The Assessment of Multiple Stakeholder Groups and Public Sector Institutions' Effectiveness in Zimbabwe

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Abstract

The last two decades have experienced an increasing academic attention in stakeholders' decision-making process in both public and private organisations. This upsurge has been described in many areas as a leading phenomenon that is shaping business and public behaviour and policies in most nations of the world. Of particular concern is however that, globally, public sector institutions are struggling to offer public services effectively and efficiently. Public sector reforms that occurred in the 1980s and 1990s were fuelled by the inefficiency and ineffectiveness of service provision that failed to promote cost saving and quality improvement. In Zimbabwe, in the 1980s, the government inherited a huge administrative bureaucracy that was precisely inclined towards the colonizers as revealed by The Kavran Public Service Review Commission of 1987. Findings of the inquiry by the Commission were adopted and the recommendations implemented in stages. Yet the question remains if these reforms attained their intended goals of transforming public sector institutions to become efficient and effective. It is according to Berebon & Sorbarikor (2020) that an organisation's societal performance may be more successfully scrutinized and examined through its relationships with its constituent stakeholders. Hence, this paper assesses multiple stakeholder groups and public sector institutions' effectiveness in Zimbabwe. The research made use of extant qualitative research methodology to gather information. Research findings indicate that there is a general discontent by stakeholders with regards to public sector institutions in Zimbabwe, and these institutions still remain opaque, inefficient and ineffective. It is therefore recommended that public sector institutions have to be responsive, transparent, and constantly engage stakeholders in order to be effective.
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Key words: Stakeholders, Effectiveness, Efficiency, Public Sector Institutions

Introduction

The last two decades have experienced an increasing academic attention in stakeholders' decision-making process in both private and public organizations. This upsurge has been described in many areas as a leading phenomenon that is shaping business and public behaviour and policies in most nations of the world (Berebon & Sorbarikor, 2020:470). Globalization has also brought a larger variety of participants into contemporary businesses, technological innovation has increased the pace of change, and managers are discovering that their actions have the potential to affect a broader range of people all over the globe (Parmar, Freeman, Harrison, Wicks, Colle, & Purnell, 2010:2). Additionally, the pursuit of corporate objectives can also be easily disrupted by the actions of unexpected groups. Having more participants means increasing and complicating the problems that corporate governance has to solve (Keremidchiev, 2021:70). Problems arise with the management of conflicts between stakeholders, which are much more and multi-layered (Nedelchev, 2017). Hence, identification of stakeholders and their interests, the development of strategies to attract or neutralise them in the implementation of reforms and large-scale restructuring of corporations that affect many stakeholders are becoming extremely important (Keremidchiev, 2021:70).

Taking a look at the assertion by Daft & Armstrong (2012:24) that, “research has shown that the assessment of multiple stakeholder groups is an accurate reflection of organizational effectiveness,” is valid especially in public sector institutions, yet understudied. Stakeholder engagement refers to the strategic managerial activity which is concerned with the planning and controlling of the whole organisational environment, that is, internal and external environments (Berebon & Sorbarikor, 2020:470). The satisfaction level of each group can be assessed as an indication of the organization’s performance and effectiveness. If an organization fails to meet the needs of several stakeholder groups, it is probably not meeting its effectiveness goals. Effectiveness measures the extent to which the service provided meets the objectives and expectations of the organization or a customer. Effectiveness refers to the extent to which the stated objectives of a business are met (Berebon & Sorbarikor, 2020:476).

Globally, public sector institutions are struggling to offer public services effectively and efficiently. Public sector reforms that occurred in the 1980s and 1990s were fuelled by the inefficiency and ineffectiveness of service provision that failed to promote cost saving and quality improvement (Mutengambiri, Somane, Chigome, Gweshe & Chiware, 2024:105). Nevertheless, Public sector institutions play a vital role in the economy by creating jobs, fostering innovation and providing essential goods and services. These institutions produce and sell consumer products, they manufacture equipment, grow and produce food, provide transportation services, they support the national defence, provide health care, generate and deliver energy, and offer financial, communications and other services that underpin economic growth. While each public sector institution serves its own purpose, they share a fundamental commitment to all of their stakeholders (Business Roundtable, 2019).

In Zimbabwe, in the 1980s, the government inherited a huge administrative bureaucracy that was precisely inclined towards the colonizers. Agere (1998) quoted by Mutengambiri, Somane, Chigome, Gweshe & Chiware (2024:105) avers that the administrative bureaucracy was not proportionate to the social, economic and political imperatives of nation building and transformation of the economy along equity lines. The Kavran Public Service Review Commission of 1987 revealed that the public service had become too large, cumbersome and wasteful and few available resources were mismanaged. Public sector institutions were inaccessible, opaque and lacked transparency and offered poor services to the public (Zinyama, Nhema, & Mutandwa, 2015). Mutengambiri, Somane, Chigome, Gweshe & Chiware (2024:105) note that the findings of the inquiry by the Kavran Public Service Review Commission of 1987 were adopted and the recommendations implemented in stages. The Government of Zimbabwe launched reforms under the mantra of the Framework for Economic Reform (1990-1995), Economic Structural Adjustment Programmeme (ESAP) (1990- 1995), the Zimbabwe Programmeme for Economic and Social Transformation (ZIMPREST), the Millennium Economic Recovery Programmeme (MERP) (2000), National Economic Revival Plan (NERP) (2003) and the Zimbabwe Agenda for Socio-Economic Transformation (ZIMASSET) (2014-2018) among other reforms. Yet the question remains if these reforms attained their intended goals of transforming public sector institutions to become efficient and effective.

According to Berebon & Sorbarikor (2020:470), an organization's societal performance may be more successfully scrutinized and examined through its relationships with its constituent stakeholders. Scholars have argued over the purpose of a firm and its constituent stakeholders for many decades without reaching consensus. In the academic study of finance, shareholder value maximisation has long been accepted as the only acceptable purpose of corporations (Haataja, 2020:3). However, the Stakeholder theory is a turning point from the shareholder perspective and is interested in what happens not only in the principal-agent relationship, but also outside it, which includes other stakeholders such as customers, personnel, banks, suppliers, local authorities, the state and trade unions, among others. Thus, new participants appear in corporate governance, whose place and importance have not been previously taken into considerations (Keremidchiev, 2021:70).

It is against this backdrop that the paper assesses multiple stakeholder groups and public sector institutions' effectiveness in Zimbabwe. The objectives of this study are to examine public sector institutions' effectiveness in the lens of the identified stakeholders in Zimbabwe and challenges associated with stakeholder engagement.

Literature Review

Stakeholder theory

Before extrapolating the stakeholder theory, it is prudent at this point to first define the term stakeholder. The key to defining the term stakeholder is the main element of the word stake which is normally considered as interest (Keremidchiev, 2021:78). The term stake according to Caroll & Buchholtz (1999) consists of three categories, which are interest, right and ownership. There is an interest when a physical person or a group of people are affected by a certain decision of the firm. Then, these persons can have an interest in this decision. An illustration of such interest provided by Keremidchiev (2021:78) is when an enterprise decides to allocate its production to other parts of the country or the world. This decision will inevitably affect all employees in the enterprise, their families, the local community, local clients, and suppliers, among others.

An early definition of the term stakeholder is provided by Freeman (1984) and the scholar states that stakeholders are groups, without which support the organisation will seize to exist. These groups include shareholders, personnel, clients, creditors and society, among others. This definition later evolved and Evan & Freeman (2001) define stakeholders as those groups, which have stakes to the firm. Freeman propounds that stakeholders do not include managers as they are considered a part of the corporation itself. However, most scholars consider managers as stakeholders, since they regard them as another type of hired personnel. Keremidchiev (2021:79) comes up with a more comprehensive definition of stakeholders and the scholars define stakeholders as a physical person or group with stakes and relations to the activity of the enterprise, its resources and results. The stakeholders can be affected by decisions, actions, projects or policies of the enterprise. The opposite is also valid as these stakeholders can influence the actions, projects or policies of the enterprise. Deducing from the specifics of this definition the main groups of stakeholders in the corporation include employees, government, trade unions, creditors, competitors, suppliers, community and customers, among others.

Turning to the stakeholder theory, Nedelchev (2018) avers that stakeholder theory ranks second in popularity among the Top 10 theories of corporate governance according to the number of appearances, citations and authors. Along with Rehnman's contributions, Freeman's (1984) Strategic Management: A stakeholder approach, provided one of the earliest and most influential contribution to stakeholders' theory. The book extrapolates that corporates depend on and need to take into consideration 'any group or individual who can affect or is affected by the achievement of the firm's objectives. Among its most important contributions were the recognition and description of several interest groups, and these include clients and customers, employees, suppliers, shareholders and local communities, among others. The inclusion of so many distinct groups in the managerial decision-making process eventually brought about definitions narrowing the scope of potential stakeholders (Haataja, 2020:4).

The stakeholder theory was developed from four lines of organization management research: systems theory, strategic organizational planning, corporate social responsibility and organizational theory (Haataja, 2020:4). Freeman, Phillips, & Sisodia (2020) explore the development of the stakeholder idea, specifically the Scandinavian contribution to early theory development. Valentinov & Chia (2022:762) also note that, stakeholder theory emerged as an alternative to the orthodox view of corporate governance where corporations are essentially understood contractually in self-interested terms as instrumental relationships between shareholders and managers of corporations. The theory arose against the backdrop of strategic management concerns where it has been noted that decisions arrived at invariably affect a multitude of others other than shareholders themselves. In recent times, it has become an important and integral part of the corporate governance, strategic management, and business ethics literature.

Freeman (1984) posits that companies should consider the interests of all stakeholders, rather than focusing solely on shareholders, to create value for everyone involved and achieve long-term success. Therefore, a clear imperative was drawn between maximizing dividends for shareholders and satisfying the needs of stakeholders (Mahajan, Lim, Sareen, Kumar & Panwar, 2023:2). Unlike other theories, stakeholder theory is interested in what happens not only in the principal-agent relationship, but also outside it, which includes other stakeholders. Thus, new participants appear in corporate governance, whose place and importance have not been previously taken into considerations (Keremidchiev, 2021:70). The theory's attractiveness and increasing popularity lies in its ability to offer a highly appealing alternative to shareholder theory that emphasizes the self-interested motives of individuals such as owners, investors, financiers, entrepreneurs, and managers in particular (Valentinov & Chia, 2022:762). The theory is intended to broaden the management's vision of its roles and responsibilities beyond the profit maximisation function (Berebon & Sorbarikor, 2020:471).

However, since its creation, the stakeholder theory has been accompanied by multiple criticism, objections and rejections of its main postulates. Friedman with his followers does not accept the existence of the stakeholder theory with the classic argument that the only social responsibility of the firm is to maximise the profit of its shareholders (Friedman, 1970). According to Friedman (1970) quoted by Keremidchiev, (2021:76), any other responsibility taken by the firm leads to its deviation from the right development trajectory. More so, Friedman and his followers neither study nor answer to the questions whether some firms externalise their expenditures, and if taking a social responsibility can lead to increasing the profit of the shareholders, as is the position of his opponents (Keremidchiev, 2021:76).

Methodology

Extant secondary qualitative literature is the research method used to gather information. This approach aims to comprehend multiple stakeholder groups and public organisations' effectiveness in Zimbabwe. As a means of gathering specific and needed information, the analysis relied on secondary data from government publications in order to generate accurate data. More so, findings, conclusions and recommendations were also drawn from documentary search of books, journal articles, working papers and theses.

Results and discussion

Stakeholders Engagement

Stakeholder engagement is an element of organisational capability that deals with stakeholder related decision making (Berebon & Sorbarikor, 2020:472). Multiple stakeholders that have a stake in public sector institutions in Zimbabwe identified in this research are extrapolated in this section in order to ascertain the effectiveness of public sector institutions in the lens of stakeholders.

Supreme Audit Institution

The Supreme Audit Institution (SAI) is an important stakeholder in all public sector institutions. SAIs are independent national-level institutions that have core objectives of conducting external audits for all government activities including government agencies and the public sector (World Bank, 2020). They make sure that these entities presents financial statements that present a true and fair view of the institution's financial position and performance (Lasytė, 2019:78). The SAI in Zimbabwe is the Office of the Auditor General (AG). The main roles of the AG according to the Zimbabwe's Constitution of 2013, are to independently monitor organisational transparency, evaluate the integrity of financial statements, ensure compliance with principles of good governance, safeguard on behalf of the general public financial and administrative accountability in the disbursement and use of public funds by the public officials. The AG is guided by various supporting legislations such as the Public Finance Management Act [Chapter 22:19], the Auditor Office Act [Chapter 22:18], the Public Accounts and Auditor's Act [Chapter 27:12] and International Accounting and Auditing Standards (Muzurura & Mutambara, 2022:224).

In order to unpack the effectiveness of public sector institutions in the lens of the AG as a key stakeholder, Agwu (2019) avers that the AG's annual audit reports are sufficient to ascertain the governance and financial performance effectiveness of public sector institutions. With regards to public sector institutions in Zimbabwe, Machinjike, Bonga & Hundi (2021) state that the AG's reports indicate that, there is enfeebled public finance management system, public corruption and illicit fund flows and great unaccountability in the use of public funds which present serious threats to the fulfilment of social and economic rights by the government. For example, the AG's report on state owned enterprises and parastatals of 2022 revealed that NetOne was not updating user profiles in the SAGE 1000. As a result, there were employees who left the company but remained active in the system and the implication is that user accounts for terminated employees may be used to commit fraud (AG, 2023:113). More so, Printflow delivered goods worth USD64 282 to a new customer without having received the money in its bank account and the money was never recovered and the implication was financial loss due to fraud (AG, 2023:126).

Despite the AG managing to produce audit reports, uncover misuse of public funds by public institutions and offer recommendations to improve efficient, effectiveness and transparent use of public resources, the policy direction to implement those recommendations have been lacking. The AG's audits revealed that most of the public sector institutions are not taking corrective action on the issues of irregularities raised in previous year audits hence, some of the weaknesses remain unresolved (Machinjike, Bonga & Hundi, 2021). To add on, some challenges that hinder the AG's Office to undertake its mandate include inadequacy manpower and qualified personnel, and inadequacy of financial resources to upgrade public sector financial systems (Muzurura and Mutambara, 2022:224). The incapacitation of the AG's Office creates room for poor performance by public sector institutions resulting in ineffectiveness in service delivery.

Customers

Customers are important stakeholders in all public sector institutions as they are ultimately the recipients of public goods and services. Customers expect high quality goods, services and value (Daft & Armstrong, 2012:23). They also expect the convenience, personalised public services and products that require an attractive price (Severgnini, Galdaméz & Moraes, 2017:10). Companies are also expected to make every effort to ensure that the health and safety of their customers as well as the quality of their environment are sustained or enhanced by their products and services (Gutterman, 2023:12). More so, customers also have a significant influence over a company, especially a company's success that relies on the high reputation of its products or services especially local governments as public institutions whose existence relies on the revenue generated from residents (Agwu, 2019). Hence, if customers are satisfied, it gives a refection that the organization is effective. On the other hand, if customers are not satisfied, it gives a reflection that the organization is not effective (Daft & Armstrong, 2012:23).

In reference to Zimbabwe public sector institutions' state of service provision, available data shows that most sectors are failing to provide quality and adequate services efficiently and effectively. For example, a study conducted by Zimbabwe Coalition on Debt and Development (ZIMCODD) (2024:3) indicates that trend analysis of Zimbabwe's education performance from 1980 to date shows that the country's education has gradually declined. Zimbabwe's education system was the best in Africa and competitive globally. Nonetheless, governance epidemics such as impunity, malfeasance, favoritism, nepotism, financial mismanagement, 'tender-preneurship', and economies of affection, to mention a few, have been complementing each other to militate against optimum education. In addition, the findings by the AG's report for 2022 indicate that, in Bindura, beer halls and abandoned garages were being used as school classrooms (AG, 2022).

In the health sector, a study conducted by USAID (2024:5) indicates that, available data suggest that the overall health care system capacity is insufficient. The current Ministry of Health and Child Care (MOHCC) health facility density target is two health facilities per 10,000 population, the inpatient bed density target is 25 beds per 10,000 population, and the core health worker density is 23 per 10,000 population. However, the health sector in Zimbabwe is failing to meet these targets. A study conducted by ZIMCODD (2024:2) indicates that inadequate healthcare financing, corruption and tender-preneurship, a bias in public healthcare spending toward urban-based higher-level health facilities, and a lack of community participation in health matters are among the obstacles to effective and efficient healthcare delivery in Zimbabwe. Zimbabwe failed to meet the health-related Millennium Development Goals (MDGs) in 2015 and unless bold efforts are made to improve the situation, the 2030 Sustainable Development Goals (SDGs) health targets may also be missed (ZIMCODD, 2024:2).

Mutongereni, Thakhathi & Mupindu (2024) note that there are erratic water supplies in many cities especially in Harare and some suburbs do not even have water and residents resort to contaminated wells despite the presence of local governments in Zimbabwe whose purpose are to provide multiple services, including water provision. Burst sewer pipes are common in many urban local authorities especially in Chitungwiza and many of these pipes have gone for years without being repaired. This has placed citizens at risk of diseases such as typhoid and cholera which have been experienced many times in Harare and other regions. A study conducted by Mutengambiri, Somane, Chigome, Gweshe & Chiware (2024:105) also indicates that there is a continued outcry of poor service delivery in most urban local authorities in Zimbabwe. Services which have been found wanting in many local governments in Zimbabwe in addition to water supply and sewer reticulation include proper sanitation, education and health services, solid waste management and housing delivery among others. This is a clear indication that public sector institutions are ineffective when it comes to providing services to customers.

Employees

Employees are important stakeholders in all public sector institutions as they are ultimately the personnel responsible for public goods and service provision. Employees are expected to receive a monetary wage, the feeling of being a part of the business and giving opinions (Severgnini, Galdaméz & Moraes, 2017:10). They also expect to receive training and development, having a system of career plans in Human Resources, having autonomy to perform the tasks and having good working conditions (Berebon & Sorbarikor, 2020). They also expect promotions since they are the key to the realisation of organisational goals (Gutterman, 2023:12). If employees are satisfied with the mentioned factors, it gives a reflection that the organisation is effective. On the other hand, if the employees are not satisfied, it gives a reflection that the organisation is not effective (Daft & Armstrong, 2012:23). Most of all employees can affect what the company does either positively for example by being well-motivated and efficient or negatively for example, by going on strike, or demanding higher pay (Agwu, 2019).

In reference to employees in Zimbabwe public sector institutions, available data shows that most sectors are failing to provide quality working conditions for their employees. Over the years, some of the policies implemented by the government have left public sector workers hamstrung. For instance, employees lost savings and incomes in 2008’s runaway inflation period and 2016 when the country introduced Bond Notes (ZCTU, 2024). Taking for instance the salaries of teachers, since they were suddenly paid in the local ZWL currency, their salaries were slashed from around $500 to $30 per month in 2019. Today, teachers continue to state that their salaries are not enough to pay for their basic needs and the education of their own children (Bertelsmann Stiftung’s Transformation Index (BTI), 2024:29). This has resulted in non-acceptance of monetary policies by other stakeholders leading to their failure. The country moved from Bearer Cheques, Agro Cheques, RTGS and Bond notes without any improvement and now there is the ZIG and it still await to see its effectiveness (ZCTU, 2024). These challenges have led to a demotivated public service leading to ineffectiveness, poor performance, and corruption to supplement their wages (ZIMCODD, 2024).

Competitors

Competitors are also visible stakeholders of public sector institutions as they are the alternative service providers of goods and service provision. It is expected that there will be no monopoly creation, no single competition or timely and unilateral market aspects. This shows concerns about a possible dependency on a single provider for economic transactions (Agwu, 2019). Fair economic competition is one of the basic requirements for increasing the wealth of nations and ultimately for making possible the just distribution of goods and services (Gutterman, 2023:13). Available data shows that most sectors exercise some degree of monopoly in goods and service provision with regards to Zimbabwe public sector institutions. An empirical example is the monopoly exercised by Zimbabwe United Passenger Company (ZUPCO) in the transport sector since March 2020 in the advent of the COVID-19 pandemic. A study conducted by Mazorodze & Ndawana (2022) revealed that, though the ZUPCO initiative mainly benefited commuters through affordable fares, but it had many human security costs. The costs included reduced safety due to unreliable services provided by ZUPCO. The state monopoly on urban transport promoted inequalities and police corruption due to urban residents' use of informal transport services. The Zimbabwean government lacks the capacity to provide services in the urban transport sector, akin to nearly every sector in the country.

The Zimbabwe Broadcasting Cooperation (ZBC) had a monopoly over broadcasting since independence due to the absence of alternatives and this forced all citizens to tune onto ZBC for news and current affairs for a long period (Matsilele, Maunganidze, & Ruhanya, 2021:261). Citizens have had to rely on the internet for alternative and diverse opinions regarding developments in the country (Mutsvairo & Massimo, 2019). Although Zimbabwe opened its airwaves to private players in 2002, broadcasting spectrum frequency licensing has remained contentious with some stakeholders arguing the process lacks transparency and is deceptive to media reform (Alfandika & Gwindingwe, 2021). Interestingly, radio stations that opened after the enactment of the Broadcasting Services Act (BSA) 2001 are Star FM, Diamond FM, Capi-Talk, and Nyaminyami owned by government controlled Zimpapers and Zi FM run by Supa Mandiwanzira, a former cabinet minister (Zinhumwe & Gwindingwe, 2024:1). The Broadcasting Authority of Zimbabwe (BAZ) issued licences to six television channels to 'private' players on 20 November 2020 a development which ended 64 years of monopoly by ZBC. However, all the new players were linked to the state in one way or another while applications from those with traceable history of being independent were not successful (Matsilele, Maunganidze, & Ruhanya, 2021:272). Yet still ZBC still maintenance some monopoly making it least effective due to government interference, bureaucratic red tape, poor funding and lack of autonomy.

Creditors

Creditors, who include financial institutions or lenders, are also important stakeholders of public sector institutions as they seek to protect their loans. They are interested in an organisation's strength and stability for the sake of security of loans. Creditors want to be repaid on time and in full and they are also looking at a return on their investment through interests (Agwu, 2019). Usually, a lender is not closely involved in the governance or management of a company, but they will monitor its financial performance and financial position. Lenders will also become significant stakeholders if the company gets into financial difficulties and is faced with the risk of insolvency (Lasytė, 2019:78). Most importantly the effectiveness of a company or a public sector institution can be measured by its ability to service its debt. If an institution is failing to service its debt, then it means that it is failing to realise sufficient outputs to clear its arrears. Hence creditors are crucial stakeholders to measure the effectiveness of public sector institutions.

Available data shows that most sectors are in debt and for years they have been failing to service their arrears with regards to Zimbabwe public sector institutions. For example, the Ministry of Finance (2021:8) published a list of public external debt by debtor end September 2021 and these public sector institutions include Infrastructure Development Bank of Zimbabwe (IDBZ) USD52 million, Zimbabwe Electricity Supply Authority (ZESA) USD598 million, TelOne USD429 million, NetOne USD40 million, National Railways of Zimbabwe (NRZ) USD14 million, Zimbabwe Iron and Steel Company (ZISCO) USD170 million, Zagrinda USD20 million, National Oil Infrastructure Company of Zimbabwe (NOCZIM) USD52 million, Wankie Colliery USD12 million and Petrozim USD4 million. These public sector institutions have been under-performing for years now. ZIMCODD (2023:2) notes that, debt default by these institutions, that is the probability that a borrower will not make the required payments on a debt obligation, has led to creditors deterring from lending money altogether and or are more inclined to seek higher interest rates when lending. Consequently, the Treasury has resorted to the over-taxation of economic agents and impoverishing citizens. High and regressive taxation affects many facets of the macro-economy, such as aggregate consumer demand, industrial activity, savings and investment, and income distribution.

Communities

Communities are important stakeholders of public sector institutions since these institutions operate within their communities. The stakeholder approach challenges organisations to exercise good corporate relations with the citizens and also to contribute positively to community affairs (Daft & Armstrong, 2012:23). A healthy company requires a healthy, stable, safe, and resilient society. Companies have to contribute their fair share to fund social and physical infrastructure, a welfare social safety net, and quality health and education systems. Much of a company's reputation and social license to operate depends on how much it does on a community's social issues and how well it participates in collaborate efforts to advance society wellbeing, or at least does no harm to society (Gutterman, 2023:15). If the community is satisfied by the operation of the organisation in the community, the organisation is regarded as effective. Some organisations believe that their success cannot be measured by financial capability only but its ability to transform positively in communities (Daft & Armstrong, 2012:23).

Available data shows that most sectors especially in the mining sector are contributing less to none towards the communities they operate with regards to Zimbabwe public sector institutions. A research carried out by ZIMCODD (2023:3) revealed that mining activities are not bringing tangible development to mining-host communities through corporate social responsibility (CSR), such as maintaining roads and constructing new schools and clinics. For example, there is little to no improvement in Marange District where diamonds are being mined by the Zimbabwe Consolidated Diamond Company (ZCDC). Unsustainable resource extraction has contributed to environmental degradation, pollution (air and water) and forced displacements of communities. More so, future generations will be unable to reap nature's economic, ecological, and psychological benefits.

Conclusion and Recommendations

The paper assessed multiple stakeholder groups and public sector institutions' effectiveness in Zimbabwe. The objectives of this study were to examine public sector institutions' effectiveness in the lens of the identified stakeholders in Zimbabwe and challenges associated with stakeholder engagement. The study adopted extant qualitative literature to gather information. The study made use of the stakeholder theory and its main propositions are that companies should consider the interests of all stakeholders, rather than focusing solely on shareholders, to create value for everyone involved and achieve long-term success. Therefore, a clear imperative was drawn between maximizing dividends for shareholders and satisfying the needs of stakeholders. Multiple stakeholders that have a stake in public sector institutions in Zimbabwe were then identified and extrapolated. These included the SAI, employees, customers, competitors, creditors and communities. The study concluded that public sector institutions in Zimbabwe are less effective as they are failing to meet stakeholder needs. This was evidenced by poor performance, poor service provisions, failure to contribute to CSR and unsustainable debts, among others.

It is, therefore, recommended that public sector institutions need to focus on achieving their mission, goals and vision. Effectiveness oriented organisations are concerned with output, sales, quality, creation of value added, innovation and cost reduction. The government and public sector institutions are encouraged to regulate and allow private players to complement their efforts for the benefit, convenience, security, and safety of consumers of public goods and services and do away with monopoly. Public sector institutions have to also ensure transparency and interaction with stakeholders in order to create the necessary ingredient to making organisation and stakeholders to become mutually responsive to each other (Berebon and Sorbarikor, 2020:477). Responsiveness to stakeholders shows that actors are really engaged and interwoven in various innovative activities emanating from decisions arrived with organization and for society.

Public sector institutions must at least minimally satisfy the interests of all the groups that have a stake in the organization to be effective. The claims of each group must be addressed, or else, a group might withdraw its support and injure the future performance of the organization, for instance, when banks refuse to lend company money, or a group of employees goes out on strike (Kimutai and Kwambai, 2018:527). A power/interest grid can be used to map the level of interest different stakeholders have in the operations of an organisation and their power to affect or be affected by it. This will help the organisation to decide where it needs to invest its stakeholder management efforts. When all stakeholder interests are minimally satisfied, the relative power of a stakeholder group to control the distribution of inducements determines how the organization will attempt to satisfy different stakeholder goals and what criteria stakeholders will use to judge the organizations effectiveness.

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