is a unique need for company led efforts to improve the socio-economic and environmental challenges resulting from the legacy of apartheid.
Shareholders	Traditional business practice held the shareholder as the most important entity with a single bottom line focus on profit-maximisation.
Stakeholder interests	Stakeholder theory underpins the King Codes of Corporate Governance in South Africa; there has been a shift from single to triple bottom line business mentality, thus acknowledging that businesses are responsible and accountable to society. Stakeholder inclusivity underpins the holistic movement of corporate governance in South Africa.
Transparency of business activities	With the shift from shareholder exclusivity to stakeholder inclusivity, the need for transparency increased and is related to the topic of integrated reporting.
Transparency	A broader topic encompassing the transparency of reporting and leadership activities.
Effect of Corporate Governance/ Regulations on SA Economy	This topic describes the outcomes of the introduction of the King Reports, the JSE compliance and stakeholder inclusivity as reported by the South African media.

Table 7 Values assigned to the source variable

Journalist
Private sector in general
Public sector enterprises
Global Reporting Initiative (GRI)
Institute of Directors of Southern Africa (IODSA)
King Committee
Integrated Reporting Committee (IRC)
International Integrated Reporting Committee (IIRC)
South African Institute of Chartered Accountants (SAICA)
Organisation for Economic Co-operation and Development (OECD)
Mervyn King
Company - JSE Listed (excluding Banks & Finance & Insurance)
Bank
Financial Company
Insurance Company
Non-profit Organization
Johannesburg Stock Exchange (JSE)
Company - NOT JSE Listed
Board members or CEO (Executive and Non-Executive)
Code for Responsible Investing in South Africa (CRISA)
Accounting Standards Board (ASB)
Constitutional Court
Financial Services Board (FSB)
National Development Agency (NDA)
National Empowerment Fund
Public Investment Corporation (PIC)
SABC (SA Broadcasting Corporation)
SA Bureau of Standards (SABS)
SA Reserve Bank (SARB)
Trade and Investment South Africa (TISA)
Environment & Conservation Association
Economic associations
Banking Association of South Africa
Black Business Council of South Africa
Business SA

Business Trust
Business Unity SA
Chamber of Business of South Africa (SACOB)
EmpowermentSA
Government, general
Political party
COSATU
Trade Union other
Society
Academics/ researchers, please specify
Activists
Citizens
Environmentalists
Foreigners
Universities
Youth
Business Analyst, please specify
International Analyst
Political Analyst, please specify
Other, please specify

Appendix B: Codebook

Table 8 Codebook

Source: Media Tenor South Africa Database 2012

Analyse	Variable	Code	Value
CG	Subject	100	Private sector in general
CG	Subject	101	Public sector enterprises
CG	Subject	200	Global Reporting Initiative (GRI)
CG	Subject	201	Institute of Directors of Southern Africa (IODSA)
CG	Subject	202	King Committee
CG	Subject	203	Integrated Reporting Committee (IRC)
CG	Subject	204	International Integrated Reporting Committee (IIRC)
CG	Subject	205	South African Institute of Chartered Accountants (SAICA)
CG	Subject	206	Organisation for Economic Co-operation and Development (OECD)
CG	Subject	300	Mervyn King
CG	Subject	301	Company - JSE Listed (excluding Banks & Finance & Insurance)
CG	Subject	302	Bank
CG	Subject	303	Financial Company
CG	Subject	304	Insurance Company
CG	Subject	305	Non-profit Organization
CG	Subject	306	Johannesburg Stock Exchange (JSE)
CG	Subject	307	Company - NOT JSE Listed
CG	Topic	100	Corporate Governance
CG	Topic	101	King I (1994-2001)
CG	Topic	102	King II (2002-2008)
CG	Topic	103	King III (2009-current)
CG	Topic	104	JSE Listings Requirements
CG	Topic	105	New Companies Act (2008)
CG	Topic	106	Cadbury report (History of King Report)
CG	Topic	200	Accountability
CG	Topic	201	Disclosure
CG	Topic	202	Compliance
CG	Topic	203	Sustainability

Analyse	Variable	Code	Value
CG	Topic	204	Transformation
CG	Topic	205	Integrated reporting
CG	Topic	206	Risk management
CG	Topic	207	Accounting standards/practices
CG	Topic	208	Code of conduct (ethics)
CG	Topic	209	Compensation of executives/board members
CG	Topic	210	Corporate citizenship
CG	Topic	211	Environmental Social Governance (ESG)
CG	Topic	212	Corporate Social Responsibility (CSR)
CG	Topic	213	Shareholders
CG	Topic	214	Stakeholder interests
CG	Topic	215	Transparency of business activities
CG	Topic	216	Transparency
CG	Topic	300	Effect of Corporate Governance/Regulations on SA Economy
CG	Source	1	Journalist
CG	Source	100	Private sector in general
CG	Source	101	Public sector enterprises
CG	Source	200	Global Reporting Initiative (GRI)
CG	Source	201	Institute of Directors of Southern Africa (IODSA)
CG	Source	202	King Committee
CG	Source	203	Integrated Reporting Committee (IRC)
CG	Source	204	International Integrated Reporting Committee (IIRC)
CG	Source	205	South African Institute of Chartered Accountants (SAICA)
CG	Source	206	Organisation for Economic Co-operation and Development (OECD)
CG	Source	300	Mervyn King
CG	Source	301	Company - JSE Listed (excluding Banks & Finance & Insurance)
CG	Source	302	Bank
CG	Source	303	Financial Company
CG	Source	304	Insurance Company
CG	Source	305	Non-profit Organization
CG	Source	306	Johannesburg Stock Exchange (JSE)
CG	Source	307	Company - NOT JSE Listed
CG	Source	308	Board members or CEO (Executive and Non-Executive)

Continued

Analyse	Variable	Code	Value
CG	Source	400	Code for Responsible Investing in South Africa (CRISA)
CG	Source	401	Accounting Standards Board (ASB)
CG	Source	402	Constitutional Court
CG	Source	403	Financial Services Board (FSB)
CG	Source	404	National Development Agency (NDA)
CG	Source	405	National Empowerment Fund
CG	Source	406	Public Investment Corporation (PIC)
CG	Source	407	SABC (SA Broadcasting Corporation)
CG	Source	408	SA Bureau of Standards (SABS)
CG	Source	409	SA Reserve Bank (SARB)
CG	Source	410	Trade and Investment South Africa (TISA)
CG	Source	411	Environment & Conservation Association
CG	Source	412	Economic associations
CG	Source	413	Banking Association of South Africa
CG	Source	414	Black Business Council of South Africa
CG	Source	415	Business SA
CG	Source	416	Business Trust
CG	Source	417	Business Unity SA
CG	Source	418	Chamber of Business of South Africa (SACOB)
CG	Source	419	EmpowermentSA
CG	Source	500	Government, general
CG	Source	501	Political party
CG	Source	502	COSATU
CG	Source	503	Trade Union other
CG	Source	600	Society
CG	Source	601	Academics/researchers, please specify
CG	Source	602	Activists
CG	Source	603	Citizens
CG	Source	604	Environmentalists
CG	Source	605	Foreigners
CG	Source	606	Universities
CG	Source	607	Youth
CG	Source	608	Business Analyst, please specify
CG	Source	609	International Analyst
CG	Source	610	Political Analyst, please specify
CG	Source	999	Other, please specify

Appendix C: Media set and Frequency of different media

Table 9 Media set

Source: Media Tenor South Africa Database 2012

Media set (articles for the period 1990–2012)
Beeld
Bloemnuus
Burger Oos Kaap
Business Day
Cape Argus
Cape Times
City Press
Daily Dispatch
Diamond Field Advertiser
Die Burger
Enterprise
Farmer's Weekly
Financial Mail
Finansies & Tegniek
FinWeek
Independent on Saturday
Landbou Weekblad
Leadership
Mail & Guardian
Newsweek
Other media
Pretoria News
Rapport
Saturday Star
Servamus
Sowetan
Sunday Independent
The Citizen
The Herald
The Post
The Star

Continued

Media set (articles for the period 1990–2012)
The Sunday Times
The Times
The Weekender
The Witness
ThisDay (NG)

Table 10 Frequency of different media
Source: Media Tenor South Africa Database 2012

Media	Frequency	Percentage	Valid percentage	Cumulative percentage
Beeld	366	4	4	4
Bloemnuus	6	0.1	0.1	4.1
Burger Oos Kaap	36	0.4	0.4	4.5
Business Day	3334	36.6	36.6	41
Cape Argus	164	1.8	1.8	42.8
Cape Times	213	2.3	2.3	45.2
City Press	171	1.9	1.9	47
Daily Dispatch	18	0.2	0.2	47.2
Diamond Field Advertiser	7	0.1	0.1	47.3
Die Burger	106	1.2	1.2	48.5
Enterprise	77	0.8	0.8	49.3
Farmer's Weekly	10	0.1	0.1	49.4
Financial Mail	701	7.7	7.7	57.1
Finansies & Tegniek	192	2.1	2.1	59.2
FinWeek	324	3.6	3.6	62.8
Independent on Saturday	7	0.1	0.1	62.9
Landbou Weekblad	37	0.4	0.4	63.3
Leadership	5	0.1	0.1	63.3
Mail & Guardian	482	5.3	5.3	68.6
Newsweek	3	0	0	68.6
Other media	47	0.5	0.5	69.2
Pretoria News	3	0	0	69.2
Rapport	73	0.8	0.8	70
Saturday Star	17	0.2	0.2	70.2

Media	Frequency	Percentage	Valid percentage	Cumulative percentage
Servamus	23	0.3	0.3	70.4
Sowetan	124	1.4	1.4	71.8
Sunday Independent	72	0.8	0.8	72.6
The Citizen	109	1.2	1.2	73.8
The Herald	135	1.5	1.5	75.3
The Post	13	0.1	0.1	75.4
The Star	1,541	16.9	16.9	92.3
The Sunday Times	540	5.9	5.9	98.2
The Times	89	1	1	99.2
The Weekender	24	0.3	0.3	99.5
The Witness	29	0.3	0.3	99.8
This Day (NG)	20	0.2	0.2	100
Total	9,118	100	100	

Appendix D: Frequency of topics, sources and of subjects/ protagonists

Table 11 Frequency of topics

Source: Media Tenor South Africa Database 2012

Topic	Frequency	Percentage	Valid percentage	Cumulative percentage
Other topic	450	4.9	4.9	4.9
Accountability	142	1.6	1.6	6.5
Accounting standards/ practices	341	3.7	3.7	10.2
Cadbury report: History of King Report	34	0.4	0.4	10.6
Code of conduct (ethics)	923	10.1	10.1	20.7
Compensation of executives/ board members	156	1.7	1.7	22.4
Compliance	258	2.8	2.8	25.3
Corporate citizenship	79	0.9	0.9	26.1
Corporate governance	1,331	14.6	14.6	40.7

Continued

Topic	Frequency	Percentage	Valid percentage	Cumulative percentage
Corporate social responsibility: CSR	468	5.1	5.1	45.9
Disclosure	199	2.2	2.2	48
Effect of corporate governance/ regulations on SA economy	155	1.7	1.7	49.7
Environmental Social Governance: ESG	1,145	12.6	12.6	62.3
Integrated reporting	286	3.1	3.1	65.4
JSE listings requirements	24	0.3	0.3	65.7
King I: 1994–2001	206	2.3	2.3	68
King II: 2002–2008	218	2.4	2.4	70.4
King III: 2009–current	242	2.7	2.7	73
New Companies Act 2008	155	1.7	1.7	74.7
Risk management	126	1.4	1.4	76.1
Shareholder	332	3.6	3.6	79.7
Stakeholder interests	199	2.2	2.2	81.9
Sustainability	962	10.6	10.6	92.5
Transformation	472	5.2	5.2	97.6
Transparency of business activities	215	2.4	2.4	100
Total	9,118	100	100	

Table 12 Frequency of sources

Sources	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Other source	706	7.7	7.7	7.7
Banking Association of South Africa	1	0	0	7.8
Chamber of Business of South Africa (SACOB)	19	0.2	0.2	8
Company - *not* JSE listed	1,122	12.3	12.3	20.3
COSATU	6	0.1	0.1	20.3
Institute of Directors of Southern Africa (IODSA)	602	6.6	6.6	26.9
International Integrated Reporting Committee (IIR)	1	0	0	26.9

Sources	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Johannesburg Stock Exchange (JSE)	37	0.4	0.4	27.4
Mervyn King	164	1.8	1.8	29.2
Political party	38	0.4	0.4	29.6
Trade union other	1	0	0	29.6
Academics/researchers	380	4.2	4.2	33.7
Activists	20	0.2	0.2	34
Bank	41	0.4	0.4	34.4
Board members or CEO (Executive and Non-Executive)	580	6.4	6.4	40.8
Business analyst	27	0.3	0.3	41.1
Business trust	2	0	0	41.1
Business Unity SA	1	0	0	41.1
Company - JSE listed (excluding banks & finance)	376	4.1	4.1	45.2
Economic associations	79	0.9	0.9	46.1
Environment & Conservation Association	5	0.1	0.1	46.2
Environmentalists	72	0.8	0.8	46.9
Financial company	85	0.9	0.9	47.9
Global Reporting Initiative (GRI)	66	0.7	0.7	48.6
Government, general	80	0.9	0.9	49.5
Insurance company	50	0.5	0.5	50
Integrated Reporting Committee (IRC)	3	0	0	50.1
Journalist	3906	42.8	42.8	92.9
King Committee	182	2	2	94.9
Non-profit organization	184	2	2	96.9
Organisation for Economic Co-operation and Development (OECD)	3	0	0	96.9
Private sector in general	146	1.6	1.6	98.5
Public Investment Corporation (PIC)	4	0	0	98.6
Public sector enterprises	43	0.5	0.5	99.1
South African Institute of Chartered Accountants	46	0.5	0.5	99.6
Total	9,118	100	100	

Table 13 Frequency of subjects/protagonists
Source: Media Tenor South Africa Database 2012

Subjects	Frequency	Percentage	Valid percentage	Cumulative percentage
Other subject	446	4.9	4.9	4.9
Bank	103	1.1	1.1	6
Company - JSE listed (excluding banks & finance & insurance)	874	9.6	9.6	15.6
Company - *not* JSE listed	928	10.2	10.2	25.8
Financial company	115	1.3	1.3	27
Global Reporting Initiative (GRI)	181	2	2	29
Institute of Directors of Southern Africa (IODSA)	765	8.4	8.4	37.4
Insurance company	68	0.7	0.7	38.2
Integrated Reporting Committee (IRC)	2	0	0	38.2
Johannesburg Stock Exchange (JSE)	121	1.3	1.3	39.5
King Committee	363	4	4	43.5
Mervyn King	168	1.8	1.8	45.3
Non-profit organization	221	2.4	2.4	47.8
Organisation for Economic Co-operation and Development (OECD)	10	0.1	0.1	47.9
Private sector in general	4,426	48.5	48.5	96.4
Public sector enterprises	276	3	3	99.4
South African Institute of Chartered Accountants (SAICA)	51	0.6	0.6	100
Total	9,118	100	100	

