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GRADUATE SCHOOL OF BUSINESS

MASTER OF LEADERSHIP AND CORPORATE GOVERNANCE (MLC)

**AN EVALUATION OF CORPORATE GOVERNANCE PRACTICES ON
ORGANISATIONAL PERFORMANCE. A CASE OF THE HAULAGE
TRANSPORT SECTOR.**

BY

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**A DISSERTATION SUBMITTED TO THE BINDURA UNIVERSITY OF
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DEGREE QUALIFICATION**

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A handwritten signature in blue ink, appearing to be 'Mujakachi TC', written over a grid of lines.

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STUDENT SIGNATURE

DATE 22 June 2023

DEDICATION

This thesis is dedicated to my loving wife Tevedzerai, my cute daughter Sharon.

ABBREVIATIONS

CG	Corporate Governance
CGF	Corporate Governance Framework
CEO	Chief Executive Officer
TSP	Transitional Stabilisation Plan
NDS	National development Strategy
SOX	Sarbanes-Oxley Act
IoDZ	Institute of Directors Zimbabwe
PECGA	Public Entity Corporate Governance Act Bill
ZIMCODE	Zimbabwe National Code on Corporate Governance

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ABSTRACT

The study sought to establish the significance of corporate governance practices on organisational performance in the haulage transport sector. The theory informing the study was the stakeholder theory. The study utilised the positivist philosophy and simple random sampling was used to determine the population from registered transport operators in Harare. Major findings from the study established that numerous factors are causing organisations in the haulage transport sector to adhere to sound corporate governance practices. The research established that organisations are experiencing a decline in orders indicating that poor corporate governance negatively impacts the image of the organisation to customers creating a risky perception to customers. Poor corporate governance in the haulage transport sector has resulted in the companies being unable to meet local and international accreditation status for specialised cargo and the decline in the sales capabilities of the organisation. In addition, organisations are incurring losses and less growth due to high cost of production and less profitability. The unaccounted loss of transport infrastructure due to the lack of oversight, responsibility and accountability primarily results in the loss of company assets and limited returns to shareholders' investments. Various constraints have been identified from the research including the intensification of conflict of interests between management and shareholders, lack of an organisational culture that does not challenge prevalence of unethical practices, the lack of management involvement, lack of training to both managers and employees on issues of corporate governance and the multiplicity of enforcement agents and stakeholders involved in the breach of sound governance and unethical practices. High costs of compliance to licences, fines and regulatory requirements have also been identified as a major constrain to effective improvising of sound governance in the haulage transport sector. Sound corporate governance contributes significantly to improved financial, market and operational performance of organisations in the haulage transport sector. This may indicate less fleet maintained time, availability of space and quality equipment and fleet downtime. As strategies to improve the uptake of corporate governance in haulage transport sector organisations should provide formal training to employees and management in corporate governance and management should be actively involved in the administration of corporate governance issues. Audit tracking for accountability should be enforced and the organisational culture should advocate for the inculcation of and enforcement of sound corporate governance practices. Management should promote whistle blowing in the organisation and incentives should be provided to outstanding employees in corporate governance issues. Finally, the board of director should be composed of diverse skills to allow for the effective fostering of sound governance through instruments of auditing and accountability systems.

Key words: Corporate governance, Performance

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CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter serves as the introductory chapter of the research. A thematic approach was adopted to discuss primarily the background of the study, the problem statement and the objectives of the research. The enhancement of organisational performance through the implementation of corporate governance mechanisms has emerged as a prominent topic of discourse within the transport industry. This sector is known for its inherent conflicts of interest and agency principal conflicts, which have further underscored the significance of exploring and implementing effective governance instruments. The scarcity of efficient haulage mobility presents a significant challenge, thereby creating avenues for individuals with access to resources to capitalise on these opportunities. The prevalence of unethical practises such as bribery, nepotism in employment contracts, smuggling of goods, and the failure to declare cargo properly at border points of entry has been widely acknowledged as a significant issue within the realm of transport firms. The adverse impact of these circumstances on the government is evident in the literature, as it highlights the detrimental consequences such as a decline in tax revenue and the escalating prevalence of illicit commodities within the nation. In the realm of haulage transport business, the pursuit of profit is often hindered by the emergence of various challenges. One such obstacle is the escalation of unaccounted costs, which includes expenses incurred through bribery, the loss of operators licences, and the detrimental impact on organisational reputation. These factors collectively contribute to a decline in competitiveness, consequently leading to reduced profit margins within the industry. The existing body of literature in the field of business theory suggests a strong correlation between inadequate corporate governance and subpar firm performance. In a similar vein, Brown and Caylor (2004) shed light on the connections between effective corporate governance and enhanced corporate performance. Extensive research has demonstrated that organisations that prioritise and implement effective corporate governance practises not only ensure favourable returns for their shareholders but also mitigate the potential risks associated with investments. This chapter aims to provide introductory information to explore the profound influence of effective corporate governance practises in addressing the deteriorating performance of organisations within the haulage transport sector. By offering strategic insights

into the existing limitations and potential avenues for enhancement, this study endeavours to shed light on the significance of sound corporate governance as a solution.

1.1 Background of the study

The nation of Zimbabwe has a mandate of becoming an upper middle income by the year 2030. The vision is set to be achieved by a series of strategic plans from the Transitional Stabilisation Plan TSP, National development Strategy 1 and National Development Strategy 2, which articulates the strategic orientation of the locomotive sector that drives the economy towards the realisation of the vision. The locomotive industries as articulated in NDS 1 & 2 include the hospitality, mining, agriculture and manufacturing sector as key income generating activities. This sector heavily depends on the haulage transportation sector for value addition activities and as such the haulage sector's value cannot be underestimated. Currently the sector is experiencing a decline in investment due to a number of factors as forecasted in the table below.

Table 1.1. Economic Trend Analysis Zimbabwe 2019-2025

	2019	2020	2021	2022	2023	2024	2025
Overall GDP	-6.0	-4.1	7.4	5.5	5.2	5.2	5.0
Agriculture and forestry	-17.8	-0.2	11.3	8.9	7.6	9.5	10.4
Mining and quarrying	-12.4	-4.7	11.0	7.4	8.8	9.2	8.0
Manufacturing	-8.7	-9.6	6.5	6.5	7.7	6.1	5.9
Electricity and water	-19.2	-7.9	18.8	14.4	5.9	4.5	4.8
Construction	-13.9	-11.4	7.2	5.0	4.0	5.0	4.0
Distribution	-8.2	-6.8	5.7	5.5	5.0	4.5	4.1
Transport and Communication	12.9	3.4	7.1	4.5	4.3	4.8	4.4
Finance and Insurance	-6.1	-6.5	7.2	3.3	5.2	6.1	5.0
Government Services	1.4	-2.1	6.2	2.9	2.5	2.3	2.0
Other Services	-3.7	-2.0	4.4	2.7	2.6	2.5	2.5

Source: NDS 1, (2020)

Operational failure features in the sector exists that are constraining the development of the sector. The nature of challenges is both exotegmic, including currency fluctuations, increase in competition and increase in the price of fuel. Internal challenges include lack of finances to sustain the business, lack of trained manpower and notably poor corporate governance which spills over to bad reputation, reduced market share, bad corporate image among other factors. Therefore, the implications of sound corporate governance in the management of haulage and

logistics companies plays a fundamental role in augmenting the performance of these organisations.

Economic crises and various headline-catching company scandals (Enron and WorldCom) have caused renewed interest in Corporate Governance with every such occurrence acting as a reminder of the importance of Corporate Governance, often always followed by a series of steps of actions to be taken. Corporate Governance has since ceased to be an interest topic only for academicians, but has become a subject of discussion in the media and other public fora with phrases like Corporate Fraud, organization failure, excessive compensation, Corporate Social Responsibility and lately, environment responsibility taking up lots of discussion room.

Principally, corporate governance background is aligned on the agency problem between shareholders (principal) and managers (agents). It was brought to wider attention by the Enron scandal, Asian financial crisis and the fall of WorldCom. Correspondingly Huther, (1997) contend that the historical background of corporate governance is explained by the agency problem between the suppliers of the fund and organizer of the investments (managers). It is thus clearly to note that the main factor that led to the emerging of corporate governance is the conflict of interest between directors and owners of the business (shareholders). Accordingly, the main objective of corporate governance is to ensure that directors run a business for the shareholders' interests of the value maximisation. This study aims to explore the existing empirical studies which link the corporate governance practices with the firm performance and emphasis to the maximisation of the shareholder value. It further, makes an assessment of the factors affecting corporate governance effectiveness.

Corporate Governance is defined as an internal system encompassing policies, processes and people, which serve the needs of shareholders and other stakeholders, by directing and controlling management activities with good business savvy, objectivity, accountability and integrity. Corporate Governance is the system by which organizations are directed and controlled. It's a set of relationships between company directors, shareholders and other stakeholder's as it addresses the powers of directors and of controlling shareholders over minority interest, the rights of employees, rights of creditors and other stakeholders.

The concept of Corporate Governance has also been defined as "dealing with the ways in which suppliers of finance to corporations assures themselves of getting a return on their investment" (Shleifer & Vishny, 1997). It deals precisely with problems of conflict of interest, design ways to prevent corporate misconduct and aligns the interests of stakeholders using incentive

mechanism. Corporate Governance is viewed as ethics and a moral duty of firms. The practice of corporate governance is strongly influenced by the parties involved in the management system of a company such as shareholders, investors, creditors, employees, and government. Good corporate governance is expected to increase firm performance. The main objective of the implementation of good corporate governance is to optimize value for shareholders and stakeholders in the long run.

A variety of Corporate Governance frameworks have been developed and adopted in different parts of the world. According to Wong & Mwanzia (2010), countries that followed civil law (such as France, Germany, Italy and Netherlands) developed corporate frameworks that focused on stakeholders. On the other hand, countries that had a tradition of common law (e.g. Australia, United Kingdom, USA, Canada and New Zealand) developed frameworks that focused on shareholders returns or interests. Corporate Governance has become a topical issue because of its immense contribution to the economic growth and development of nations. The absence of good Corporate Governance is a major cause of failure of many well performing companies. The economic well-being of a nation is the reflection of the performance of its companies. Thus, the low level of development of developing nations is attributed to the low level of good Corporate Governance practices.

The prevalence of lop-sided corporate governance systems, accentuated by greed-driven and rent-seeking inclinations to graft, as well as lack of integrity, is cancerous. The rising tide of corporate governance around the globe left traces on the African continent. Corporate governance has attracted a great deal of attention since the mid-1980s when concerns about the way companies were controlled and held accountable were overshadowed by their commercial success unlike the 1970s, which had seen some trying economic struggles around the world. After the big corporate scandals such as Enron, Worldcom, Parmalat, and various other failures of global corporations, corporate governance has become the focal point and has increased to the role of business ethics (McDonald, D. & Puxty, A, 1979).

The concept of governance is not a new concept but has existed for many decades. Nowadays words such as corporate governance, organizational governance or good governance have become so popular. The concept of governance has existed as long as any form of human organization has existed. The concept of corporate governance is merely to summarize the means by which organizations conduct themselves. Corporate governance has become a current buzzword the world over (Sanda & Garba, 2005). Corporate governance has gained tremendous importance in recent years. In Zimbabwe corporate governance has attracted a lot of attention since the financial crisis in 2003 (Muranda, 2006). Several companies have faced

difficulties associated with corporate governance flaws in Zimbabwe. Of note are companies such as Air Zimbabwe, Premier Service Medical Aid Society (PSMAS), Zimbabwe Broadcasting Corporation (ZBC), African Renaissance Bank (AFRE), United Merchant Bank (UMB), ENG Capital and Barbican Bank. The major cause of these corporate scandals in Zimbabwe was centred mainly on poor corporate governance (Awino, 2011).

Zimbabwe which became independent in 1980 does not have a legislated national code of corporate governance along the lines of the King Code, Cadbury Code or Sarbanes Oxley Act although efforts are currently underway to introduce such a code of corporate governance in Zimbabwe (Deloitte & Touche, 2012). At present, corporate governance practices in Zimbabwe are regulated by the Companies Act (Chapter 24:03) and Zimbabwe Stock Exchange Act (Chapter 24:18) (ZSE) listing requirements, Public Finance Management Act (Chapter 22:19) (PFMA) as well as the rules of various professional bodies such as the Institute of Directors of Zimbabwe (IoDZ). The ZSE has adopted listing rules based on those of the London Stock Exchange (LSE) and the Johannesburg Stock Exchange (JSE). The IoDZ has been effective in enforcing corporate governance standards as derived from the United Kingdom Cadbury Report and the South African King Report. The Commonwealth Secretariat has worked closely with the IoDZ to provide training to directors and shareholders. From a commercial point of view, corporate governance standards are high in Zimbabwe, even though the fear is that the political governance standards might spill into the area of commerce. However, most public entities in Zimbabwe have voluntarily adopted provisions of the King II Code while certain prominent members of IoDZ such as Anglo American and Delta Corporation have developed their own in-house corporate governance manuals.

The haulage transport sector has received its fair share of poor corporate governance practices in both privately owned and state-owned organisations. This sector plays an important role in shaping the economy through addition cost on the value chain of products. The complexity of the unethical practices in the sector is compounded by the fact that the industry is regulated by multiple enforcement bodies. Smuggling of goods, bribing of officials, malicious declarations of cargo are among common operational unethical practices that characterise the sector. Thus the nature of corruption and unethical practices is caused by multiple agents with deferent originations and motives. Despite many efforts to revitalise the National Railways of Zimbabwe through investments and grants, the organisation still remains partially operational and the return on investment is almost oblique. Challenges of corruption and mismanagement of funds have been attributed to being the major restraint to the development of the company. In research by PACT, (2023) established that the Managing director of NRZ has been

implicated in nepotism, corruption and fraud allegations. The research uncovered that bribery has become an ubiquitous phenomenon to help quicken cumbersome processes and as a mutually beneficial way for public officials and transport operators to make the most of an overly bureaucratic system. The road sub-sector in particular is heavily affected by bribery thanks to the large number of state regulators, dominance by private sector actors, and a multiplicity of touchpoints between the two. The motivation for public officials to participate in corruption and bribery is primarily due to their depleting incomes that significantly eroded by inflation, were incentivised to augment their incomes. In turn, regulatory agencies are reported to intentionally make requirements burdensome to motivate transport operators to offer bribes to avoid the expensive and time-consuming process and obtain their licenses faster. The lack of timelines dictating when regulatory decisions should be made also creates an unbalanced power dynamic, where regulators have total discretion over when applicants receive their approvals, usually at a cost to applicants with no legal recourse.

The lack of sound corporate governance practices and unethical behaviours has affected investors in the sector due to less profit margins experienced by organisation as incomes generated are lost to unaccountable costs in bribery. Also captured attempts to participates in evasive behaviours in tax and smuggling of illegal products has resulted in other organisations incurring additional legal costs through fines and penalties, loss of operator's licences and loss of business. Nepotism has resulted in lack of professionalism in the management of most institutions resulting in the poor management of business. The nation has lost income from falsified tax returns, undeclared goods through smuggling and falsified declarations through bribery to officials. The adherence to sound corporate governance practices can be a panacea to these challenges given the multifaceted challenges posed to both the government and the organisations in the haulage transport sector. This warrants the need to establish the role played by sound corporate governance in improving the performance of organisations in the haulage transport sector.

1.2 Problem statement

The augmentation of organisational performance through cooperate governance instruments has been a major theme of discussion in the transport sector as they are characterised by much conflict of interests and agency principal conflicts. There has been worldwide attention on the importance of incorporating corporate governance norms and practices to improve the strategic health of organizations. Hence the need to enrich corporate governance in haulage transport

organisations by expanding the framework of analysis beyond the conventional criteria to incorporate the norms and values to the organizations processes. This may be probable due to the nature of services they provide, as transport services are in high demand in struggling economies of developing countries, whereby haulage mobility is problem creating opportunities for capitalism to those with opportunities. Acts of bribery, nepotism in employment contracts, smuggling of goods and lack of proper declaration of cargo in boarder points of entry have been attributed to be major unethical practices in most transport firms. This has negatively affected the government through loss of income form tax and the increasing proliferation of illegal products and substances in the country. As for haulage transport business, less profit margins are resultant due to the increases in unaccounted costs in bribery, losses of operators licences and poor organisational reputation resulting in less competitiveness. Business theory posits that poor corporate governance is positively related to poor firm performance, and similarly Brown & Caylor (2004) provide insights to relationships between good corporate governance and corporate performance. Research by Garba and Abubakar (2014) posits that that companies with better corporate governance guarantee the payback to the shareholder and limit the risk of the investment. Limited research exists of the practical implications of sound corporate governance in the haulage transport sector of Harare and as such vast research gaps exists on the subject domain. The lack of such research has further implications to the economy as transport plays a vital role in the value addition cycle through providing mobility to vital factors of production. Therefore, issues that affect the transport sectors, in their totality, affect the economy. The study seeks to establish the impact of sound corporate governance practices as a panacea to the declining performance of organisations in the haulage transport sector through providing strategic insights on the current constraints and strategies for improvement.

1.3 Research objectives

Main research objective

To establish the role of sound corporate governance as a solution to poor performance of organisations in the haulage transport sector.

Specific objectives

1. To map the drivers towards good corporate governance in haulage transport companies

2. To identify the operational failure features which are constraining the establishment of good corporate governance practices in haulage transport companies.
3. To explain how Codes of Corporate Governance affect the performance of haulage transport companies
4. To recommend strategies to improve the situation of haulage transport companies in terms of good cooperate governance

1.4 Research questions

Main research question

What is the role of sound corporate governance as a solution to poor performance of organisations in the haulage transport sector?

Specific research questions

1. What are the drivers towards good corporate governance in haulage transport companies?
2. What operational failure features are constraining the establishment of good corporate governance practices in haulage transport companies?
3. How do the Codes of Corporate Governance affect the performance of haulage transport companies?
4. What strategic option can be adopted to improve the situation of haulage transport companies in terms of good cooperate governance

1.5 Conceptual framework and hypothesis

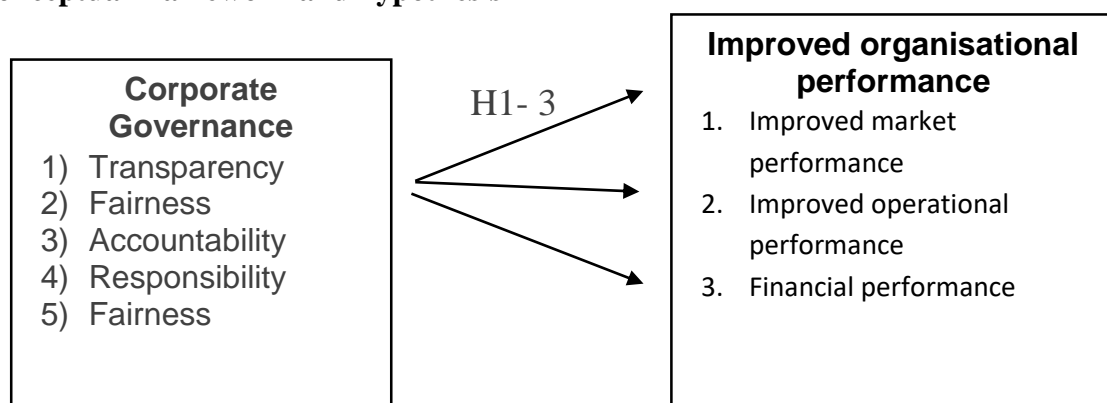


Figure 1.1 Conceptual Framework

Source: Author developed

Hypothesis

*H*₁ Sound corporate governance practices improves the market performance of organisations in the haulage transport sector.

*H*₂ Sound corporate governance practices directly improves the operational performance of organisation in the haulage transport sector.

*H*₃ There is a positive relationship between sound corporate governance and financial performance of organisations in the haulage transport sector.

1.6 Delimitations of the study

The present research study investigated an evaluation of corporate governance practices on organisational performance. A case of the haulage transport sector.

The key constructs of the study include good corporate governance, operational failure features, Codes of Corporate Governance. The research study was conducted in Harare the capital city of Zimbabwe, a developing country in Africa. The research study was restricted to all registered road freight transport in Zimbabwe.

1.7 Limitations of the study

During the course of the research study, the researcher encountered various challenges and obstacles that were within their control. These issues posed potential threats to the successful completion of the study. The implementation of migratory strategies has been undertaken in order to prevent any potential compromise to the quality of information and the reliability of research, despite the presence of various challenges. The researcher demonstrates a remarkable level of independence by not relying on external funding sources, such as the university or any other institution, to support the research process. This approach highlights the researcher's self-sufficiency and ability to sustain their work without external financial assistance. The research, in this case, relied on the allocation and utilisation of the existing financial resources in order to bring the research project to fruition. The researcher's commitment to the research project is not exclusive, as they also have other academic obligations that demand their attention. These additional responsibilities include attending to various tasks and ensuring they have sufficient time for rest. The researcher acknowledges that their time management skills have been lacking, which has resulted in a challenging situation. Despite this, they are determined to make progress and meet the deadline for submitting their research. They are committed to finding a

solution that allows them to fulfil their academic and work responsibilities without sacrificing the quality of their work.

1.8 Significance of the study

The findings of the study focused at understanding and improving the relationship between corporate governance and performance of organisations in the haulage transport sector. The findings of this study will be beneficial to various stakeholders in the industry such as:

The management would identify how various aspects of corporate governance practices affect the performance of organisations in the haulage transport sector. They would also identify the impediments that face these organisations in approaching various corporate governance practices that affect their performance. The policy makers would obtain knowledge of the transport sector dynamics and the responses that are appropriate; they will therefore obtain guidance from this study in designing appropriate practices that would regulate the shareholders participation in affecting the performance of these organisations.

The study would provide information to potential and current scholars with regard to the relationship between corporate governance and organisational performance.

1.9 Assumptions of the study

- i. The research environment remains constant.
- ii. The chosen sample population will be a true representative of the entire population
- iii. The responses of respondents are truthful and accurate providing edifying data for the progress of the topic under study
- iv. The respondents will be available and that they will provide their responses in time in a way to utilize on the given time.

1.10 Definition of key concepts

Corporate governance

According to Cadbury (2002), corporate governance is concerned with the system by which companies are directed and controlled, which is clearly the responsibility of their boards of directors. Rachinsky, (2007) defined it as the structure that is intended to make sure that the right questions get asked and that checks and balances are in place to make sure that the answers reflect what is best for the creation of long-term, sustainable value.

Organisational performance

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard et al. (2009) organizational performance encompasses three specific areas of firm outcomes like financial performance, product market performance and, shareholder return and economic value added. An analysis of a company's performance as compared to goals and objectives. Within corporate organizations, there are three primary outcomes analysed: financial performance, market performance and shareholder value performance.

1.11 Organisation of the research study

This paper is contained in five chapters as explained below:

Chapter 1: Introduction

This is the introductory chapter. It introduces the problem and provides an overview and the key areas under study. It describes the aims and objectives of the study and stipulates the beneficiaries of the study. The scope of the study is highlighted and the definitions of most used terms in the topic under study.

Chapter 2: Literature Review

This chapter takes a general approach to issue that is related to topic under study. It explains the historical background of the topic, maps the gaps within the existing research studies, delimitates the research study and much more. It also elaborates the theoretical and conceptual frameworks with regards to the research study.

Chapter 3: Research Methodology

This chapter is called the research methodology. This chapter provides with a concise and precise description of how the research will be carried out. It introduce the research design, population and sample, sampling procedure, research instruments, data collection procedure, validity and reliability, ethical considerations and finally the procedures of data presentation and analysis.

Chapter 4: Results and Discussion

This chapter provides with the results of the study, discusses and elucidates the findings from the research. It has useful primary information on the manipulated data from the research field. It is presented in illustrations by diagrams, charts and tables.

Chapter 5: Summary, Conclusions and Recommendations

This is the final chapter of the research project and gives a collective summary of key findings from chapter 4 and makes an overall conclusion. It addresses the various stakeholders of the research by providing recommendations to users of the paper. It gives fabricated strategies and solutions basing on the results and discussions from chapter 4.

1.12 Chapter summary

This chapter served as the introductory chapter to the research. The research problem exposed the need for research on the significance of sound corporate governance on the performance of the haulage transport sector and operational failure features characterise the industry. The scientific contribution of the research to various stakeholders has been exposed and finally a display general outline of the research was provided. The next chapter will appraise extant literature pertaining to the objectives of the research and variables under investigation of corporate governance and organisational performance.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

Based on the research objectives, this chapter gathered literature on wide-ranging areas of corporate governance including, definitions, theories, evaluation of models, principles, best practices, appointment of board members, conditions of service of boards of entities. There are numerous theories on corporate governance, which are referred from agency, stakeholder theories and ethical issues. This gave a deeper understanding on the diverse methods and arrangements of corporate governance. A funnel approach was employed to explore data in which the World, Africa and Zimbabwe cases were used in the literature review. In this vain scrutiny of the literature of various models of corporate governance in diverse parts of the globe was carried out to better understand these approaches to corporate governance. This sought to appreciate on what motivated their creation, adoption and checked their usefulness in the thrust of determining what constitute best practices of corporate governance for the haulage transport sector in the Zimbabwean context. Meta-synthesis and meta-analysis approaches were used as review methodologies based on existing case studies from other countries.

2.1 Definition of key concepts

This section the chapter presents on the key terminology used in defining research variables namely corporate governance and auditing as discussed in the sections below;

2.1.1 The Concept of Corporate Governance

Corporate governance (CG) has been given different definitions by numerous researchers. Basically, it can be characterized as a set of procedures, customs, values codes, strategies, laws and structures overseeing the manner in which a company is coordinated, controlled and considered responsible. Similarly, Cadbury, (1992) states that CG is the framework by which organizations are coordinated and controlled and concentrated on only on the internal structure and activity of the organizations' dynamic procedure. As indicated by the OECD, (2004) corporate governance joins internal structure of CGF as well as takes in cognisance different stakeholders and their impact to the business. It thusly requires that an organization, and particularly its administrators, submit to the arrangements of applicable resolutions, cultural

standards, gauges and codes of best practices just as manage the organization dependably and sincerely. Sangarwe (2014) agrees that CG is a methodical structure in any nation which entails of the more extensive institutional linkage that steers or direct the relationship among administrators and interested stakeholders with regards to the organisation's activities. It, accordingly, includes matters, for example, executives' obligations, financial accounting and the insurance of the interests of different stakeholders.

2.2 History and Evolution in Corporate Governance

The starting point of corporate governance can be followed back to the formation of the enrolled organization under the Joint Stock Companies Act of 1844 in the United Kingdom (UK) (Ruparelia & Njuguna, 2016). This introduced the start of the cutting-edge enterprise that presented separate control from ownership (Berle & Means, 1967). Corporate Governance Framework (CGF) were then evolved to shield firms from the activities of expert managers and directors which resulted in the formation of the Liability Act in UK to defend investors from obligation beyond their investment and interests. Corporate governance picks up noticeable quality during the 1980s because of securities exchange crashes over the world and powerlessness of CGF to forestall corporate failures. Ruparelia & Njuguna (2016) feature that corporate governance is certifiably not an ongoing verifiable turn of events, it developed as a need when the South Sea Bubble financial crisis was reported during the 1700s that lead to the enactment of new business laws and practices in England. These laws focused on mismanagement of funds which were identified to be the fundamental driver of corporate failures. This made the establishment for the progressions which would follow the 1929 stocks market crash in the United States. During the 1970s, there was a secondary banking crisis in the United Kingdom, the 1980s which brought about the savings funds and loan crisis in the United States, and the mid-1990s was additionally marked by the East-Asian economic crisis (Ruparelia & Njuguna, 2016).

In 1990s diverse corporate governance frameworks were implemented throughout the world, countries that charted civic law such as Germany, France, Italy and Netherlands established frameworks that emphasizes on stakeholders. Whilst, nations that trailed common law (such as Canada, USA, Australia, UK and New Zealand) established frameworks that were motivated on shareholders' importance. In 1999 Commonwealth Association for Corporate Governance (CACG) established CACG Procedures. The international corporate governance crimes have been in the upsurge and this led to the advance of laws and codes intended to avoid sustained

losses due to corporal indignities. These contests led to the, the Cadbury 1992, King I, II, III and IV and the Sarbanes- Oxley Act 2002 (Solomon & Solomon,2004; Ruparelia & Njuguna, 2016).

2.3 Theoretical Framework of Corporate Governance

This section looks at number of theories and concepts that related to corporate governance. agency theory, stewardship theory, stakeholder theory, resources dependency theories.

2.3.1 Agency Theory

Agency theory having its roots in economic theory was exposted by Alchian & Demsetz (1972) and further developed by Jensen & Meckling (1976). Agency theory is defined as “the relationship between the principals, such as shareholders and agents such as the executives and managers”. In this theory, shareholders who are the owners or principals of the bank, hires the agents to perform work. Principals delegate the running of business to the directors or managers, who are the shareholder’s agents Clarke, (2004). The agency theory shareholders expect the agents to act and make decisions in the principal’s interest. On the contrary, the agent may not necessarily make decisions in the best interests of the principals (Padilla, 2000). Such a problem was first highlighted by Adam Smith in the 18th century and subsequently explored by Ross (1973) and the first detailed description of agency theory was presented by Jensen & Meckling (1976). Indeed, the notion of problems arising from the separation of ownership and control in agency theory has been confirmed by Davis, et al., (1997).

In agency theory, the agent may be succumbed to self-interest, opportunistic behavior and falling short of congruence between the aspirations of the principal and the agent’s pursuits. Even the understanding of risk defers in its approach. Although with such setbacks, agency theory was introduced basically as a separation of ownership and control Bhimani, (2008). Holmstrom & Milgrom (1994) argued that instead of providing fluctuating incentive payments, the agents will only focus on projects that have a high return and have a fixed wage without any incentive component. Although this will provide a fair assessment, it does not eradicate or even minimize corporate misconduct. The positivist approach is used where the agents are controlled by principal- made rules, with the aim of maximizing shareholders value. Hence, a more individualistic view is applied in this theory Clarke, (2004). Indeed, agency theory can be employed to explore the relationship between the ownership and management structure.

However, where there is a separation, the agency model can be applied to align the goals of the management with that of the owners. Due to the fact that in a family firm, the management comprises of family members, hence the agency cost would be minimal as any firm's performance does not really affect the firm performance Eisenhardt, (1989). The model of an employee portrayed in the agency theory is more of a self-interested, individualistic and are bounded rationality where rewards and punishments seem to take priority Jensen & Meckling, (1976). This theory prescribes that people or employees are held accountable in their tasks and responsibilities. Employees must constitute a good governance structure rather than just providing the need of shareholders, which maybe challenging the governance structure.

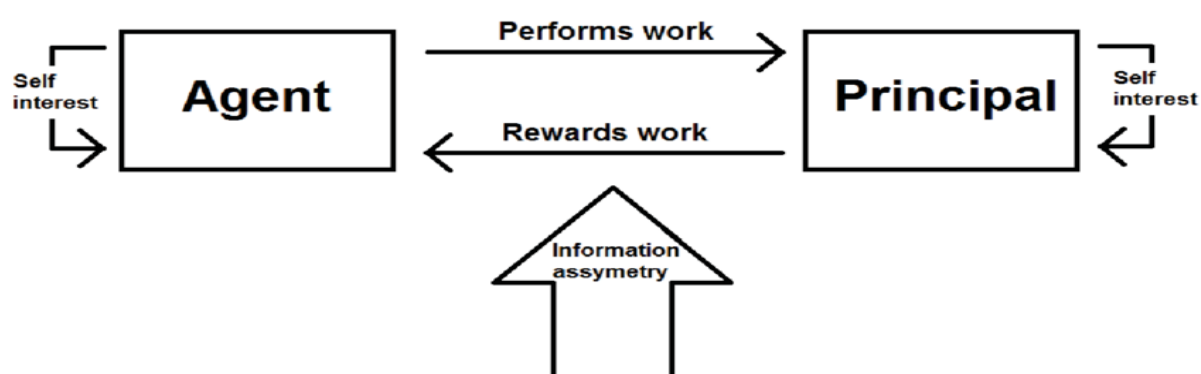


Figure 2.1: The Principal-Agent Relationship

Source: Tricker (2014)

Iturriaga & Rodriguez (2014) demonstrates that the agency- principal relationship results in the agency problem if not managed well may. This develops due to relying on directors and the inability of shareholders to run the company themselves or to give oversight to the activities of the organisation. The conflict of interest that exists among the principal (owner/shareholder) and the agent (management) define the Agency problem. The management is generally concerned with their self - aggrandisement at the cost of the company and shareholders Matowanyika,et al (2014). Managerial entrenchment also is also a matured manifestation of self-aggrandisement which occurs when management enrich themselves at the expense of employees, stakeholders and shareholders ~~e.g.~~ they will still want perks even when the company is not performing well (Sifile, et al 2014). Primarily shareholders prioritise wealth maximization on their investment. Prominent examples include the Zimbabwean ZBC and PSMAS salary gate outrage, in which management pumped themselves with massive perks at the expense of organisational survival Rusvingo (2014). This was done in the presence of the

Board of Directors which failed to act in a bid to check the intentions and performance of management.

Mallin (2014) notes that Corporate Governance has focuses on the decentralisation of power and ownership, which caused the agency problem. CG Is perceived as a mechanism which minimises the agency problem triggered by the use of board of directors. In addition, owners as principals, managers are agents, whilst board of directors are the superintendents who monitor the effectively the performance of the relationship between management and the shareholders. Agency costs emerge from the agency problem, which consist of monitoring costs of the agent to impede misuse. Shareholders ought to have mechanisms to capture and control the agency problem but this may be difficult to verify and costly. Agency costs come into play as the overall amount of monitoring costs experienced by the principal restricting agent problem (Jensen & Meckling, 1976).

2.3.2 Stewardship Theory

The steward as a person who protects and maximize shareholders' wealth through his effort (Xiang, 2018). The stewardship theory is designed on the conviction that managers will act for the benefits of their masters through firm performance, thus maximize and protects shareholder's interests (Wainana, et al 2016). This theory ratifies that stewards who are the firm's executives and management strive for establishing benefit of shareholders. The stewards are perceived as the company managers and executives. The theory points out that managers diligently protect the shareholders' interests and guarantee returns on investments. According to Alia (2015), the stewardship theory is conceptualised on the idea that senior management surpass their own personal goals and gratification for the organization's success. This theory is a true contrast with the agency theory which focused on ideas of individualism, stewards protect the firms and increase shareholders value (Isingoma et al, 2016).

2.3.3 Stakeholder theory

Freeman 1984 conceptualised the stakeholder theory, which is premised on the ideology that managers have numerous stakeholders to oblige which involves employees, suppliers and business partners. The theory therefore upholds that everyone affected by the business operations represent stakeholders of an organisation. Sangarwe (2014) notes that the stakeholder theory challenges agency assumptions on the importance of shareholder interest. As a replacement for, it suggests that a company should be managed in the interests of all

stakeholders. The theory emphasizes that no sets of interests are believed to dominate the others and managerial decision making should encompass interests of all stakeholders (Shahzad, et al 2016). The theory assumes a corporate environment as a setting of related groups, in totality requiring to be taken into account and gratified with the achievement going concern of the company.

Hence, it avows that a firm need to be governed in a style which addresses interests of all shareholders. Sangarwe (2014) concurs with Sternberg (1996) in that his theory has underscored that this theory is mistaken and incorrect as it incapacitates personal property, agency and wealth and maybe incompatible with the firm's functions and governance. Matowanyika et al (2014) also agrees that the theory is narrowed as it only acknowledges shareholders to be the only integral stakeholder of any organization with interest its operations. Shahzad et al (2016), attests that regardless of this critique, the stakeholder theory has fascinated many intellectuals over the years to apprehend and appreciate the significance of roping in all stakeholders since companies do not operate in insolation there is need to take into consideration of the operational community as a whole.

2.3.4 Resource Dependency Theory

The formation of the control structures in corporate governance defines the trust of the resource dependency theory. It assumes that directors acquire essential organisational resources using their network relationship with the external corporate environment. Business associations are fundamental for any organisation to acquire resources externally (Wan & Idris, 2016). Miles (2017) emphasized that environmental relationships detained by organisation decrease the operational costs taking full usage of the relationship. Further underscores that directors bring in resources, relevant information, skills, links to essential suppliers, buyers, policy makers and political protection. Therefore, the theory paints and portrays that with several connections to the internal and external stakeholders gives access to unlimited resources hence augmenting the organizational financial performance.

2.3.5 Theory of Inspired Confidence

The demand for auditing services is the consequence of the financial involvement of third-party organizations that in turn for their savings salvage accountability of the administration. This is achievable through the delivery of the episodic financial statements. Auditors will review the reliability of these reports. The auditor earns his existence to the demand from society for the independent assessment of these financial reports. This theory in addition is

because auditors should strive to meet the owners expectations. Society has expectations concerning the effectiveness of the audit and of the auditors' opinion. Auditors need to be independent and are expected to act as trustees of the society. If this confidence is ashamed, the belief in the auditing sector is affected which kills the base and the usefulness of financial auditing (Limperg 1932). Separate from the fact that society trust the auditor, the auditor needs to be able to recognize and to assess what society demands of him. Rules concerning this purpose hardly exist. This implies that auditors should arouse no greater expectations as they think they can live up to and oversees the consequences of their actions (Carmichael 2004).

2.4 Empirical Framework of Corporate Governance

The section looks at the previous studies in corporate governance, codes and laws of corporate governance that were developed. The researcher interacted and made reference to the following codes on Corporate Governance practices which were developed by different groups of professionals, to provide guidance to Boards on how to effectively direct and control business operations in their spheres of influence in the best interests of the shareholders. The researcher drew inferences from codes namely; Cadbury Report 1992, Sarbanes Oxley, OECD, the National Code on Corporate Governance for Zimbabwe, the Cadbury Report, The King Reports I-IV and PECGA. Moreover, information will be gathered to address stakeholder knowledge of corporate governance, implementation of sound corporate governance best practices and problems hindering the effective corporate best practices in the haulage transport sector. According to Markkanen (2015) it can be argued that western and eastern countries are far advanced in terms of the development and implementation of corporate governance codes, Africa is argued to be lagging far behind.

2.4.1 The sources of Corporate Governance knowledge

The knowledge of corporate governance worldwide was made acceptable through Codes that were put in places to address corporate malpractices which were dominating in the 1990 and early 2000. The following are discussed; Cadbury Code of 1992, Sarbanes-Oxley 2002, The King I, II, III and IV of South Africa. Lateur (2017) attests that with globalization and its relationship to governance, there is need for all stakeholder appreciation of corporate governance. Moreso, argues that globalization is neither the takeover of political power by multinational entities, nor the chaotic unstructured process of disorder. Corporate governance

knowledge is necessary to ensure that there is business growth. According to Aguilera, Desender, et al (2015) knowledge corporate governance both internal and external mechanism have a bearing on the way it is viewed by stakeholders.

2.4.1.1 The Cadbury 1992

According to the Institute of Chartered Accountants in England & Wales (ICAEW) (2019) the Cadbury 1992 was chaired by Sir Adrian Cadbury as a response to a series of financial scandals and collapses and a lack of confidence in financial reporting and stewardship led to the establishment of the Committee on the Financial Aspects of Corporate Governance in May 1991. This committee was set up in May 1991 after Robert Maxwell's death exposed his company's affairs. A series of risky acquisitions in the mid-eighties had led Maxwell Communication into high debts, which was being financed by diverting resources from pension funds of his companies. ICAEW (2019) It was discovered that the Mirror Group's debts (one of Maxwell's companies) vastly outweighed its assets, while four hundred and forty million British pounds (£440 millions) went missing from the company's pension funds. In spite of the suspicion of manipulation of the pension schemes, there was a wide spread feeling in the City of London that no action was taken by UK and US regulators against the Maxwell Communication Corp. In 1992 Maxwell's companies filed for bankruptcy protection in the UK and US. Cadbury Committee (1992) states that it was the same time the Bank of Credit and Commerce International (BCCI) closed shop and also Polly Peck reported substantial profit and one year later closed. Hence, many renowned scholars argue that the developed countries were the first movers and pioneered the efforts towards ensuring sanity in the corporate world. This committee recommended for a code of Best Practice with the board of all listed companies should comply in the UK (Cadbury Committee, 1992).

2.4.1.2 Sarbanes-Oxley Act 2002, also called SOX (USA)

According to King and Case (2014) corporate scandals like Enron and WorldCom attested that the close relationship between the directors and external auditors as largely the cause of corporate troubles going unnoticed. These scandals prompted the US Congress to pass the Sarbanes-Oxley Act in 2002 (SOX Act). This SOX Act resultantly shouldered considerable responsibility on CEO and CFO with regards to accuracy and completeness of the company's annual report. More so, external auditor's independence was strengthened, whilst the audit committee were mandated to incorporate at least one financial expert who should be clearly

named. Above, all it set up a new regulatory body, called the Company Oversight Board, for auditors for US Listed firms (King & Case, 2014).

2.4.1.3 The South African King 1, II, III and IV Code

The Institute of Directors in Southern Africa (IODSA) in accordance to the South African King 1, II, III and IV Code, the Board is required to take responsibility for the entire risk process in an enterprise. Raemaekers, et al (2015) attests that this should be done through formulation of policies, communicate to employees, decide risk tolerance levels and implement a process by identifying measuring and managing risks. In its oversight role the board should receive regular reports on all risks from management. This will help to access on the weakness and effectiveness of internal controls. Hence help to assess on the measures taken to address them and provide assurance that the internal control systems are really working. The communication to shareholders must not be ignored and regular statement to shareholders and documented risk assessment should be made often (IODSA, 2018; King Committee, 2010,2002,1994)

2.5 Conceptual Framework

As a researcher, a conceptual framework comes in handy to guide their enquiry (Saunders, et al 2015). It is a set of thoughts used to structure the research. It represents a roadmap that may comprise the research questions, literature review and data analysis. It essentially guides the researcher on data collection and analysis. The research utilised a content framework as it identified the fundamental aspects and variables controlling the performance of cooperate governance in the tolling industry.

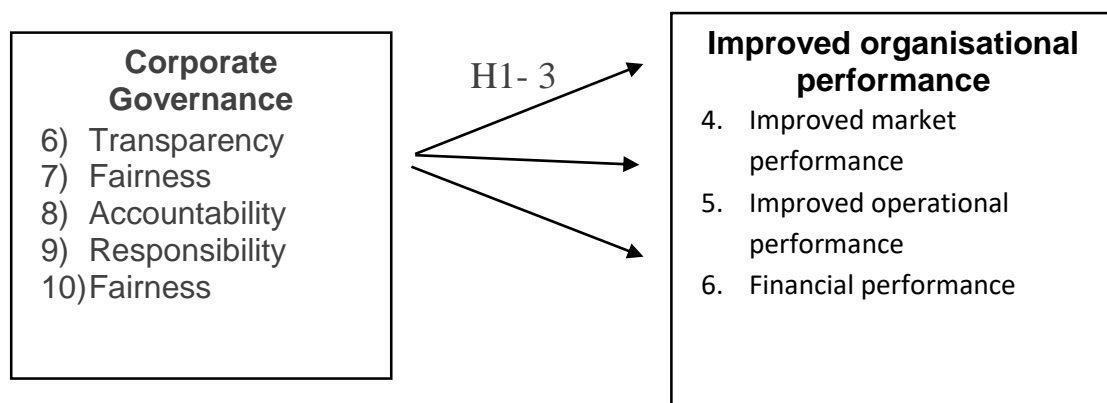


Figure 2.2 Conceptual Framework

Source: Author developed

Drivers for auditing and corporate governance include increased financial risk in the tolling industry emanating from embezzlement of funds and fraudulent practices by directors and administrators. Conflict of interests between administration and the owners of haulage transport companies as the principal. Failure to meet organisational objectives in stipulated times rendering the organisation as less effective. Finally, nepotism and favouritism constraining the way for effective auditing. Independent variables include auditing function of internal auditing, external auditing and auditing teams, and operate governance practices of accountability, transparency, fairness and responsibility. The dependents variable incorporates enhanced performance having been stimulated by implementation of sound corporate governance best practices and effective auditing. According to Gill & Johnson (2002), a dependent variable is the phenomenon whose variation the researcher is trying to explain or understand.

2.6.1 Board Size

Moyo (2016) attests that board size also has a bearing on the good corporate governance. It important to highlight that, some scholars believe that a board which is bigger maybe ideal as it may bring in broad knowledge and skills. Sharma & Arora (2016) indicated that large boards are related with a larger depth of intellectual knowledge, which in turn helps in improving decision-making and improving the performance. They opined that return on fairness and profitability is not related to corporate governance indicators.

However, Battaglia & Gallo (2017) opines bigger board size may lead to discord dealing with management and exchanges of information thereby hindering the effectiveness and efficiency of the board. Vallascus, et al (2017) concurred stating that a bigger board are notable by a dwindling capability of directors to assess management and to examine and determine how firm performance can be improved. Whilst, Shao (2019) argued that there is no relationship between board size (including independent directors) and company performance. Ali (2018) attests that the organization size is positively associated with board size but it is also affected by the industry or sector of the company.

The CGF (2010) depicts that boards of haulage transport companies comprise of the essential part of corporate governance and have to be trustworthy to guarantee a favourable outcome in the organization. Vallascus et al (2017) attests that an optimal board size should be of approximately seven to nine directors. The consequence of this led to smaller boards which were more adept in comparison with bigger boards because of huge processing, monitoring

and integration. However, Yermack (2016) differs mentioning that if a board becomes too small it can be easily influence, manipulated and even get controlled hence being leading to “board captured”. Which is a situation in which the board will be dancing to the tune of the executives hence rubbing stamping each decision without any say hence, literally “captured”

Moyo (2016) state that devising and incorporating fresh concepts and concurring on diverse points of view are to a lesser extent not likely to occur in bigger boards, which leads an advancement of the responsibility of the board to supply management with more prominent concepts and contributions. In this way, contention in the board indicates that the members of the board will to a larger extent not operate to the direct interests of the shareholders thereby creating the agency problem (Ali, 2017).

According to Ali (2018) the main issue on board size is on the capabilities of the board to manage and supervise managers. Wan, et al (2014) states that if the supervision role is intently done the conduct of the managers will be curbed and the agency problems will be lessened leading to an exceptional firm financial performance. With the restriction of managers, it will be strenuous for them to digress from accomplishing the owner’s interests there will be a tight supervision from the members of the board which navigates to the undertaking of decisions to the escalation of the shareholder’s value and better organizational financial performance.

2.6.2 CEO Duality

CEO duality is another important control instrument rooted from the agency angle which is the partition of the duty of the CEO coming out of the chairperson’s role. Wang, et al (2017) states that it can also involve circumstances in which the CEO of the organization acts also as the chairperson of the board of directors. On the contrary, non-duality is a leadership design that allows the detachment of the duties of the chairperson of the board and the CEO. Three theoretical premises in respect of the non-duality of CEO were formulated and they are: stewardship, resource-dependence and agency theories. Adeusi, et al (2016) highlights that the stewardship and resource-dependence theories propose that duality has a definite good effect on the performance of the organization.

Wang et al (2017) opines that being an associate, the CEO is likely to be brimming of vast knowledge and a more elevate level of perception and greater experience of the most critical disputes and favourable circumstances, encountered by the organization as compared to a nonexecutive chairperson. Shao (2019) CEO duality has a considerably terrible impact on

association performance; attention of possession has a drastically fantastic influence on company performance; managerial possession is negatively correlated with company performance.

Boyd (2015) alludes that in order to establish an equilibrium of capability and control, organizations should create a coherent and agreed upon division of accountabilities within the head of the organization. By this no persons have uncontrolled authority to engage in decision making. This is basically the divorce of the post of chairperson coming out of the CEO and this eventually cuts down the entire agency expenditures. Grzeszczak, (2015). Sifile et al (2014) state that the role of the chairperson must be ultimately detached from the Chief Executive Officer. Duru, et al (2016) attests that duality exhibits serious problems as the persons accountable for the performance of the organization are alike to those that adjudicate its effectiveness.

Abor & Biekpe (2015) established that organizations that divided these posts are likely to preserve an optimal capital structure alongside liabilities being utilized as an element of supervision for ethical jeopardy.

Nevondwe, et al (2014) states that the King III code of governance state that the board must appoint a chairman of the board who is an autonomous non-executive director and the CEO of the firm should not be allowed to occupy the post of being the chairman of the board. Section 3.11 in the corporate governance framework states that the duty of the chairperson and of the Chief Executive Officer must not be designated to the individual with either one of those roles as it is mandatory to eradicate the friction of roles.

However, Wang, et al (2017) did a study on political influences versus benefits of CEO duality, in China had the findings revealed that duality is not a challenge for firms with a politically connected CEO and alludes that the higher the extent of political influent, the benefit of CEO duality is less likely to outweigh the cost of CEO duality

2.6.3 Independence of the Audit Committee

Fundamental committees that must be in the board are the audit, remuneration and nomination committees McDonalds (2014). Based on specific organizations the risk committee, information technology and governance committees are extra committees that could be deliberated. Board committees consist primarily of autonomous non-executive directors and

these committees work to the so as to safeguard the interest of the shareholders. The committees also assist in the efficient operations of the board of directors Fredrick (2016).

Audit committees bear a substantial task to perform in accordance with worldwide systems (Weir, 2016). The Sarbanes-Oxley Act from the USA together with the UK Smith Report is the chief dominant regulatory scheme in regard to audit committees. King III desires the need for an autonomous and appropriately adept audit committee. Audit committees also encompass sanctuary roles in accordance with the Companies Act 71 (2008) of South Africa, separate from the board. The committee is also established to grant supervision and affirmation of honesty in the publishing of financial reports and the disclosing of the organization's performance. Lipton (2014) states that the precision of how they report influences how the organization is apprehended to the stakeholders and potential financiers

The King III for South Africa (2009) on section 3.1 elucidate that the board must make certain that the organization employs a proficient and autonomous audit committee that will be adjoin regularly using stipulations sanctioned by the board. Chairmanship must be occupied by an independent non-executive board member and this produces a section of the requisite determinants encompassing the development of how to regulate risk. The entire audit committee members are supposed to be independent non-executive directors.

Mallin (2014) postulates that the audit committee is a crucial sub-committee of an organization's board considering the imperative function they execute in safeguarding the interests of the shareholders by regulating finances and supervision of it. Wan et al (2014), This assists in the assuage of agency predicaments by expediting the prompt delivery of unprejudiced information of accounts from management to shareholders, stakeholders and creditors thereby curtailing down the irregularity that comes with information among internal and external stakeholders Wan (2016). With an efficient control, it compels a much greater organizational performance and this is directly connected with the portion of external directors? present in the audit committee.

Abbott, Parker & Peters (2016) suggest that a self-sufficient audit committee emanate into an impressive guide in the course of accounting for finances. This self-sufficiency involves its particular perils as the directors which are autonomous may be deficient in the requisite industry prowess and can also be engrossed in their individual issues which culminates in little time being actually consecrated to business of the organization Nicholson (2016).

Matowanyika et al (2016) alludes that the capability of effectuating fraudulent financial activities is dwarfed through the overseeing of the audit committee which reinforces the confidence of the investors and the financial worth of the organization. Audit committees call for an advancement of clarity from the managers hence intensifying the conditions of publication of financial reports especially to shareholders thereby the problems associated with agencies will be lessened.

2.6.4 Board's Ownership

The percentage of the board with director's owning shares is an addition an interior corporate governance tool that was tendered in a bid to resolve complications surrounding agencies. Vambe (2018) propound that clashes amidst the shareholders and management crop up reason being that the managers possess surplus claims which are below 100 per cent. By this they cannot obtain a complete gain emanating out of the operations which seek to boost profit yet they put up with up the whole expenditure coming forth from these activities. Gonzalez and Andre (2014) alludes that this results in a reduction of the effort put into regulating the resources of the organization. These ineffectual routines can be cut down when management owns the bigger chunk of the equity of the organization. (Iturriaga, & Rodriguez, 2014)

Grout & Stevens (2014) propound that the effects of dynamic ownership systems in the long run especially amidst the government and private proprietorship are contentious. They also assert that the motivation for the government to hold shares in any organization may be accompanying certain political targets. Despite this, the government may occupy a hefty cut of equity in an organization so as to have charge of the organization. Gonzalez & Andre (2014) express that ownership by the government negatively affects performance of an organization. Iturriaga, & Rodriguez (2014) also state that ownership by the government is susceptible to agency issues. This is as a result of the inclination of management to pursue their individual interests rather than commercial goals for instance maximization of profit, the government gravitate towards employing the assets of the organization to attain their political goals.

2.6.5 Board's Independence

The independence of the board is one of the most argued upon matter in corporate governance analysis owing to the fact that it has the capacity to impact board discussions and to dominate resolutions reached by management in the firm (Neville, et al 2018) It is contended that directors which are autonomous usually behave in order to maximize the shareholders interest

in an excellent manner in contrast with directors who are internal as they do not possess some motivation to work jointly with inside managers to maximize the wealth of the shareholders (Donaldson & Davis, 2016). Neville et al (2018) attests that an autonomous and efficient board of directors will reinforce the characteristics and number of information supplied by those within the firm directed towards the community thereby assisting in the cutting back of unfavourable selection expenditures

The theory of agency suggests that there is a necessity to engage directors who are independent in the board of the organization to enable the control of some egoistic behaviors done by management in order to abate agency expenditures. Albeit the propositions of the agency theory of incorporation of autonomous non-executive directors to help build up the board's autonomy from management, it was noticed that autonomous directors are usually not the cause of misconducts executed by the firm's executives on the assets of the firm which steers a performance which is negative (Sifile et al, 2016; Moyo, 2014).

It is also widely recognized that internal directors embody certain internal information the firm that is not available to external directors. Their active engagement in the administration of the organization leads these internal directors to obtain an easy access to essential information which can be employed to advance the financial performance of the organization (Najid, 2016). Allin, et al (2015) states that internal directors nonetheless abuse this privilege of obtaining this information and transmit the wealth of the shareholders to themselves even in the propinquity of the autonomous directors and all the inquiries concerning the activities of the organization are aimed at the internal directors during the board meetings and they are expected to comprehensively answer. This assists in relief of difficulties encompassing information asymmetry.

2.7 Effect of Corporate Governance on Entity Performance

This section looks at how good corporate governance can have an on the overall financial performance of a company. Sharma & Arora (2016) attest that organizations that comply with suitable company governance practices can assume to attain greater accounting and market performance. It implies that properly company governance practices lead to reduced corporation costs. Hence, it is concluded that companies of the developing world can per chance decorate their performance by using implementing precise corporate governance practices (Sharma & Arora, 2016). Maranga (2014) also argues that good corporate governance

has a positive economic impact on their overall financial performance over time as it saves the organizations from various losses such as those occasioned by fraud, corruption and similar irregularities

Baxter (2014) investigated the relationship between the company governance rankings of Australian publicly listed groups and their financial performance for the years 2006 to 2008. Ueng (2016) investigated the relationship between the pleasant of corporate governance policy and the firm financial performance and the outcomes of the study showed that companies with a higher corporate governance coverage are more likely to have a better economic overall performance

Zakaria, et al (2014) examined the relationship of corporate governance and company overall performance in Malaysia from 2005 to 2010. They found that a superb association between board size and association performance with the aid of controlling opportunities, association age, leverage and association size

Wan (2016) illustrates that different performance indexes are available and any one of them can be chosen to gauge the financial performance of organizations thus selection of method to employ hinge on the interest of the researcher. Bonney (2015) describe organization's performance meters as effectiveness, leverage, cost-effectiveness and liquidity. They continue explaining that an upright gauge of financial performance should encompass the important distinguishing factors of being a widely used measure with an organized comprehension of stratagems whilst making available the responses and act on the outcomes. This research was fixated on these standards which are imperative to organizations.

Alabede (2016) affirm that an improved corporate governance results in a satisfying financial performance of a firm as it thwarts the seizure of regulating shareholders and thereby guarantying improvements in the executions of decisions. Hence, concluded that organizations incorporating corporate governance principles incur lesser costs of capital moreover this also leads to an improvement in organisation's performance. With this an organization employing good corporate governance will help in the reinforcement of a corruption-free community. Adams and Mehran (2016) agree that poor corporate governance in organizations paves the way for corruption alliances amidst the politicians. McKinsey & Company (2017) performed a survey in Malaysia and the results were that investors were more inclined to offer a premium to organizations with a good corporate governance.

Adekunle and Aghedo (2014) uncovered that sound corporate governance practices have positive association with financial performance. Gupta & Sharma (2014) also concurs that is relationship between corporate administration and firm performance. Kobuthi, et al (2018) did a study on the impact of corporate governance performance at in Nairobi Securities Exchange, and uncovered major relationship between corporate governance and performance of some listed companies. Hence, affirmed that the companies can improve financial results by implementing sound corporate governance, explicitly those traits of good corporate governance. Nuryanah & Islam (2015) analysed the relationship between sound corporate governance practices and execution of listed Indian assembling firms. The analysis found that corporate governance definitely positively altered the firm financial performance.

Albeit various investigations conducted in India, Kapoor & Goel (2017) revealed that productivity is a significant variable, as it directs the relationship between audit committee freedom and income earned by executives.

Mohan & Chandramohan (2018) demonstrated that sound corporate governance activities have a huge impact of firm execution, while board synthesis showed no critical impact of firm financial performance. Bahadur (2016) has shown that corporate governance qualities for example, board autonomy, number of board advisory groups, and executive compensation, all positively affect a company financial performance.

2.8 Problems Hindering the Effective Implementation of Corporate Governance Best Practices.

It is difficult to talk of corporate governance challenges without touching on business ethics and stakeholder management. According to Manuere & Jengeta (2014) stated that there are features of big power distance in Africa were autocratic governments based on co-optation and changed by revolution, corruption, scandals are covered up, income distribution in society very uneven. Hence, argued that due to this power distance people in society are not equal and feel that they do not have the power to influence. In African countries power is in the hands of the few politicians who administer and run the country, making decisions for everyone else. Many scholars in corporate governance, believe that African countries are characterized by big power distance so general public may be not in a position to challenge the status quo even with legalization in place to air their views.

Chipunza (2015) attests that corruption was rampant in African countries and it is a corrosive drain on resources, trust and investor confidence. There is shocking revelations of extortion and misappropriation of government and company funds by even legislators and company leaders. Solomon (2014) felt that nepotism was also rife and it entails the practice of hiring relatives without following the laid down recruitment process in an organization or favouritism based on kinship.

Chanda, Burton and Dunne (2017) did a study in Zambia on corporate governance efforts and highlighted the efforts were still in the embryonic stage, but entrenched corruption needed to be addressed so a meaningful change to happen. A number of pulling forces were prevalent and Chanda et al opines that root and branches change was necessary in structures and attitude if meaningful improvements were going to be achieved. Governance issues call for unity of purpose and recognition of current malignancies.

Chanda et al attests that regardless of Zambia's idiosyncrasies, there was evidence demonstrating that a pan African picture that was developing, with emergent awareness of potential benefits of perfected corporate behaviour- nonetheless deep scepticism exists about the likelihood of these corporate governance efforts given corruption is rampant in the reward structures. Such is the extent of embeddedness in power amongst those who benefit from current arrangements that both "mimetic" and "coercive forces" isomorphism is argued to be stretched to the limit against any shift in existing systems and processes.

Matowanyika et al (2014) attests coercive isomorphism in financial reporting and corporate governance as the stakeholder' ability, power to persuade and sometimes force firm do a certain way of reporting they alludes that political actors have the power to impose such pressure. Whilst, mimetic isomorphism entails a result of positive accounting caused by unusual accounting situations that are yet to be addressed by the regulation and standards. Hence, the measurement of organisational performance not an easy exercise at all.

Mahadeo & Soobaroyen (2013) did a study on the implementation of corporate governance in developing countries and discovered that corporate governance issues not adhered to regarding directors' appraisals and training, remuneration policies and remuneration details by companies. Whilst, et al (2015) elucidate that good corporate governance in haulage transport enterprises rises with a decline in the level of corruption in the country. In countries with rampant corruption, it is then difficult to implement properly good corporate governance. One

explanation of dishonest and immoral behaviours in organization's can be ascribed to a corrupt management and a privation of responsibility.

They lack appropriate funding as they are not in the business of making a profit but of delivering a service. Implementation of good governance then becomes difficult as a result of fewer finances. Lack of knowledge at national level which results in a lower level of participation in corporate governance matters.

Gberevbie, et al (2014) argues that good governance in any nation is the relative absence of corrupt practices in all its ramifications. The implication of this position is that in a nation where corruption has almost become the norm, such a nation cannot claim to experience good governance. One of the reasons attributable to the unethical practice of corruption in a nation is that of weak leadership and lack of accountability of officials.

Sawe & Muneja (2017) also propounds that: to create the conditions for good governance and fight corruption, a whole array of institutions has to be strengthened within each country so that core strategy is the one that requires much more than declarative intent. It requires a major shift that recognizes as necessary stakeholders in the efforts to achieve good governance and to win the fight against institutionally embedded corruption. Other important challenges at the national level include the lack of civic education among citizens and civil society leading to low participation in the political process at both national and local levels, low gender participation especially in the legislature, weak exploitation of the potential of traditional rulers in the governance process, and the lack of credibility of the electoral system, especially of the Electoral Commissions.

Sifile & Bhebhe (2016)) opines that for any policy to work there is need to "get the state" through better policy and implementation right. They argued that the rejection of top down and bottom-up synergy in favour of an exclusively top-down approach will be doomed for failure, hence there is need for all stakeholder approach for corporate governance to work.

Manyadze, et al (2014) attests that the corporate governance framework should also include the information technology governance and laws to arrest company closures, judicial management, fraud, corruption and other ills that have characterised the companies globally. The issue of cyber security also comes handy as data breaches are now so common but biggest challenge in that much involving that IT law have to be robust. The function is usually given to the Board to ensure IT is adequately governed. This principle is not new but actual

implementation requires new thinking because it requires strong financial support which usually is not available to haulage transport sector.

The legal and regulatory framework governing the appointment of the board members has loopholes in the PECGA and this will have an adverse impact on the effectiveness of the boards. Board members are being appointed for the wrong reasons and therefore lack the necessary skills and expertise to effectively direct the respective entities towards achieving their goals. Chimbari (2017) elucidates that the main challenge is that the framework in place defines the person responsible for appointing the boards (“the responsible Minister in consultation with the President”) but doubts if guidelines on academic and professional qualifications and the framework will be followed or political patronages prevail. “Independence” should not be taken for granted; there it should be visible through action and with leaders willing to voluntarily resign when things go wrong. Hence the tone at the top should change and be transformational leaders and corporate governance champions.

The irregular appointment of directors, achieving board diversity appears not to be always possible in Zimbabwe especially with regard to relevant expertise and gender. In some cases, the people who are appointed as directors are usually not well versed with the complexities of the entity and the industry in which it operates as well as the applicable laws and regulations. The absence of expertise and relevant skills makes it difficult for the entity boards to effectively discharge their duties. Also gender equality has not been given the prominence it deserves in the selection and appointment of board members. There is a need to embrace gender imbalances and equate equal opportunities.

Bonney (2015) attests that in the haulage transport sector given the fact that the responsible authorities are not regularly monitoring and evaluating the boards’ performance, the boards may not have the motivation to effectively discharge their mandate especially if they believe that the shareholders are not interested in the outcome of their actions be it failures or achievements. Hence, there is a need to constantly monitor them to ensure sustainable results are achieved.

Sifile et al (2014) agrees with Chimbari (2017); Moyo (2014) that Zimbabwe’s relevant authorities have done very little towards empowering the enforcement agents in terms of investigative skills, independence, resources and the legal powers to enforce compliance that it appears to have weakened the enforcement mechanisms developed by the country to enhance board effectiveness is the high rate of corruption in Zimbabwe. The relevant authorities have

not exhibited much political will to eliminate corruption as they have mostly concentrated on the symptoms and not root causes of corruption. As a result, the government needs to establish ways of eliminating corruption, create an adequate legal and judicial framework and be committed and more consistent in the implementation of good corporate governance standards and enforcement of compliance.

2.9 Whistleblowing Protection

According to Trickler (2015) whistleblowing can be malicious as well as honest. According to ICSA (2004), companies would not want to encourage malicious whistleblowing. On the other hand, it would be inappropriate to treat whistleblowers as “enemies” and “traitors”. The challenge facing whistleblowers relate to the weakness in complete in corporate governance. In this vein an employee can be disciplined for making groundless complaints and allegations in bad faith about his or her employer. Chimbari (2017) attest that for any corporate governance to be work, it needs to be supported by a robust whistle blowing framework to expose misconduct and corporate malpractice; chiefly so, when the system is a principles-based one where compliance is voluntary. The OECD (2015) underscores that the protection of whistle blowers who disclose wrong doing in governments is recognised as the core of the haulage transport sector integrity framework; is an essential tool for protecting the haulage transport sector interest, instituting a culture of accountability and in many countries is proving crucial in fight against misconduct, fraud and corruption. Some countries including the United Kingdom and USA, have laws to protect whistle-blowers. The United Kingdom, which follows a principle based corporate governance system in the form of the UK Corporate Governance Code, provides whistle blower protection under the Interest Disclosure Act (PIDA) of 1998 (Chimbari,2017; ICSA,2004)

The Whistleblowers in Zimbabwe are provided for under the Whistleblowers Protection Act of 1989 and the PECGA has a whistleblowing policy. However, many schools of thought feel technically the whistleblowers have no real protection; legal or otherwise. This dilemma situation is further worsened by the various gagging mechanisms such as the Official Secrets Act [Chapter 11:09] which prevents employees in haulage transport sector from disclosing information about the activities happening in the enterprises. Employees are compelling to sign “Declarations of Secrecy Documents” which is filed in their employment contracts. These put whistle blowers under a precarious situation as the signed documents will then be used against

them in future for divulging sensitive information hence promoting the practice of concealing malpractices.

The whistleblowing Policy can only work if rampant corruption, political interference and bad governance practices in the haulage transport sector have been addressed. Hence, the haulage transport sector cannot make use of the principle-based “comply-or-explain” as shown by the continued corporate scandals of haulage transport sector thus demonstrating that they are incapable of self-regulation. Chimbari (2017) highlights that whistle-blowers may be protected if there is adopting the rules-based model of corporate governance model.

2.10 Sources of Corporate Governance Practices in Zimbabwe

The country gained independence in April 1980 and adopted the existing concept of haulage transport sector. Scholars argue that Zimbabwe is well known for crafting policies blue print and drafting policies without concrete results. The current economic meltdown has contributed to unsurmountable social hardships; the debt for the country debt also plummeted over the years. Zvavahera & Ndoda (2014) argues that haulage transport sector has also contributed to large scale to this economic woe due to poor performance

According to Moyo (2016) states that, the Zimbabwe’s corporate governance framework for haulage transport entities is equated to the frameworks of South Africa and Australia. These countries’ company laws historically borrowed greatly from the United Kingdom’s which has its corporate governance systems comprise of both mandatory and self-regulating features. Hence, to come up with the corporate framework for Zimbabwean Corporate Governance reference were made to the following sources; the Companies Act Chapter 24:03, South African Code (King 1, 2 and 3), the historic and iconic Cadbury Code and its successors for instance the UK Combined Code on Corporate Governance. The corporate governance framework for haulage transport enterprises in Zimbabwe of 2010 was also comes into play. This Code was established to act as a guide and a means of assisting the enterprises. In this thrust, the National Code of Corporate Governance (Zimcode), was also published by, The Institute of Directors Zimbabwe (IODZ) in April 2015. This was followed by the Public Entity Corporate Governance Act Bill (2017) which culminated into the Public Entity Corporate Governance Act (PECGA) of 2018.

2.10.1 Zimbabwe National Code on Corporate Governance (ZIMCODE)

The ZIMCODE was drafted to give a direction and adopt internationally recognised way to execute sound corporate governance best practices which both the private and public entities can institutionalize. The is code was modelled around the “apply or explain” way, implying that organizations must adopt to the principles it spells out and that they are obliged to reveal the reasons for failure to comply with the principles (Zvavahera ,2014).

The ZIMCODE chapter on ownership and control advocates and promotes the rights for several classes of shareholders. Chavunduka & Sikwila (2015) elucidated that it spells out on how power must be share equitably amongst the various stakeholders, be it management and the board of directors. The code also addresses the issue of the board of directors sighting that they should have unquestionable attributes, so as to carry out their tasks diligently. Management for any organisation were deduce risk and map up strategies to counter the risk identified and minimize their impacts. It also advocates for fair information management about the organisation and its dissemination to stakeholders.

2.11 Chapter summary

This chapter has traced on the origins of CG, its usefulness and how it has evolved over the years. The review revealed on, stakeholder knowledge of CG and its implementation hindrances from different countries and then narrowed to the local arena. The chapter again concentrated on a few CG theories and a few concepts. Zimbabwe’s haulage transport sector largely inferred as a way of undertaking issues for instance unemployment and economic inequality. This conveys that the stakeholder theory is appropriate in measuring the appropriateness of the corporate governance framework for the sector. The subsequent chapter outlines the research design. It depicts in what manner the sample was elected and just how the data was amassed.

HAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

The research approach for this study is examined in this chapter. According to Rajasekar et al. (2013), the research methodology defines the steps a researcher must take in order to characterize, explain, or anticipate a phenomenon. It is directly influenced by the issue, which, as highlighted by Leedy & Omrod (2005) quoted, is the common thread tying all the components of a research project together, according to Ellis and Levy (2008). In other words, it refers to the overall strategy that the researcher employed to complete the study. This implies that the suitability of the research tools determines the research approach. The chapter examines the adopted research philosophy and its rationale, the selected study designs and the justification for employing them, and the demographic, sample, and data collecting tools that will be employed. It examines methods for presenting, analyzing, and interpreting data as well as the steps to take to guarantee the accuracy and dependability of the research equipment. Finally, it discusses the need to uphold research ethics.

3.1 Research Philosophy

Le & Lings (2008) claim that philosophy is the process by which we translate information from the real world back into theoretical concepts. We may evaluate intellectual resources and recommend alternate ways of thinking with the aid of philosophy. As a result, a researcher who is familiar with philosophy will be able to recognize which designs will be successful in a certain field of study. Positivism and phenomenology are two specific research theories that direct study. The positivist philosophy, commonly referred to as the scientific approach, employs scientific procedures that are founded on empirical facts and are verified, methodical, logical, and reproducible (Kothari, 1990).

3.1.1 Positivism

Positive thinking, according to Easterby et al. (1991), uses quantitative and experimental approaches to examine speculative deductive generalizations. The main effects of this method are the requirement for observer independence from the subject being examined and the

requirement for developing hypotheses for further investigation. The researcher will assume the philosophical perspective of a natural scientist if philosophy follows positivist ideas. The use of highly organized approach to enable replication and measurable findings that are amenable to statistical analysis will be emphasized (Gill & Johnson, 1997).

3.1.2 Justification for adopting positivism research philosophy

The researcher adopts the positivist philosophy because, as Wilson (2011) explains, positivism presumes an objective and empiricist position in which causes determine effects, and the positivist researcher seeks to instantly observe, quantitatively measure, and objectively indicate relationships between variables. Positivism is concerned with producing knowledge utilizing empirical and scientific methods, and in that regard, the person conducting the study separates himself or herself from participants by making sure there is little interaction between him/her and the study participants, thereby ensuring the objectivity of the research (Gray, 2008). This is because he/she is not influencing respondents while data is being collected. Additionally, the requirement to evaluate hypotheses and generalize study results led to the acceptance of positivism (Saunders et al., 2009; Gray, 2008).

3.2 Research design


The research design of this study had the intent of providing a framework for the study that is appropriate. Babbie (2000) cites that the design always has more focus on the “what” part of the subject rather than the “why”. The research study adopted the survey research design where data will be collected from a large population and people’s ideas are solicited using the researcher’s ideas and views. The survey research design to be used was the cross-sectional survey whereby data was collected once at a point in time and analysed. Researchers are however cautioned to be careful in choosing a sample size that is appropriate at the research design stage so that s/he ensures that the size of the sample that is selected is a true reflection of the whole population under study (Naoum, 2013). In most instances sample sizes are relatively small in most research compositions but if they are carefully selected, they lead to a more desirable and credible outcomes thus carefully selected sample have the potential of enhanced generalisation and legitimacy of the findings of the research study.

3.3 Population and sample

The demographic and sample of the current study are examined in this section. A population in research is defined by Best & Khan (2005) as "any group of persons that have one or more attributes in common which are of interest to the researcher. "On the other hand, Wegner (2013) describes a population as the collection of all observations of the random variable under study. Population is a collection of people that share one or more qualities that are important to the researcher, according to Body et al. (2006). According to Fraenkel and Wallen (1996), the researcher would generalize the study's findings based on this group. Women who actively trade in the unregulated market made up the stud population. The haulage transport operators who took part in the study were TOAZ (Transport Operators Association of Zimbabwe) members. Using data from TOAZ, (2023), it has been established that a total of 437 respondents are qualified to take part in the study. Directors, managers, and drivers who have a personal connection with corporate governance concerns in the industry were included in the demographic.

3.2.1 Sample and Sample size

According to Makore & Rukuni (2000), a sample is a representation of the target population and is a subset of the entire population. A good sample should accurately represent the common traits and essential elements of the population. According to (Makore & Makuni, 2000), if a sample is well chosen, what is true about it is also true about the population from which the sample was taken. The sample size must be sufficient to accurately reflect the population. Using the Raosoft sample size calculator, the sample size was established at a 95% level of significance and a 5% margin of error. There were 205 respondents overall, making up the sample.



What margin of error can you accept? 5% is a common choice	<input type="text" value="5"/> %
What confidence level do you need? Typical choices are 90%, 95%, or 99%	<input type="text" value="95"/> %
What is the population size? If you don't know, use 20000	<input type="text" value="437"/>
What is the response distribution? Leave this as 50%	<input type="text" value="50"/> %
Your recommended sample size is	205

Figure 3.1: Sample size determination in Raosoft.

Source: Raosoft.com

3.3 Sampling Method and Sampling Technique

The techniques of probability sampling and the non-probability sampling are the re the two sampling techniques used in research. According to Agbaje & Alarape (2006), the former applies the randomization principle to at least one stage of the sampling procedure. Simple random sampling, systematic sampling, stratified random sampling, cluster sampling, and multi-stage sampling are the sampling approaches. The latter, on the other hand, does not adhere to Agbaje & Alarape's (2006) description of the randomization principle and refers to a non-scientific sampling technique. The sampling methods include convenience sampling, snowball sampling, quota sampling, and purposive sampling. The researcher employed both the simple random sample approach and the probability sampling method in this investigation.

3.3.1 Probability Sampling Method and simple random sampling technique

Probability sampling method is a random sampling method. Saunders et al (2009) states that it is mostly associated with survey-based research strategies where you need to make inferences from your sample about a population to answer your research questions or to meet your objectives. Each member has an equal chance of being chosen due to the random selection

employed. This eliminates systematic bias from the sampling process as noted by Agbaje & Alarape (2006). Hence, it allows drawing of a representative sample from a given population. Simple random sampling involves selecting elements of the population at random using either a computer or random numbers and selection can be with or without replacement to afford equal chance of selection to any subject of the sample that has not yet been selected (Teddlie and Yu, 2007).

3.3.2 Justification for using probability sampling method and simple random technique

Probability sampling method was used because the researcher wanted to minimise bias in the selection on the respondents, Hooda (2012). Simple random sampling is used because it reduces bias and simplifies analysis of results. In particular, the variance between individual results within the sample is a good indicator of variance in the overall population which makes it relatively easy to estimate the accuracy results. Furthermore, the simple random technique is also used because the population members are similar on important variables that the researcher wants to measure and this ensures a high degree of representativeness, the sampling method is also less time consuming and tedious, Robson (2002) given the time limitation of this study. Saunders et al, (2009) say simple random sampling when the population of interest is homogeneous in terms of the characteristics being investigated.

3.4.0 Research instruments

A questionnaire is a set of questions with fixed working and sequence of presentation, as well as more or less precise indication of how to answer each question. According to Chaleunvong (2009) a questionnaire is a document with instructions and statements that are used to solicit responses from respondents around the area under study. Cooper & Schindler (2011) noted that it is the most common data collection instrument in business research. They also found that questionnaires contain three categories namely administrative, classification and target questions. The target questions may be structured or unstructured. Structured questions provide the respondent with a pre-determined list of responses. The unstructured questions give the respondents room to explain their views on the subjects that is under consideration. The researcher uses target questionnaires which are structured.

3.4.1 Description of the instrument

Questionnaire is defined as a list of research or survey questions asked to respondents and designed to extract specific information, de Vaus (2002). The questionnaire used in this study was designed in such a way that it contained closed questions. A covering letter was also

attached to the questionnaire explaining purpose of research and gave assurance to respondents that their answers would be treated in strict confidence

3.4.2 Justification for using questionnaires

The researcher chose questionnaires because of its versatility that is almost every problem of field-research can be approached from the positivist and questionnaire stand point. Questionnaires were used in this study since they allow the same kind questions to be asked hence logical, structured and are easy to interpret. In the study the researcher found the questionnaire a convenient instrument because it allowed the researcher collect the data from a big sample (50 samples) to secure a large sample with a wide coverage at the relatively low cost as noted by Hussey (1997). The researcher used questionnaires because it enables standardisation of questions and use of the same kind of questions to get much information as possible. Questionnaires were also used because of their advantage of saving time which is a potential limitation in research.

3.5 Data collection procedures

Data collection procedures refer to the ways researchers administer questionnaires which include internet or intranet-mediated, postal, delivery and collection and by telephone and conduct of interviews, (Saunders et al, 2009). The researcher will distribute the self-administered questionnaires in person. The researcher delivers the questionnaires by hand and collects the questionnaires personally the following day.

3.6 Validity and reliability of research instruments

3.6.1 Reliability Joppe (2000) defines reliability as the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. Kirk & Miller (1986) identify three types of reliability referred to in quantitative research, which relate to the degree to which a measurement, given repeatedly, remains the same, the stability of a measurement over time; and the similarity of measurements within a given time period. This attribute of the instrument is actually referred to as stability. If we are dealing with a stable measure, then the results should be similar. A high degree of stability indicates a high degree of reliability, which means

the results are repeatable. This shows that if the information from the questionnaires is stable this becomes reliable.

3.6.2 Validity determines whether the research truly measures that which it is intended to measure or how truthful the research results are. In other words, does the research instrument allow you to hit "the bull's eye" of your research object? A consideration is given to the validity, reliability, accuracy and objectivity of the information to be obtained from the research. Validity is defined as the ability of the instruments to measure what is supposed to measure, Lab & Hagedem (1999).

3.6.3 Measures for ensuring validity and reliability

Saunders et al (2009) raised a point that overlooking issues of validity and reliability in research studies makes findings and conclusions to be frowned upon undermining their credibility, the researcher will take the following measures suggested by Wilson (2011) and Saunders et al (2009) to ensure internal validity and reliability of the data that will be gathered and the data collection instrument which be used. The following were the measures that were used for measuring validity and reliability.

3.6.3.1 Pilot testing

A pilot test is a means of finding out if the research instrument works by carrying out a mini version of a research or a trial run in preparation for a full scale, the purpose being to establish that respondents not only understand the questions but understand in the same way, (Dikko, 2016). The researcher carries out a pilot test before using the questionnaire to collect the data for the study so that he will be able to refine it to ensure that respondents will have no problems in answering the questions and that there will be no problem in recording collected data.

3.6.3.2 Ask experts to comment on the questions on the questionnaire

The researcher asked her researcher supervisor and other experienced researcher to remark on the representativeness and suitability of the questions and the structure of the questionnaire as advised by Wilson (2011) and Saunders et al (2009). The researcher will accordingly make the necessary amendments to improve content validity that is both face validity and sampling validity. In doing so the researcher made sure that she will intend to measure related to the research questions and objectives.

3.7 Data presentation, analysis and interpretation

As explained by Tripathi (2005) collected information is analysed and interpreted according to the research questions and the research objectives. After collection of responses, they are recorded and captured using SPSS and analysed qualitatively using descriptive and inferential statistics. The researcher uses table to present data. Tabulation involves arranging data in a tabular form. Simple tabulation is done where the researcher counts the number of responses to a question and presents them in a form of table which is very easy to interpret. Percentage calculation makes it easier to interpret data, a given percentage out of a total sample. In this study the researcher uses deductive analysis in which generalised findings from the presented data are established. Leedy (1985) says deductive analysis is the process by which researchers come up with generalisations deduced from given facts allowing researchers to reach conclusions drawn from presented data.

3.7.1 Justification for using the data presentation, analysis and interpretation procedures

Analysis techniques include simple table or diagrams as noted by Saunders et al (2009). Duquia (2014) found that with tables and graphs, there is significant visual appeal, making the results more easily understandable and thus more attractive to the users of the produced information. This implies that they are clear, simple, presentable and look pleasing to the eye though they are informative at the same time. This will enable better interpretation and analysis. In addition, research by Vanderbilt University (2010) indicates that tables are better than graphs for giving structured numeric information whilst graphs are better for demonstrating trends, making comparisons or showing relationships. The major intention was for the readers to quickly comprehend the message. Hence, it was critical to reduce complications so as to enhance clarity of purpose. The researcher is of the view that Ms Excel would enable entering of numerical data into rows and columns. Automatic calculations were made and this eliminated the aspect of human error. Use of frequencies would also enable presenting of variables in percentage values as noted by Duquia (2014).

3.8 Ethical considerations

When conducting research there is need to consider whether the research procedures are not likely too personal because any physical or emotional harm to participants is not needed for the reason of ethical considerations. Ethics are the 'dos' and the 'don'ts' the normal principles, conduct or standards adhered to when conducting research, (Saunders et al, 2009). Ethical

issues in research mean that researchers have a moral responsibility to conduct the study in an accurate and honest manner, Wilson (2011) and that conducting research ethically is concerned with respecting privacy, confidentiality and being transparent about the use of the research data, Rowley (2004). Therefore the researcher will not ask intrusive questions and ask for records that may contain personal and confidential data from the clients. The researcher respects the participant's rights to privacy considerations, assures respondents about confidentiality of data and anonymity and the researcher will not deceive participants about why the research is being undertaken, its purposes and how data collected will be used.

3.9 Chapter Summary

This chapter has looked at the various aspects of the research methodology for conducting the research study. It has described the research philosophy, research designs that are used that is quantitative and descriptive designs. The justification for positivism is that the researcher wants to quantitatively measure and objectively establish relationships between variables and generate knowledge using empirical and scientific methods by detaching himself from respondents to ensure minimal interaction between him/her and research participants thus so as not influence respondents during data collection. The justification for using the quantitative and descriptive research design include the need to analyse data using descriptive and inferential statistics and describe situation or phenomenon under study. The chapter also described the population and sample, sampling method and techniques with justifications for using them. The instrument for data collection to be used has been defined and is self-administered questionnaire and reasons for using it have been outlined. Data collection, analysis, presentation procedures have been described and reasons for their adoption have been elaborated as well. The issue of validity and reliability was also explained. Last but not least the researcher also looked at some ethical issues to be considered when conducting the research.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This chapter seeks to present and analyse the findings from the field on the am conducting a survey on the evaluation of corporate governance practices on organisational performance in the haulage transport sector. Data was analysed and interpreted to answer the research question as well as addressing the objectives that were presented above. Presented in the form of tables, bar graphs, and pie charts and attempts were made to relate the findings to what is known or what has been uncovered in literature review. Statistical data was analysed through both inferential and descriptive statistics methodologies for quantitative data. Discourse analysis was used to analyse qualitative data from interviews. A thematic approach was adopted in discussing the key themes of the research guided by the research objectives. The chapter utilised on Ms Excel and SPSS as the main statistical processing packages.

4.1 Response rate and demographic profile analysis.

This section of the chapter presents on the response rate from the distributed instruments to assess the validity of the sample to guarantee the quality and usefulness of the data collected. In addition, preliminary information about the respondent's background was provided as it shapes the nature of the responses from the respondents.

4.1.1 Response rate

The response rate shows validity of the research due to the percentage of responded questions. The response rate also gives a hind of whether the respondents were insufficient to facilitate meaningful interpretation analysis. The table below shows the response rate of research instruments distributed:

Table 4.1 Response rate

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Available	197	96.0	96.0	96.0
	Missing	8	6.9	6.9	100.0
	Total	205	100.0	100.0	

Source: Primary Data

From the findings an 96% response rate was attainable consequent to the fact that 205 questionnaires were distributed and only 197 were returned and statistically usable. Aduinet et al (2009) postulated that a minimum of 64% response rate is acceptable to make valid conclusion of the sample. Therefore, the researcher was in a position to draw valid conclusion because the response rate was above 64% with a margin 32%. The response therefore was reliable for conducting research and further statistical analysis.

4.1.2 Gender of respondents

Findings from the research indicate that gender imbalance characterises the employment and participation of women as factor distribution is positively skewed towards the male population with a margin of 67%, as the modal class interval of 83% was attainable in favour of the male population.

Table 4.2 Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	164	83.2	83.2	83.2
	Female	33	16.8	16.8	100.0
	Total	197	100.0	100.0	

Source. Primary Data

Findings may also indicate allocative inefficiencies in the distribution of research in instruments. Therefore, ratifications are that there is need for the establishment of favourable policy framework to address the inequalities in the distribution of entrepreneurial and opportunities and economic participation of women in issues of transport management and employment.

4.1.3 Age or respondents

The modal class was composed of respondents in the age group 36-40 year with a percentage vote of 23%. The class interval is preceded by respondents in groups 31-35 years, 41-45 years, 25-30 years, 46-50 and the least being 51+years with frequency votes of 20%, 18%, 16%, 14% and 8% respectively. The findings are positively skewed to respondents within the economically active age groups. Best and Khan,(2013) postulated that the economically active age group the working population should be between 18-64 years, however different regions use different ranges based on population demographics as well as labour laws. The findings are illustrated in the figure below:

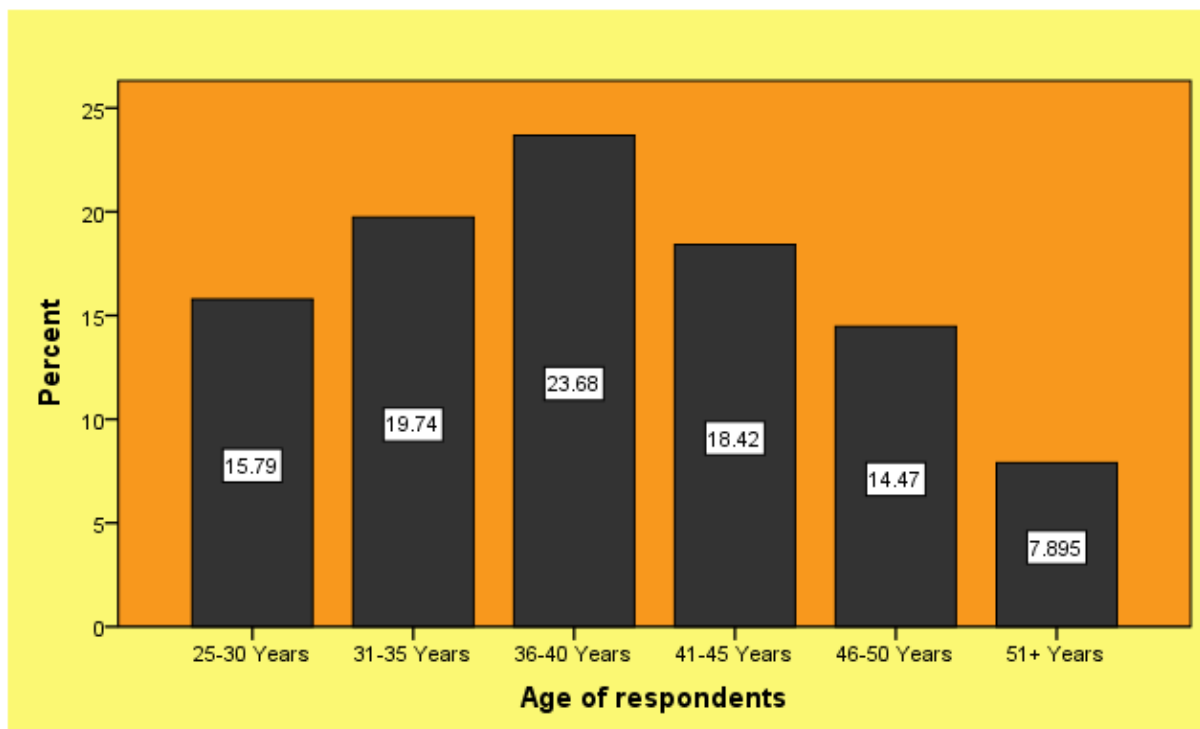


Figure 4.1: Age of respondents

Source: Primary Data

The participants are within the economically active age groups and that their organisations are productive since members have high marginal labour returns compared to other age groups which are economically inactive. ~~Also,~~ findings may portray organisational effectiveness in human resources management practices among organisations in the transport sector as the majority of employees are below the age of 40 and that there is representation of all age groups.

4.1.4 Highest level of education

Holders of Undergraduate degrees are the modal class with a frequency count of 34%, preceded by holders of Master’s Degree with a vote count of 26%. Holders of Diplomas, and PhD hold equal vote of 11% each, preceded by holders of O Level, A Level and Certificate with a combined vote of 15%. An illustration of the findings is presented on Figure 4.2 below;

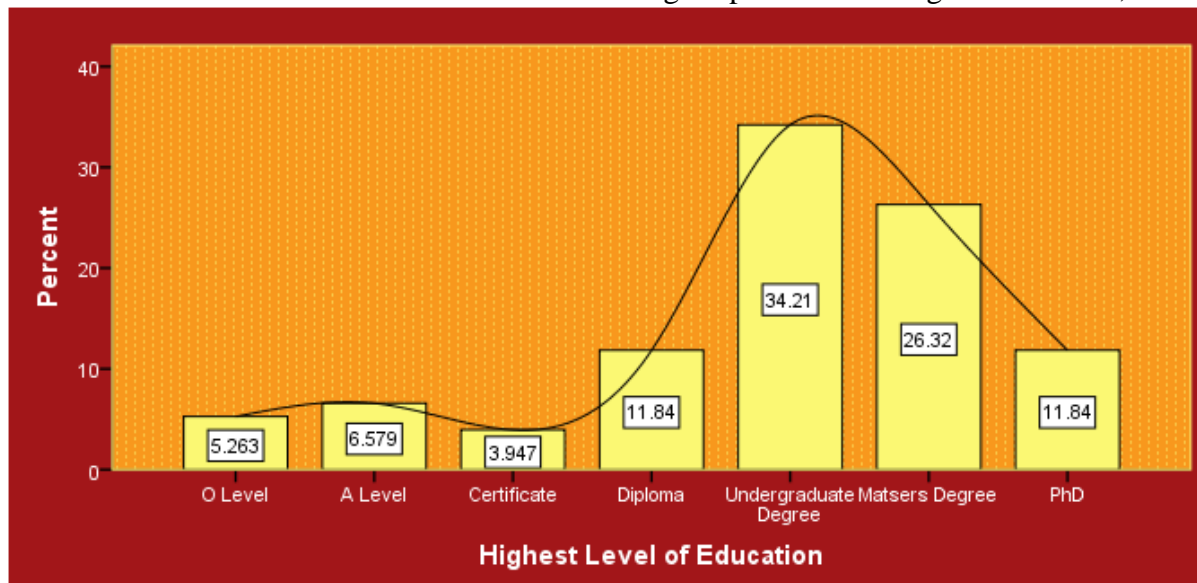


Figure 4.2: Highest level of education

Source: Primary Data

The findings illustrated on figure 4.2 reflect that the organisations in the haulage transport sector have a very high literacy rate with 85% of all respondents as holders of Certificates, Diplomas, Undergraduate Degrees, Masters Degrees and PhD. In addition, a positive skewness towards tertiary qualifications as illustrated by the normal distribution curve inclined to respective education of respondents. Findings may portray that the haulage transport sector has a strong employee training and development policy, and that the organisation recognises professionalism as its organisational culture. Findings may as well reflect that there is high competition among management and employees as they seek to acquire more skills to be competent for new positions and promotions within the organisations they serve and that the remuneration packages of the organisation are attractive enough to attract skilled labour force.

However, on the contrary findings may indicate that there are labour market imperfections; as issues like unemployment may be causing the high literacy rate in the sector, as there are a few large and established firms in the economy which can employ and competently reward highly skilled labour. This holds true on the basis that haulage transport companies have a reputation of failure to attract highly skilled labour due to their inability to remunerate skilled labour,

therefore increased unemployment in the economy as there is high labour supply as compared to demand resulting in human factor price diminishing. This situation may have provided structural competencies to organisations as they can employ highly skilled labour at reasonable factor prices enabling them to be competitive through a highly skilled labour force. On the same issue of unemployment, findings from the research may represent creation of haulage transport entrepreneurship resulting from the exit of major firms which resulted in the resurfacing of alike business models by former management and employees in those organisations. These innovations represent survival entrepreneurship, which exhibit traits of growth business models, as members have understating about the products they are commercialising and understand the customers of the business from previous experience. Convictions to ratify these assertions are founded on the basis that the volume of PhD holders in the sector are more compare to post O and A level students who are entrees in the labour market. Also, PhD holders are very mobile human capital resources, as they are employable in other nations across various sectors, therefore their confidence to remain in local businesses may represent viability of the sector and that there is potential for growth of the sector.

4.1.5 Working experience

Respondents stated that working experience affects the exposure and experience of an individual in the field that they work. Staff members with longer working experience tend to understand various aspects of the organisations management and process affecting corporate governance in the sector. In this context working experience refers to the number of years respondents have been working, managing and owning haulage transport operations. Findings are that the modal class is composed of respondent who have 11 to 15 years working experience with a vote count of 50%. The value is preceded by respondents in the category 16-20 years, 6-10 years, 21 and above and finally 0-5 years, with a frequency vote of 34%, 7%, 6% and 4% respectively. The findings are illustrated in the on table 4.3 below

Table 4.3 Working Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
0-5	7	3.6	3.6	3.6
6-10	14	7.1	7.1	10.7
11-15	99	50.3	50.3	60.9
Valid 16-20	66	33.5	33.5	94.4
21 and over	11	5.6	5.6	100.0
Total	197	100.0	100.0	

Source; Primary data

Findings on table 4.3 may portray that the responses provided may be reliable and valid for conducting the research since the modal class of working experience is above 5 years. The findings may also show human resources management efficiencies with the organisation managing to return employees as well as reduce employee turnover. The results may also show that the organisations are grown organisation with less employment opportunities being created as witnessed by a high frequency of staff with working experience from 11 years and above and gently depreciating towards staff members with less than 5 years working experience.

4.1.6 Religious affiliation

Christianity is the dominant religion at the institution with a response frequency of 86% and leading with a margin of 74% against all the other religions all together. Generally, there is a significant in balance in religious affiliation at the institution since Christianity leads with and exceedingly big margin against all religious categories. Findings are tabulated on Table 4.4 below;

Table 4.4 Religious Affiliation

		Percent	Valid Percent	Cumulative Percent
Valid	Christianity	84.2	84.2	84.2
	Islam	5.3	5.3	89.5
	Hinduism	2.6	2.6	92.1
	African Tradition Religion	3.9	3.9	96.1
	None	3.9	3.9	100.0
	Total	100.0	100.0	

Source: Primary Data

Findings may ratify that findings the research may provide truthful insights towards the development of the research as dominant religions as Christianity and Islam priorities on truth as their basis of worship. In addition, findings may indicate that the employees and management in the haulage transport sector have an appreciation of the implications of good corporate governance on the performance, image and reputation of their organisations, as mainstream religions advocate for good ethics, social responsibility, transparency and fairness, which are paramount variables in the establishment of corporate governance.

4.2 Descriptive statistics

This section of the chapter presents with the descriptive analysis of the research findings. An address of the research objectives was critically analysed using primarily means and frequency tables guided by the responses from the questionnaires. The philosophical underpinnings of the research allows for the use of descriptive statistics, as it is primarily positivist in nature.

4.2.1 Drivers towards adoption of good corporate governance in the haulage transport sector.

This section of chapter presents on the motivating factors towards incorporating sound corporate governance in the haulage transport sector. Findings are Tabulated on Table 4.5 below;

Table 4.5 Drivers towards adoption of good corporate governance

	N	Min	Max	Mean	Std. Deviation
Decline in orders due to poor reputation	197	1.00	5.00	4.0132	.11471
Loss of market share and competitiveness	197	1.00	5.00	4.5395	.52766
The need to improve sales	197	1.00	5.00	4.8947	.60175
Failure to meet local and international accreditation from logistics boards.	197	1.00	5.00	4.8684	.61843
The organisation incurs financial losses	197	1.00	5.00	4.5658	.57354
Lack of organisational growth	197	1.00	5.00	4.7895	.61786
Inability to account for loss of vital transport infrastructure	197	1.00	5.00	4.7763	.68505
Limited returns to shareholders	197	1.00	5.00	3.9872	.46575
Valid N (listwise)	197				

Source primary data

Findings from the research outline a μ value of 4.01 on the assertion that the organisations are experiencing decline in orders indicating that poor corporate governance negatively impacts the image of the organisation to customers creating a risky perception to customers. This results in the lack of competitiveness and market share as witnessed by a mean value of 4.54 showing agreeableness to the assertion. Findings from the research established that due to poor corporate governance haulage transport companies are unable to meet local and international accreditation status for specialised cargo as witnessed by a mean vote of 4.87 showing agreeableness to the assertion. This indicates that the organisations will experience challenges is securing transportation orders due to the un accredited status, hence the need to incorporate sound corporate governance. Respondents showed agreeableness to the assertion that their organisations needed to increase their sales capabilities as witnessed by a μ value of 4.89 indicating that corporate governance plays a fundamental role in shaping the financial performance of the organisation. The findings are reinforced by a mean value of 4.57 showing

agreeableness to the assertion that the organisations are incurring losses and 4.79 showing that the organisation is experiencing less growth. Conflict of interest result in the unaccounted loss of transport infrastructure as witnessed by a mean vote of 4.78 showing agreeableness to the assertion. Thus the lack of oversight, responsibility and accountability primarily results in the loss of company assets. Conflict of interests further results in the loss investment and limited returns to shareholders as witnessed by e mean vote of 3.99 showing agreeableness to the assertion.

4.2.2 Constraints to the establishment of good corporate governance practices in haulage transport companies

Thus section of the chapter presents on the constraints to the establishment of good corporate governance practices in haulage transport companies. The findings are tabulated on table 4.6 below:

Table 4.6; Constraints to the establishment of good corporate governance practices in haulage transport companies

	N	Min	Max	Mean	Std. Deviation
Intensification of conflict of interest.	197	1.00	5.00	4.2237	.66531
Organisational culture not challenging poor transport morals.	197	1.00	5.00	4.3158	.75207
Lack of management contribution to the enforcement of sound corporate governance.	197	1.00	5.00	4.5132	1.39994
Lack of training on Corporate governance in transport service	197	1.00	5.00	4.3816	1.19963
Complex structures as multiple stakeholders involved in malpractice and breach.	197	1.00	5.00	4.5263	.99965
High compliance costs in licencing	197	1.00	5.00	4.7105	1.12920
Poorly defined board composition and structure	197	1.00	5.00	4.3684	1.28418
Valid N (listwise)	197				

Source: Primary Data

Findings on table 4.6 of the research exposed that the intensification of conflict of interests has been attributed to be a major constrain towards the development of sound corporate governance in the sector as witnessed by a mean vote of 4.22 showing agreeableness to the assertion. Respondents pointed out that the lack of an organisational culture that does not challenge prevalence of unethical practices and activities that challenge the corporate status of the organisation has been attributed to a s a major constrain as witnessed by a mean vote of 4.51 showing agreeableness to the assertion. The lack of management involvement in issues of enforcing sound corporate governance has been attributed to as a major hindrance to the incorporation of sound corporate governance as witnessed by a mean vote of 4.38 showing agreeableness to the assertion. Respondents pointed out that the lack of training to both

managers and employees on issues of corporate governance and their implication to the overall company performance has been identified as a major constrain as witnessed by a mean vote of 4.38 showing agreeableness to the assertion. The multiplicity of enforcement agents and stakeholders involved in the breach of sound governance and unethical practices has complicated the issues of enforcing sound corporate governance as witnessed by a mean vote of 4.52 showing agreeableness to the assertion. Findings may indicate that due to high levels of corruption innocent drivers may be lured to pay bribes to enforcement agents that they may limited choice to disagree on against their will. Thus the challenge of enforcing sound governance is multifaceted and affects other third parties that are not in the direct control of the organisation. High costs of compliance to licences, fines and regulatory requirements have been identified as a major constrain to effective improvising of sound governance in the haulage transport sector as witnessed by a mean vote of 4.37 showing agreeableness to the assertion. Findings may indicate that haulage transport operator will tend to find avoidance strategies through bribing officials to reduce the costs of compliance. The structure and composition have been identified as constraining factors of effective enforcement of sound governance as witnessed by a mean vote of 4.37 showing agreeableness to the assertion. This indicates that some of the company board members are not vested with skills in corporate governance and auditing thus rendering the company less competitive in addressing issues affecting governance.

4.2.3 The impact of Codes of Corporate Governance on the performance of haulage transport companies

This section of the chapter elucidates the findings on the impact of Codes of Corporate Governance on the performance of haulage transport companies. The findings are tabulated in table 4.7 below.

Table 4.7 The impact of Codes of Corporate Governance on the performance of haulage transport companies

	N	Min	Max	Mean	Std. Deviation
Adherence to sound corporate governance improves the profitability of the organisation	197	1.00	5.00	4.3947	1.31736
Adherence to sound corporate governance reduces the overall cost of production of organisations in the haulage transport sector.	197	1.00	5.00	4.5781	.68792
Adherence to sound corporate governance improves the operational performance of the company	197	1.00	5.00	4.2763	1.38177
Sound corporate governance allows the organisation to experience less legal challenges	197	1.00	5.00	4.4211	.98337
Sound corporate governance enforcement improves the organisation image	197	1.00	5.00	4.1579	1.21164
Corporate governance allows for allows the organisation to capture a large market share	197	1.00	5.00	4.4474	1.19326
Valid N (listwise)	197				

Source: Primary Data

Findings from the research tabulated on table 4.7 established that the enforcement of sound corporate governance contributes significantly to improved profitability as witnessed by a mean vote 4.39 showing agreeableness to the assertion. Respondents also pointed out that adherence to sound corporate governance reduces the overall costs of production as witnessed by a mean vote of 4.58 showing agreeableness to the assertion. Ratifications based on the findings from the research indicate that enforcement of sound corporate governance practices results in improved financial performance of organisations in the haulage transport sector. Findings from the research established that the operational efficiency of the organisation can be improved through adherence to sound corporate governance as witnessed by a mean vote of 4.28 showing agreeableness to the assertion. This may indicate less fleet maintained time, availability of space and quality equipment and fleet downtime. The organisation tends to experience less legal penalties and legal action as witnessed by a mean vote of 4.42 showing agreeableness to the assertion. This indicated that the organisation will have sound operational performance as there will be less intuitions in the vital value addition processes of the organisation. Sound corporate governance allows the organisation to maintain its corporate image in the market as witnessed by a mean vote of 4.16 showing agreeableness to the assertion. Respondents also pointed out that sound corporate governance enables the organisation to capture and return market share as witnessed by a mean vote of 4.45 showing agreeableness to the assertion. Ratifications based on the findings from the research are that corporate governance allows the organisation to improve its market performance.

4.2.5 Strategies to improve the adoption of sound corporate governance in the haulage transport sector for the improvement of organisational performance

This section of the chapter presence on the strategic options that can be adopted to ensure sound corporate governance in the haulage transport sector for the improvement of organisational performance. The findings are tabulated in table 4.9 below.

Table 4.9 Strategies to improve the adoption of sound corporate governance in the haulage transport sector

	N	Min	Max	Mean	Std. Deviation
The organisation must promote formal training in corporate governance.	197	1.00	5.00	4.2763	1.22853
Management must be actively involved in the administration of issues on corporate governance.	197	1.00	5.00	4.4868	1.12538
The management should promote the corporate culture towards the advocating of sound corporate governance	197	1.00	5.00	4.2500	1.28712
Management should provide incentives for outstanding employees in sound corporate governance.	197	1.00	5.00	4.6711	1.08797
Promoting audit tracking in vital organisation process through making all employees and managers to accountable and responsible	197	1.00	5.00	4.6316	1.12951
The organisation should stipulate sound corporate governance practices as key result areas of performance of the organisation.	197	1.00	5.00	4.2105	1.13509
The organisation should promote whistle blowing	197	1.00	5.00	4.0132	1.18314
Valid N (listwise)	197				

Source: Primary Data

Findings from the research exposed that the organisation should provide formal training to employees and management in corporate governance as witnessed by a mean vote of 4.28 showing agreeableness to the assertion. Findings from the research also exposed that management should be actively involved in the administration of corporate governance issues affecting the organisation as witnessed by am mean vote of 4.49 showing agreeableness to the assertion. This ratifies that management should take a leading role in the development of processes to retain sound governance including auditing and assignment of accountability to activities that are of vital importance to the organisation. In addition adherence to sound governance should be set as a key result area of performance in the organisation by the management as witnessed by a mean vote of 4.21 showing agreeableness to the assertion Respondent also pointed out that audit tracking for accountability should be enforced as witnessed by a mean vote of 4.63 showing agreeableness to the assertion. The organisational culture should advocate for the inculcation of and enforcement of sound corporate governance as witnessed by a mean vote of 4.25 showing agreeableness to the assertion. Motivational incentives should be provided to outstanding employees in issues of corporate governance as witnessed by a mean vote of 4.61 showing agreeableness to the assertion. Management should promote whistle blowing in the organisation to allow for anonymity and the protection to

employees who report issues of violations of ethical conduct and conflict of interest as witnessed by a mean vote of 4.01 showing agreeableness to the assertion.

4.3 Inferential statistics

4.3.1 Reliability statistics

The findings from the research are highly reliable as presented by the case processing summary of table 4.10 below. Based on the findings Cronbach reliability methodology, the attained reliability index of 0.89 is very reliable as it exceed Alpha 0.7 (Newton, 2011) on the summation of all variables. Ratifications based on the findings are that the data collected from the research is truthful and reliable for conclusions and recommendation of best practice.

Table 4.10 Reliability Case Processing Summary

		N	%
Cases	Valid	197	100.0
	Excluded ^a	0	.0
	Total	197	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.892	40

Source: Primary Data

Table 4.11 item-Total Reliability Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Response rate	121.0526	389.731	.000	.866
Gender of respondents	120.6053	391.815	-.118	.868
Age of respondents	118.8553	375.912	.196	.867
Working Experience	120.0658	388.782	.007	.868
Highest Level of Education	117.1579	374.508	.210	.867
Religious Affiliation	120.6711	380.464	.210	.865
The organisation must promote formal training in corporate governance.	117.6842	379.899	.014	.885
Management must be actively involved in the administration of issues on corporate governance.	121.0395	390.518	-.177	.867
The management should promote the corporate culture towards the advocating of sound corporate governance	120.5132	392.573	-.149	.868
Management should provide incentives for outstanding employees in sound corporate governance.	120.1579	389.761	-.017	.867
Promoting audit tracking in vital organisation process through making all employees and managers to accountable and responsible	120.1842	387.966	.057	.867
The organisation should stipulate sound corporate governance practices as key result areas of performance of the organisation.	120.4868	394.546	-.226	.869
The organisation should promote whistle blowing	120.2632	389.770	-.017	.867
Adherence to sound corporate governance improves the profitability of the organisation	120.2763	388.949	.012	.867
Adherence to sound corporate governance reduces the overall cost of production of organisations in the haulage transport sector.	120.8289	389.397	.000	.867
Adherence to sound corporate governance improves the operational performance of the company	120.4737	389.693	-.018	.868
Sound corporate governance allows the organisation to experience less legal challenges	120.1053	387.589	.056	.867
Sound corporate governance enforcement improves the organisation image	120.8289	387.584	.065	.867
Corporate governance allows for allows the organisation to capture a large market share	120.7368	386.970	.074	.867
Adherence to sound corporate governance improves the profitability of the organisation	119.5395	358.865	.545	.859
Adherence to sound corporate governance reduces the overall cost of production of organisations in the haulage transport sector.	119.6711	364.784	.513	.860
Adherence to sound corporate governance improves the operational performance of the company	118.5263	367.319	.559	.860
Sound corporate governance allows the organisation to experience less legal challenges	118.3421	371.455	.391	.862
Sound corporate governance enforcement improves the organisation image	119.6842	364.246	.486	.860
Corporate governance allows for allows the organisation to capture a large market share	119.3816	360.452	.597	.858
Decline in orders due to poor reputation	119.7632	360.823	.580	.858
Loss of market share and competitiveness	119.6579	360.628	.547	.859
The need to improve sales	119.7763	361.136	.508	.859
Failure to meet local and international accreditation from logistics boards.	117.6316	371.782	.448	.861
The organisation incurs financial losses	117.8947	374.522	.293	.864
Lack of organisational growth	119.6053	366.242	.483	.860

Inability to account for loss of vital transport infrastructure	119.8816	364.506	.579	.859
Limited returns to shareholders	118.6053	364.535	.585	.859

Source: Primary Data

Item total reliability findings also indicate high reliability of findings as all variables individual removal would contribute to a decline in the total reliability score by a range from 0.86 – 0.87 as represented by the Alpha if items were removed scale loadings which is still above the required range of Alpha above 0.70. At an aggregated alpha value of 0.892 on all variables, the maximum limit of the items missing range reliability of 0.87 is below the aggregated alpha signifying a high reliability rate attained. This warrants the further statistical analysis of all variables as they are highly reliable.

4.3.2 Normality Test

Table 4.12: Tests of Normality^b

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Age of respondents	.144	76	.543	.926	76	.114
Working Experience	.209	76	.619	.840	76	.110
Gender of respondents	.367	76	.023	.632	76	.346
Highest Level of Education	.250	76	.513	.876	76	.984
Religious Affiliation	.490	76	.098	.432	76	.672
The organisation must promote formal training in corporate governance.	.163	76	.084	.897	76	.004
Management must be actively involved in the administration of issues on corporate governance.	.533	76	.034	.092	76	.028
The management should promote the corporate culture towards the advocating of sound corporate governance	.335	76	.023	.681	76	.004
Management should provide incentives for outstanding employees in sound corporate governance.	.333	76	.043	.762	76	.546
Promoting audit tracking in vital organisation process through making all employees and managers to accountable and responsible	.321	76	.093	.772	76	.575
The organisation should stipulate sound corporate governance practices as key result areas of performance of the organisation.	.312	76	.323	.721	76	.124
The organisation should promote whistle blowing	.318	76	.015	.768	76	.417
Adherence to sound corporate governance improves the profitability of the organisation	.273	76	.058	.791	76	.089
Adherence to sound corporate governance reduces the overall cost of production of organisations in the haulage transport sector.	.466	76	.086	.413	76	.205
Adherence to sound corporate governance improves the operational performance of the company	.326	76	.082	.714	76	.044
Sound corporate governance allows the organisation to experience less legal challenges	.300	76	.852	.785	76	.193
Sound corporate governance enforcement improves the organisation image	.487	76	.076	.385	76	.068
Corporate governance allows for allows the organisation to capture a large market share	.465	76	.811	.487	76	.052
Adherence to sound corporate governance improves the profitability of the organisation	.202	76	.083	.860	76	.693
Adherence to sound corporate governance reduces the overall cost of production of organisations in the haulage transport sector.	.243	76	.031	.840	76	.198
Adherence to sound corporate governance improves the operational performance of the company	.240	76	.000	.869	76	.053
Sound corporate governance allows the organisation to experience less legal challenges	.312	76	.008	.834	76	.756
Sound corporate governance enforcement improves the organisation image	.225	76	.044	.857	76	.194
Corporate governance allows for allows the organisation to capture a large market share	.234	76	.914	.885	76	.067
Decline in orders due to poor reputation	.221	76	.086	.889	76	.000
Loss of market share and competitiveness	.232	76	.075	.827	76	.099
The need to improve sales	.210	76	.735	.861	76	.067
Failure to meet local and international accreditation from logistics boards.	.243	76	.093	.819	76	.178
The organisation incurs financial losses	.367	76	.473	.636	76	.044
Lack of organisational growth	.349	76	.022	.717	76	.887
Inability to account for loss of vital transport infrastructure	.212	76	.383	.888	76	.913
Limited returns to shareholders	.214	76	.096	.859	76	.645

a. Lilliefors Significance Correction

b. Response rate is constant. It has been omitted.

Source: Primary Data

Table 4.12 present normality test results from the variables that were statistically investigated.

Sig values should exceed 0.05 signifying that the data is normally distributed. Findings exposed

16 variables were omitted due to violation of the assumption of normality. Selected variables

which were normally distributed were further exported for factor analysis for data reduction to permit for correlational analysis.

4.3.3 Factor analysis

This section of the chapter seeks to reduce data through summarising it into smaller groups. The basic assumption of factor analysis is that for a collection of observed variables there are a set of underlying variables called factors (smaller than the observed variables), that can explain the interrelationships among those variables.

The principal component analysis method was used in conducting the factor analysis because of the simplicity of scale variables used in this research study. The method was employed to reduce a large number of related variables to a more manageable number, prior to using them in other analyses such as multiple regression or multivariate analysis of variance. Due to its simplicity and ability to explore interrelationships between variables, an exploratory factor analysis as the reduction method.

4.3.3.1 Correlation matrix

A correlation matrix is simple a rectangular array of numbers which gives the correlation coefficients between a single variable and every other variables in the investigation. The correlation coefficient between a variable and itself is always 1, hence the principal diagonal of the correlation matrix contains 1s. With respect to Correlation Matrix if any pair of variables has a valueless than 0.3, consider dropping one of them from the analysis (Palland, 2008).

Table 4.13 Correlation Matrix

	Age	Wkex	Educ	Positio	BEP1	BEP4	BEP5	BEP6	BEP7	BEP8	BEP10	BEP9	SBS14	SBS15	SBS17	SBS18	SBS19	SBO23	BRG26	BRG29	BRG30	BRG31	BRG32	BRG39	BRG40	
Correlation	Age	1.000																								
	Wkex	.332	1.000																							
	Edu	.570	.110	1.000																						
	Positio	.773	.041	.876	1.000																					
	BEP1	.492	.002	.414	-.096	1.000																				
	BEP4	.700	-.132	.501	.125	.025	1.000																			
	BEP5	.361	.265	-.055	.268	.088	.025	1.000																		
	BEP6	.687	.123	.732	.164	.040	.310	.265	1.000																	
	BEP7	.382	.018	.351	.110	.038	.244	.123	.328	1.000																
	BEP8	.810	.116	.337	.046	.156	-.028	.256	.170	.128	1.000															
	BEP10	-.415	.260	-.475	.245	.008	.192	.264	.390	.323	.470	1.000														
	BEP9	-.902	.259	.951	.275	.064	.162	.426	.259	.249	.393	.411	1.000													
	SBS14	.390	-.127	-.106	-.161	-.037	-.039	-.202	-.160	-.106	.240	.069	.118	1.000												
	SBS15	.254	-.198	.384	.089	-.177	.092	-.294	.074	.194	-.206	.020	-.107	.153	1.000											
	SBS17	.486	-.144	.740	-.149	-.033	-.123	-.251	-.371	-.087	-.023	-.093	-.165	.574	.387	1.000										
	SBS18	.514	-.069	.310	-.139	-.064	-.023	-.395	-.321	-.105	-.233	-.258	-.149	.358	.437	.654	1.000									
	SBS19	.796	-.191	.820	-.075	-.082	.088	-.605	-.159	-.144	-.071	-.140	-.359	.412	.480	.571	.681	1.000								
	SBO23	.443	.297	.536	.081	-.286	.048	-.026	.104	.082	-.238	.087	-.132	-.025	.409	.097	.205	.180	1.000							
	BRG26	.582	-.158	.442	-.165	-.018	-.006	-.392	-.104	-.288	.065	-.190	-.183	.695	.235	.460	.462	.603	.056	1.000						
	BRG29	.631	-.023	.416	-.107	-.027	-.185	-.348	-.317	-.200	-.052	-.136	-.075	.623	.312	.593	.618	.460	.058	.599	1.000					
	BRG30	.384	-.111	.779	.158	-.092	.108	-.341	-.104	-.154	.003	-.084	-.133	.393	.433	.385	.585	.565	.170	.588	.660	1.000				
	BRG31	.991	-.208	.358	-.160	-.062	-.050	-.494	-.260	.027	.003	-.142	-.219	.530	.467	.658	.714	.635	.141	.614	.706	.647	1.000			
	BRG32	.492	-.177	.516	-.040	-.026	-.215	-.263	-.080	-.036	.118	.031	-.002	.633	.303	.552	.521	.513	.112	.613	.701	.579	.671	1.000		
	BRG39	.354	.117	.260	.172	-.158	.054	.070	.193	.118	-.060	.209	.058	-.211	.278	-.138	-.002	.029	.407	-.238	-.166	.036	-.038	-.023	1.000	
	BRG40	.885	.316	.994	.184	-.168	.087	.308	.257	.182	-.160	.165	.246	-.244	.267	-.096	.044	-.095	.461	-.369	-.214	-.039	-.143	-.165	.724	1.000

Source: Primary Data

With reference to the correlation matrix all the majority of the pairs have exceed 0.3, and for values greater than 0.3 they are statistically fit to continue to the KMO and Bertlett's

4.3.3.2 KMO and Bartlett's Test

The KMO measures the sampling adequacy (which determines if the responses given with the sample are adequate or not) which should be close than 0.5 for a satisfactory factor analysis to proceed.

Table 4.14 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.879
Bartlett's Test of Sphericity	Approx. Chi-Square	3036.461
	df	1035
	Sig.	.000

Source: Primary Data

Palland (2008) notes that the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) value should be .6 or above, while the Bartlett's Test of Sphericity value should be significant (i.e. the Sig. value should be .05 or smaller). The KMO value is .879, and the Bartlett's test is significant ($p=.000$), therefore factor analysis is appropriate.

4.3.3.4 Communalities

Communalities show much of the variance (i.e. the communality value which should be more than 0.5 to be considered for further analysis. Else these variables are to be removed from further steps factor analysis) in the variables has been accounted for by the extracted factors. This is the proportion of each variable's variance that can be explained by the factors (e.g., the underlying latent continua). Findings exposed that all the variables have surpassed 0.5, therefore it is safe to endorse that variables may proceed for further statistical analysis.

Table 4.15: Communalities

	Initial	Extraction
Age of respondents	1.000	.769
Working Experience	1.000	.759
Highest Level of Education	1.000	.746
The organisation must promote formal training in corporate governance.	1.000	.153
Management must be actively involved in the administration of issues on corporate governance.	1.000	.678
The management should promote the corporate culture towards the advocating of sound corporate governance	1.000	.624
Management should provide incentives for outstanding employees in sound corporate governance.	1.000	.624
Promoting audit tracking in vital organisation process through making all employees and managers to accountable and responsible	1.000	.757
The organisation should stipulate sound corporate governance practices as key result areas of performance of the organisation.	1.000	.813
The organisation should promote whistle blowing	1.000	.826
Adherence to sound corporate governance improves the profitability of the organisation	1.000	.802
Adherence to sound corporate governance reduces the overall cost of production of organisations in the haulage transport sector.	1.000	.840
Adherence to sound corporate governance improves the operational performance of the company	1.000	.723
Sound corporate governance allows the organisation to experience less legal challenges	1.000	.727
Sound corporate governance enforcement improves the organisation image	1.000	.726
Corporate governance allows for allows the organisation to capture a large market share	1.000	.801
Adherence to sound corporate governance improves the profitability of the organisation	1.000	.832
Adherence to sound corporate governance reduces the overall cost of production of organisations in the haulage transport sector.	1.000	.839
Adherence to sound corporate governance improves the operational performance of the company	1.000	.742
Sound corporate governance allows the organisation to experience less legal challenges	1.000	.682
Sound corporate governance enforcement improves the organisation image	1.000	.624
Corporate governance allows for allows the organisation to capture a large market share	1.000	.736
Decline in orders due to poor reputation	1.000	.865
Loss of market share and competitiveness	1.000	.746
The need to improve sales	1.000	.762
Failure to meet local and international accreditation from logistics boards.	1.000	.590

Extraction Method: Principal Component Analysis.

Source: Primary Data

4.3.3.5 Total variance explained

Eigenvalue reflects the number of extracted factors whose sum should be equal to number of items, which were subjected to factor analysis. The findings from the research are presented on table

Table 4.16: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.435	24.749	24.749	6.435	24.749	24.749
2	4.659	17.918	42.667	4.659	17.918	42.667
3	2.678	10.299	52.966	2.678	10.299	52.966
4	1.566	6.025	58.990	1.566	6.025	58.990
5	1.292	4.969	63.959	1.292	4.969	63.959
6	1.134	4.363	68.322	1.134	4.363	68.322
7	1.021	3.928	72.250	1.021	3.928	72.250
8	.994	3.824	76.074			
9	.838	3.224	79.298			
10	.755	2.903	82.201			
11	.609	2.342	84.542			
12	.588	2.263	86.806			
13	.502	1.932	88.738			
14	.460	1.769	90.506			
15	.422	1.622	92.128			
16	.397	1.528	93.657			
17	.333	1.280	94.937			
18	.320	1.231	96.167			
19	.238	.917	97.084			
20	.184	.708	97.793			
21	.157	.605	98.398			
22	.120	.463	98.861			
23	.092	.356	99.216			
24	.089	.341	99.557			
25	.073	.282	99.839			
26	.042	.161	100.000			

Extraction Method: Principal Component Analysis.

Source: Primary data

Eigenvalues that exceed 1.00 contribute to 72% of all the variables that were subjected for analysis ratifying that they were statistically significant.

4.3.3.6 Scree Plot

The scree plot is a graph of the eigenvalues against all the factors. The graph is useful for determining how many factors to retain. The point of interest is where the curve starts to flatten as illustrated on figure 4.4 below:

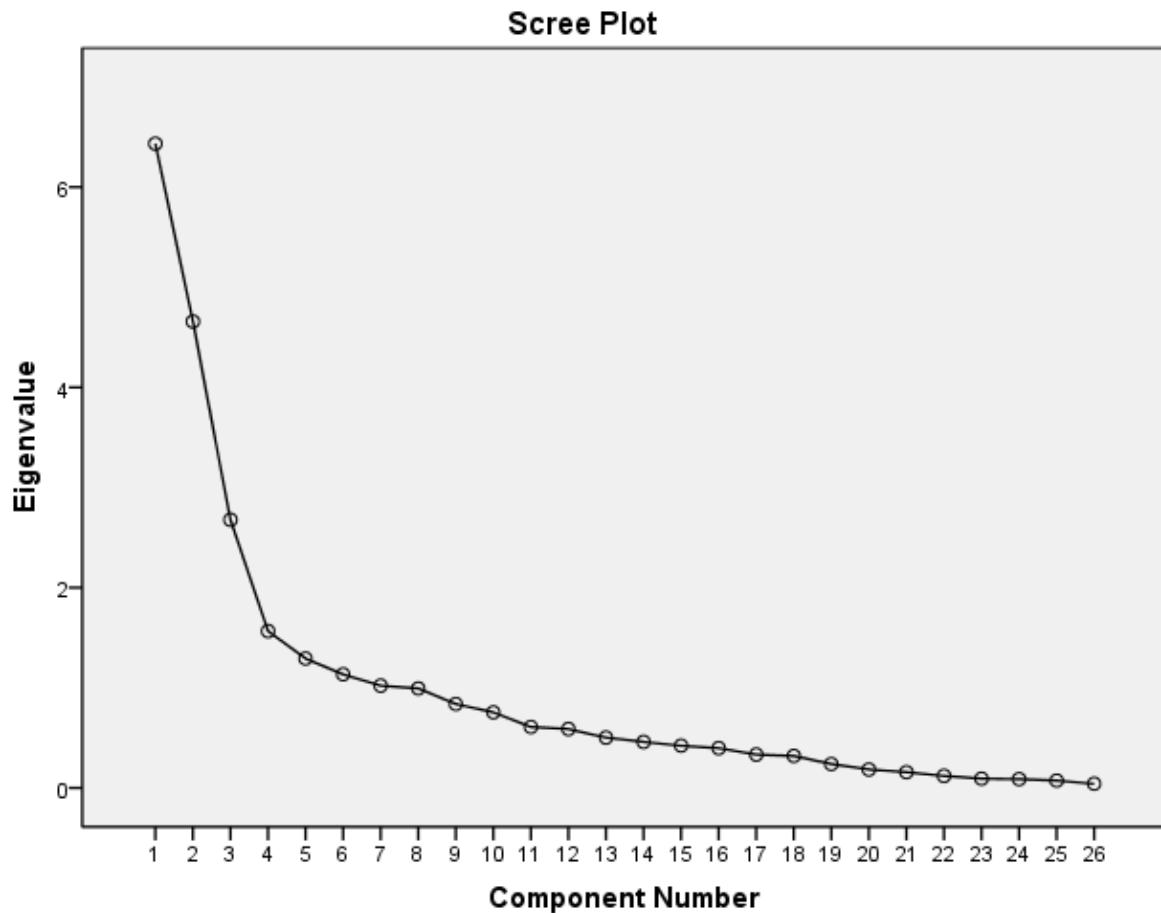


Figure: 4.3 Scree plot

Source: Primary Data

Based on the analysis conducted, it is advisable to proceed with further statistical examination of the first 7 variables. This recommendation is based on the fact that their respective eigenvalues surpass the threshold of 1, indicating their significance in the analysis. In the context of statistical analysis, it has been determined that any variable starting from 4 and onwards should be excluded from consideration. The provided information comprehensively addresses all aspects of the primary concepts examined in the research study.

4.3.3.7 Component Matrix

The analysis presented here displays the loadings of each item on the four components. The Kaiser criterion is utilised, which retains all components with eigenvalues greater than 1 by default. The decision to exclude variable loadings below 0.3 was made purposefully, as these values do not demonstrate statistical significance.

Table 4.17: Component Matrix^a

	Component						
	1	2	3	4	5	6	7
Age of respondents				-.336	.735		
Working Experience			.308	-.431	.305	.482	
Highest Level of Education		.560					.625
The organisation must promote formal training in corporate governance.		.356					
Management must be actively involved in the administration of issues on corporate governance.	.479		.445	-.443			
The management should promote the corporate culture towards the advocating of sound corporate governance	.565		.447				
Management should provide incentives for outstanding employees in sound corporate governance.	.338		.326		.498	-.748	
Promoting audit tracking in vital organisation process through making all employees and managers to accountable and responsible	.316			.650	.435		
The organisation should stipulate sound corporate governance practices as key result areas of performance of the organisation.			.640				.471
The organisation should promote whistle blowing		-.396	.667				
Adherence to sound corporate governance improves the profitability of the organisation	.326	.427	.650				
Adherence to sound corporate governance reduces the overall cost of production of organisations in the haulage transport sector.	.809		.375				
Adherence to sound corporate governance improves the operational performance of the company	.726		.426				
Sound corporate governance allows the organisation to experience less legal challenges		.668		.458			
Sound corporate governance enforcement improves the organisation image	.614	.456				.504	
Corporate governance allows for allows the organisation to capture a large market share	.737	.458					
Adherence to sound corporate governance improves the profitability of the organisation	.870						
Adherence to sound corporate governance improves the operational performance of the company	.814						
Sound corporate governance allows the organisation to experience less legal challenges		.697					
Sound corporate governance enforcement improves the organisation image		.578				.471	
Corporate governance allows for allows the organisation to capture a large market share		.729				-.301	
Decline in orders due to poor reputation	.462	.708					
Loss of market share and competitiveness	.351	.645					
The need to improve sales	.509	.612					
Failure to meet local and international accreditation from logistics boards.	.624	.383					

Extraction Method: Principal Component Analysis.

a. 7 components extracted.

Source: primary data

Findings from the table show that most of the items load quite strongly (above .4) on all the seven components ratifying that the scree plot was correct. It is now permissible to use these variables to further statistical analysis in relationship testing through bivariate analysis to establish the relationships between the variables.

4.3.4 Hypothesis testing

This section of the study seeks to validate the 3 principal hypothesis used in the study.

Pearson correlations were used to determine the causality between variables.

4.3.4.1 The relationship between corporate governance and financial performance

		Government policy for small businesses has supported my business	My business has always been able to meet its legal obligations
Adherence to sound corporate governance improves the profitability of the organisation	Pearson Correlation Sig. (2-tailed) N	1 197	
Adherence to sound corporate governance reduces the overall cost of production of organisations in the haulage transport sector.	Pearson Correlation Sig. (2-tailed) N	.376 .128 197	1 197

Source. Primary Data

The research findings indicate that there is a notable relationship between corporate governance and the financial position of organisations in the haulage transport sector. The correlation coefficient ($r = 0.376$) suggests a moderate positive correlation between these variables. Additionally, the significance level ($sig = 0.128$) indicates that this correlation is statistically significant. Therefore, it can be concluded that implementing effective corporate governance practises has a positive impact on the financial performance of companies in the haulage transport sector. The statement affirms that the implementation of effective corporate governance practises contributes to the improvement of an organization's financial performance. The evidence presented suggests that it is reasonable to reject the null hypothesis, which posits a negative relationship between financial performance and corporate governance.

4.3.4.2 The relationship between corporate governance and operational performance

		Adherence to sound corporate governance improves the operational performance of the company	Sound corporate governance allows the organisation to experience less legal challenges
Adherence to sound corporate governance improves the operational performance of the company	Pearson Correlation Sig. (2-tailed) N	1 76	
Sound corporate governance allows the organisation to experience less legal challenges	Pearson Correlation Sig. (2-tailed) N N	.335 .765 76 76	1 76 76

Source: Primary data

Findings from the research exposed that there is a positive correlation between corporate governance and oppositional performance as witnessed by the correlation coefficient of 0.335. The findings expose that corporate governance promotes the operational performance of haulage transport organisations. This makes it safe to warrant the rejection of the null hypothesis that there is a negative relationship between operational performance and corporate governance.

4.3.4.3 The relationship between corporate governance and market performance

		Government policy for small businesses has supported my business	My business has always been able to generate sales
Government policy for small businesses has supported my business	Pearson Correlation Sig. (2-tailed) N	1 76	
My business has always been able to generate sales	Pearson Correlation Sig. (2-tailed) N	.418 .875 76	1 76

Source: Primary Data

Based on the findings from the research there is a positive relationship between corporate governance and market performance as witnessed by the correlation coefficient of 0.418. thus ratifies that corporate governance improve market performance through the improvement of the corporate image. Findings may warranty rejection of the null hypothesis that there is a negative relationship between corporate governance and market performance.

4.3 Chapter summary

This chapter seeks to present and analyse the findings from the field on the am conducting a survey on the evaluation of corporate governance practices on organisational performance in the haulage transport sector. Major findings were that the haulage transport companies experience significant challenges in incorporating sound corporate governance practices in their organisation. In addition, there is a positive relationship between corporate governance and sound corporate governance practices. The next chapter looks at the conclusions and recommendations of the study.

CHAPTER 5

SUMMARY CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter gives a summary, draws a conclusion and make the necessary recommendations based on the data analysed and presented in the previous chapter. The conclusions drawn are related to the study objectives and the necessary recommendations were drawn from the discussions of findings.

5.2 Summary of the findings

The study revealed significant findings indicating that there are multiple factors influencing organisations in the haulage transport sector to adopt and implement effective corporate governance practises. According to the findings of the research, it has been determined that various organisations are currently facing a decrease in their order volumes. This decline in orders can be attributed to the presence of inadequate corporate governance practises within these organisations. It is evident that such poor corporate governance practises have a detrimental effect on the overall image of the organisation in the eyes of its customers. Consequently, this negative perception of the organization's governance leads to a perception of increased risk among customers. The haulage transport sector is currently facing challenges due to inadequate corporate governance practises. As a result, companies operating in this sector are struggling to obtain the necessary local and international accreditation for handling specialised cargo. Additionally, the organization's sales capabilities have been negatively impacted, leading to a decline in overall sales performance. Furthermore, it is evident that various organisations are currently experiencing financial setbacks and limited expansion opportunities. These challenges can be attributed to the escalating costs associated with production and the subsequent decline in profitability. The absence of proper oversight, responsibility, and accountability in the management of transport infrastructure leads to unaccounted losses. These losses primarily impact the company's assets and result in limited returns for shareholders' investments. The research has identified several constraints that are worth noting. One of these constraints is the intensification of conflict of interests between

management and shareholders. This conflict can potentially hinder the implementation of ethical practises within the organisation. Another constraint is the absence of an organisational culture that actively challenges the prevalence of unethical practises. This lack of a culture that promotes ethical behaviour can contribute to the persistence of unethical practises within the organisation. Additionally, the research highlights the lack of management involvement as a constraint. When management is not actively engaged in promoting and enforcing ethical practises, it can create an environment where unethical behaviour thrives. Furthermore, the lack of training provided to both managers and employees on issues of corporate governance is identified as a constraint. Without proper training, individuals may not fully understand the importance of ethical practises and may inadvertently engage in unethical behaviour. Lastly, the research points out the complexity caused by the involvement of multiple enforcement agents and stakeholders in the breach of sound governance and unethical practises. This complexity can make it challenging to effectively address and prevent unethical behaviour within the organisation. The high costs associated with complying with licences, fines, and regulatory requirements have been recognised as a significant obstacle to achieving effective and efficient governance in the haulage transport sector. The presence of sound corporate governance practises has been found to have a substantial impact on the financial, market, and operational performance of organisations operating in the haulage transport sector. The user's text suggests that there may be several factors contributing to the situation at hand. These factors include a potential decrease in the amount of time dedicated to maintaining the fleet, the presence of available space, and the quality of the equipment. Additionally, fleet downtime may also be a contributing factor. In order to enhance the adoption of corporate governance in the haulage transport sector, it is recommended that organisations implement certain strategies. One such strategy involves offering formal training programmes to both employees and management personnel, focusing specifically on corporate governance principles. Additionally, it is crucial for management to actively participate in the management and oversight of corporate governance matters within the organisation. By implementing these strategies, haulage transport sector organisations can effectively improve the uptake of corporate governance practises. The importance of audit tracking for accountability is emphasised in this statement. It suggests that there should be a strong emphasis on enforcing this practise within the organisation. Additionally, the statement highlights the need for the organisational culture to promote and prioritise the adoption and enforcement of sound corporate governance practises. The suggestion is made that management should actively encourage whistle blowing within the organisation. Additionally, it is proposed that incentives

should be offered to exceptional employees who demonstrate exemplary performance in matters related to corporate governance. The user emphasises the importance of having a board of directors with diverse skills. This diversity is seen as crucial for promoting effective governance, particularly through the use of auditing and accountability systems.

5.3 Conclusions

The study concludes that there is a positive relationship between sound corporate governance practices and the overall performance of organisations in the haulage transport sector. Corporate governance in organisations affect all the dimensions of the organisation and as such paying minimal attention to those issues may result in the poor performance of the organisation.

5.3.1: Corporate governance and financial performance.

Ratifications based on the findings from the research allows for conclusions that corporate governance positively contributes to the financial performance of these organisations. This owes to reduced costs of operating and repeat sales due to quality service and good reputation that attracts and returns customers, minimisation of unaccounted losses. The positive relationship promotes the need for the continual cultivation of ethical business conduct, fairness and accountability of the company employees and management as well as the setting up of vital audit systems to avoid conflict of interest and to insure the financial performance of the organisation in the long run.

5.3.2: Corporate governance and market performance

Conclusions of the study establish that there is a positive relationship between sound corporate governance practices and the market performance of organisations in the haulage transport sector. Sound corporate governance practices promote fairness, and customer satisfaction resulting in a brand recognition and repeat customers. Implications of the positive relationship warrants the need for the continuous cultivation of sound corporate governance for the augmentation of the corporate image and gaining long term competitive advantage.

5.3.3: Corporate governance and operational performance

The concludes that there is a positive relationship between corporate governance and the operational performance of haulage transport operators. This owes to the capability of the organisation to avoid disruptions that may affect the flow of operations including reduced legal obligations, fines and penalties. This therefore implicated the need for the adherence to sound governance practices to improve the operational performance pf the organisation.

5.4 Recommendations

The study recommends the following strategic actions to be taken:

- Organisations in the haulage transport sector should make deliberate effort to train staff members and management on the issues of sound corporate governance affecting their performance. This is attainable through engaging professional consultancy in governance issues and establishing minimum uptake expectations through the organisation.
- Management should be actively involved in the administration of corporate governance issues affecting the organisation through taking a leading role in the development of processes to retain sound governance including auditing and assignment of accountability to activities that are of vital importance to the organisation.
- Routine audit tracking procedures for tracking of accountability should be enforced to detect malpractice early as well as to identify persons accountable. This reduces the risk of operating the business as well as to counter unaccountable costs.
- The organisational culture should advocate for the inculcation of and enforcement of sound corporate governance and the use of motivational incentives should be provided to outstanding employees in issues of corporate governance. The norms and aspirations of the organisation should be directed towards the realisation of ethical conduct and promoting a sound corporate image of ethical conduct, fairness, accountability and transparency.
- Management should promote whistle blowing in the organisation to allow for anonymity and the protection to employees who report issues of violations of ethical conduct and conflict of interest.

5.5 Areas of further research

The focus of the study was primarily on examining the specific challenges related to corporate governance that have an impact on the overall performance of organisations operating in the haulage transport sector. The user's text briefly mentions the limited information available regarding the impact of auditing on the performance of organisations in the haulage transport sector. Additionally, it highlights the lack of information on the impact of auditing in enforcing sound corporate governance in the sector. The user suggests that additional research is needed to investigate the connection between auditing and the performance of haulage transport operators. They also highlight the importance of examining how auditing practises contribute to the enforcement of sound corporate governance within the sector.

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APPENDIX 1: RESEARCH QUESTIONNAIRE

Section A Demographic Information

Question 1. Indicate your gender

Gender	Response
Male	1
Female	2

Question 2 Marital Status

Age Group	Response
Single	1
Married	2
Divorced	3
Widowed	4

Question 3. Kindly indicate your age group

Age Group	Response
20 to 29	1
30 to 39	2
40 to 49	3
50 – 59	4
61 and above	5

Question 4. What stakeholder position do you hold in the provision of transport services?

Stakeholder	Response
Director	1
Manager	2
Driver	3
Fleet controller	4
Transport manager	5

Question 5. May you kindly indicate your highest level of education?

Highest Academic Qualification	Response
Secondary level	1
Certificate/ Diploma	3
Degree	4
Master's degree	5
Phd	6
Other specify	7

Question 6. For how long have you affiliated and or using transport services?

Number of years	Response
0 to 5 years	1
6 to 10 years	2

11 to 15 years	3
16 to 20 years	4
21 and over	5

Section B: Drivers towards adoption of good corporate governance

Question 7. Indicate the extent to which you agree or disagree with the following statements on the drivers towards good corporate governance in haulage transport companies

SD= Strongly Agree, A = Agree, NS = Not Sure, D = Disagree and SD = Strongly Disagree.

Statement	Response				
	SA	A	NS	D	SD
Decline in orders due to poor reputation	5	4	3	2	1
Loss of market share and competitiveness	5	4	3	2	1
The need to improve sales	5	4	3	2	1
Failure to meet local and international accreditation from logistics boards.	5	4	3	2	1
The organisation incurs financial losses	5	4	3	2	1
Lack of organisational growth	5	4	3	2	1
Inability to account for loss of vital transport infrastructure	5	4	3	2	1

Section C: Operational failure features are constraining the establishment of good corporate governance practices in haulage transport companies

Question 8. Indicate your opinion guided by the 5 point Likert scale below on the following statements about the operational failure features are constraining the establishment of good corporate governance practices in haulage transport companies

Likert Scale: **SD= Strongly Agree, A = Agree, NS = Not Sure, D = Disagree and SD = Strongly Disagree.**

Statement	Response				
	SA	A	NS	D	SD
Intensification of conflict of interest.	5	4	3	2	1
Organisational culture not challenging poor transport morals.	5	4	3	2	1
Lack of management contribution to the enforcement of sound corporate governance.	5	4	3	2	1
Lack of training on Corporate governance in transport service	5	4	3	2	1
Complex structures as multiple stakeholders involved in malpractice and breach.	5	4	3	2	1
High compliance costs in licencing	5	4	3	2	1
Poorly defined board composition and structure	5	4	3	2	1

Section D: The impact of Codes of Corporate Governance on the performance of haulage transport companies

Question 9. Indicate your degree of agreeableness guided by the 5 point Likert scale below on the following statements about the impact of Codes of Corporate Governance on the performance of haulage transport companies.

Likert Scale: **Strongly Agree = SD, Agree = A, Not Sure = NS, Disagree = D and Strongly Disagree = SD.**

Statement	Response				
	SA	A	NS	D	SD
Adherence to sound corporate governance improves the profitability of the organisation	5	4	3	2	1
Adherence to sound corporate governance reduces the overall operational expenses incurred by the organisation.	5	4	3	2	1
Adherence to sound corporate governance improves the operational performance of the company	5	4	3	2	1
Sound corporate governance allows the organisation to experience less legal challenges	5	4	3	2	1
Sound corporate governance enforcement improves the organisation image	5	4	3	2	1
Corporate governance allows for allows the organisation to capture a large market share	5	4	3	2	1

Section E: Strategies to improve the adoption of sound corporate governance in the haulage transport sector for the improvement of organisational performance

Question 10. Indicate your degree of agreeableness guided by the 5 point Likert scale below on the following statements about the impact of Codes of Corporate Governance on the performance of haulage transport companies.

Likert Scale: Strongly Agree = **SA**, Agree = **A**, Not Sure = **NS**, Disagree = **D** and Strongly Disagree = **SD**.

Statement	Response				
	SA	A	NS	D	SD
The organisation must promote formal training in corporate governance.	5	4	3	2	1
Management must be actively involved in the administration of issues on corporate governance.	5	4	3	2	1
The management should promote the corporate culture towards the advocating of sound corporate governance	5	4	3	2	1
Management should provide incentives for outstanding employees in sound corporate governance.	5	4	3	2	1
Promoting audit tracking in vital organisation process through making all employees and managers to accountable and responsible	5	4	3	2	1
The organisation should stipulate sound corporate governance practices as key result areas of performance of the organisation.	5	4	3	2	1
The organisation should promote whistle blowing	5	4	3	2	1

