A Framework of Corporate Governance Systems for the Performance of State-Owned Enterprises in Zimbabwe

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Abstract

Poor governance practices have remained entrenched in both the public and private sectors despite the adoption of various legal frameworks and institutional measures aimed at promoting corporate governance practices. A close analysis of the focus of many studies conducted to date on corporate governance, reveal the existence of a gap in the search for an institutional framework of corporate governance systems for the state-owned enterprises in Zimbabwe. Poor governance has continued to haunt SOEs leading to poor service delivery. Therefore, this study using qualitative content analysis sought to develop an institutional framework of corporate governance systems for the performance of state-owned enterprises in Zimbabwe. Evidence from the study indicates that poor corporate governance in SOEs has been driven by such factors as political interference, lack of political will, poor rules and regulation in the running of SOEs among a host of other challenges. Basically, the institutional framework of corporate governance systems for the performance of state-owned enterprises in Zimbabwe that maybe adopted should comprise of the following: engage stakeholders so that they can have by-in on policies, scan and learn from best practices from elsewhere, rationalise SOEs, listing of SOEs on Public Exchanges, review and improve policy and legislation, capacity building, enhance political will, invest in corporate governance research, establish independent boards and the unbundling monoliths and disposing non-essential SOE's and strengthen rule or law. However, there is still need for studies on how these can be harnessed for promoting good corporate governance in SOEs.

Key words: Corporate governance, State-Owned Enterprises, Accountability and Transparency

Introduction

State-Owned Enterprises (SOEs) remain critical institutions representing a crucial component of the national economy, supplying public services including water, power, transportation, telecommunications and postal services in both emerging and established economies (Mokaloba et al., 2024; Chiparo et al., 2022). However, the performance of SOEs in developing countries, Zimbabwe included, has been sub-optimal and this has been attributed to poor governance systems (Kasanga et al., 2019; Nkomo & Sibanda, 2022). Despite the adoption of various legal frameworks and institutional measures aimed at promoting corporate governance practices, poor governance practices have remained entrenched in both the public and private sectors. Although a plethora of studies on corporate governance have been done (Madzikana & Mabenge, 2023; Mututu & Ufuoma, 2022), what is curious is that none of the studies has seen it fit to focus on the development of an institutional framework of corporate governance systems for the performance of state-owned enterprises in a developing economy like Zimbabwe. As a result, this study sought to establish an institutional framework of corporate governance systems for the performance of SOE's in Zimbabwe.

A corporate governance structure is designed to prevent the downfall and wreck of the organisation. Corporate governance systems play a critical role in ensuring the success, sustainability and accountability of State-Owned Enterprises (SOEs) (Chilumba & Banda, 2021). These systems influence key aspects such as financial performance, risk management, strategic decision-making and stakeholder trust (Zhang et al., 2023). In the context of SOEs, effective governance is essential for achieving operational efficiency and aligning organisational goals with public expectations (Sharma & Singh, 2022; Kim, 2024).

Despite an increased focus on the role and contribution of corporate governance to an effective performance of SOE's (Murphy & Albu, 2018; Mokaloba et al., 2024), globally corporate governance practices in state-owned enterprises have remained problematic (OECD, 2018; Kong et al., 2017). Concerns with poor governance, have fueled doubts about whether SOEs can achieve the desired goals or are the best option to address market failures (Carothers, 2020; Dandaratsi et al., 2022; Chiduku, 2021; Ginting & Naqvi, 2020). Warner (2007) highlights several corporate scandals in developed countries. These include the IMDB, a government-owned investment firm in Malaysia, Petrobas in Brazil, the China National Petroleum Corporation (CNPC) in China, Rosneft, a state-owned oil company in Russia, Petróleos de Venezuela, S.A. (PDVSA) a Venezuela's state-owned oil company, Petróleos Mexicanos (Pemex) a Mexico's state-owned oil company, Air India, the national flag carrier of India, The Hellenic Railways Organisation (OSE) in Greece amongst a host of others.

African countries have continued to suffer from rising cases of poor corporate governance in SOEs. Countries such as Nigeria, South Africa, Kenya among others have recorded increased cases of poor governance. Andrew-Speed et al (2020), highlights a number of corporate scandals with corruption at the core in developing countries such as South Africa (Eskom, the state-owned electricity utility and Transnet, the state-owned freight logistics company), the Kenya Power and Lighting Company (KPLC) and National Oil Corporation of Kenya (NOCK), Sonangol, the state-owned oil company of Angola and the Ethiopian Airlines.

Zimbabwe has not been an exception. Corporate governance in Zimbabwe has remained challenging. Failure to adopt structural reform and CG have left many SOEs losing their profits as well as performing badly. For example, Maune (2015) and Mashavave (2017), studied the issue of Air Zimbabwe in the study of corporate governance practices in Zimbabwean's State-Owned Enterprises (SOEs). Findings of the study showed that non-compliance to appropriate corporate governance was the major factor which led to corruption, lack of transparency and poor accountability in the collapse of Air Zimbabwe Airline. Furthermore, documentation of a corporate governance policy and a monitoring tool for the Board of Directors to guide in the implementation of corporate governance in the Airline was lacking. According to Gumede (2018), some SOEs are seen by analysts as failures and being inefficient for a long time. Political and legal actions in the public sector in Zimbabwe usually bring about a burden on the corporate governance of the country. This affects the application of the policy known as the ZIMCODE in State-Owned Enterprises (SOEs) (Chimbari, 2017). Further, Chimbari argued that current models for implementing corporate governance in SOEs such as the ZIMCODE is not the most appropriate tool for the inducement of ethical standards in State-Owned Enterprises in Zimbabwe. The study raised awareness on the corruption and political factors affecting the adoption of corporate governance in SOEs in Zimbabwe. From the results, it can be said there is need for revisiting current corporate governance frameworks in use to develop ideal institutional framework that can promote corporate governance in SOE in Zimbabwe (Madzikana & Mabenge, 2023; Bonga, 2021).

Despite various reform efforts, poor corporate governance in SOEs remains entrenched, fueled by weak institutional frameworks, political patronage and the lack of effective oversight mechanisms (Moyo & Phiri, 2023). What remains worrying is that despite the failure of corporate governance efforts in SOE's in Zimbabwe, little has been done to interrogate current institutional frameworks of corporate governance to develop better frameworks. A synthesis of literature has exposed several causes of poor governance in SOEs. It has been noted that there is excessive political interference in some SOEs impacting negatively on performance (Kanyane & Sausi, 2015). In most cases, CEOs and board members are given the mandate to run the SOEs because of their affiliation to named political. There are also conflicting interests when it comes to the bonuses, remuneration, the appointment of the board of directors and their performance of duty (Matsiliza, 2017).

Evidence from several studies point towards several causes of poor corporate governance in SOEs. Chief among them being the absence of internal controls in SOES. Absence of internal controls leads to the failure of enterprises as they fail to protect the assets of the entity, boost accountability, increase efficiency and to cease fraudulent activities (OECD, 2018). Most appointments in SOEs in Sub-Saharan Africa do not follow any consistent, well-laid out procedure in terms of recruitment process, conducting interviews and assessment due to cronyism and nepotism (OECD, 2018). In Zimbabwe, several SOEs have been exposed to corruption and nepotism. Where there is mis-governance and undue political interference, SOEs proved to be inefficient. Further, too much bureaucracy; lacuna of price controls; centralisation of decision-making processes; absence of incentives for investors; monopolistic standing and restrictions on dismissal and recruitment of employees leads to lack of competition in SOEs (OECD, 2018).

Despite the adoption of various legal frameworks and institutional measures aimed at promoting corporate governance practices, poor governance practices have remained entrenched in both the public and private sectors (Chiduku, 2021). Current institutional and management regimes for corporate governance in SOEs have failed to measure up to policy expectations (Moyo & Phiri, 2023). As a result, poor governance has continued to haunt SOEs leading to poor service delivery, stunted economic growth and poor livelihoods (Kasanga et al., 2019; Chilumba & Banda, 2021). Therefore, this study sought to develop an institutional framework of corporate governance systems for the performance of state-owned enterprises in Zimbabwe.

Research Methodology

This paper draws insights from extant literature to develop an institutional framework of corporate governance systems for the performance of state-owned enterprises in Zimbabwe. This study employed a general review of the literature on corporate governance within the state enterprises, impact of current corporate governance frameworks on state enterprises performances, corporate governance challenges and strategies for strengthening corporate governance practices within state-owned enterprises. The method was ideal as it analysed social phenomena in a non-invasive way, in contrast to simulating social experiences or collecting survey answers. The researcher used themes as a unity of analysis.

Results and Discussion

The effects of corporate governance practices on performance of State-Owned Enterprises in Zimbabwe

Corporate governance has emerged as a cornerstone of organisational success, providing a structured framework to ensure accountability, transparency, and alignment with stakeholder interests. Extensive global research underscores the transformative impact of effective governance on financial performance, resilience, culture and sustainability. Smith et al. (2019) key elements such as independent boards, transparent reporting and robust risk management frameworks were identified as critical drivers of this success. The study underscores that governance is not merely a regulatory obligation but a strategic asset that enhances competitiveness and stakeholder value in highly dynamic markets.

Evidence from the synthesis of literature highlights the centrality of corporate governance in enhancing organisational performance. Scholars such as Ncube and Mbewe (2022) emphasise the role of independent boards in enhancing accountability and decision-making in SOEs. Their findings reveal that boards insulated from political interference are more effective in mitigating conflicts of interest, aligning managerial actions with organisational goals and ensuring strategic coherence. By prioritising merit-based appointments and reducing external pressures, independent boards can foster operational efficiency and accountability. However, this is not the case in the Zimbabwean context. SOEs in Zimbabwe are characterised by weak regulatory enforcement which often undermines SOE accountability (see Chikuni & Mandaza, 2023).

Despite the growing significance of corporate governance in enhancing organisational performance, Zimbabwean state-owned enterprises have remained underperforming characterised by poor corporate governance. Despite the adoption of various legal frameworks and institutional measures aimed at promoting corporate governance practices, poor governance practices have remained entrenched in both the public and private sectors in Zimbabwe. SOEs in Zimbabwe have continued to suffer from terrible poor corporate governance and all its vices (see Madzikana & Mabenge, 2023; Bonga, 2021). Several SOEs have been exposed to corruption and nepotism. As a result of increased rates of poor corporate governance in state-owned entities, the majority of these have either collapsed or continued to perform dismally (Mthombeni et al., 2022). Evidence from several current studies highlight that despite their expected contribution to economic growth and livelihoods, SOEs in Zimbabwe have continued to experience gross mismanagement, inefficient utilisation of productive capital, grand corruption, decrepit assets, a lack of credit lines, and a debt overhang (Mututwa & Ufuoma, 2022; Chigudu, 2021). Hedebe et al. (2018), posits that Zimbabwe's state-owned enterprises have become extensions of political patronage and havens for corruption and mismanagement of public assets. Such malpractices have had negative impacts on service delivery. Corporate failures, scandals and fraudulent operations that now characterise SOEs have continued to militate against the achievement of organisational goals and objectives. Thus, it can be construed from the various studies findings that the absence of good governance practices in SOEs has led to among other things, growing unemployment, declining GDP and erosion of investor trust, all of which have contributed to economic inertia.

Constraints to adoption of good corporate governance practices by State-Owned Enterprise in Zimbabwe

Evidence from extant literature points towards a milliard of constraints militating against the adoption of good corporate governance in state-owned enterprises in Zimbabwe. Globally, a consensus among scholars underscores that regulatory and legal constraints pose substantial hurdles to the implementation of robust corporate governance practices in state-owned enterprises (SOEs). Research conducted by La Porta et al. (2019) affirms that nations grappling with weak legal frameworks often face challenges in enforcing governance standards, resulting in governance lapses within their SOEs. This leads to diminished transparency and accountability due to the absence of stringent regulations or their inconsistent application. Political interference emerges as a pervasive constraint affecting parastatals worldwide, as evidenced by studies conducted by Boubakri et al. (2020).

Several studies from the Zimbabwean context reveal that the challenges facing corporate governance in State-Owned Enterprises (SOEs) are deeply entrenched in legal and political factors. Studies underscore that these issues are not unique to individual countries but reflect systemic governance deficiencies in many regions, particularly Africa. A study by Dube and Ngwenya (2023) argue that excessive government control overboard appointments and strategic decisions often compromise the independence and effectiveness of SOEs. Political interference creates conflicts of interest and hinders objective decision-making, leading to suboptimal performance. Echoing similar sentiments, Makoni and Sibanda (2023), opine that such practices have undermined the credibility of boards and their effectiveness. Addressing this challenge requires instituting independent regulatory bodies and depoliticising SOE governance structures to ensure that decisions align with organisational and public interests.

Resource constraints have also remained a challenge to the adoption and implementation of good corporate governance practice in Zimbabwean parastatals. Moyo and Phiri (2022) opine that that inadequate funding and limited human capital impede the implementation of effective governance systems. Resource constraints prevent SOEs from investing in essential areas such as training, technology and compliance infrastructure. Echoing the same sentiments Chikwanda (2022) opines that budgetary constraints often result in cost-cutting measures which render governance functions dysfunctional. For Zimbabwean SOEs, addressing these capacity gaps through targeted resource allocation and international partnerships can enhance governance capabilities and overall performance.

A close look at several studies highlights the negative impacts of lack of transparency and accountability. Ngwenya and Chikuni (2023) emphasise the lack of transparency and accountability as significant barriers to effective governance in Zimbabwean SOEs. Their study shows that the absence of regular audits, transparent reporting systems and performance evaluations contributes to inefficiencies and a lack of stakeholder confidence. In the Zimbabwean context, where public skepticism about SOE governance is high, embedding transparency and accountability measures into governance frameworks can mitigate these issues. Regulatory frameworks have remained lax. Many African countries, Zimbabwe included have outdated or poorly enforced regulations that fail to address the complexities of modern governance challenges. Weak legal structures allow for managerial opportunism and political interference, further compounding governance inefficiencies (Mwansa & Phiri, 2021). For Zimbabwean SOEs, revising and harmonising governance laws to reflect international standards can strengthen regulatory oversight and enhance institutional accountability.

Corruption also remains one of the most pervasive challenges for SOEs across Africa, eroding public trust and undermining operational efficiency. The reviewed literature emphasises that addressing corruption requires robust anti-corruption measures, including stringent enforcement of legal frameworks, independent oversight mechanisms and the adoption of transparent reporting practices. Vulnerabilities to corruption are usually associated with institutional weaknesses (IMF, 2019). The presence of weak internal controls provides opportunities for corruption to thrive. The weak internal controls have allowed corrupt practices ranging from petty bribery to more sophisticated schemes involving the collusion of several actors to take root. like bribery. The weak internal controls have allowed petty corruption to thrive to the extent that it has become normalised. Cases of funds embezzlement, nepotism, amongst a host of other scandals have become rife. These scandals have left SOEs largely underperforming. According to Nkomo et al (2023), the prevalence of corruption within these entities have made it difficult for the entities to adopt and implement good governance practices. Mutema and Hove (2021) and Mandaza and Munetsi (2023) argue that the absence of transparency and weak enforcement of accountability frameworks make it challenging to effectively implement and enforce good governance practice systems.

However, despite the apparent failure of current institutions of corporate governance practices and the continued growing threat of poor performance, little has been done to develop an institutional framework for corporate governance. After, evaluating the current challenges to corporate governance amongst SOEs, the following framework was developed. Fig 1 below presents the institutional framework of corporate governance systems for State-Owned Enterprises in Zimbabwe. The framework has seven different stages depicting different activities or focus of each stage. These stages are as follows:

- Phase I: Assessing performance of SOEs
- Phase II: Evaluating state of corporate governance in SOE's (diagnosis)
- Phase III: Scanning for Corporate Governance Systems in Use (Safeguards)
- Phase IV: Challenges to the corporate governance framework
- Phase V: Stakeholder views and best practises
- Phase VI: Corporate Governance Institutional framework
- VII: Performance of state-owned enterprises (Evaluate & Improve)

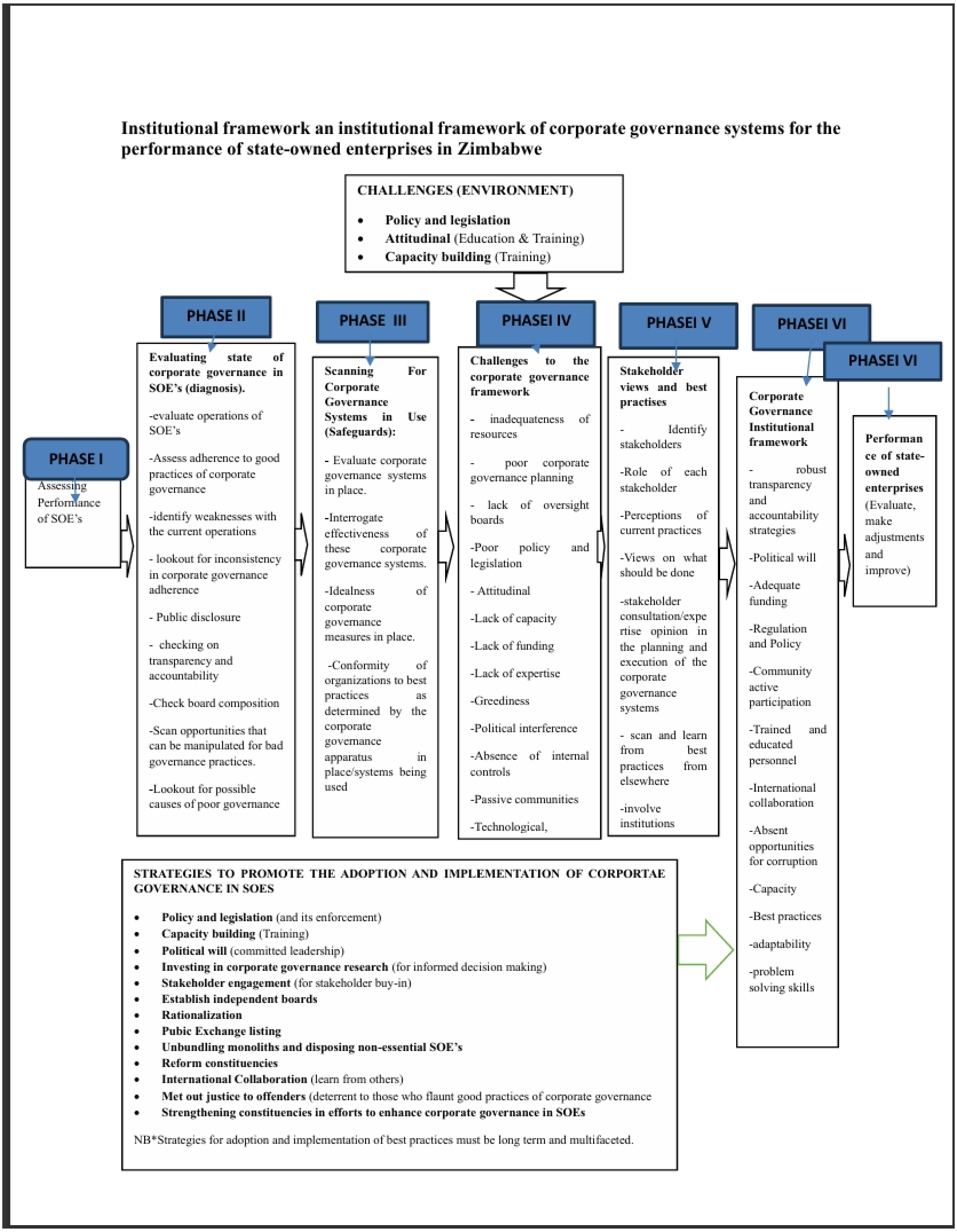

Fig 1: Framework of corporate governance systems for the performance of SOEs in Zimbabwe

The framework above addresses the question: What measures should be implemented to promote the effective adoption and implementation of good corporate governance practices in SOEs in Zimbabwe? The framework provides a blueprint, depicting the road to effective governance in SOEs. Each phase of the framework depicts a different stage, with different sets of actions or activities that should be taken care of. The section below provides brief insights of what each phase is about.

Phase 1-3

The first, second and third phases of the framework are diagnostic stages involving a critical examination of the current state of performance of SOES and evaluating the state of corporate governance in SOE's (diagnosis). This phase aims to:
1. Establish knowledge of performance of SOEs
2. Establish the state of corporate governance and their impacts on performance of SOEs.
3. Asses the effectiveness of corporate governance practices in SOEs

The assessment of the performance of SOEs and the governance practices in place would give an insight into the idealness of the existing practices, as well as the conformity of organisations to best practices as determined by the corporate governance apparatus in place/systems being used.

Phase 4

The phase four of the framework focuses on diagnosing the challenges that SOEs are facing in adopting and implementing good practice of corporate governance. This would provide an insight into why SOEs have been struggling. The evaluation of their effectiveness would provide an insight into what should be done. The third phase involves evaluating potential barriers to effective adoption and implementation of corporate governance. These range from political interference, poor legislation, absence of internal controls, poor policies and legislation, attitudinal factors such as greediness and acceptance of corruption as a culture, poor capacity, passive communities, lack of funding to fund policy implementation, lack of expertise among a host of others. Effective management of these barriers is crucial for promoting effective corporate governance practices and subsequently enhancing performance of SOE's.

Phase 5

For any strategy to work it should have the buy-in of stakeholders. Therefore, this stage focuses on engaging the different stakeholders to get their input as to what should be done. This phase also involves synthesising the critical elements to influence the nature of corporate governance systems. The goal is to align these elements, considering enablers such as funding, legislation policies, and best practices, to develop an institutional framework of corporate governance systems for the performance of state-owned enterprises. This phase addresses the research question: What corporate governance institutional frameworks can be adopted for the performance of SOEs in Zimbabwe? The stage involves identifying the stakeholders, understanding their different roles, getting to understand their perception of current practices as well as their thoughts on what should be done. This allows the sector to scan and learn from best practices.

Phase 6

This phase now is an outcome of all the previous stages, culminating into the development of different prescriptions of the challenges to corporate governance within SOEs. This provides a blueprint of what should be done and how. Identifying and analysing the critical elements, the next phase is to develop an institutional framework of corporate governance systems for the performance of state-owned enterprises by integrating theoretical perspectives into practical implementation strategies. This phase includes:

1. Setting objectives and addressing relevant considerations.
2. Fostering collaboration and trust among stakeholders.
3. Implementing and evaluating the framework, including continuous data collection, analysis, and monitoring.

Ongoing evaluation and adaptation are essential for ensuring the effectiveness and sustainability of the measures adopted.

Key Stakeholders in the promotion of effective corporate governance in SOEs

The effective development of an institutional framework of corporate governance system for the enhancement of the performance of state-owned enterprises in Zimbabwe requires the involvement of several key stakeholders, each with specific interests and contributions:

1. Government
   (a) Interest: Protecting and enhancing service delivery
   (b) Role: Developing a national corporate governance strategy, involving relevant ministries
   (c) Support: Providing adequate funding, implementing supportive legislation and facilitating community participation.

2. Community
   (a) Interest: service deliver.
   (b) Role: active role in whistle blowing.
   (c) Support: Programs to empower and involve communities,

3. Non-Governmental Organisations (NGOs)
   (a) Interest: Funding and ensuring service delivery, protecting human rights and preventing human rights abuses perpetuated by poor corporate governance practices.
   (b) Role: Raising awareness, strengthening legal frameworks, conducting research and facilitating best practices.
   (c) Support: Funding, infrastructure development.

4. Private Sector
   (a) Interest: Financial investment.
   (b) Role: Providing funding, supporting research and ensuring quality control.
   (c) Support: Encouraging investment, securing favourable policies.

Phase 7

This phase provides the feedback loop. It focuses on making evaluations, adjusting the framework to improve. The stage is all about evaluating and monitoring to continually improve the system.

Conclusion and Recommendations

The main research question of the study was: What institutional framework of corporate governance systems would be suitable for the performance of state-owned enterprises in Zimbabwe? Based on this objective, the above model was developed. The research emphasises the significance of comprehensive policy reform to address the multiple dimensions of institutional performance simultaneously. Uncoordinated and piecemeal approaches that focus on solitary aspects such as technology or oversight mechanisms without addressing other underlying factors such as motivational issues hinders the sustainable organisational performance. This research will contribute to the field of public administration, institutional theory, and corporate governance studies by providing a comprehensive, context-specific institutional framework of corporate governance systems for the performance of state-owned enterprises in Zimbabwe. The findings will also have broader implications for other developing economies with similar governance challenges, offering insights into how institutional design can mitigate poor corporate governance in state-owned entities. The practical contributions of this research will be of value to policymakers in Zimbabwe, offering actionable recommendations for SOE reform, improving governance structures and strengthening corporate governance initiatives.

The recommendations in this paper were based on the theoretical and empirical evidence from the Zimbabwean context. This paper drew its recommendations from the framework provided above: engage stakeholders so that they can have by-in on policies, scan and learn from best practices from elsewhere, rationalise SOEs, listing of SOEs on Public Exchanges, review and improve policy and legislation (and its enforcement), capacity building (Training), enhance political will (committed leadership), invest in corporate governance research (for informed decision making), establish independent boards and the unbundling monoliths and disposing non-essential SOE's. Lastly, the rule of law should be strengthened to ensure that justice to offenders is meted out as a deterrent to those who flaunt good practices of corporate governance as well as strengthening constituencies in efforts to enhance corporate governance in SOEs.

The recommendations are expanded below:
There is need to ensure that the government rallies behind strategies for enhancing the adoption and implementation of corporate governance in SOE's. In the Zimbabwean public sector, political office bearers in all spheres of government need to speak and act harshly against poor corporate governance and its negative impacts. This should be adopted as a sustainable political action until such time that it is firmly implanted in the conscience of the public service and translate into a notable reduction or total eradication of poor corporate governance culture within SOEs.

There is a need for an urgent rationalisation; periodically and substantively identifying those that are strategic to the country's development. There should be a framework for rationalisation which would need to be adopted and serve as a basis for the evaluation and final decision on each SOE. Doing away with some SOEs could create more efficiency and more jobs as well as a better environment for businesses.

SOEs may be listed on financial market exchanges without necessarily privatising them. By selling their shares on public exchanges, public entities will have access to capital and can measure their competences through daily share performance.

There is need for robust research on corporate governance and all its facets to inform initiatives to promote best practices of corporate governance in SOE's. The research will be very instrumental in informing the government which areas are more problematic and possibly what should be done to prevent poor corporate governance practices. The public sector will be at a better position to develop better corporate governance frameworks for SOEs which address problematic areas as they would be operating from a scientifically informed perspective.

Leadership commitment in the public sector is a pre-requisite for a successful programme or intervention in the fight against poor governance practices. Any attempt to attain leadership commitment will equally require a strong political will campaigning for zero tolerance on poor corporate governance and all its vices and holding public sector leaders and officials accountable on the fight against the vices of poor corporate governance and its causes.

Empowering one of the key accountability and oversight institutions like the Auditor's General (AG), with powers to take disciplinary action against wrong doing where it has been proven beyond doubt and increasing the staffing of such anti-corruption bodies such as ZACC to be able to carry-out its mandate without staff constraints, could play a crucial and critical role in reducing opportunities for poor corporate governance. Prevention and detection efforts of poor corporate governance practices within SOE's should be increased and strengthened to be deterrent enough without losing focus on ensuring speedy investigative and resolution capacity for both reported and detected cases. People tend to engage in vices of poor corporate governance such as corruption because they know they can beat the system. However, if the system is strong people are less likely to engage in such as vices because chances of being caught and punished are more likely.

Inclusive governance frameworks that actively involve stakeholders can enhance accountability and ensure that SOEs serve the public good. This approach is particularly relevant for Zimbabwe, where stakeholder trust in SOEs has been eroded by governance failures. Further, engaging citizens through mobile apps and SMS platforms can crowdsource information on corrupt practices and service delivery failures, empowering communities to act as watchdogs.

There is need for strategies that ensure the independence of these boards. Independent boards are a cornerstone of effective corporate governance. This independence ensures that governance decisions prioritise long-term objectives over short-term managerial gains.

There is need to develop robust transparency and accountability mechanisms for SOES in Zimbabwe. Weak enforcement of accountability frameworks and lack of transparency make it difficult to implement good governance practices effectively. Transparency and accountability are pivotal for fostering stakeholder trust and ensuring organisational legitimacy. These practices mitigate risks of corruption and mismanagement while promoting ethical behaviour across all organisational levels (Krome, 2022). There is need to design digital monitoring systems to act as diagnostic tools to track high-risk areas and red-flag risk areas. The digital monitoring systems to be used in such high-risk areas like customs declarations, tax assessments, and recruitment. There is need to invest in biometric authentication and real-time auditing technologies.

The unfair and inadequate compensation when juxtaposed to the increasing costs of living, professional credentials and comparable positions in other sectors creates room for poor corporate behaviour characterised by growth of corrupt tendencies. This inadequate compensation places economic strain on employees and lowers the deterrent effect of engaging in corrupt behaviour. The result is the continued weakening of internal control mechanisms, further embedding the corrupt tendencies. There is need to offer institutionalised competitive salaries. This can be done through developing transparent, performance-linked remuneration packages that regionally benchmarked to improve staff morale and eradicate corruption or inclination to corruption.

Design digital monitoring systems to act as diagnostic tools to track high-risk areas and red-flag risk areas. The digital monitoring systems to be used in such high-risk areas like customs declarations, tax assessments, and recruitment. There is need to invest in biometric authentication and real-time auditing technologies.

The absence of robust whistleblower protection laws discourages citizens from reporting corrupt activities, allowing corruption to flourish unchecked. There is need to put in place mechanisms that protect whistleblowers from retaliation. Strategies may include developing anonymous reporting channels, developing policies that protect whistleblowers, and having external oversight bodies. Reporting channels must be accessible, safe and user friendly to encourage reporting. Further, adequately funding investigating bodies/individuals allows for effective and timely conclusion of cases. There is also needed to ensure that investigations are timely, thorough, and impartial while at the same time upholding principles of confidentiality where appropriate.

Technology has become a vehicle for detecting and curbing poor corporate governance such as corruption. Leverage technology enhances organisational transparency, efficiency and accountability at the same time mitigating the threat of corruption as well as reducing opportunities for such anti-corporate governance behaviours.

Areas for further study

The current study focused on the development of an institutional framework of corporate governance systems for the performance of state-owned enterprises in Zimbabwe. It would be interesting in future to study how the suggested strategies promoting good corporate governance can be effectively implemented in SOE. Further, it is recommended that barriers to effective of corporate governance principles in SOEs in Zimbabwe, be investigated in SOEs, possibly by means of a quantitative study involving many respondents for better generalisation of the findings.

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