

Bindura University
of Science Education



BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

GRADUATE SCHOOL OF BUSINESS (GSB)

'Where Great Minds Meet'

**IMPACT OF CORPORATE GOVERNANCE PRACTICES ON FIRM'S
PERFORMANCE**

A case on Zimbabwe Electricity Distribution company-Southern region.

BY

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**A DESSERTATION SUBMITTED TO THE BINDURA UNIVERSITY OF SCIENCE
EDUCATION IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR
MASTER OF LEADERSHIP & CORPORATE GOVERNANCE (MLC) DEGREE
QUALIFICATION**

BINDURA, ZIMBABWE

JUNE 2022

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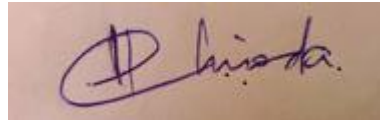
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2019-2022
A Case of Zimbabwe Electricity Transmission & Distribution Company

DEGREE FOR WHICH PRESENTED: Master of Leadership & Corporate Governance Degree.

YEAR GRANTED: 2022

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DECLARATION

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Date.....

DEDICATION

This research is dedicated to my wife Gamuchirai Chako, my children Munashe, Tinashe, Kunashe, Anaishe and Kupakwashe who have put in a lot of effort in supporting me during the course of my studies.

May the Lord God continue to richly bless you abundantly!

ACKNOWLEDGEMENTS

I wish to express my profound gratitude and appreciation to all those who have contributed to making this project a success.

First and foremost, I would like to thank the Almighty, who gave me the knowledge, strength, skills and patience to be able to work and complete my project and his guidance throughout this difficult and stressful time.

My heartfelt gratitude goes to my supervisor Dr T Chinoda for his overwhelming support, guidance, counsel, patience, understanding, encouragement and above all his availability for consultation. This project was made possible through his direction and consultation. He was always there when needed and always there to guide me and never got tired.

I would also like to thank my family for their affection, prayers, patience and support. They gave me the comfort and stress which was needed to motivate me. Their motivation and encouragement gave me the strength to do my best and finish the project successfully. Special mention goes to my wife, Gamuchirai Chako, who made it possible for to finish this project because of her support and encouragement needed to complete the Dissertation.

I sincerely want to thank the Sales Executive Manager, Mr. E Musopero who was very helpful during my information gathering period and also who guided me in the preparation of this report. His patience and knowledge of the process made it easy for me to interrogate the process thereby enabling me to write a factual report as presented here.

I am highly indebted to my friends Manyika Tapiwa, Emmanuel Ngwarati, and Solomon Katsiru for their support and encouragement they gave me and being there for me whenever wanted for advice.

ABSTRACT

The main research topic for the study was to establish impact of corporate governance practices on firm's performance - a case of Zimbabwe Electricity Transmission and Distribution Company. The main research objectives for the study was to determine the impact of corporate governance practices on firm performance. The sub-objectives were as follows; to identify the benefits of effective board size in firm performance at ZETDC, to establish the fundamental drivers of sound board independence in firm performance at ZETDC and to examine the effectiveness of CEO duality on firm performance at ZETDC. The research methodology which was used for the study was a case study. This research used the pragmatic paradigm as the research philosophy. The mixed method was used as the research design. The sample size for the study were 100 respondents. The research instruments for the study were a questionnaire and an in-depth interview. The main research finding for the study were that; the advantage of larger board size is the greater collective information that the board subsequently possesses and hence larger boards will lead to higher performance. The board requires the combination of executive and non-executive directors to pursue the shareholders' interest. Independent directors could contribute their independent views and actively participate in board discussion. Independent chairman is believed to effectively and efficiently monitor and control CEO and other management activities to maximize the shareholders' wealth. The chairman and CEO should be separated, as this has the potential to increase the effectiveness of board monitoring. The major recommendations were that, the roles of the chairman and the CEO should be separated, as this has the potential to increase the effectiveness of board monitoring CEO duality has negative and significant impacts on operating performance of when independent directors account for a small proportion of a board's membership. Developing and setting a clear strategy and then implementing it effectively are vital to ZETDC's success. ZETDC ought to take steps to increase the quality of their corporate governance systems in order to improve the functioning of the business; promoting sound corporate governance to reduces risk of failure by firms to achieve set targets as well as good corporate governance fosters a culture of integrity and leads to a positive performing and sustainable business among others. ZETDC is obliged to reviewing the board composition on a regular basis to identify any shortcomings and make timely improvements. The researcher proposes further studies on a comprehensive theory explaining the complexity of boards and their characteristics in relationship to firm performance.

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CHAPTER 1

INTRODUCTION

1.0 Introduction

Corporate governance is considered an important implication for the development of a country, because proper corporate governance practices attract investment capital, minimize the risk for investors and increase firm performance. Corporate governance and its relation with firm performance are inseparably linked as it affects the firm's well-being. Corporate governance has got attention and developed as an important mechanism over the last decades. The fast growth of privatizations, the recent global financial crises, and financial institutions development have reinforced the improvement of corporate governance practices. Well managed corporate governance mechanisms play an important role in improving corporate performance. Good corporate governance is fundamental for a firm. This chapter starts by showing the background to the study before moving on to the statement of the problem, research questions, research objectives, significance of the study, definition of terms, delimitation of the study and limitation of the study. A summary concluded the chapter.

1.1 Background to the study

Corporate governance is one of the contemporary and controversial areas in business environment. It used to be considered as an exclusive discussion among accounting practitioners and audit communities, however, currently it is becoming more important across knowledge disciplines as well as in real business world. Le and Nguyen (2022) opine that corporate governance has received a great deal of public attention due to its evident importance for the economic and financial health of corporations and society in general. The cases like Enron, WorldCom, Adelphia, Parmalat and other high-profile scandals (Bolourian, Angus and Alinaghian, 2021), which happened during the last decade, have also attracted the attention of various groups of people towards the importance of corporate governance. At global level, corporate governance received more attention after the financial crisis of 1997, which badly hit several countries like Thailand, Indonesia, Philippine, and Malaysia (Diribaand Basumatary, 2019). Accepting that some of the factors that aggravated the situation were external in nature, the authorities have taken great initiatives to improve the internal situation particularly corporate governance in local economic sectors.

Greater emphasis was laid on transforming the local financial institutions, equity market and corporate board leadership to make them more resilient, transparent, ethical and credible entities. The world experienced a lot of corporate failures which were due to corporate governance challenges.

Furthermore, corporate governance has grown out of deep-seated concerns raised by spectacular and well publicized corporate failures. Salemba, et al. (2020) asserts that such corporate failures worldwide were caused by insider loans, compensation scandals, cosmetic accounting, inefficient and unethical conduct of external auditors for companies leading to corruption and wastages. A number of companies collapsed unexpectedly in the 1980s and 1990s which included the famous Bank of Credit and Commerce International and Enron to mention but a few. Du Plessis, Hargovan and Harris (2018) advocate that corporate scandals provoked a response through voluntary codes as opposed to the USA's legislated approach. After these collapses the United Kingdom government set up a commission of enquiry to investigate these scandals. According to Eweje et al. (2021) corporate governance is viewed worldwide in the business arena as, in part, incorporating transparency, fairness, independence, accountability, responsibility, integrity and social responsibility, among other things. These characteristics of corporate governance form the basis of corporate discipline of best practices of any organization. Corporate governance has found its place in both developed and less developed economies as well as emerging economies. Most countries that implement corporate governance start by preparing a code that epitomises best practices and an adherence to code was then measured using various models such as scorecard and market-based models, among others (Fahad and Rahman, 2020).

In Africa corporate governance issues have been a thorn in the flesh for the respective governments. A number of African countries like South Africa have been rocked by corporate scandals especially at ESKOM which is the Southern African country's enabler in terms of electricity. Angola also has made the headlines due to failure by the directors of certain parastatals to follow sound corporate governance standards. Radebe (2017) affirms that generally, corporate governance coupled with global financial crisis caused severe damage and casualties to quite a number of African countries and corporate governance was found glaring in the investment banking industry and insurance sector among others.

The management of a varied companies who are mandated to maximize the profitability and long-term value of the firm for shareholders while taking into account the interests of other legitimate

stakeholders were found wanting in terms of adhering to corporate governance standards (Slater, 2020). The principal players in corporate governance are the shareholders, management and the board of the directors. The managers and the board of directors of parastatals have thrown key virtues such as integrity, honest and accountability to the wind. Nguyen et al. (2020) other stakeholders include employees, suppliers, customers, banks and other lenders, regulators, the environmentalists and the community at large. Some of the corporate governance issues, which have taken a centre stage and are becoming popular research topics among the scholars, lie in of the rights and treatment of shareholders especially the minority shareholders, the responsibility of board members, financial disclosure and transparency, the role of independent and non-independent directors (Nikolić and Zlatanović, 2018), the impact of corporate governance on a firm's performance, and the disclosure of directors' remuneration.

Zimbabwe is not spared of corporate scandals and failures. In 2003 scandals rocked the banking sector involving allegations of insider loans and cosmetic accounting. The problems persist to this very day. During that era the country witness quite a number of large banks such as CFX, Genesis and Century as well as ENG Asset Management Company being put under curatorship in a bid to safe guard depositors funds. In response, the Reserve of Zimbabwe crafted Guideline No. 1 of 2004 on corporate governance suggesting inter alia the appointment of independent non-executive directors to serve on the board and committees of Financial Institutions (OECD, 2018). Lately in September 2009, Zimbabwe Leadership Forum and the Institute of Directors Zimbabwe launched a corporate governance code drafting effort which gained momentum. It is hoped that the code will yield the best for the corporate governance scene in Zimbabwe. In 2014 a unique code dealing with the unique history and interests of the corporate governance in Zimbabwe was produced. The code adopted the “apply or explain” approach because it has a bias towards indirect coercion. It deals with issues regarding; ownership and control, boards of directors and directors, governance of risk, information management and disclosures, corporate conflict prevention and resolution, governance of stakeholder relations, the role of government in corporate governance. Zimbabwe adopted its Zimcode in (2014) in an effort to follow the band-wagon of corporate governance best practices.

A number of parastatals in Zimbabwe such as NRZ, Air Zimbabwe, Cold Storage Company and CMED have been brought to the knees due to the failure to follow corporate governance standards. Corporate scandals hinging on the inability to adhere to corporate governance basics brought these parastatals to their knees. The flouting of tender procedures engendered corruption and hence mal administration. At the inception of the second republic of Zimbabwe the head of state dissolved the ZIMRA and ZINARA Boards on allegations of corruption and other mal practices. AG Report (2020) argues that corporate governance encourages positive behaviour. Thus, having clearly delineated policies and processes and a board of directors and executive managers who maintain the compliance culture directly supports improved results. It is imperative that all board members themselves participate in that culture, ensure clear lines of communication with management and the rest of the organisation, and are immediately responsive to any evidence that part of the organisation is not participating. Corporate governance has long been adopted by the countries in developed economies in order to improve the performance of organizations and guard against unethical practices (Qureshi et al., 2020). According to the Rehman and Hashim (2021) the entity's Board is different from the entity's management in that it directs, which is a "brains on activity" focused on showing the way ahead and giving leadership. The Board's role is a reflective one. It concentrates on strategy that is it provides strategic, objective and reality-based guidance. The Board brings panache, visibility and authority to the company and sets the right tone at the top (Shu and Chiang, 2020). Management on the other hand, manages, which is a "hands on activity" focused on action, crisis resolution and the maintenance of systems. The Board maintains a helicopter vision while management keeps the tractor vision or the corporate feel of the companies they work for or lead (Sameer, 2021). The Board does not have to police the activities of management. Corporate governance practices have not been religiously followed by the directors of Zimbabwe Electricity Transmission and Distribution Company (ZETDC). The parastatal ought to employ good corporate governance standards so as to regulate risk and reduce the opportunity for corruption. ZETDC has often discounted corporate governance as expensive or complex without fully understanding the benefits this discipline can bring. Often, scandals and fraud within the company become more prevalent where directors and senior management do not have to comply with a formal governance code. Corporate governance is a field that is attracting great attention in the world due to its importance to the destiny of enterprises (Sarah, 2017).

More importantly, in the context of escalating environmental and social problems, how businesses are governed towards a balance of economic, social and environmental values receives significant concern by the stakeholders of the business in the globe.

It is of essence to note that the board should meet regularly (Le and Nguyen, 2022), retain control over the business and monitor those in management to enable it to see how the company is functioning. Furthermore, a good corporate governance scheme will make clear to every officer of the company his or her duties and will encourage them to keep these duties in mind when making decisions. Thus, implementing an excellent corporate governance system will also ensure that the company protects its members, officers as well as the management. Tarigan and Stacia (2019) affirms that by ensuring that the company retains its records in the company books and maintains its statutory registers, they will be protected. Maintaining these records also means that officers of the company can be held accountable through documentation for their actions if necessary. It also means that a shareholder cannot unnecessarily contest the actions of the officers. They can be shown the company books, approved resolutions and board minutes if necessary and rest assured that the officers are acting within their authorities. This study sought to explore the impact of corporate governance practices on firm performance with a particular focus on Zimbabwe Electricity Transmission and Distribution Company.

1.2 Statement of the research problem

Zimbabwe Electricity Transmission and Distribution Company (ZETDC) has often discounted corporate governance as expensive or complex without fully understanding the benefits this discipline can bring. It has also been noted that scandals and fraud within the parastatal has become more prevalent where directors and senior management do not have to comply with a formal governance code. This discipline has recently become a pillar of market-leading organizations. Given the competitive climate with which business operates, businesses must find ground breaking ways to reach new markets. It is on this premise that consistent management, monitoring and improvement of a business is vital and this is where corporate governance can play a vital role. The issue of the tenure of the board has been subject to discussion as the board chairperson has been re-appointed after being dismissed on charges of corruption. It is noteworthy that at ZETDC do not take a strategic approach to board succession planning as the same personnel may be recycled.

The firm needs to broaden the definition of diversity and the pool of potential director candidates. ZETDC should be a community of solvers combining human ingenuity, experience and technology innovation to deliver sustained outcomes and build trust.

Remuneration of directors at ZETDC is increasingly one of the most hotly debated topics in the corporate governance arena, due mainly to some infamous recent examples and the resultant tension between shareholders demanding to understand and to be able to rationalise their directors' remuneration levels and methods, and the directors' desire for privacy in their financial affairs. There is no effort to follow the remuneration policy at ZEDTC. In proposing the remuneration policy, the remuneration committee should ensure that the mix of fixed and variable pay, in cash, shares and other elements, meets the company's needs and strategic objectives. Incentives should be based on targets that are stretching, verifiable and relevant. The remuneration committee should satisfy itself as to the accuracy of recorded performance measures that govern vesting of incentives. The challenge remains for ZETDC as to how to incorporate their executive discipline into their business. Thus, failure to embrace sound corporate governance practices can militate against the firm achieving its set targets as the parastatal is the sole supplier of electricity which is very vital in enabling the economy to be productive. This study sought to give insight to the management of ZETDC in terms of effective board size, establishing the fundamental drivers of sound board independence in firm performance and above all critiquing the effectiveness of CEO duality on the ability of the organisation to achieve its set targets. Thus, this study will enable the board of directors at ZETDC to be proactive in corporate governance issues.

1.3 Purpose of the Study

In light of the aforementioned, this study seeks to assess the impact of corporate governance on firm performance with a particular focus on Zimbabwe Electricity Transmission Distribution Company (ZETDC).

1.4 Research Objectives

In order to answer the research questions in this study, the overarching objective is to determine the impact of corporate governance practices on firms' performance.

The sub objectives are as follows:

1.4.1 Sub research-objectives

- To identify the benefits of effective board size in firms' performance at ZETDC.
- To establish the fundamental drivers of sound board independence in firms' performance at ZETDC.
- To examine the effectiveness of CEO duality on firms' performance at ZETDC.

1.5 Research questions

1.5.1 Main research question

The main research question is as follows:

What is the impact of corporate governance practices on firms' performance?

1.5.2 Sub questions

- How does the board size affect firms' performance at ZETDC?
- How effective is board independence on firms' performance at ZETDC?
- How does the duality of CEO (Chief Executive Officer) affect the firms' performance at ZETDC?

1.6 Significance of the study

1.6.1 Theoretical contribution

The underline study contributes to the existing literature in the field of corporate governance. The main objective of the study is to determine the impact of corporate governance practices on firm performance. Therefore, this study will add knowledge in the area corporate governance and firm performance. This study underpins through the "The Resource Based Value Theory"; it is modelled around the notion that the that a larger board of directors can ensure that more non-executive directors can better supervise managers, while a larger board of directors will include more professionals from different fields. High-quality boards from different backgrounds can make better decisions for the board.

1.6.2 Practical significance

1.6.2.1 To Zimbabwe Electricity Transmission and Distribution Company

The impact of corporate governance on firm performance has never been the subject of published research, particularly in the energy sector, hence it is of utmost significance. Additionally, ZETDC directors can utilize the data to help them make practical decisions about upholding solid good corporate governance practices in this quickly business environment.

1.6.2.2 To the Researcher

The student is currently pursuing Master's degree in Corporate Governance and Leadership hence the research is carried out in partial fulfilment of this degree under study.

More so, it is the researcher's prerogative to develop academic skills through engagements of experienced personnel with the objective of coming up with paradigm shift so that corporate governance practices can be embraced in endeavour to remain afloat. In this regard, the researcher who is also an employee with Zimbabwe Electricity Transmission and Distribution Company (ZETDC) will acquire the technical knowhow on how the organisation he works for can also tap the benefits of excellent corporate governance practices.

1.6.2.3 To Bindura University of Science Education

The university may use this study as a referral material to other students who would be studying and doing similar research in future hence this is very vital in as far as academic knowledge is concerned.

1.7 Study Delimitations

Conceptual delimitation

The study's conceptual delimitation was just impact of corporate governance practices on firm performance. The main tenets of the study are CEO duality, the benefits of effective board size in firm performance, the fundamental drivers of sound board independence in firm performance as well as the effectiveness of CEO duality on firm performance. Any information outside that was eliminated to maintain the scope of the study.

Demographical delimitation

The study targeted a population comprising of management and non-managerial employees in Kwekwe, with the major focus being the organisation's staff in; Human Resources, Accounting, Finance, Engineering and Marketing sections.

Geographical delimitation

The study focused on ZETDC Southern Regional (Gweru), particularly Kwekwe District within the Midlands province in Zimbabwe.

Empirical literature delimitation

This study focused on studies done in other regions and parts of the world. The studies should have been conducted from year 2015 to present.

1.8 Limitations of the study

- The information at ZETDC is very private and confidential hence it is not easily accessed. The researcher guaranteed the management all the confidentiality regarding the information given and above all emphasise that this information is needed solely for the purpose of this research.
- The researcher is a full-time employee of ZETDC therefore he might not get enough time as is necessary to do the research. This is the reason why the researcher selected ZETDC which are within his reach. Where necessary the researcher used his vacation days to carry out the research.
- Bindura University of Science Education gave a time limit in which the research has to be completed. This tends to limit the researcher to unearth and do as much coverage as he wanted if there was no deadline to beat. The researcher took a vacation leave so as to get ample time to do the research.

1.9 Definition of key terms

Corporate governance —is the system of rules, practices, and processes by which a firm is directed and controlled.

Organizational performance —the accumulated results of all the organization’s work activities.

Stakeholders — are any constituencies in the organization’s environment that are affected by an organization’s decisions and actions.

Stability strategy —is a corporate strategy in which an organization continues to do what it is currently doing. Examples of this strategy include continuing to serve the same clients by offering the same product or service, maintaining market share, and sustaining the organization’s current business operations.

Shareholder — a person or institution owning shares in a limited company.

Social responsiveness — is when a company engages in social actions in response to some popular social need.

Social responsibility — this is when a business’s intention is to look beyond its legal and economic obligations, to do the right things and act in ways that are good for society. Thus, it obeys the law and cares for its stockholders, but adds an ethical imperative to do those things that make society better and not to do those that make it worse.

Ethical communication — Communication that includes all relevant information, is true in every sense, and is not deceptive in any way.

Ethics —refer to principles, values, and beliefs that define what is right and wrong behaviour.

Impact— an effect upon...

1.10 Dissertation outline

Chapter I Introduction.

This initial chapter commenced by introducing the scope of the study. It delineates the background to this study, Moreover, this chapter also brings to the fore the statement of the problem, purpose of the study, main research question, sub research questions, main objective, sub objectives of the study, significance of the study, delimitation of the study as well as chapter outline of the study before providing the chapter summary.

Chapter II Literature Review

This chapter provided an overview of the impact of corporate governance practices on firm performance. It also seeks to identify the benefits of effective board size in firm performance. The fundamental drivers of sound board independence in firm performance will also be discussed. In addition, the chapter also seeks to examine the effectiveness of CEO duality on firm performance. It also interrogates the empirical and theoretical framework underpinning this study. The chapter summary concludes the chapter.

Chapter III Research design and methodology

Chapter three traced the research design as well as methodological approach employed in this particular study. The purposive sampling technique will be employed in this study. This chapter also discusses the target population, sampling methods as well as the sampling techniques. Furthermore, it also expounds data gathering processes as well as the research instruments employed which is a questionnaire for the quantitative research method. Finally, the summary concludes this chapter.

Chapter IV Data presentation, analysis and discussion

This chapter focused on the analysis of quantitative data which stems from the questions alluded to by the respondents in the questionnaire. This chapter also presents and analyses the results from the analysis of quantitative data after all the questionnaires have been attempted and returned. The discussion of results will also be done in this chapter. A summary caps the chapter.

Chapter V Summary, conclusions and recommendations.

Chapter five presented the summary and conclusions. It also proffers recommendations of the study.

1.11 Chapter Summary

The chapter highlighted the research objectives and questions, background of study, delimitations and significance of the study. The statement of the problem, research questions and key terms were also articulated. The next chapter covers literature review.

CHAPTER II

LITERATURE REVIEW

2.0 Introduction

The literature from different sources and authors relating to sound corporate governance vis-à-vis firm performance is discussed in this chapter. Moreover, there is reviewing of relevant works by other scholars and authors concerning the benefits of effective board size in firm performance, the fundamental drivers of sound board independence as well as the effectiveness of Chief Executive Officer Duality on firm performance. It also discussed theoretical framework, conceptual frame work and empirical studies.

2.1 Overview of corporate governance.

According to Bhatt and Bhatt (2017) the concept of corporate governance has been important all over the world after the extension of financial markets (globalization). It is believed that international capital considers good corporate governance practices in the countries before investing in those countries. Within the last forty years, corporate governance gained importance in academic world, then business world and finally on overall economy especially after major financial crises such as Enron and 2008 subprime crises the importance of corporate governance applications increased (Al Farooque, Buachoom and Sun,2020). It is now believed that, good corporate governance practices enhance investors’ confidence for investment decisions. Corporate governance issue has traditionally been associated with the “principal-agent” or the “agency” problem. A “principal-agent” relationship arises when the person who owns a firm is not the same person who manages or controls (Ararat et al., 2017). That issue directs us to concentrate on the ownership and board structure.

Croci et al. (2020) define corporate governance as the way in which directors and managers control a company and make decisions, especially decisions that have an important effect on the shareholders. The concept of corporate governance is becoming increasingly important for companies. Good corporate governance will ensure that the board of directors meet regularly, retain control over the business and are clear in the division of their responsibilities, as well as maintaining a system of risk management (Bhatt and Bhatt, 2017). Corporate governance is the cornerstone of any good business. It encompasses the processes, practices and policies that a company relies on to make formal decisions and to manage the company.

There are different definitions for three different groups (Detthamrong, Chancharat and Vitthessonthi, 2017) such as (i) definitions that arrange relations between the firm and the share (or stake) holders, (ii) definitions that predicate on which outcomes intended to reach and (iii) definitions that base on management concept which rely on certain objectives and principles. Based on these classifications we might define corporate governance as a set of relationships between a company's management, its board, its shareholders and stakeholders. Guluma (2021) opine that "the corporate governance framework should promote transparent and efficient markets, be consistent with the rule of law and clearly state the division of responsibilities among different supervisory, regulatory and enforcement authorities". Thus, corporate governance is a set of relationships between a company's management, its board, its shareholders and other stakeholders.

Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined," (Radebe, 2017). The principles recognize the interests of employees and other stakeholders and their important role in contributing to the long-term success and performance of the company.

In his study Lee et al., (2022) argues that corporate governance is not just corporate management; it is something much broader to include a fair, efficient and transparent administration to meet certain well-defined objectives. It is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers, and complying with the legal and regulatory requirements, apart from meeting environmental and local community needs” There are different corporate governance systems exist across countries that mainly involve the ownership and control of the firms. In some countries, outside managers are admired due to their strong effect on management. Adversely, in some countries concentrated ownership or control is the main characteristic of the system (Tarigan and Stacia, 2019). According to the characteristics of the countries one of these systems take importance and therefore research on the effect of corporate governance in different countries give divergent results. Therefore, no single model of corporate governance exist (Quigley, Wowak and Crossland, 2020) and each country based on their culture attempts to find the most suitable governance system.

2.2 Effective board size and firms’ performance.

Corporate boards of directors play a central role in the corporate governance of modern companies, and hence understanding this relationship is very important to our understanding of corporate governance. Much of the public debate on board structure has centered on pressure for smaller board size. It is argued that although larger board size initially facilitates key board functions, there comes a point when larger boards suffer from coordination and communication problems and hence board effectiveness (and firm performance) declines (Sarah, 2017).

The empirical evidence (reviewed below) appears to support this view, with a majority of studies documenting a significantly negative relation between board size and corporate performance. If larger board size indeed “causes” worse performance, then larger boards would represent inefficient governance that could possibly be improved by a “one size fits all” approach to board size. For example, influential scholars have argued that board size should be no greater than 8 or 9 (Lee and Nguyen, 2022) for all firms. Hence the findings have important regulatory implications. However, this interpretation is by no means universally held. A number of recent papers (Sumaniand Roziq, 2020) show that board size is determined by firm specific variables, such as Tobin’s Q, profitability and firm size.

The relationship between board size and performance may differ not just by firm specific characteristics but also by national institutional characteristics. In countries with different institutional backgrounds, the functions of boards are different, and therefore the expected board size - performance relation may be expected to differ (Golubeva, 2021). Therefore, examination of other countries is useful in more fully understanding the relation between board size and performance. The few non-US empirical studies to date employ either relatively small or cross-sectional samples, and consequently, we have relatively little large sample non-US evidence (Harjoto and Laksmana, 2018). The specific institutional context of the UK is interesting because UK boards arguably play a much weaker monitoring role than US firms (Voinea et al., 2022). As a result, any negative effect of large board size is more likely to reflect problems in carrying out the advisory role rather than the monitoring role. Thus, by providing large sample evidence on this country, we allow the US results to be placed in a broader context.

2.3 Sound board independence and firm performance

Radebe (2017) aver that the board of directors is a collective body that should act in the best interest of shareholders. The board requires the combination of executive and non-executive directors to pursue the shareholders' interest. The non-executive directors on the board will not be able to exercise their duties effectively, unless they are independence from management and ensure they provides unbiased business judgment. Independent directors are the person entrusted by shareholders to represent them and will help to reduce agency problems. Further, the Code of Corporate Governance and regulators recommend the composition of board members should be balanced and consist of independent directors(Hendratama and Huang, 2021).. However, mere compliance with the recommendations is not enough if the independent directors fail to exercise their functions effectively. Ibrahimović and Omar ova (2020) carried a study in a few countries by examining board independence and firm performance. The results showed a mixed association between proportions of independent directors and firm performance. Although the companies comprised the highest number of independent directors, it would not assure to enhance firm performance. Thus, the existence of independent directors on board should be monitored in order to bring positive shareholder values.

Sumani and Roziq (2020) examined the issue of independence as an important factor in ensuring board effectiveness through the monitoring and strategic roles of the directors. The ultimate factor for the board independence is by acquiring enough numbers of the independent directors on board. They stated that the director's ability, willingness and board environment might lead to the independent attitude of each director. Radebe (2017) narrated the effectiveness of non-executive directors in China is determined by their formal independence, information accessibility, incentives provided and competency.

However, they found out that the non-executive director system in China was weak because there was too much intervention of controlling shareholders and there was a lack of understanding of the functions of non-executive directors. Ida Bagus et al. (2020) indicated that the minimum composition of the independent director by the Malaysia Code of Corporate Governance is still not adequate enough to monitor the management. They concluded that the composition of the independent directors on the board was not associated with earning management. They found out that most of the firms in Malaysia have 1/3 or 33% of the independent directors on the board, but it did not have any effect on the earning management. Besides, Yasser, Mamun and Rodrigs, (2017) indicated that the independent directors have failed in their internal monitoring role in Malaysian Government Linked Companies (GLCs).

Guluma (2021) have studied the influences of managerial overconfidence in corporate governance. The participating directors agreed that a majority of non-executive directors (NEDs) on the board would provide a safeguard for a balance of power or management relationship. Besides that, there was a distinction between the boards with independent non-executive directors and non-independent directors. Independent directors would provide a variety of independent thinking, and majority of them could reduce the dangers of 'group think'. Some researchers also analysed the relationship of the Chief Executive Officer (CEO) with the board's independence. Tarigan and Stacia (2019) indicated there was no association between the board's independence and the CEO's duality with performance. Conversely, Pitman, Fuadah and Kalsum, (2021) found a relationship between the attendance of outside directors and the payment of CEO remunerations for United States banking sectors. When the outside directors attend at least 75 percent of the board meetings, the CEO remuneration would be low. The independent directors who were regularly attending meetings would be better in monitoring of excessive payment to the CEO.

A study by Yasser, Mamun and Rodrigs (2017) on the impact of board structure on firm performance in Asia. The first finding indicated there was no significant effect of board independence and equity issue. Besides, the independent directors were less efficient in restraining related party transactions. Also, they found that there was a negative relationship and a non-relationship of independent directors and firm's performance. The results were due to the fact that independent directors of listed companies were not truly independent. The independent directors had personal, financial, and social ties with the dominant shareholders and this influenced their independent judgement, thus jeopardizing their functioning as independent directors.

2.4 The effectiveness of CEO duality on firm performance

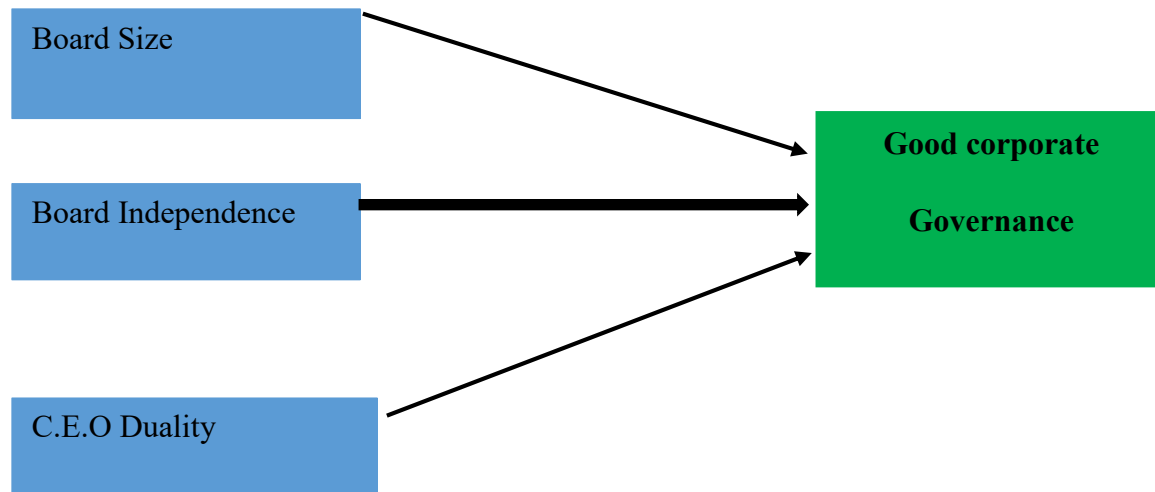
Mihail et al. (2022) define C.E.O duality as the situation in which the same person performs the functions of both the C.E.O and Chairman. Radebe (2017) argue that the duality of C.E.O positions, that is, executive director of the company and Chairman of its Board, represents a conflict of interests between ownership and management of which agency theory deals. This, in turn, would impede a board's ability to effectively oversee a C.E.O's decisions, leaving greater opportunities for the C.E.O to promote his own personal interests, in order to generate potential losses to the company's shareholders. Within the broad arena of the impact of separation of ownership and control, C.E.O duality has come under particular scrutiny (Al Farooque, Buachoomand Sun, 2020). In cases of C.E.O duality, the C.E.O of the firm wears two hats-a C.E.O hat and a chairperson of the board of directors' hat. Non-duality implies that different individuals serve as the C.E.O and the chairperson. Interest in duality has emerged primarily because it is assumed to have significant implications for organizational performance and corporate governance.

Proponents of duality argue that duality should lead to superior firm performance as it permits clear-cut leadership for purposes of strategy formulation and implementation (Le and Nguyen, 2022). C.E.Os supporting this position contend that non-duality would: (1) dilute their power to provide effective leadership of the company by increasing the probability that actions and expectations of management and the board are at odds with each other (Ararat, et al., 2017); (2) create the potential for rivalry between the chairperson and the C.E.O; (3) create confusion as a result of the existence of two public spokesmen, the chairperson and the C.E.O; and (4) limit innovation and intrapreneurship if the C.E.O feels that the board will perennially second guess his or her actions. The Board of Directors plays an important role in organizations by being responsible for making strategic decisions essential to the development of companies. The role of this advice is addressed in the Agency Theory, set forth Croci, et al. (2020), which addresses the issue of the separation of ownership and control at the corporate level, so that existing conflicts of interest may pose a threat to the achievement of objectives organizations. In this sense, Wadesango et al. (2020) point out that the Board of Directors is one of the main mechanisms for aligning interests between shareholders and managers in a corporate governance system of a company. Thus, how firms have the Board of Directors and manage their strategies can significantly impact their governance practices and expected results. Opponents of duality, however, maintain that duality: (1) constrains board independence and reduces the possibility that the board can properly execute its oversight and governance role (Edi, Basri and Arafah, 2020); (2) 'signals the absence of separation of decision management and decision control ... the organization suffers in the competition for survival' and (3) makes it difficult for insecure directors to be honest when evaluating firm performance which, in turn, leads to long-term organizational drift.

Attempting to reconcile the two perspectives, Detthamrong et al. (2017) have proposed contingency model of C.E.O duality. They argue that the association between C.E.O duality and board vigilance changes with circumstances with a vigilant board considering duality to be less desirable when firm performance is good and the C.E.O possesses substantial informal power. The rationale for this seemingly paradoxical position is that boards fear that duality, under these circumstances, constrains their ability to fulfill their oversight role. Duality often is identified as a primary cause for recent declines of major U.S. corporations such as Westinghouse, Sears, General Motors (GM) and IBM. Consider the cases of GM and IBM. (Khatib and Nour, 2021). IBM's case parallels GM's in many respects. Like GM, IBM was a world leader in its industry. Like GM it saw its worldwide market share drop from historical highs in excess of 70 percent to 18 percent in 1992. This loss in market share resulted in a loss of approximately \$5 billion (on revenues of \$65 billion) and a crash in IBM's market value from a peak of \$106 billion in 1987 to a low of \$27 billion in January of 1993 (Ediand Saputra, 2019).

According to Voinea et al., (2022), it is considered that separating the titles of Chairman and CEO will decrease agency costs and will get better firm performance. The explanation is given by the fact that when the C.E.O is also chairman of the board, the power within the firm is concerted in one person's hands. This situation allows the C.E.O to control information available to other board members.

2.5 Conceptual Framework



2.5.1 Effect of board size on firms' performance.

Corporate governance structure and the role of board of directors have recently re-emerged as a topical following the corporate governance challenges facing ZETDC. The two most important functions of the board of directors are those of advising and monitoring (Yasser, Mamun and Rodrigs, 2017). The advisory function involves the provision of expert advice to the Group Chief Executive Officer (G.C.E.O) and access to critical information and resources. This is performed by both insiders and outsiders, although Palaniappan (2017), note the importance of outside directors, who bring valuable expertise and potentially important connections. According to Khatiband Nour (2021) the advantage of larger board size is the greater collective information that the board subsequently possesses and hence larger boards will lead to higher performance. Secondly, the board has the responsibility to monitor, discipline, and remove ineffective management teams, to ensure that managers pursue the interests of shareholders.

Koutoupis et al. (2021) argue that insiders are an important source of firm-specific information for the board, but may have distorted objectives due to private benefits and lack of independence from the G.C.E.O Compared to insiders, outsiders are more independent, providing better monitoring, but are less informed about the firm's activities. In addition, the advantage of larger board size and an increasing number of non - executive directors is the greater collective information possessed by the board which is also valuable for the monitoring function (Ahmad, et al., 2017). Therefore, both functions predict an initial improvement in board performance as board size increases, and increases in the number of non-executives are expected to have a more positive impact than increases in the number of executive directors.

Various studies provide different viewpoints on in case the size of the board has any effect on performance of the companies (Ararat, Black and Yurtoglu, 2017). Some studies are of the belief that more the board size, positive is the influence on the organization performance. Muhammad et al (2017) argued that relationship amid size of board as well as performance of organization is optimistic. On the contrary, some authors argued board size to be smaller and provided contradicting arguments against the affirmative influence of size of the board on company's performance (Hassan and Marimuthu, 2018). They discovered size of the board to have dampening influence on performance of the companies. They found that there is an the inverse impact of board size on company's performance and showed that earlier performance of the leads to significant rise in board size which ultimately leads to dwindling operating performance and more operating costs.

Some studies found that there is a positive relationship between board size and company performance (Lee et al., 2021).

Furthermore, a number of studies have proved that there is an optimistic interrelationship among the board size and firm performance (Warrad and Khaddam, 2020; Xie et al., 2019). It has also been found that there is a significant improvement in the company's performance by expanding the board size. It can therefore be inferred that the more the board size, more is the capacity of the company to understand and answer to different stakeholders and are tougher to manipulate as compared to boards with fewer seats.

On the contrary, some authors argued board size to be smaller and provided contradicting arguments against the affirmative influence of size of the board on company's performance. They discovered size of the board to have dampening influence on performance of the companies (Al Farooque et al., 2020). It can also be noted that when C.E.O as well as chairman are not alike and adversely affect organization performance when C.E.O and chairman are same.

According to Le and Nguyen (2022) a survey of the codes of conduct reveals that without exemption, a substantial amount of space is devoted to the specific organization of the corporate board. Some codes even go as far as to recommend specific limitations on board size. These recommendations find their support in recent empirical research, which has established a negative relationship between board size and firm performance (Khatib et al., 2020). Characteristics of corporate boards are generally viewed as arising endogenously in response to the agency problems inherent in governing any organization (Crocì, et al., 2020). It can therefore be inferred that the board size, in particular, is known to be correlated with observable firm characteristics (firm size, firm age, industry affiliation) as well as unobserved factors that are potentially correlated with firms' performance.

2.5.2. Effectiveness of board independence on firms' performance.

The board of directors is a collective body that should act in the best interest of shareholders. The board requires the combination of executive and non-executive directors to pursue the shareholders' interest (Hazaea et al., 2020). The non-executive directors on the board will not be able to exercise their duties effectively, unless they are independent from management and ensure they provide unbiased business judgment. According to Zollo, et al. (2019) independent directors are the person entrusted by shareholders to represent them and will help to reduce agency problems. Further, the Code of Corporate Governance and regulators recommend the composition of board members should be balanced and consist of independent directors. However, mere compliance with the recommendations is not enough if the independent directors fail to exercise their functions effectively.

The idea of board independence mainly arises from the Anglo-American context, where there is a dispersal of ownership. Outsider-dominated boards (boards with more outside than inside directors as members) have been very popular in the United States since the 1960s (Khatib et al., 2020) and therefore the outsider board reform agenda fell in line with orthodox Anglo-American corporate governance practices. Until very recently, however, there has been a broad debate in the literature as to whether board independence adds any value to firms, with no definitive conclusion reached thus far. Some empirical evidence has documented that, board independence is associated with superior performance in the United States (Kells, 2020) as well as in the United Kingdom, New Zealand and Korea. However, many past studies have also documented a negative relationship between board independence and firm performance in Anglo-American countries, for example in Australia (Le and Nguyen, 2022).

Past studies have also documented a negative relationship between board independence and firm performance in an emerging market, for example in Bangladesh (Sumani and Roziq, 2020). Due to the conflicting results on board independence and firm performance, Tarigan and Stacia (2019) view these results as “vexing”, “contradictory”, “mixed” and “inconsistent”. Summarising these findings, suggest that “there is no predicate, either in logic or in experience, to suggest that a majority of independent directors on a board will guarantee good corporate governance or better financial returns for shareholders” (p. 35). Likewise, have declared that there is “no relation between director independence and performance, whether measured by accounting or stock return measures” (p. 1814). The mixed evidence on board independence and firm performance may be attributed to limited methodological procedures or a lack of methodological rigor as well as model misspecifications in the sense of the omission of variables that affect firm performance (Edi and Saputra, 2019), differences in institutional factors and managerial behaviors in the market. A study has been carried out in a few countries by examining board independence and firm performance. The results showed a mixed association between proportions of independent directors and firm performance. Although the companies comprised the highest number of independent directors, it would not assure to enhance firm performance. Thus, the existence of independent directors on board should be monitored in order to bring positive shareholder values.

The major contribution of the board is formulating company’s strategy and exercise proper oversight function throughout company operations (Orozco et al, 2018). Independent directors could contribute their independent views and actively participate in board discussion. They will represent shareholders on the company’s board. As independence person, they must ensure their presence and performance free from any influence of insiders or management.

The company appoints independent directors to monitor the performance of executive directors and top managements. Therefore, they would pursue the interest of shareholders by maximizing shareholders' value. Palaniappan (2017) has stated that several areas should be addressed by independent directors that would contribute to the effective formulation of the company strategy. They should ask questions pertaining to the businesses that the company ventures in, product market segmentation, and the valuable customers within the market segmentation (Le, et al, 2022). Independent directors with relevant industry background and wide expertise would be more willing to challenge Chief Executive Officers (C.E.Os) and the management team in board discussion. The independent directors are required by Bursa Malaysia in the composition of board member and board committees. For instance, all members of the audit committee must be non-executive directors by the majority of them are independent. These to ensure the independent directors would protect the interest of shareholders from management controlled. Malaysian Code on Corporate Governance (MCCG) 2012 has taken an effort to reinforce board independence in the company through several recommendations. The Code emphasizes on the composition of nomination committee, which should comprise of a majority of independent directors. Further, if the chairman of the company is not independent, the majority members of the board must be independence and board should review the independence of its independent directors annually.

Corporate boards are the primary and dominant internal corporate governance mechanism and play a key role in monitoring management and aligning the interests of shareholders with management (García-Meca and Palacio, 2018). Boards are responsible for care and diligence, including ensuring that financial controls are effective. Boards also spot problems early and can exercise a whistle-blower function. However, there is a considerable debate in the literature concerning the extent to which corporate boards are able to monitor management.

The term independent directors were used interchange with term non-executive directors and outside directors. However, not all non-executive directors are independent (Ahmad, et al., 2017). Some studies on board independence and firm performance showed mixed results; either positive, negative or no relationship with firm performance. It can therefore be noted that the ZETDC Board may give management strategic guidelines and may even act to review and ratify management proposals.

2.5.3 The duality of CEO (Chief Executive Officer) and the firm's performance.

AL Abdullah et al (2019) define Chief Executive Officer (C.E.O) duality, or duality of functions, as the practice in which a single person performs both the role of C.E.O and the Chairman of the Board of Directors, and emphasize that this is a theme which has aroused the interest of academics for some decades, although research generally has not reached conclusive results regarding the impact that this practice may actually have on organizations. Yasser, Mamun and Rodrigs (2017) explain that interest in duality has emerged mainly because it is assumed to have significant implications for organizational performance and corporate governance. The authors also point out that advocates of duality argue that it can lead to superior performance since it would allow clear leadership for strategy formulation and implementation. C.E.O duality is the practice in which the Chief Executive Officer (C.E.O) has both the presidency of the company as the chairman of its Board of Directors (Guluma, 2021). The literature so far shows the positive and negative impact on organizational performance when this happens. The approach of the Agency theory suggests that these two functions should be exercised by different people. Edi, Basri and Arafah (2020) affirms that there are some incidences of C.E.O duality in many listed companies in the world.

The Board of Directors plays an important role in organizations by being responsible for making strategic decisions essential to the development of companies.

The role of this advice is addressed in the Agency Theory, set forth by Le et al., (2022), which addresses the issue of the separation of ownership and control at the corporate level, so that existing conflicts of interest may pose a threat to the achievement of objectives organizations. In this sense, Silveira, Barros, and Famá (2003) point out that the Board of Directors is one of the main mechanisms for aligning interests between shareholders and managers in a corporate governance system of a company. Thus, how firms have the Board of Directors and manage their strategies can significantly impact their governance practices and expected results.

It is noteworthy that there are similarities of corporate board practices in Zimbabwe with that of Anglo-American countries (such as one-tier board, C.E.O duality and common law tradition). Similar to other emerging economies, the C.E.O may hold positions on both the company board and in management as opposed to professional managers in Anglo-American countries, leading to poor monitoring and control, as well as to incidences of C.E.O duality in many listed firms. Such C.E.O control is sometimes harmful to the firm. Quigley, Wowak and Crossland (2020) noted that, the duality of the C.E.O may sometimes effectively weaken the rational measures, such as rules and regulations for accountability and it is questioned if the Western dominated corporate governance system may work well in an emerging market.

Employing good corporate governance at ZETDC helps the company regulate risk and reduce the opportunity for corruption. Often, scandals and fraud within a company become more likely where directors and senior management do not have to comply with a formal governance code. Guney et al. (2020) are of the view that the board should meet regularly, retain control over the business and monitor those in management to enable it to see how the company is functioning. Furthermore, a good corporate governance scheme will make clear to every officer of the company his or her duties and will encourage them to keep these duties in mind when making decisions.

Insider-dominated boards may consolidate power and authority, which can weaken or reduce the board's overall monitoring effectiveness. Powerful insiders may be driven by self-interest and unless otherwise restricted will undertake self-serving activities that could be detrimental to the economic welfare of the principals (Palaniappan, 2017).

Hassan and Marimuthu (2018) advocate that while thoughts of restructuring or even selling the company may be in the far distance, good corporate governance is something to always bear in mind. In an attempt to refinance or even sell the company, investors and buyers will look for a well-organised business model (Lozano, Martínez and Pindado, 2016). A company without up-to-date books and registers is unlikely to attract the finest buyers. Additionally, companies are becoming increasingly aware of their public image and the need to behave ethically.

Boards of Directors are important to organizations and to corporate governance and can bring innumerable benefits to meeting organizational strategies if the composition of the Board and the performance of board members are effective. According to Dutra and Saito (2002), one of the basic objectives of academics, professional associations, and multilateral organizations within this theme is to analyze the profile of the members of these bodies and identify the ideal compositions for these councils, in order to make their supervision. Al Farooque, Buachoom and Sun (2020) emphasize that among the activities of the Board of Directors are the monitoring of the decisions and the supervision of the management, hiring, firing and defining the executive compensation. Thus, the way in which the board functions and carries out its duties can significantly impact organizational performance.

AL Abdullah, et al, (2019) define C.E.O duality as the situation in which the same person performs the functions of both the C.E.O and Chairman. Ahmad et al. (2017) argue that the duality of C.E.O positions, that is, executive director of the company and Chairman of its Board, represents a conflict of interests between ownership and management of which agency theory deals. This, in turn, would impede a board's ability to effectively oversee a C.E.O's decisions, leaving greater opportunities for the C.E.O to promote his own personal interests, in order to generate potential losses to the company's shareholders.

In Brazil, the Brazilian Institute of Corporate Governance, through its Code of Best Practice for Corporate Governance, indicates some desirable paths and brings important points so that organizations can achieve better levels of governance reflected in their practices. In relation to C.E.O duality, (Chen, et al., 2018) more specifically, the code suggests that the same person should be prevented from acquiring the functions of Chairman and C.E.O by the same person, because the duties of the Chairman are different and complementary to those of the executive director and that there is no concentration of power, to the detriment of proper management supervision. In addition to the recommendations on duality, it is interesting to note that other aspects can also significantly influence corporate governance practices. Ararat et al. (2017) emphasize that greater participation of independent members in the board and an adequate number of members are also recommended governance practices and can be achieved through adequate governance structures.

Mihail et al. (2022) explains that the duality of functions can be a problem because the people who are responsible for the performance of the company are the same ones that should evaluate its efficiency. In this way, performance evaluation is compromised and can lead to underperforming the company in the long run.

Moreover, the concentration of power in the hands of only one executive can mean an excess of responsibility in the hands of that person, which can lead to organizational inefficiency. Gwala and Mashau (2022) clarifies that according to the agency theory, the most appropriate would be the separation between the two positions to avoid any kind of conflict. However, Voinea et al. (2022) argue that the C.E.O duality provides a single focal point for the firm's leadership, thus creating an image of firm stability, building trust in company management, and fostering better communication between the administration and the Board of Directors.

Ozbek and Boyd (2020) cite the stewardship theory, which contrasts with the indication of Agency Theory, since it suggests that organizational performance would improve by giving greater flexibility to manage and corporate governance practices, so that it is more appropriate to have the command in the hands of a single person, because managers seek to align their interests with those of shareholders to avoid conflicts that endanger their reputation. In Brazil, Amaral-Baptista, Patnaik and Suar (2020) found signs that in firms where the C.E.O and the Chairman are the same person performed significantly better in 2008. Pillai and Al-Malkawi (2018) reported a positive and statistically robust impact of C.E.O duality on the firm's performance as measured by ROE. Separating the roles of the C.E.O and the chair of the board of directors is considered best practice by many regulators.

Combining the roles of the C.E.O and the chair of the board of directors is typically referred to as C.E.O duality (Pucheta-Martínez and Gallego-Álvarez, 2020). Whether C.E.O duality is good or bad for shareholder value is not entirely clear. According to agency theory, combining the two roles in one person gives too much power to the C.E.O while weakening the board of directors and this can result in the destruction of shareholder value.

Adegboye et al. (2019) propound that resource dependence and stewardship theories suggest that C.E.O duality results in a more unified and improved leadership, which is particularly helpful for firms that benefit from quick decision making in highly competitive and fast changing environments. Similarly, opinions vary about the practice of C.E.O duality depending on country. For example, nearly half of the S&P 500 firms in the United States combine the two roles, but C.E.O duality in the United Kingdom is largely discouraged by successive codes of best practice and large institutional investors. As a result, only about 15% of UK-listed firms have C.E.O duality. Germany is even more radical and prohibits C.E.O duality altogether.

Ahmadi, Nakaa and Bouri, (2018) found significant evidence that C.E.O duality affects firm performance. Al-ahdal et al (2020) in their study found results that suggest that duality did not maximize firm value. The author also suggests from his findings that it would be better to maintain a council with large numbers of people and external members, as this could contribute to the improvement of the financial performance of companies. Separating the roles of the C.E.O and the chair of the board of directors is considered best practice by many regulators. Al moneefand Samontaray, D. P. (2019) affirms that C.E.O duality refers to the situation where the C.E.O also holds the position of the chairman of the particular company. The board of directors is set up to monitor managers such as the CEO on behalf of the shareholders. They design compensation contracts hire and fire C.E.Os (Mihail et al., 2022). A dual C.E.O benefits the firms if he or she works closely with the board to create value. CEO duality is an important issue in corporate governance because the status of C.E.O and chairman may have an influence on firm performance. There are arguments in favour of C.E.O duality, meaning C.E.O duality has a positive impact on the firm performance of an organization (Voinea et al., 2022). Likewise, there are arguments against C.E.O duality asserting that it has negative impact on firm performance.

Finally, there are also arguments that assert C.E.O duality has no influence on the performance of firm. In the recent past years, hundreds of firms transformed from dual C.E.O leadership structure to non-dual structure, while a smaller number of firms transformed in the opposite direction (Gwala and Mashau, 2022). This recent trend is partly due to several high profile cases where powerful dual C.E.Os were found to abuse their tremendous power at the expenses of the company and shareholders. Within the broad arena of the impact of separation of ownership and control, CEO duality has come under particular scrutiny (Voinea et al., 2022). Interest in duality has emerged primarily because it is assumed to have significant implications for organizational performance and corporate governance. Proponents of duality argue that duality should lead to superior firm performance as it permits clear-cut leadership for purposes of strategy formulation and implementation (Herndon, 2020). CE.O.s supporting this position contend that non-duality would: (1) dilute their power to provide effective leadership of the company by increasing the probability that actions and expectations of management and the board are at odds with each other; (2) create the potential for rivalry between the chairperson and the C.E.O; (3) create confusion as a result of the existence of two public spokesmen, the chairperson and the C.E.O; and (4) limit innovation and intrapreneurship if the C.E.O feels that the board will perennially second guess his or her actions. Opponents of duality, however, maintain that duality: (1) constrains board independence and reduces the possibility that the board can properly execute its oversight and governance role; (2) 'signals the absence of separation of decision management and decision control ...the organization suffers in the competition for survival'; and (3) makes it difficult for insecure directors to be honest when evaluating firm performance which, in turn, leads to long-term organizational drift. C.E.O duality was without a doubt a factor in helping a number of firms push ahead with this major strategic change.

Ultimately, Faber had to step down from his role of C.E.O-chair because of his lacklustre performance and a downward sliding share price, and by some reports Faber was ousted from his job by activist shareholders. However, it is important to note that Faber’s emphasis on stakeholders was never put into question – and this might be why Danone’s initial response to the shareholder unrest was to offer to separate the roles of the C.E.O and chair so that Faber could remain as chairman. Yet, in the end, Faber was dismissed from both roles (though he seems not to have resigned from his position on the board of directors.) While it is still early days, Danone’s share price has been on a sustained upward trajectory since the shareholder upheaval started.

Most shareholder proposals calling for the separation of the two roles fail to receive the support of a majority of the shareholders. For large and complex firms, the market’s reaction to the “unified leadership” reasoning was negative, which suggests that investors worried that combining the two roles would lead to a waste of shareholder funds (Kammoun et al., 2020). The market seemed to be concerned that the costs from unified leadership outweighed the benefits. However, when small firms, high-growth firms, and high-tech firms claimed “unified leadership” as the reason for C.E.O duality, the market reacted positively, signaling that the benefits outweighed the costs.

While the separation of the roles of the C.E.O and chair is considered best practice by regulators and large investors, our research findings reveal that it is not so clear cut. In fact, the stock market as a whole tends to adopt a more nuanced approach when evaluating the link between board leadership structure and firm performance: what might be considered bad practice in some contexts might very well create shareholder value in others (Khatib and Nour, 2021). Thus, when it comes to CEO duality, companies and their stakeholders should consider the firm’s specific context and leadership before making the strategic decision to either combine or separate the two roles.

2.6 Theoretical framework

2.6.1 The Shareholder Theory

According to the shareholder model the objective of the firm is to maximise shareholder wealth through allocative, productive and dynamic efficiency that is the objective of the firm is to maximise profits (Kilic and Kuzey, 2019). The criteria by which performance is judged in this model can simply be taken as the market value (shareholder value) of the firm. Therefore, managers and directors have an implicit obligation to ensure that firms are run in the interests of shareholders. The underlying problem of corporate governance in this model stems from the principal-agent relationship arising from the separation of beneficial ownership and executive decision-making. It is this separation that causes the firm's behaviour to diverge from the profit maximising ideal. This happens because the interests and objectives of the principal (the investors) and the agent (the managers) differ when there is a separation of ownership and control (Al Farooque, Buachoom and Sun, 2020). Since the managers are not the owners of the firm they do not bear the full costs, or reap the full benefits, of their actions. Therefore, although investors are interested in maximising shareholder value, managers may have other objectives such as maximising their salaries, growth in market share, or an attachment to particular investment projects. The principal-agent problem is also an essential element of the "incomplete contracts" view of the firm (Kuek et al., 2021). This is because the principal-agent problem would not arise if it were possible to write a "complete contract". In this case, the investor and the manager would just sign a contract that specifies ex-ante what the manager does with the funds, how the returns are divided up. In other words, investors could use a contract to perfectly align the interests and objectives of managers with their own. However, complete contracts are unfeasible, since it is impossible to foresee or describe all future contingencies.

This incompleteness of contracts means that investors and managers will have to allocate “residual control rights” in some way, where residual control rights are the rights to make decisions in unforeseen circumstances or in circumstances not covered by the contract. Therefore, as Lagasio (2018) states, governance structures can be seen as a mechanism for making decisions that have not been specified in the initial contract. The “agency” problem, therefore, is also an asymmetric information problem that is managers are better informed regarding what are the best alternative uses for the investors’ funds. As a result, the manager ends up with substantial residual control rights and discretion to allocate funds as he chooses.

2.6.2 The Stakeholder Theory

The stakeholder model takes a broader view of the firm. According to the traditional stakeholder model, the corporation is responsible to a wider constituency of stakeholders other than shareholders. Li, Liao and Albitar (2020) asserts that other stakeholders may include contractual partners such as employees, suppliers, customers, creditors, and social constituents such as members of the community in which the firm is located, environmental interests, local and national governments, and society at large. This view holds that corporations should be “socially responsible” institutions, managed in the public interest (Madhani, 2017). According to this model performance is judged by a wider constituency interested in employment, market share, and growth in trading relations with suppliers and purchasers, as well as financial performance. The problem with the traditional stakeholder model of the firm is that it is difficult, if not impossible, to ensure that corporations fulfil these wider objectives. Ararat, Black and Yurtoglu (2017) states the arguments against this point of view: “The idea failed to give clear guidance to help managers and directors set priorities and decide among competing socially beneficial uses of corporate resources, and provided no obvious enforcement mechanisms to ensure that corporations live up to their

social obligations.” As a result of these deficiencies, few academics, policymakers (Liang and Renneboog, 2018), or other proponents of corporate governance reforms still espouse this model. However, given the potential consequences of corporate governance for economic performance, the notion that corporations have responsibilities to parties other than shareholders merits consideration. What matters is the impact that various stakeholders can have on the behaviour and performance of the firm and on economic growth. Le and Nguyen (2022) affirm that any assessment of the implications of corporate governance on economic performance must consider the incentives and disincentives faced by all participants who potentially contribute to firm performance. With this in mind, the stakeholder model has recently been redefined, where the emphasis has been to more narrowly define what constitutes a stakeholder. Therefore, the “new” stakeholder model specifically defines stakeholders to be those actors who have contributed firm specific assets, (Manukaji, 2018). This redefinition of the stakeholder model is also consistent with both the transaction costs and incomplete contract theories of the firm in which the firm can be viewed as a “nexus of contracts.”

2.6.3 The Resource Based Value Theory

In addition, from the perspective of RBV theory, the structure and composition of the board is seen as a source of value creation for the business. Nawaz (2019) assert that RBV is linked to the characteristics of the board in terms of private resources that can be a source of competitive advantage for companies. Thus, Corporate Governance Value is the source of strategic resources for a firm’s competitive advantage. Therefore, a good CGV is considered to be an important resource to help enterprises improve their competitive advantage, which ultimately leads to the enhancement of the value of the enterprise (Panda and Leepsa, 2017).

Moreover, this study uses stewardship theory to explain why business leaders strive towards the common good rather than individual interests.

Based on the resource dependence theory, the relationship between board size and corporate governance is positive (Saini and Singhania, 2018). The reason for support is that a larger board of directors can ensure that more non-executive directors can better supervise managers, while a larger board of directors will include more professionals from different fields. High-quality boards from different backgrounds can make better decisions for the board.

This study will embrace the Resource Based Value Theory because it enables the firm (ZEDTC) to be competitive and hence achieve its objectives whilst at the same time keeping shareholders happy.

2.6.4 Agency Theory

This study will be guided by the agency theory. The separation of ownership and control in modern enterprises may lead to conflicts of interest between directors and managers, which is called agency problems. Due to agency issues, agency costs are paid to managers to encourage them to make decisions on behalf of shareholders (Saini and Singhania, 2018). The agency relationship in corporate governance also creates other problems. Under the condition that the contract for C.E.O is incomplete and the manager has more professional knowledge, the manager will have the remaining control rights and the opportunity to make self-interested decisions (Shao, 2019). A reasonable solution to the agency problem is to provide high-level managers with incentive contracts, but if incentive contracts give managers too much power, this will also cause managers to act for their own interests. According to Tang, Yang and Yang (2020) if the decisions made by managers are not to maximize shareholder wealth, the value of the company will be compromised. In order to maximize shareholder value, it is necessary to solve the agency problem.

The goal of corporate governance is to solve agency problems, and the board of directors is an important part of the corporate governance structure (Rashid et al., 2010). The main function of the board of directors is to supervise management personnel and provide recommendations for the realization of shareholder wealth. In order to ensure the normal work of the board of directors, it is very important to analyze its efficiency. There are many factors that affect the efficiency of the board, such as the size of the board, the composition and diversity of the board. Torres and Augusto (2021) asserts that based on agency theory, researchers believe that the relationship between board size and company performance is negative. A larger board will have more agency costs, and as the board becomes larger, issues such as coordination and communication costs will increase (Velte, 2017). It makes sense to consider the factors that affect the board of directors and discover whether the relationship between board size and company value should be positive or negative.

2.7 Empirical Literature

Lee, Nguyen and Tamer Elshandidy (2022) conducted a study on the impact of corporate governance on firms' value in an emerging country. The authors focused on the mediating role of corporate social responsibility and organisational identification in Vietnam. This research employed a combined quantitative and qualitative method to optimise research efficiency. In particular, the advantage of the qualitative method gives us the opportunity to exploit insights into decisive elements of CGV and its association with FV. The target respondents are directorial and managerial levels, and entrepreneurs. The total number of participants is 50 people, including 20 managing directors, 22 managers and 8 entrepreneurs. The objective of this stage is to complete the survey questionnaire in accordance with the research context and quantitative research. The questionnaire was developed in accordance with a 7-point Likert scale (1 represents "strongly disagree"; 7 represents "strongly agree").

Data was collected from 315 respondents from 225 companies in the south region of Vietnam. The sample size was computed based on the total number of items associated with the constructs under the guidance of J. Hair et al. (2010) that should be 5 to 10 times the total determined items. Therefore, with a total of 18 items, as in this study, the sample size should be 180 samples. To avoid potential risks that could affect response rates such as missed or incomplete responses, the sample size was initially determined to be 325 samples collected by a simple random probability method. The selected respondents included managing directors (about 35%), managers (about 45%) and entrepreneurs (about 20%) in the south region of Vietnam, with no age restriction. The survey is conducted by combining direct form and online technology application, depending on the convenience of every participant in the survey. The obtained answer sheets are screened to select only the complete answer sheets. This resulted in 315 valid responses being collected which were then subjected for analysis using the covariance based structural equation model (CB-SEM).

The findings of this study revealed that the board size should be small to be efficient because it offers flexibility in problem solving, therefore being more economical in operating costs (Koutoupis et al., 2021), and having the ability to seize opportunities faster than the opponent. As a result, this leads to increased firm value in such a way that it enhances efficiency. In relation to board independence, the results imply that the more independent it is, the better the firm value, because independent directors can help to reduce agency problems and raise a manager's compliance level with regard to his/her responsibilities with stakeholders. The board interaction itself is concerned with the meeting frequency in this study. The findings show that the meeting frequency is so-called suitable for efficiency when it is flexible enough based on the amount of work to be addressed. In relation to ownership structure, it is concerned with the share proportion of C.E.O, directors and immediate family members to total outstanding shares.

The results show that the ratio of shares held by these components has a negative relationship with the CGV effectiveness towards CSR involvement. This finding supports the view that business owners and big inside shareholders tend not to favour long-term investment in CSR, while outside shareholders and other stakeholders expect long-term commitment to CSR activities from businesses towards sustainability (Shu & Chiang, 2020). In relation to ownership structure, it is considered to be effective and efficient when the ownership structure does not include a state element.

Guluma (2021) conducted a study on the impact of corporate governance measures on firm performance focusing mainly on the influences of managerial overconfidence in China. The study employed the Generalized Method of Moments estimation model in a bid to analyze the proposed hypotheses. The data for this study required was accessible from different sources of secondary data, namely China Stock Market and Accounting Research (CSMAR) database and firm annual reports. The original data are obtained from the CSMAR, and the data are collected manually to supplement the missing value. CSMAR database is designed and developed by the China Accounting and Financial Research Center (CAFC) of Honk Kong Polytechnic University and by Shenzhen GTA Information Technology Limited Company. All listed companies (Shanghai and Shenzhen stock Exchange) financial statements are included in this database from 1990 and 1991, respectively. All financial data, firm profile data, ownership structure, board structure, composition data of listed companies are included in the CSMAR database. The research employed nine consecutive years from 2010 to 2018 that met the condition that financial statements. This study revealed that managerial behavioral bias can influence the monitoring, controlling, and corporate decisions of corporate firms in Chinese listed firms.

This study sought to investigate the interaction effect of managerial overconfidence and Corporate Governance measures to influence firm performance. It provides an insight into how a managerial behavioral bias (overconfidence) influences/moderates the relationship between corporate governance mechanisms and firm performance, in an emerging market.

The study findings showed that ownership concentration and product market competition have a positive significant relationship with firm performance measured by ROA and TQ. Dual leadership has negative relationship with TQ, and debt financing also has a negative significant association's with both measures of firm performance ROA and TQ. Moreover, the empirical results also showed managerial overconfidence negatively influences the relationship of board independence, dual leadership, and ownership concentration with firm performance. However, managerial overconfidence positively moderates the impact of debt financing on firm performance measured by Tobin's Q and negative influence on debt financing and operational firm performance relationship. These findings have several contributions: first, the study extends the literature on the relationship between CG and a firm's performance by using the Chinese CG structure. Second, this study provides evidence that how managerial behavioral bias interacts with CG mechanisms to affect firm performance, which has not been studied in previous literature. Therefore, the results of this study contribute to the theoretical perspective by providing an insight into the influencing role of managerial behavior in the relationship between CG practices and firm performance in an emerging markets economy. Hence, the empirical result of the study provides important managerial implications for the practice and is important for policy-makers seeking to improve corporate governance in the emerging market economy. The results are managerial overconfidence decreases the positive impact of ownership concentration on firm performance.

Radebe (2017) conducted a research on the benefits of good corporate governance to small and medium enterprises (SMEs) in South Africa: A view on top 20 and bottom 20 JSE listed companies. This research adopts an interpretivist approach. It critically evaluates available literature on good corporate governance. It uses available literature and the available data set from the top 20 JSE listed and bottom 20 JSE listed ALTI Index for SMEs to test the research objectives. Successful development efforts demand a holistic approach, in which various programs and strategies are recognized for their important contributions to progress and prosperity. In this regard, it is imperative to consider the SMEs as they play a crucial role in the economy of the country and find linkages between corporate governance and development. This study by Radebe (2017) views corporate governance from small and medium enterprises (SMEs) perspective, as many countries have many SMEs which are owner managed. The author echoes that corporate governance is not about what is happening on large boards, but it is about good business practices at all levels and that companies need to be accountable and transparent even when they are privately owned. The study revealed that market caps for SMEs who matched all the criteria for good corporate governance were found to be strong; companies with grey shade, most of them are suspended or liquidated due to the fact that they did not meet the JSE requirements; the market caps for the companies with no financial statements available show a drastic decline and also companies with comprehensive code of good governance, as well as the King Report, proved to be doing well for themselves. With the bottom 20 listed SMEs, it is clear that their market caps are very low as compared to the top 20, this could be due to; lack of reporting from these companies; managing risk is something that they need to deal with a great deal; not meeting listing requirements due to heavily reliance on debt in financing their activities; running their companies on a deficit year on

year according to financial statements for some SMEs is a great concern; even some do have a corporate governance code, it is not transparent enough on remuneration policy.

A company following a good governance practice will be able to achieve the trust of the community and thus gaining success in the long run. The South African history of SMEs indicated that SMEs and social businesses form the building block of any society. By virtue of their impact on wealth creation, job creation, as well as service delivery, social businesses and SMEs are renowned to have a significant and positive impact on the economy and are increasingly understood to be fundamental in poverty reduction and unemployment.

The findings above are not conclusive as some of the SMEs did not have financial statements available when the research was concluded. However, based on the companies whose financial statements were available, the following conclusions were made: market caps for SMEs who matched all the criteria for good corporate governance were found to be strong; companies with grey shade, most of them are suspended or liquidated due to the fact that they did not meet the JSE requirements; some SMEs excelled when weighed against the criteria for good corporate governance; a sizeable number of SMEs did not meet the criteria for good corporate governance; the market caps for the companies with no financial statements available show a drastic decline; companies with comprehensive code of good governance, as well as the King Report, proved to be doing well for themselves.

Voinea et al. (2022) conducted a study on the impact of C.E.O Duality and Financial Performance on CSR Disclosure for State-Owned Enterprises in China. This study employed the quantitative design. For this study, the employed data were collected from A-grade-listed firms of Shanghai and Shenzhen Stock Exchanges, China.

The database includes all CSR reports issued by approximately 1600 publicly listed Chinese firms between 2014 and 2019 from the business firm's records and websites, with 3289 observations. The authors compiled the information about the CSR data subset from Chinese stock exchanges and the firms' annual reports, along with other relevant data subsets from China Stock Market and Accounting Research (CSMAR) database. CSMAR is a wide-ranging research database, having a focus on the Chinese economy.

This research analyzed the outcomes of CEO duality and financial performance on the quality of CSR disclosure and the moderating role of state ownership in China. The study's findings show a negative relationship between C.E.O duality and CSR disclosure. Even though Chinese regulators have attempted to promote CSR procedures, a low success rate prevails. The results of this study sustain the inference of agency theory regarding C.E.O Duality. C.E.O Duality is a double-edged blade metaphorically. Even if it can reinforce the central command role, this dominant figure can negatively affect the firm. It can hinder the board's monitoring functions the power is intensely centralized. The C.E.O will maintain control, so accountability will be placed at risk, causing a limitation of good corporate governance.

The results depict negative relationship between C.E.O duality and CSR disclosure. The results demonstrate that better-performing firms disclose CSR information more frequently and of higher quality compared with firms with poor financial performance. This role of financial performance in the quality of CSR disclosure is generally valuable in public enterprises; however, it is relatively sluggish in state-owned enterprises the outcomes indicate that the dual leadership structure reduces assessments and renders C.E.O's less liable to their stakeholders. Therefore, this study offers valuable information and details for regulators to improve corporate governance and CSR from the perspective of stakeholder theory.

2.8 Research gap

Since these researchers focused on other subjects and in different regions of the world, the researcher sought to probe, specifically, the impact of corporate governance on firm performance with a particular focus on Zimbabwe Electricity Transmission and Distribution Company. Thus, this current study is the first to offer directors of firms' insight on the merits of embracing sound corporate governance practices in an endeavour to portray the firm in good light by stakeholders and shareholders in the Zimbabwean context. This research assesses the impact of corporate governance on firm performance with a particular focus on Zimbabwe Electricity Transmission and Distribution Company. This area has not been investigated as brought to the fore by the empirical studies.

2.9 Chapter summary

The chapter brought together various literatures on the impact of corporate governance on firm performance with a particular focus on Zimbabwe Electricity Transmission and Distribution Company. The conceptual framework, theoretical underpinning as well as empirical literature was also discussed. The next chapter discusses the research methodology used by the researcher.

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

This chapter seeks to outline the methods and techniques employed in collecting and gathering the data that will assist the researcher to assess the impact of corporate governance practices on firm performance at ZETDC. It lays out the research design, target population, sample size, sampling technique, data collection tools and procedure, data presentation and statistical analysis as well as ethical considerations which the researcher used to carry out the research.

3.1 Research paradigm

This research used the pragmatic paradigm. Pragmatism offers an alternative that embraces both of the positivist/post positivist and constructivist paradigms along with research questions that determine the extent to which quantitative and/or qualitative methods are used (Bell, Bryman and Harley, 2018). That is, it provides a middle position both methodologically and philosophically by offering a mix of quantitative and qualitative methods to answer research questions, which has been illustrated by a variety of different mixed methods research designs. “Pragmatism is a deconstructive paradigm that advocates the use of mixed methods in research, sidesteps the contentious issues of truth and reality” (Campbell, Taylor and McGlade, 2017), and “focuses instead on ‘what works’ as the truth regarding the research questions under investigation” (Creswell, 2018). They further affirm that in that sense, pragmatism rejects or does not consider a position if two viewpoints are opposing one another. This mean that pragmatism decline haughtily the choice that is normally associated with the so-called paradigm wars. Pragmatism supports the use of both qualitative and quantitative in same study and rejects incompatibility stance (Creswell and Poth, 2018).

It is of essence to note that the research question is regarded as more crucial than either the method or paradigm underlying it by pragmatic researchers. They also affirm that pragmatists dismiss from consideration forced choice between constructionism and post positivism with regards to the science or art of reasoning (logic) as well as epistemology (the philosophical theory of knowledge). Dodgson (2017) contend that pragmatism forbids the researcher in engaging in a mudslinging contest or debates concerning ‘concepts as truth and reality’. Therefore, this is bound to give a picture (idea) as to why knowledge that is contingent is deemed not only binding but also crucial to the researchers. In other words, methodological decisions strongly rely on the research questions as well as the stage of the study. This implies that in essence data was gathered from employees at ZETDC through questionnaires.

3.2 Research design

This study employed the mixed methods research design which takes cognisance of the quantitative and the qualitative research designs.

3.2.1 Quantitative research design.

Quantitative research method constitutes a numeric and or statistical approach to the research design (Dodgson, 2017). This implies that the information gathered through questionnaires from participants can be presented in graphs and charts so as to derive meaning from the data. Research design is defined as the clearly defined structures within which the study is implemented (Evan, 2020). This implies that a research design refers to a plan which ought to be followed by the researcher in an endeavour to solicit for answers from the several questions which the research problem would have raised. A multiplicity of writers such as Kothari (2018) opine that a research design acts as a blue print or a plan that acts as a basis of the whole study.

As pointed out by Makofane and Shirindi (2018) essentially, the research design creates the foundation of the entire research work. The qualitative, quantitative and the mixed methods research designs are fully explored so as to justify their suitability for this particular study. This is simply because Dawadi, Shrestha and Giri (2021) observe that a study can employ either of the following methods namely quantitative or qualitative or make full use of both methods. According to Busetto, Wick and Gumbinger (2020) a research design is a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings. Thus, quantitative research is very specific in its experimentation and surveying as it endeavours to build upon the theories which are already in existence. This means that meaning can be created from quantitative research by decomposing the collected data objectivity through questionnaires from employees at ZETDC.

3.2.2 Qualitative research design.

Queiros, Faria and Almedia (2017) in the description of qualitative research affirms: “the information obtained from the participants is expressed in numerical form. Studies in which there is a record the number of items recalled, reaction times, or the number of aggressive acts are all examples of quantitative research” Rahi (2017:10) is of the view that: “not only experiments can be quantitative but the idea that social phenomena can be quantified measured and expressed numerically. The information about a social phenomenon is expressed in numeric terms that can be analysed by statistical methods. The observations can be directly numeric information or can be classified into numeric variables.” Moreover, “observations are transformed into a data matrix in which each observation unit occupies one row and each variable one column. The data matrix is the starting point for the analysis and relating quantitative research to evaluation is used in experimental and quasi experimental research where there are control groups” (Rahi, 2017:10).

“Quantitative research methods attempt to maximize objectivity, replicability, and generalisability of findings, and are typically interested in prediction” (Rajesh and Choudhry, 2019:149). Qualitative research is therefore done in association with action as well as intervention in addition to constructive knowledge. This is corroborated by Busetto, Wick and Gumbinger (2020) who advocate that qualitative research seeks to provide interpretations through a plethora of alternatives exist. It is of paramount significance to note that qualitative research can be performed following a paradigm of pragmatism in information systems besides critical research and positivism (Pothand Munce, 2020). This implies that qualitative research is an approach that is holistic which involves the finding out of novel information by the researcher concerning the issue of corporate governance at ZETDC. In addition, qualitative research approach entails an investigation process into either a social or a human problem, with the thrust of using the views of participants to come up with strategies that can be employed to remedy a situation (Creswell, 2018). Therefore, qualitative research makes use of inductive techniques thereby leading to inferences which try to discover the reasons why there has been employees in the gold, diamond, and platinum mineral sectors are leaving employment. Fundamentally, qualitative research is valuable in this study because the variables and the theory base behind skills flight in the mining sector are not known.

3.3 Target population

The target population was derived from the population at ZETDC. The focus was on managers, section managers, and heads of departments, engineers and accountants. Munce, et al. (2021) define target population as the subjects that the researcher will be focusing upon because of the features that will be of interest to him or her. In other words, this is the total number of subjects or group of people the researcher one can investigate. In this research, the target population consisted of two hundred employees at ZETDC southern region.

3.4 Sample size

The sample used in this research was derived from the population of two hundred employees at ZETDC southern region. Shorten and Smith (2017) are of the view that sampling entails the process of choosing a segment of the entire population that is conformable to a designated set of specifications under study. A sample is therefore a subset of a population that is chosen to participate in a particular study. Therefore, a sample refers to a mere subject of the whole population. Timans et al. (2019) argues that sampling is all about picking some elements from a population which is finite by the use of a method which is appropriate such that those elements sample elements do represent the population characteristics. The sample is believed to be representative enough for the study and the assumption is that the results will be valid and reliable.

Fundamentally, identifying a sufficient sample size in this study was determined by Etikan and Bala (2017), a 50% of the target population is regarded as a sample since the population is homogeneous. Hence from a target population of 200, a sample size 100 participants were selected to participate in the study.” Thus, the researcher in this study used the entire population of 100 respondents.

3.5 Sampling technique

3.5.1 Stratified random sampling

This study employed the stratified random sampling technique. The population at ZETDC is composed of directors, managers, and heads of department, engineers, accountants and the shop floor. This makes the stratified random sampling technique the most appropriate. Makofane and Shirindi (2018) assert that the stratified random sampling technique divides the population into groups called strata. However, this time it is by some characteristic, not geographically. For instance, the population might be separated into males and females.

A sample is taken from each of these strata using either random, systematic, or convenience sampling. Kumar (2019) the stratified random sample was obtained by separating the population elements into non-overlapping indefinite groups of similar characteristics called strata and then selected a simple random sample from each stratum. In other words, each individual at the organisation had an equal chance of being selected as they were randomly chosen. Participants were randomly chosen ranging from low level employees to senior managers at company (Evan, 2020). This sampling technique gave a fair distribution of respondents to all levels of the organization structure, from low ranks to high ranks which are the managers. The sample consisted people who took part in the research. They are also called respondents (Kumar, 2019). In this study the participants were one hundred employees of ZETDC.

3.6 Research instruments

According to Timans et al (2019), these are tools which are used to gather information. The researcher used two data collection techniques: questionnaires and interviews.

3.6.1 Questionnaire

Rajesh and Choudhry (2019) define a questionnaire as a list of questions that formulated, constructed and sequenced to produce the most effective manner. A questionnaire consists of a list of preset questions. In questionnaire research the same questions are usually given to respondents in the same order so that the same information can be collected from every member of the sample (Evan, 2020). Self-administered questionnaires were delivered in person to all participants and were collected later. In this way the researcher will be able to elicit a high response rate since he was able to make a follow up on each of the participants, he had given questionnaires.

Closed or fixed choice questions will be used and this requires a choice between a number of given answers. Closed questions were used because they provide responses which can be more easily classified and quantified. Also, open questions were used. These helped to gather information that is well explained by the respondent.

The Likert scale was used in designing the questionnaire. The researcher made use of Likert scale to measure the attitude of respondents. Likert scale has been defined by Kumar (2019), as a psychometric, one dimensional scale commonly used to measure the attitude of respondents in questionnaires and survey research. This principle was developed by Likert, with the aim of measuring attitudes by asking many people to respond to a series of statements about a topic, in terms of the extent to which they agree or disagree to them. The Likert scale is the sum of responses on several Likert items, typically between four to seven items.

The odd numbered scale was be used for this research and the rating scale was: 4-strongly Agree, 3-Agree, 2-Disagree and 1-Strongly disagree.

The Likert scale was employed for its benefits to the study which are as follows:

- They do not expect a simple yes or no answer from the respondents but rather allow for
- Degrees of opinion and even no opinion at all.
- Each item is of equal value so that responses are scored rather than itemized.
- Data can be analysed with relative ease as quantitative data is obtained hence are easy to read and complete.

3.6.2 Advantages of questionnaires

Questionnaires method is a potential quick, cheap and straight forward method of gathering data. Questionnaires enable the researcher to collect data from many respondents over a relatively short period of time. Questionnaire enables respondents to answer questions at their convenient times. Questionnaires elicit high response rate since the researcher can be able to make follow up on each participant whom he had given questionnaires (Wilkinson and Staley, 2019). Questionnaire's when they are administered by interviews, this involves little involvement, or danger or sacrifice by the researcher when compared with some participants observation studies. The results of questionnaire research can be relatively easily quantified and with the assistance of computers the data can be analyzed quickly and efficiently. Using computers, the relationship between many different variables can be examined.

The questionnaire posed some challenges which also affected the researcher such as, low response rates. Low response rate is the curse of statistical analysis and this can dramatically lower the researcher's confidence in the results. However, well designed studies consistently produce high response rates. There is inability to probe responses when using questionnaires as they are structured instruments. Questionnaires allow little flexibility to the respondent with respect to response format. In essence questionnaire often lose the 'flavor of the response' that is, respondents often want to qualify their answers. By allowing frequent space for comments, the researcher can partially overcome this problem. Comments provide insightful information that would have otherwise been lost. Gestures and other visual cues are not available with written questionnaires and this will have different effects depending on the type of information being requested. A questionnaire requesting factual information will probably not be affected by the lack of personal contact.

3.6.3 Interviews

Interviews were conducted on the participants to gather information for the research. Personal interviews provided flexibility and conveniences. Also, this helped the researcher to obtain information that cannot be obtained by using questionnaires such as the technological jargon that require more clarification and it also give room for questions from the respondents.

3.6.3.1 Advantages of interviews

The interview allowed great flexibility in the questioning process. The researcher was able to clarify certain questions, there was room for probing if the researcher did not understand the responses. The researcher was the controller for the interview situation, in this way, the interviewer was able to ensure that the respondents answered questions before they were asked subsequent questions. The interviewer was able to collect supplementary information about respondents. This included background information about the respondent's personal characteristics and their environment that could aid the researcher in interpreting the results. An interview situation yielded spontaneous reactions that the interviewer recorded and was useful in the data analysis stage.

3.6.3.2 Disadvantages of interviews

Interviews had high risk of interview bias. The very flexibility that is the chief advantage of interview leaves room for the interview's bias and personal influence. The lack of standardization in the data collection procedure also made interviewing highly vulnerable to interview bias. As a solution, the researcher took great care and focus during the interview process. Respondents could also refuse to give more information on issue which was confidential and sensitive. To overcome this problem, the researcher assured the respondents that the information they provided will be treated as confidential. Interviews are time consuming and expensive.

To overcome this problem, the researcher used interview method on top management only than interviewing the whole organization.

3.7 Data Collection procedures

The questionnaires were administered to all the fifty respondents at ZETDC since the mining company is easily accessible. The researcher monitored the respondents complete the questionnaires to ensure that they did not discuss and hence influence each other's response. The need to answer questions independently was emphasized. To enhance the freedom of response the respondents were instructed not to write their names on the questionnaires. The researcher collected them soon after completion to enhance chances of getting all of them.

3.8 Pilot testing

According to Queiros et al. (2017), a pilot study is a small-scale version, or trial run, of the major study. The purpose of pilot study is manifold. It helped to establish the feasibility of the planned study and above all it afforded the researcher the ability to assess the appropriateness and practicality of data collection instruments. Thus, it helped in refining the questionnaires schedule. Of essence to note is the assertion that effecting the necessary corrections on data collection methods will ensure that the data in the main study would be analysed more efficiently. Pilot testing of the questionnaires enabled the researcher to verify whether the questionnaire solicits the information it is intended to get. This was done by the researcher on a similar target group by thoroughly going through the questions. Corrections were made where necessary to improve the validity and reliability of tool hence that of the data collected. Pilot testing therefore helped to establish the feasibility of the planned study and above all it afforded the researcher the ability to assess the appropriateness and practicality of data collection instruments.

Thus, pilot testing assisted in refining the questionnaires schedule for employees at ZETDC. As for the quantitative part of the study a sample of respondents were given the research instrument to check for errors and unnecessary repetition, all the errors and duplications were duly removed.

3.9 Data analysis procedures

Data was analysed using the IBM SPSS statistical model. This is because it is easy to use and can handle a large amount of data. It is easy to retrieve and analyze information with a computer. Descriptive statistics was used to present data. Descriptive statistics is defined by Wilkinson and Staley (2019) as ordering and summarizing the data by means of tabulation and graphic representatives and the calculation of descriptive measure.

3.10 Research ethics

These are the principles of right and wrong that a particular group such as market researchers accept. These principles compelled the researcher to respect the rights or dignity, privacy and sensitivity of participants (Schoonenboom and Johnson, 2017). Important matters in research ethics which the researcher considered include gaining access, informed consent, the right to privacy and the protection of participants from harm be it physical, psychological or social.

The researcher gained access by getting into a situation or setting so as to do the research. The researcher also got permission from the management before soliciting information. Moreover, the researcher also identified himself before stating the purpose of the study. Participants were also given the opportunity to seek clarification on any matter of concern to them. The researcher will also made it clear to participants that choosing not to participate holds no adverse consequences. Moreover, participants were informed that participation is purely voluntary and that they could withdraw from the research at any time (Evan, 2020).

Participants were informed both verbally and in writing that their right to be anonymous will be fully respected. The researcher will also assure them at the outset that whatever information they regard as confidential will be treated likewise. They were also assured that all research material would be safely stored even after research. The research will be terminated in a manner that showed respect to the participants.

3.11 Validity and Reliability (Internal & External)

The question of reliability and validity of instruments to use for data collection was of great concern to the researcher. Efforts was made to make sure that the instruments produce reliable and valid data. Validity means that an instrument measures what it is intended to and measures it correctly. Reliability is the extent to which measures are free from error and bias. To ensure validity of data the researcher checked questionnaires to confirm that all the questions are answered so as to reduce the sampling risk. In addition, the questionnaires were sent in time to the respondents which gave them sufficient time to answer the questions. The researcher also ensured that the questions were as clear as possible to avoid situations in which some questions will go unanswered by the respondent. More so, the researcher used pilot testing to produce valid and reliable information. Pilot testing therefore helped to establish the feasibility of the planned study and above all it afforded the researcher the ability to assess the appropriateness and practicality of data collection instruments. Thus, pilot testing assisted in refining the questionnaires as well as the interview schedule.

3.12 Chapter summary

To sum up, chapter three reviewed the research design and instruments used in the data collection. Instruments used include interviews and questionnaires. Data presentation and analysis procedure as well as the ethical consideration were also outlined in this chapter.

The next chapter presents, analyses and discusses the responses obtained from the various methods explained in this chapter, before conclusions and recommendations can be provided.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter examined the data from field in the light of the objectives stated in chapter one of the study. It analysed the empirical results obtained from primary and secondary data collected for this study. It discussed the socio-demographic data of the research subjects, the factors which promote sound corporate governance at an organisation. For the purposes of clarity, the chapter is arranged in accordance with the objectives of the study stated earlier in chapter one. It began with the description of demographic characteristics of the respondents such as their gender, age, educational level and the presentation and analysis of the findings as they relate to the objectives.

4.1 Respondents by Gender

The respondents by gender is depicted in fig 4.1 below.

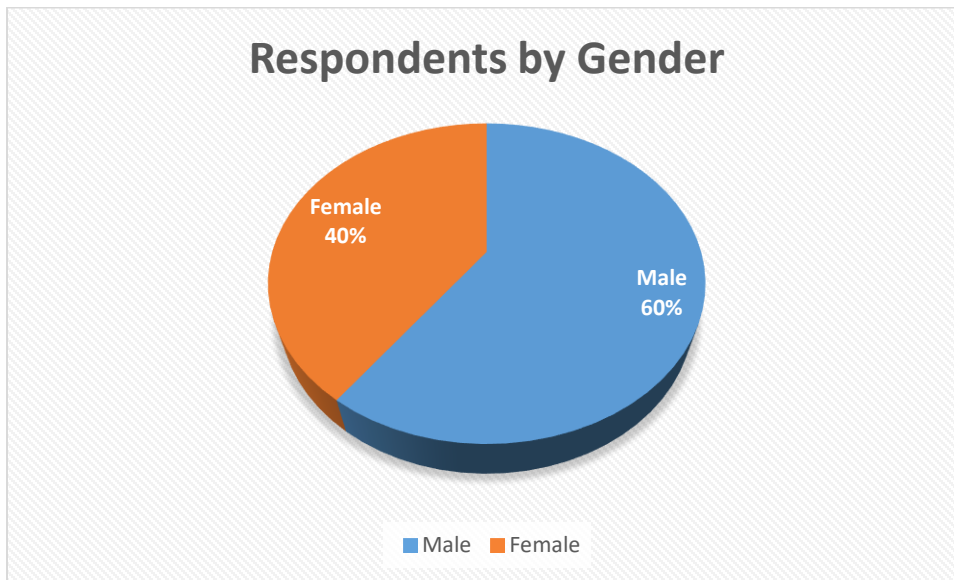


Fig 4.1 Respondents by gender

Fig 4.1 above shows that a total of 40% were females participated in the research and 60% were males. The analysis showed that gender was taken into consideration.

4.2 Respondents by age

Age group (years)	Number of respondents
Less than 21	5%
21-30	10%
31-40	30%
41-50	40%
50 and above	15%

Table 4.1 Respondents by age

Fig 4.2 shows that from the age group of less than 21 years, 21-30 years, 31-40 years, 41-50 years and 51 years and above has got 5%, 10%, 30%, 40% and 15% respectively. This representation showed that ZETDC employs people of all age groups who ply different trades.

Respondents by Work Experience

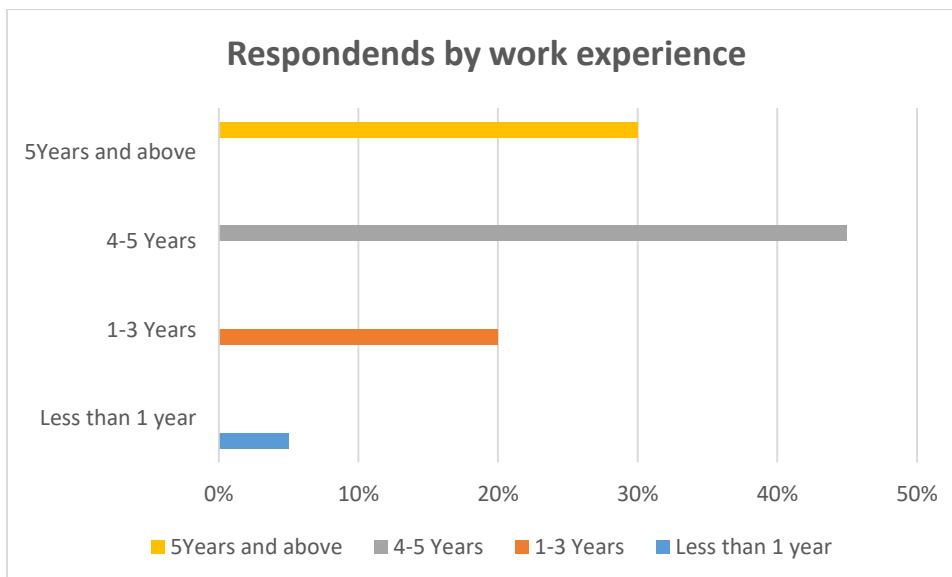


Fig 4.2 Respondents by work Experience

Fig 4.3 above shows that 5% of the respondents had less than one year working experience, 20% had 1-3 years, 45% had 4-5 years and 30% had over five years of experience. It can be noticed that majority of the respondents had been with the company for 4-5 year as represented by 45% response rate. Basing on the analysis shown above, it indicates that most of respondents had knowledge and experience in relation to issues to do with corporate governance.

4.3 Respondents by Educational Level

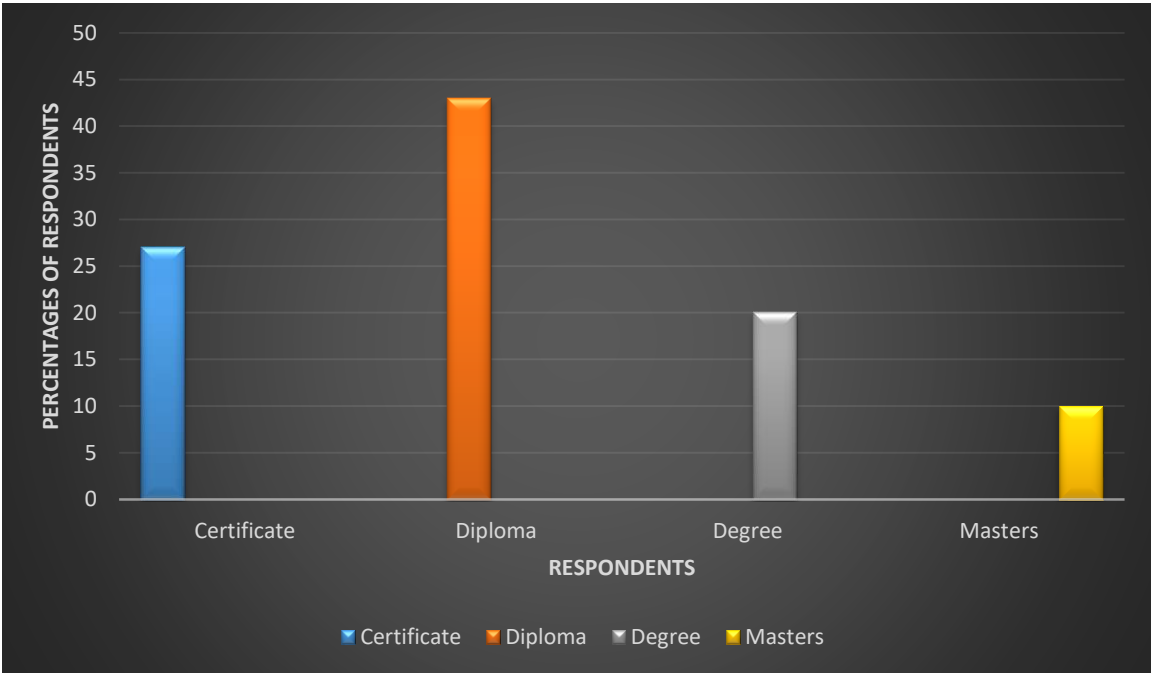


Fig 4.3 Respondents educational levels

Fig 4.4 above shows that 27% of the respondents had certificates, 43% had diplomas, 20% had degrees and 10% had masters’ degrees in various fields. The educational levels obtained showed that the composition of managers, engineers and accountants constitute well educated staff, with the knowledge pertaining to corporate governance and how it affects firm performance. In this perspective, Christensen (2013), assert that more educated respondents would reveal more reliable research findings.

4.4 Effective board size is key in firm performance at ZETDC.

To analyse the relationship between the board size and firm performance at Zimbabwe Electricity and Transmission Distribution Company the exploratory factor analysis was used.

Table 4.2 Correlation KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.727
Bartlett's Test of Sphericity	Approx. Chi-Square	530.930
	Df	6
	Sig.	0.000

Table 4.2 shows that the correlation matrix for these items is factorable (Significant Bartlett's test: $p < 0.05$). The KMO shows that the sample is very adequate ($KMO > 0.7$).

Table 4.3 Effective Board size Related Factor

Questionnaire Statements	Effective Board size Related Factor.
The advisory function of the board involves the provision of expert advice to the Chief Executive Officer (C.E.O) and access to critical information and resources.	.795
The importance of outside directors, who bring valuable expertise and potentially important connections.	.780
The advantage of larger board size is the greater collective information that the board subsequently possesses and hence larger boards will lead to higher performance.	.773
The board has the responsibility to monitor, discipline, and remove ineffective management teams, to ensure that managers pursue the interests of shareholders.	.736

Increasing number of non-executive directors has the advantage of greater collective information possessed by the board which is also valuable for the monitoring function	.730
The size of the board has a dampening influence on performance of the company.	.691
There is a positive relationship between board size and company performance	.640
Cronbach Alpha	.865
Mean & Standard deviation	4.4016 ± 0.36030
KMO value	0.727
Bartlett's Test value	51.896%

Factor analysis for effective board size was done. It is also noteworthy that when the analysis for firms to be competitive and effective the advisory function of the board involve the provision of expert advice to the Chief Executive Officer (C.E.O) and access to critical information and resources. Further, the importance of outside directors, who bring valuable expertise and potentially important connections. The advantage of larger board size is the greater collective information that the board subsequently possesses and hence larger boards will lead to higher performance. It should also be noted that the board has the responsibility to monitor, discipline, and remove ineffective management teams, to ensure that managers pursue the interests of shareholders.

Fundamentally, increasing number of nonexecutive directors has the advantage of greater collective information possessed by the board which is also valuable for the monitoring function. Furthermore, the size of the board has a dampening influence on performance of the company. The KMO of the identified factor was 0.727.

The associated Bartlett’s Test of Sphericity was statistically significant as $p \leq 0.00$ and Cronbach’s alpha was 0.865. A mean of 4.4016 and a low standard deviation of 0.36030 were confirmed for the factor effective board size. This mean indicates a tendency to lean more towards the higher end of Likert scale, above 3 which implies that there is a positive relationship between board size and company performance. This study found that large boards are associated with high performance on corporate reputation, and a low-financial performance, as predicted by the agency theory. It can therefore be inferred that large boards support synergies among financial and reputational performance (Sameer, 2021), and are more appropriate for the endowments and conditions of firms operating in an emerging economy like Zimbabwe.

4.5 Sound board independence determines firm performance.

To analyse the relationship between the sound board independence and firm performance at Zimbabwe Electricity and Transmission Distribution Company the exploratory factor analysis was used.

Table 4-4 Correlation KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.742
Bartlett's Test of Sphericity	Approx. Chi-Square	830.965
	Df	6
	Sig.	0.000

Table 6.9 shows that the correlation matrix for these items is factorable (Significant Bartlett’s test: $p < 0.05$). The KMO shows that the sample is very adequate ($KMO > 0.7$).

Table 4.5 Board Independence Related Factor

Questionnaire statements	Board Independence Related Factor
The major contribution of the board is formulating company’s strategy and exercise proper oversight function throughout company operations	.833

Independent directors could contribute their independent views and actively participate in board discussion.	.828
The board requires the combination of executive and non-executive directors to pursue the shareholders' interest.	.798
The non-executive directors on the board will not be able to exercise their duties effectively, unless they are independence from management and ensure they provides unbiased business judgment.	.775
Independent directors are the person entrusted by shareholders to represent them and will help to reduce agency problems.	.754
The non-executive directors are not the full-time employees as compared to the executive directors who are full-time employees and are involved in the day-to-day operation of the company.	.709
The role of the non-executive directors was as a monitoring mechanism for the performance and activities of executive directors and management.	.693
The existence of independent directors on board should be monitored in order to bring positive shareholder values.	.581
Cronbach Alpha	.874
Mean & Standard deviation	4.2713 ± .31057
KMO value	0.742
Bartlett's Test value	50.223%

Factor analysis was done for board independence. It should be noted that for corporate governance to be effective parameters should be set.

It should be noted that the major contribution of the board is formulating company's strategy and exercise proper oversight function throughout company operations. In addition, independent directors could contribute their independent views and actively participate in board discussion. Above all, the non-executive directors on the board will not be able to exercise their duties effectively, unless they are independence from management and ensure they provides unbiased business judgment and also independent directors are the person entrusted by shareholders to represent them and will help to reduce agency problems. It is of paramount importance to note that non-executive directors are not the full-time employees as compared to the executive directors who are full-time employees and are involved in the day-to-day operation of the company.

Fundamentally, the existence of independent directors on board should be monitored in order to bring positive shareholder values. Table 6.4 shows the results of the factor analysis for employee participation and involvement related factor. The KMO of the identified factor was 0.742. The associated Bartlett's Test of Sphericity was statistically significant as $p \leq 0.00$ and Cronbach's alpha was 0.874. A mean of 4.2713 and a low standard deviation of 0.31057 were confirmed for the factor training and development. This mean indicates a tendency to lean more towards higher end of the Likert scale, above 3 in Table 4-5 implies that due to the separation of ownership and control, board effectiveness plays a critical role in protecting shareholders. The results imply that the board requires the combination of executive and non-executive directors who have different roles to pursue the shareholders' interest.

The findings in pursuant with the agency theory affirm that the role of the non-executive directors should be monitoring mechanism for the performance and activities of executive directors and management.

4.7 CEO duality plays a key role in determining firm performance.

To analyse the relationship between the C.E.O duality and firm performance at Zimbabwe Electricity Transmission and Distribution Company the exploratory factor analysis was used.

Table 4-6 Correlation KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.824
Bartlett's Test of Sphericity	Approx. Chi-Square	1330.149
	Df	15
	Sig.	0.000

Table 4.6 shows that the correlation matrix for these items is factorable (Significant Bartlett's test: $p < 0.05$). The KMO shows that the sample is very adequate ($KMO > 0.7$).

Table 4.7 CEO Duality Related Factor

Questionnaire statements	CEO Duality Related Factor
When the chairman of a board also plays the role of the C.E.O, there is every likely hood that this may result in what is called role conflict in that particular firm.	.820
An independent chairman is believed to effectively and efficiently monitor and control C.E.O and other management activities to maximize the shareholders' wealth.	.800
The chairman and C.E.O should be separated, as this has the potential to increase the effectiveness of board monitoring	.781
The managers are inherently trustworthy and are good stewards of company resources.	.762
The C.E.O duality provides a single focal point for the firm's leadership, thus creating an image of firm stability, building trust in company management, and fostering better communication between the administration and the Board of Directors.	.749
The C.E.O should be prevented from acquiring the functions of Chairman and	.699

CEO, because the duties of the Chairman are different and complementary to those of the executive director and that there is no concentration of power, to the detriment of proper management supervision.	
Cronbach Alpha	.836
Mean & Standard deviation	4.4383 ± .36954
KMO value	0.824
Bartlett's Test value	58.825%

Factor analysis was done for the C.E.O duality which included; an independent chairman is believed to effectively and efficiently monitor and control C.E.O and other management activities to maximize the shareholders' wealth as well as the managers are inherently trustworthy and are good stewards of company resources.

The C.E.O duality provides a single focal point for the firm's leadership, thus creating an image of firm stability, building trust in company management, and fostering better communication between the administration and the Board of Directors. When the chairman of a board also plays the role of the C.E.O, there is every likely hood that this may result in what is called role conflict in that particular firm.

Table 6.5 shows the results of the factor analysis for Performance Management Related Factor. The KMO of the identified factor was 0.824. The associated Bartlett's Test of Sphericity was statistically significant as $p \leq 0.00$ and Cronbach's alpha was 0.836. A mean of 4.4383 and a low standard deviation of 0.36954 were confirmed for the factor performance management. This mean indicates a tendency to lean more towards the higher end of the Likert scale, above three. The findings imply that C.E.O duality has an effect on firm performance for firms with average performance. Therefore, the chairman and C.E.O should be separated, as this has the potential to increase the effectiveness of board monitoring C.E.O duality has negative and significant impacts on operating performance of when independent directors account for a small proportion of a board's membership. The clear implication is that the interdependence of a vigilant board and a powerful C.E.O enhances board capability such that the integration of agency theory and resource dependence arguments enhances the monitoring effectiveness of the board.

Simply put, a powerful C.E.O enhances the board's capability to provide valuable resources to the firm, including providing advice that would enhance the firm's competitive advantage resulting in a positive impact on performance.

Results confirm findings by Duru, Iyengar and Zampelli (2016) who advocate that the C.E.O should be prevented from acquiring the functions of Chairman and C.E.O, because the duties of the Chairman are different and complementary to those of the executive director and that there is no concentration of power, to the detriment of proper management supervision. Thus, despite limited empirical evidence, duality (chairman of the board and C.E.O are the same individual) has been blamed, in many cases, for the poor performance, and failure of firms to adapt to a changing environment.

4.8 Corporate governance is significant in the management and growth of companies.

Table 4-8 Correlation KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.816
Bartlett's Test of Sphericity	Approx. Chi-Square	1119.989
	Df	15
	Sig.	0.000

Table 4.8 shows that the correlation matrix for these items is factorable (Significant Bartlett’s test: $p < 0.05$). The KMO shows that the sample is very adequate ($KMO > 0.7$).

Table 4.9 Significance of corporate governance related factor

Questionnaire statements	Significance of Corporate governance related Factor.
It is advisable that all companies take steps to increase the quality of their corporate governance systems in order to improve the functioning of the business.	.875

Promoting sound corporate governance to reduces risk of failure by firms to achieve set targets.	.828
Good corporate governance fosters a culture of integrity and leads to a positive performing and sustainable business.	.808
Good governance signals to the market that an organisation is well managed and that the interests of management are aligned with other stakeholders.	.801
Developing and setting a clear strategy and then implementing it effectively are vital to any organisation's success.	.733
Shareholders also play an important role in governance as they need to ensure the right directors are appointed to their Board.	.617
Good corporate governance will ensure that the board of directors meet regularly, retain control over the business and are clear in the division of their responsibilities, as well as maintaining a system of risk management.	.610
Cronbach Alpha	.873
Mean & Standard deviation	4.4361 ± .37667
KMO value	0.816
Bartlett's Test value	50.223%

Factor analysis for the significance of corporate governance in the management and growth of companies. Factor analysis was performed for items such as; it is advisable that all companies take steps to increase the quality of their corporate governance systems in order to improve the functioning of the business; promoting sound corporate governance to reduces risk of failure by firms to achieve set targets as well as good corporate governance fosters a culture of integrity and leads to a positive performing and sustainable business among others.

Moreover, good corporate governance will ensure that the board of directors meet regularly, retain control over the business and are clear in the division of their responsibilities, as well as maintaining a system of risk management. It can also be argued that developing and setting a clear strategy and then implementing it effectively are vital to any organisation's success.

Corporate governance plays a key role in enhancing firm performance. Good governance signals to the market that an organisation is well managed and that the interests of management are aligned with other stakeholders. Table 4.9 shows the results of the factor significance of corporate governance related factor. The KMO of the identified factor was 0.816. The associated Bartlett's Test of Sphericity was statistically significant as $p \leq 0.00$ and Cronbach's alpha was 0.873. A mean of 4.4361 and a low standard deviation of 0.37667 were confirmed for the factor significance of corporate governance. This mean indicates a tendency to lean more towards the higher end of Likert scale, above three which implies that skilled employees agree that good health and safety programs enable the attraction and retention of key personnel.

The findings of this study agree with Guluma (2021) who opine that shareholders also play an important role in governance as they need to ensure the right directors are appointed to their board. It is of paramount significance to note that Good governance signals to the market that an organisation is well managed and that the interests of management are aligned with other stakeholders. As such, it can provide businesses with a competitive advantage. The Board of Directors plays a vital role in the development of corporate governance policies. It needs to engage with the management of the business to provide clarity of strategic purpose. It can thus be inferred that developing and setting a clear strategy and then implementing it effectively are vital to any organisation's success.

This study therefore concludes that corporate governance is the collection of mechanisms, processes and relations by which corporations are controlled and operated. Therefore, governance structures and principles identify the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) and include the rules and procedures for making decisions in corporate affairs.

Therefore, corporate governance is necessary because of the possibility of conflicts of interests between stakeholders, primarily between shareholders and upper management or among shareholders.

4.8 Ways of implementing Corporate Governance.

Table 4-10 Correlation KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.854
Bartlett's Test of Sphericity	Approx. Chi-Square	830.965
	Df	6
	Sig.	0.000

Table 4.10 shows that the correlation matrix for these items is factorable (Significant Bartlett's test: $p < 0.05$). The KMO shows that the sample is very adequate ($KMO > 0.7$).

Fig 4.11 Corporate Governance implementation related factors.

Questionnaire statements	Corporate Governance implementation related factor.
Ensure a balanced, competent and diverse Board	.885
Review your Board composition on a regular basis to identify any shortcomings and make timely improvements.	.869
Establish, monitor and evaluate the roles and responsibilities of the Board and management.	.845
Gear key performance indicators towards long term value creation not just in the short term.	.821

Establish an effective risk management and internal control framework and periodically review its effectiveness.	.810
Ensure integrity in corporate reporting including safeguards such as conducting external audits of the business.	.717
Provide timely and balanced information	.696
Emphasise integrity, promote ethical behaviours and consult different categories of stakeholders on their interests.	.650
Treat shareholders equitably and respect their rights.	.645
Ensure adequate disclosures around related parties' transactions and director's other interests.	.593
Ensure a balanced, competent and diverse Board	.581
Cronbach Alpha	.862
Mean & Standard deviation	4.3874 ± .35456
KMO value	0.854
Bartlett's Test value	56.785%

Factor analysis for corporate governance related factors was done. Factor analysis was performed for ways of implementing corporate governance. It is also noteworthy that reviewing the board composition on a regular basis helps to identify any shortcomings and make timely improvements. Fundamentally, ensuring a balanced, competent and diverse corporate board helps to establish, monitor and evaluate the roles and responsibilities of the board and management.

Ensuring adequate disclosures around related parties' transactions and director's other interests is also key for sound corporate governance. There should also be a balanced, competent and diverse board as well as providing timely and balanced information are key in having robust corporate governance at an organisation. Furthermore, emphasising on integrity, promoting ethical behaviours and consulting different categories of stakeholders on their interests will propel an organisation towards achievement of organisational goals. The KMO of the identified factor was 0.854, the associated Bartlett's Test of Sphericity was statistically significant as $p \leq 0.00$ and Cronbach's alpha was 0.862. A mean of 4.3874 and a low standard deviation of 0.35456 were confirmed for the factor employee relations. This mean indicates a tendency to lean more towards the higher end of Likert scale, above 3 which implies that sound corporate governance acts as a vital cog which can be used to enhance firm performance.

The findings of this study agree with Lee et al. (2022) who argued good corporate governance fosters a culture of integrity and leads to a positive performing and sustainable business. Thus, gearing key performance indicators towards long term value creation not just in the short term is important for sound corporate governance. In addition, for an organisation to be consistent in operations it has to establish an effective risk management and internal control framework and periodically review its effectiveness. It is also imperative to ensure integrity in corporate reporting including safeguards such as conducting external audits of the business.

The study highlighted that for successful corporate governance to prevail at an organisation to treat shareholders equitably and respect their rights. These arguments address the main research objective, which focuses on determining the impact of corporate governance practices on firm performance.

4. 7 Interview Questions

The respondents were coded from **P1 to P100** as the total questionnaire distributed was one hundred hence their verbatim will be brought to the fore as they alluded to the questionnaire.

4.7.1 The relationship between the board size and firm performance.

The results of the study indicate that based on agency theory, the board size has an effect on company performance is negative. A larger board will have more agency costs, and as the board becomes larger, issues such as coordination and communication costs will increase. In particular, for firms that are large, old and have high debt, large board size may be an optimal value maximising outcome. In contrast, for firms with high research and development and variability in performance, small board size may be optimal. Lee et al (2022) states that the principal argument in favour of participation points is that the corporate board focuses on providing strategic advice; extending the network of the management; and, mitigating distributional conflicts among owners.

Respondents are quoted verbatim here and they echoed that:

P9: *The size of the board may have dampening influence on performance of the companies.*

P11: *I think the ideal board size should be around 6.*

P22: *I would suggest that big boards have adverse effects on firm performance.*

P52: *I personally think board size shows the impact on firm performance only when the firm faces financial difficulties.*

P76: *Let me say the issue of the size of the board only comes into play when a major threat like recession arises otherwise in normal circumstances it does not show any impact. That's what I think.*

P88: *So, smaller the board size, more effective it is and thus there is no need for enlarged size of the board.*

P91: *Large boards are associated with high performance on corporate reputation,*

It can therefore be argued that small boards have more managerial control. Thus, keeping boards small can help improve their performance”, and stressed that boards with more than seven members are prone to inefficient operations, lack of commitment, moral hazard problems, and greater control by the C.E.O.

This implies that enhancing the size of board will affect the market performance of companies inversely thus proving that increase in board size will bring communication and coordination problems, higher free-loader obstacles and knowledge sharing cost, less expression of notion and thoughts.

4.7.2 The roles of corporate boards in corporate governance.

The results of the study indicate that corporate boards enable better strategic planning. This means that with more rapid access to information and good communication with management, boards are able to formulate more successful strategies. This includes more efficient allocation of resources and capital. The strong governance framework will further assist the board in some of the following ways namely understanding the regulatory environment governing the business; leveraging technology from a production, distribution and communications point of view; and identifying and managing the reasonable interests of all stakeholders in the business. All these components are essential elements of a robust strategic plan.

Respondents are quoted verbatim here and they echoed that:

P2: *Good corporate governance will ensure that the board of directors meet regularly to assess the firm's performance.*

P5: *The board of directors normally retain control over the business and are always clear in the division of their responsibilities.*

P7: *Corporate boards maintain a system of risk management.*

P12: *Corporate board of directors control a company and make decisions.*

The board of directors plays a vital role in the development of corporate governance policies. It needs to engage with the management of the business to provide clarity of strategic purpose. Developing and setting a clear strategy and then implementing it effectively are vital to any organisation's success. Shareholders also play an important role in governance as they need to ensure the right directors are appointed to their Board.

4.7.3 The ways in which corporate governance impacts on businesses.

The results of the study indicate that corporate governance is a system of policies, processes and rules that direct and control a business's behaviour. It is the framework that defines the relationship between shareholders, management, the board of directors and other key stakeholders. Corporate governance policies need to be enforceable and applied consistently. Good corporate governance fosters a culture of integrity and leads to a positive performing and sustainable business. Good corporate governance signals to the market that an organisation is well managed and that the interests of management are aligned with other stakeholders. As such, it can provide businesses with a competitive advantage.

Respondents are quoted verbatim here and they echoed that:

P11: *Corporate governance is the cornerstone of any good business.*

P15: *It encompasses the processes, practices and policies that a company relies on to make formal decisions and to manage the company.*

P17: *The company secretary will be responsible for duties such as ensuring that board procedures are followed and that all pertinent rules and regulations are abided by.*

P19: *Employing good corporate governance helps the company regulate risk and reduce the opportunity for corruption.*

P27: *9 out of 10 times scandals and fraud within a company become more likely where directors and senior management do not have to comply with a formal governance code.*

P30: *The board take a helicopter view of the company and hence monitor those in management to enable it to see how the company is functioning.*

Thus, the board of directors play a pivotal role in business continuity planning in the face of adversity has been the dominant theme during the Covid 19 era. Corporate governance, as the term denotes, refers to the way in which a company chooses to govern itself, and is accompanied by a firm set of rules that provide direction and control toward achieving its objectives. Good governance means that the business' processes are aimed at producing results which meet the needs of society and organisational prosperity while making strategic use of its available resources.

P37: *In my view good corporate governance will make clear to every officer of the company his or her duties and will encourage them to keep these duties in mind when making decisions.*

P41: *Implementing an excellent corporate governance system will also ensure that the company protects its members, officers and management.*

P57: *By employing good corporate governance, holding board meetings and making decisions as a board, these goals can be kept in mind.*

P60: *All I can say is where a company practices good corporate governance, with full disclosure, the public you know will feel that the company can be trusted.*

It can therefore be argued that corporate governance improves a firm's corporate competitiveness and positively impacts its profitability level. The study reveals that diligent corporate governance could provide the complete solution to enable leading bodies of organisations to mitigate risk and govern collectively at the highest level.

4.7.4 Effect of CEO Duality affect the Firm Performance.

The results of the study indicate that the most appropriate way of running a firm would be the separation between the two positions to avoid any kind of conflict. Separating the roles of the C.E.O and the chair of the board of directors is considered best practice by many regulators.

Respondents are quoted verbatim here and they echoed that:

P1: *C.E.O duality is when the same person performs the functions of both the C.E.O and Chairman. There is likely to be conflict of interest.*

P5: *C.E.O duality has positive and negative impact on organizational performance when this happens.*

P10: *In actual fact when duality exists, decisions generally tend to be centralized to avoid loss of control by managers.*

P35: *The board of directors play a key role to firm performance and to corporate governance at large. It brings innumerable benefits to meeting organizational strategies if the composition of the board and the performance of board members are effective.*

P82: *Duality for a fact impede a board's ability to effectively oversee a C.E.O's decisions.*

P85: *The danger with duality is that it leaves greater opportunities for the C.E.O to promote his own personal interests. This may generate potential losses to the company's shareholders.*

P97: *With C.E.O duality performance evaluation is compromised and can lead to underperforming the company in the long run.*

It can therefore be inferred that with C.E.O duality, the concentration of power in the hands of only one executive can mean an excess of responsibility in the hands of that person, which can lead to organizational inefficiency. According to agency theory, combining the two roles in one person gives too much power to the C.E.O while weakening the board of directors and this can result in the destruction of shareholder value.

On the other hand, C.E.O duality provides a single focal point for the firm's leadership, thus creating an image of firm stability, building trust in company management, and fostering better communication between the administration and the board of directors.

Based on this context, we can see that the evidence about the reflection of the duality of functions in the management and performance of companies is still conflicting. Thus, this study becomes relevant, considering the complexity of corporate governance, seeking to clarify this relationship in the Zimbabwean context and in particular at ZETDC.

All in all, the firm's reputation is a collective perception built in a process of social construction and validation, hence the significance of good corporate governance cannot be underestimated. Good corporate governance is influenced by strong leadership, because leadership is needed to drive inspiration within an organisation. However, a healthy, compliant, transparent, and accountable corporate culture needs to be continuously reviewed and improved in order to ensure that the behaviour aligns with the values the organisation seeks to embody. This is a cornerstone for success that enables the creation of opportunities for growth and a competitive advantage.

4.8 Summary

This chapter concentrated on the gathering of data from questionnaires and interviews, presenting it in a way that is understandable and meaningful in a tabular and graphical format. The data used was obtained from the employees and managers of ZETDC who contributed through interviews and responding to questionnaires. In addition, the data was analysed making a follow up on objectives and was able to respond to research questions. The next chapter will elaborate summary, conclusions and recommendations.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The chapter summarised the research findings presented in the previous chapter and gave a conclusion to the whole research project. Recommendations for better ways of improving corporate governance practices at Zimbabwe Electricity Distribution and Transmission Company (ZETDC) were also brought to the fore.

5.1 Summary of Findings

This research study sought to assess the impact of corporate governance practices of firm's performance at Zimbabwe Electricity Distribution and Transmission Company (ZETDC). A self-administered questionnaire was utilized in collecting primary data from the field. The objectives of this research were to establish to identify the benefits of effective board size in firm performance at ZETDC, to establish the fundamental drivers of sound board independence in firm performance at ZETDC and lastly to examine the effectiveness of C.E.O duality on firm performance at ZETDC.

More so, in order to establish different views from authors, sources from various authors through electronic journal, text books and internet were used. From the literature reviewed, whilst there were arguments for and against the issues to do with sound board independence, C.E.O duality effective board size in firm performance, most authors agreed that C.E.O duality may pose a conflict of interest, the board size should be between six and ten and finally there should be separation of roles between the executive and the non – executive board members.

In this research, the research adopted the pragmatic research philosophy. This type of design was used simply because it embraces both the quantitative and qualitative research techniques. It also allowed the researcher to use closed ended questionnaires in gathering data from employees at ZETDC. Confirmatory interviews were also conducted so as to get more additional information from the respondents. This catered for the qualitative part of the research. More so, structured interviews were conducted to heads of department at ZETDC.

The stratified random sampling technique was used in the identification of population sample and in management selection respectively and the total sample size obtained was one hundred.

The researcher used both the primary and secondary data sources in gathering data. In furtherance, interviews and questionnaires were used as research instruments in this research. Moreover, data was presented using pie charts, bar graphs and tables. Data collected was analysed using descriptive skills. The results gathered showed that the corporate governance ethics and standards if upheld have the propensity to enable ZETDC to meet set objective and above all be competitive. In addition, board size, board independence and the role of the C.E.O have positive significant relationship with return on equity. The researcher made findings to come up with the summary, recommendations and the following conclusions were drawn.

5.2 Conclusions

The study findings concluded the following;

5.2.1 Objective 1: To identify the benefits of effective board size in firms' performance at ZETDC.

From the results obtained, the study revealed that there is a positive relationship between board size and company performance. The findings also assert that the advantage of larger board size is the greater collective information that the board subsequently possesses and hence larger boards will lead to higher performance. Furthermore, the board has the responsibility to monitor, discipline, and remove ineffective management teams, to ensure that managers pursue the interests of shareholders. The advisory function of the board involves the provision of expert advice to the Chief Executive Officer (C.E.O) and access to critical information and resources. The importance of outside directors, who bring valuable expertise and potentially important connections. Increasing number of nonexecutive directors has the advantage of greater collective information possessed by the board which is also valuable for the monitoring function. It is also noteworthy that when the for firms to be competitive and effective the advisory function of the board involve the provision of expert advice to the Chief Executive Officer (C.E.O) and access to critical information and resources. Further, the importance of outside directors, who bring valuable expertise and potentially important connections.

The advantage of larger board size is the greater collective information that the board subsequently possesses and hence larger boards will lead to higher performance.

5.2.2 Objective 2: To establish the fundamental drivers of sound board independence in firms' performance at ZETDC.

From the results obtained, the study revealed that the board requires the combination of executive and non-executive directors to pursue the shareholders' interest. Independent directors could contribute their independent views and actively participate in board discussion. The non-executive directors on the board will not be able to exercise their duties effectively, unless they are independence from management and ensure they provides unbiased business judgment. The board of directors plays a vital role in the development of corporate governance policies. It needs to engage with the management of the business to provide clarity of strategic purpose. Developing and setting a clear strategy and then implementing it effectively are vital to any organisation's success. Shareholders also play an important role in governance as they need to ensure the right directors are appointed to their Board.

The non-executive directors are not the full-time employees as compared to the executive directors who are full-time employees and are involved in the day-to-day operation of the company. The role of the non-executive directors was as a monitoring mechanism for the performance and activities of executive directors and management. The existence of independent directors on board should be monitored in order to bring positive shareholder value. The findings in pursuant with the agency theory affirm that the role of the non-executive directors should be monitoring mechanism for the performance and activities of executive directors and management.

5.2.3 Objective 3: To examine the effectiveness of C.E.O duality on firms' performance at ZETDC.

Basing on the respondents' views the researcher concluded that when the chairman of a board also plays the role of the C.E.O, there is every likely hood that this may result in what is called role conflict in that particular firm. In addition, an independent chairman is believed to effectively and efficiently monitor and control C.E.O and other management activities to maximize the shareholders' wealth. The chairman and C.E.O should be separated, as this has the potential to increase the effectiveness of board monitoring.

The C.E.O duality provides a single focal point for the firm's leadership, thus creating an image of firm stability, building trust in company management, and fostering better communication between the administration and the Board of Directors. Thus, the C.E.O should be prevented from acquiring the functions of Chairman and C.E.O, because the duties of the Chairman are different and complementary to those of the executive director and that there is no concentration of power, to the detriment of proper management supervision.

5.3 Recommendations

In tandem with the above conclusions about the study, the researcher came up with the following recommendations:

- It is imperative for the issue Chief Executive Officer Duality to be discarded at a firm because an independent chairman is believed to effectively and efficiently monitor and control C.E.O and other management activities to maximize the shareholders' wealth.
- Effective communication can be fostered at an organisation when the C.E.O performs a single role, thus creating an image of firm stability, building trust in company management, and building trust between the administration and the Board of Directors. However, when the chairman of a board also plays the role of the C.E.O, there is every likely hood that this may result in what is called role conflict in that particular firm.
- The roles of the chairman and the C.E.O should be separated, as this has the potential to increase the effectiveness of board monitoring C.E.O duality has negative and significant impacts on operating performance of when independent directors account for a small proportion of a board's membership. The clear implication is that the interdependence of a vigilant board and a powerful C.E.O enhances board capability such that the integration of agency theory and resource dependence arguments enhances the monitoring effectiveness of the board.
- It is advisable that all companies take steps to increase the quality of their corporate governance systems in order to improve the functioning of the business. Promoting sound corporate governance to reduces risk of failure by firms to achieve set targets.

- Managers should have the culture of good corporate governance because it fosters a culture of integrity and leads to a positive performing and sustainable business. Good governance signals to the market that an organisation is well managed and that the interests of management are aligned with other stakeholders.
- Developing and setting a clear strategy and then implementing it effectively are vital to any organisation's success. Shareholders also play an important role in governance as they need to ensure the right directors are appointed to their Board. Good corporate governance will ensure that the board of directors meet regularly, retain control over the business and are clear in the division of their responsibilities, as well as maintaining a system of risk management.
- Companies ought to take steps to increase the quality of their corporate governance systems in order to improve the functioning of the business; promoting sound corporate governance to reduces risk of failure by firms to achieve set targets as well as good corporate governance fosters a culture of integrity and leads to a positive performing and sustainable business among others.
- Good corporate governance will ensure that the board of directors meet regularly, retain control over the business and are clear in the division of their responsibilities, as well as maintaining a system of risk management. It can also be argued that developing and setting a clear strategy and then implementing it effectively are vital to any organisation's success.
- Reviewing Board composition on a regular basis to identify any shortcomings and make timely improvements. There is need to establish, monitor and evaluate the roles and responsibilities of the board and management and above all establish an effective risk management and internal control framework and periodically review its effectiveness.

- The strong governance framework will further assist the board in some of the following ways namely understanding the regulatory environment governing the business; leveraging technology from a production, distribution and communications point of view; and identifying and managing the reasonable interests of all stakeholders in the business. All these components are essential elements of a robust strategic plan.
- Firms should have a strong board of directors as it plays a pivotal role in business continuity planning in the face of adversity. Good governance means that the business' processes are aimed at producing results which meet the needs of society and organisational prosperity while making strategic use of its available resources. The board should help design programs to anticipate the crisis, for example, setting a program for a distributed workforce continuity plan. Corporate boards will have to consider new technologies, executive compensation constraints, and other possible adjustments to a new business reality.

5.3.2 Areas for further research

The main focus of this study was to assess the impact of corporate governance on firm's performance at ZETDC. The study has been confined a particular parastatal which is Zimbabwe Electricity Transmission and distribution Company (ZETDC). Therefore, future directions should consider improving the generalisation of this study. Further research is needed to advance towards a comprehensive theory explaining the complexity of boards and their characteristics in relationship to firm performance. Such research needs to include features and rules of board members in terms of expertise, training, competences, skills, diversity, independence, enrolment in different boards and other variables assessing organizational diversity.

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APPENDIX 1: RESEARCH QUESTIONNAIRE



BINDURA UNIVERSITY OF SCIENCE EDUCATION

RESEARCH QUESTIONNAIRE

BY

ENOCK CHAKO

The questionnaire below is part of the **Master of Science Degree in Corporate Governance and Leadership** that seeks to assess the impact of corporate governance practices on firm performance. A Case of Zimbabwe Electricity Transmission and Distribution Company (ZETDC).

A. INSTRUCTIONS:

1. You are kindly requested to complete this questionnaire. It will not take you more than 30 minutes to complete and please do not write your name on this document.
2. By answering this questionnaire you consent to take part in this study.

B. IMPORTANT INFORMATION.

The institution and you are part of a representative that forms part of those under study. Your attitudes and opinions in relation to corporate governance practices are critical to the success of this study. I recognize the value of your time, and sincerely appreciate your efforts. Individual responses are anonymous and all company level data will be held in confidence.

SECTION A

Respondents Demographic Information

For each question below please put a tick in the appropriate box of your preferred answer. If your answer to a question is not in the options provided, write it in the space to the right of “Other (Please specify)”. Please answer all questions.

1. Gender?

Female

Male

2. Age Category

Less than 21

21 - 30

31-40

41-50

51 and above

3. Work Experience

Less than one year

1-3 years.

4-5years

Over 5years

4) Educational Level.

Certificate

Diploma

Degree

Masters

Other (specify) _____

QUESTIONNAIRE

SECTION B

1	Effective board size is key in firm performance at ZETDC. To what extent do you agree or disagree with the following. Indicate your response on a scale ranging from strongly disagree=1, Disagree=2, Neither agree nor disagree=3, Agree=4, Strongly agree =5. Please simply put a tick in the box representing your preferred number. If you make a mistake, cancel the tick and choose another answer.	1	2	3	4	5
1.1	The advisory function of the board involves the provision of expert advice to the Chief Executive Officer (CEO) and access to critical information and resources.					
1.2	The importance of outside directors, who bring valuable expertise and potentially important connections.					
1.3	The advantage of larger board size is the greater collective information that the board subsequently possesses and hence larger boards will lead to higher performance.					
1.4	The board has the responsibility to monitor, discipline, and remove ineffective management teams, to ensure that managers pursue the interests of shareholders.					
1.5	Increasing number of nonexecutive directors has the advantage of greater collective information possessed by the board which is also valuable for the monitoring function					
1.6	The size of the board has a dampening influence on performance of the company.					
1.7	There is a positive relationship between board size and company performance					

2	Sound board independence determines firm performance. To what extent do you agree or disagree with the following. Indicate your response on a scale ranging from strongly disagree=1, Disagree=2, Neither agree nor disagree=3, Agree=4, Strongly agree =5. Please simply put a tick in the box representing your preferred number. If you make a mistake, cancel the tick and choose another answer.	1	2	3	4	5
2.1	The major contribution of the board is formulating company's strategy and exercise proper oversight function throughout company operations					
2.2	Independent directors could contribute their independent views and actively participate in board discussion.					
2.3	The board requires the combination of executive and non-executive directors to pursue the shareholders' interest.					
2.4	The non-executive directors on the board will not be able to exercise their duties effectively, unless they are independence from management and ensure they provides unbiased business judgment.					
2.5	Independent directors are the person entrusted by shareholders to represent them and will help to reduce agency problems.					
2.6	The non-executive directors are not the full-time employees as compared to the executive directors who are full-time employees and are involved in the day-to-day operation of the company.					

2.7	The role of the non-executive directors was as a monitoring mechanism for the performance and activities of executive directors and management.					
2.8	The existence of independent directors on board should be monitored in order to bring positive shareholder values.					

3	CEO duality plays a key role in determining firm performance. Indicate your response on a scale ranging from strongly disagree=1, Disagree=2, Neither agree nor disagree=3, Agree=4, Strongly agree =5. Please simply put a tick in the box representing your preferred number. If you make a mistake, cancel the tick and choose another answer.	1	2	3	4	5
3.1	When the chairman of a board also plays the role of the CEO, there is every likely hood that this may result in what is called role conflict in that particular firm.					
3.2	An independent chairman is believed to effectively and efficiently monitor and control CEO and other management activities to maximize the shareholders' wealth.					
3.3	The chairman and CEO should be separated, as this has the potential to increase the effectiveness of board monitoring					
3.4	The managers are inherently trustworthy and are good stewards of company resources.					
3.5	The CEO duality provides a single focal point for the firm's leadership, thus creating an image of firm stability, building trust in company management, and fostering better communication between the administration and the Board of Directors.					
3.6	The CEO should be prevented from acquiring the functions of Chairman and CEO, because the duties of the Chairman are different and complementary to those of the executive director and that there is no concentration of power, to the detriment of proper management supervision.					

4	Corporate governance has earned its place as an essential tool in the management and growth of companies. To what extent do you agree or disagree with the following. Indicate your response on a scale ranging from strongly disagree=1, Disagree=2, Neither agree nor disagree=3, Agree=4, Strongly agree =5. Please simply put a tick in the box representing your preferred number. If you make a mistake, cancel the tick and choose another answer.	1	2	3	4	5
4.1	It is advisable that all companies take steps to increase the quality of their corporate governance systems in order to improve the functioning of the business.					
4.2	Promoting sound corporate governance to reduces risk of failure by firms to achieve set targets.					
4.3	Good corporate governance fosters a culture of integrity and leads to a positive performing and sustainable business.					
4.4	Good governance signals to the market that an organisation is well managed and that the interests of management are aligned with other stakeholders.					

4.5	Developing and setting a clear strategy and then implementing it effectively are vital to any organisation's success.					
4.6	Shareholders also play an important role in governance as they need to ensure the right directors are appointed to their Board.					
4.7	Good corporate governance will ensure that the board of directors meet regularly, retain control over the business and are clear in the division of their responsibilities, as well as maintaining a system of risk management.					

5	There are many ways of implementing good corporate governance. To what extent do you agree or disagree with the following. Indicate your response on a scale ranging from strongly disagree=1, Disagree=2, Neither agree nor disagree=3, Agree=4, Strongly agree =5. Please simply put a tick in the box representing your preferred number. If you make a mistake, cancel the tick and choose another answer.	1	2	3	4	5
5.1	Ensure a balanced, competent and diverse Board					
5.2	Review your Board composition on a regular basis to identify any shortcomings and make timely improvements.					
5.3	Establish, monitor and evaluate the roles and responsibilities of the Board and management.					
5.4	Gear key performance indicators towards long term value creation not just in the short term.					
5.5	Establish an effective risk management and internal control framework and periodically review its effectiveness.					
5.6	Ensure integrity in corporate reporting including safeguards such as conducting external audits of the business.					
5.7	Provide timely and balanced information					
5.8	Emphasise integrity, promote ethical behaviours and consult different categories of stakeholders on their interests.					
5.9	Treat shareholders equitably and respect their rights.					
5.10	Ensure adequate disclosures around related parties' transactions and director's other interests.					

SECTION C

1. Comment on the relationship between the board size and firm performance.

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2. What are the roles of corporate boards in corporate governance?

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3. Discuss the ways in which corporate governance impacts on businesses?

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4. Does CEO Duality affect the Firm Performance?

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5. What additional information would you like to share about the sound corporate governance in an organisation?

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Thank you.