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FACULTY OF COMMERCE

GRADUATE SCHOOL OF BUSINESS

MASTERS IN LEADERSHIP & CORPORATE GOVERNANCE

**ENQUIRY INTO THE CODES OF CORPORATE GOVERNANCE BEST PRACTICES
DURING COVID-19 AT UPPERMOST MANAGEMENT LEVEL - A CASE STUDY OF
ZUPCO**

BY

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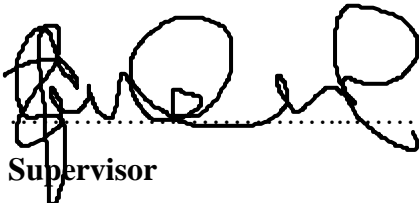
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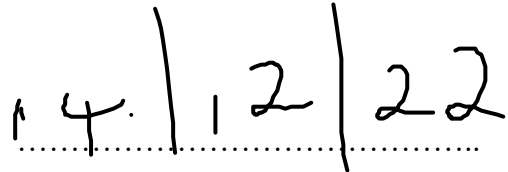
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DECLARATION

I, Maxwell Manditereza, do hereby declare that this dissertation is a result of my own investigation and research, except to the extent indicated in the acknowledgments, bibliography, references, and comments included in the body of the report, and that it has not been submitted in part or in full for any other degree to any other university.



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DATE

DEDICATION

I dedicate this work to my daughter and son who were patient enough to forego some quality time with me as I worked through my project, and to all those who contributed immensely one way or the other towards the successful completion of this dissertation.

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ABSTRACT

The purpose of this study was to assess senior management' response to the COVID-19 pandemic using a case study of the Zimbabwe United Passenger Company (ZUPCO), which is wholly-owned state enterprise in the public road passenger transport sector in Zimbabwe. Following the outbreak of the pandemic, the United Nations' World Health Organization (WHO) issued out a plethora of measures that included lock-downs, social distancing etc. which affected business and social activity in a significant way. Companies had to adopt various measures to ensure business survival whilst at the same time ensuring the safety of its employees and maintaining their corporate social responsibilities without compromising the codes of corporate governance principles, especially their responsibilities to shareholders. The research adopted the qualitative approach where a case study was used where a questionnaire was circulated to all the ten senior managers at ZUPCO. The study concluded that senior management at ZUPCO was committed to, and adhered to codes of corporate governance best practices as evidenced by the setting of organizational objectives and having performance review processes to measure performance. The holding of regular meetings and existence of information disclosure policies also served to buttress this commitment to the codes. The current research relied mainly on the questionnaire, but future researchers should consider use of interviews and focus discussion groups to collect data from study participants. The study also recommends a replication of the research post the Covid-19 era to establish the degree of consistency.

KEY WORDS: accountability; assumptions; best practice; budget; capital; committee; commitment; corporate governance; corporate social responsibility; COVID-19; demography; disclosure; efficiency; framework; going concern; health; instrument; investor; justification; pandemic; profitability; questionnaire; resources; returns; responsibility; shareholders; stakeholders; state-owned enterprise; stewardship; studies; sustainability; theory;

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LIST OF ACRONYMS

- CEO** – Chief Executive Officer
- CFO** – Chief Finance Officer
- CG** – Corporate governance
- CSR** – Corporate social responsibility
- DOM** – Division Operations Manager
- ETF** – Exchange Traded Funds
- ERE** – Environmental Responsibility Engagement
- FD** – Finance Director
- GDP** – Gross Domestic Product
- ICT** – Information & Communications Technology
- IMF** – International Monetary Fund
- KPI** – Key performance indicator
- NDS** – National Development Strategy
- OECD** – Organisation for Economic Cooperation and Development
- PECOG** – Public Entities Corporate Governance Act (Chapt. 10:31)
- PSMAS** – Public Service Medical Aid Society
- RBV** – Resource Based View
- SA** –South Africa
- SEP** – State Owned Enterprise
- SME** –Small to Medium Enterprise
- SRE** – Social Responsibility Engagement
- UK** – United Kingdom
- UNECA** – United Nations Economic Commission for Africa
- USA** – United States of America
- WHO** – World Health Organisation
- ZBC** – Zimbabwe Broadcasting Corporation
- ZSE** – Zimbabwe Stock Exchange

ZUPCO – Zimbabwe United Passenger Company

CHAPTER ONE

1.0 Introduction

This is an introductory chapter for this research paper entitled; ENQUIRY INTO THE CODES OF CORPORATE GOVERNANCE BEST PRACTICES DURING COVID-19 AT UPPERMOST MANAGEMENT LEVEL - A CASE STUDY OF ZUPCO. The chapter provides the research problem, research objectives, research questions and the significance of research.

1.1 Background

The advent of the COVID-19 pandemic saw the World Health Organisation (WHO) coming up with a raft of mitigatory measures such as travel bans, limiting the number of people who could meet, the wearing of masks and use of sanitizers etc, all this in efforts to contain the spread of the pandemic and save lives. These measures, however, had a far-reaching impact on the way organisations conducted their business. The government of Zimbabwe, in compliance with the WHO regulations, banned all travelling, and suspended all business activities, save for a few industry sectors that were deemed essential for the survival of the populace, such as the medical fraternity and the food industry, to mention but just a few.

The Zimbabwe United Passenger Company (ZUPCO), whose mandate is to ferry passengers, was therefore classified as an essential service provider who could not afford to close shop, but had to continue operating to transport the essential service providers under very difficult conditions.

The burden therefore fell on the company's Board and Senior Management to ensure continuity of business to its esteemed clientele and other stakeholders such as suppliers and contracted private bus operators, whilst ensuring the safety of its employees through various initiatives such as:

- Enhanced communication with Line Management and all employees
- Having a solid disaster recovery plan in place in the likelihood that key employees fell victim to the pandemic or key suppliers such as fuel companies are unable to meet demand
- Coping with reduced subsidy funding as the government was faced with competing priorities, some of which had not been foreseen, and hence had not been provided in the annual national budget.

All these challenges therefore required the company's Senior Management and the Board to adhere to the principles of Best Practice in Corporate Governance to ensure the company's survival and continued provision of safe, reliable and affordable public road transport service in line with its Mission statement.

The Zimbabwe United Passenger Company (ZUPCO) is a wholly owned state enterprise registered under the Companies Act, with its own Memorandum and Articles of Association. At inception, its main objective was to facilitate easy and affordable passenger transport to the urban working class in order to effectively drive the wheels of the economy. This made it enjoy massive support from the local authorities such as the City of Harare and Bulawayo City Council who even assisted with subsidies to keep urban fares low and affordable to the working class. And because of this close relationship between the company and the local authorities, the company fell within the Ministry of Local Government instead of the Ministry of transport as one would expect.

The company's governance structures begin at the ministerial level where the Minister in charge of the Local Government Ministry is responsible for appointing the Board of Directors as well as approving appointments to executive positions that would have been proposed by the Board. These jobs include those of the CEO and the Finance Director (FD), Company Secretary and Divisional Operations Managers (DOMs). The current Minister responsible for Local Government is the Honourable, Cde. July Moyo.

Below the Minister is the company's Board of Directors. In line with the recommendations from the King's Report on corporate governance, the company has a unitary board comprising two (2) Executive Directors and three (3) non-Executive Directors. The Board ordinarily meets quarterly, and the Board members are grouped into several sub-committees that meet to deliberate on specific fields such as:

- The Finance committee
- Human Resources committee
- Audit committee
- Risk committee
- Remuneration committee
- Operations committee and,
- The Technical committee

These various committees meet and deliberate on matters prior to the main Board sitting. They then make recommendations to the main Board which considers these issues before coming up with resolutions where Action Items are derived for implementation by the CEO and his team.

After the Board (led by the Chairman) and Executive (led by the CEO) comes the company's senior management who are ten (10) in all, as follows:

1. Finance Manager
2. Human Resources Manager
3. Administration Manager
4. Audit Manager
5. Legal Manager
6. Procurement Manager
7. Properties & Estates Manager
8. Chief Security Officer
9. ICT Administrator

10. Risk Manager

This is the team that supports the CEO in implementing, or putting into action the policies, resolutions and directives that would have been approved/recommended by the Board.

This research therefore seeks to explore the extent to which ZUPCO's Senior Management adhered to the Codes of Corporate Governance Best Practices during the COVID-19 era to ensure the company remained afloat whilst at the same time delivering on its mandate to provide a safe, reliable and affordable road passenger transport service to the commuting public.

1.2 Statement of the Research Problem

The advent of the COVID-19 pandemic at the beginning of the year 2020 meant that it was no longer business as usual for corporates as they were faced with plethora of challenges such as increased costs of doing business resulting from reduced production and the resultant shortages of consumables (inputs), World Health Organisation (WHO)'s pre-emptive measures which saw governments banning economic activity resulting in unemployment and companies having to pay salaries/wages and allowances to unproductive employees. The period also saw companies losing critical skills as key personnel fell victim to the pandemic.

The challenges presented by the pandemic were unprecedented and unexpected, hence many corporates were caught unawares. Suddenly, more innovative ways of doing business were now required. People could no longer hold physical (face to face) meetings, head-count in offices was reduced in line with social distancing requirements, and for passenger transporting organisations such as ZUPCO, fleet carrying capacity was reduced to less than 50%, again in line with social distancing requirements.

All these measures had an adverse bearing on corporate performance as productivity was significantly reduced at a time when operating costs skyrocketed, putting the survival of many organisations at risk. Under such a difficult operating environment, the temptation for corporate leaders to devise unorthodox means of survival is very high, and it only takes a morally and ethically strong leadership to continue steering the ship within the confines of Codes of Best Practice of Corporate Governance.

Given the criticality of ZUPCO's survival as a national flagship passenger transport company, this research seeks to establish the extent to which those tasked with the responsibility of steering the ZUPCO ship adhered to the Codes of Best Practice of corporate governance to ensure it survives the vagaries of the COVID-19 pandemic.

1.3 Research Objective(s)

- To determine whether Senior Management at ZUPCO adhered to the Codes of Corporate Governance best practices during COVID-19.
- To establish the extent to which ZUPCO's senior management appreciates the importance of the codes of corporate governance best practice.
- To determine whether senior management at ZUPCO is committed to the codes of corporate governance best practice.
- To determine whether ZUPCO as an organization has taken any initiatives towards creating an awareness for codes of corporate governance best practice amongst its senior management.

1.4 Research Question(s)

Research Questions

- a) To what extent did COVID-19 affect corporate governance practices at ZUPCO?
- b) What are the Corporate Governance System's shortcomings?

- c) b) What are ZUPCO's Best Corporate Governance Practices? Is ZUPCO taking initiatives to create an awareness towards good corporate governance?

1.5 Research Assumptions

The COVID-19 virus is still "circulating," in accordance with Dr. Maria Van Kerkhove of the WHO, and the organization thinks the number of cases being reported globally is far lower than it should be.

She went on to state that “We expect that there are going to be future waves of infection, potentially at different time points throughout the world caused by different sub variants of Omicron”, [<https://news.un.org/en/story/2022/09/1126621>].

The above WHO position clearly shows that the world is not out of the woods yet as far as the COVID-19 pandemic is concerned, and it remains incumbent upon companies to remain vigilant so that they retain the gains they have already made in fighting the virus.

I have therefore planned this research with the following assumptions:

- That the fight against the COVID-19, and any of its potential variants, is still on, resulting in the need for companies to plan with COVID-19 into the foreseeable future.
- That all senior management will appreciate that the fight against the COVID-19 pandemic is real, and far from over. I therefore expect them to cooperate with the research effort, especially in responding to the Questionnaire, so that the company finds viable and sustainable solutions in its fight against the pandemic.
- Given that some of the measures to fight COVID-19 are a result of policies formulated and approved by the board for implementation by the CEO and his management team, any shortcomings in the policy framework will partly fall on the board. I therefore hope the respondents to my Questionnaire will give their honest answers without fear of victimisation, reprisals or any other repercussions from the board.

1.6 Theoretical Framework

Senior Management and the Executive are responsible for the day-to-day operations of the organisation on behalf of both the Board and the stakeholders, in particular the shareholders who would have invested their resources in the company with the expectation of a return, and various theories have been expounded over the years to try and clarify or define this

relationship and the role of senior Management in the organisational set-up. Some of the most common theories are:

- *The Agency hypothesis is a theory that assumes managers are reliable and consistently carry out their responsibilities to maximize wealth for shareholders.*
- *Stakeholder theory is an approach that is most closely associated with continental European practice, particularly that of Germany, where custom has long required that a company's bankers and large-block shareholders have seats as well. In Germany, law required that half of supervisory board seats go to representatives of the workforce.*
- *Stewardship theory: This theory made the assumption that managers are dependable and consistently carry out their responsibilities to maximize wealth for shareholders.* *Transaction cost theory* - This theory has been developed to facilitate an analysis of the comparative costs of planning, adapting, and monitoring task completion under alternative governance structures (Williamson, 1985).
- *Political theory* - At the macro level, the political model of corporate governance recognizes the allocation of corporate power, privileges and profits between owners, managers and other stakeholders and how this is done by the government through its various constituencies (Fadun, 2013).
- *Ethics theory* - This theory includes feminist ethics theory, business ethics theory, and virtue ethics theory. Corporate ethics theory focuses on business actions, decisions, and circumstances where the right or wrong are addressed (emphasizes on empathy, healthy social relationship, loving care for each other and the avoidance of harm). In this research, I am going to explore the extent with which senior management at ZUCPO upheld all or some of the major theories listed above during the COVID-19 era as they strived to keep the organisation afloat whilst sustaining stakeholder value.

1.7 Conceptual Framework

Corporate governance revolves around seven (7) major theories, namely Agency; Stakeholder; Stewardship; Resource dependency; Transaction cost; Political and Ethical theories. However, this research will focus on those theories that can directly be influenced by a company's Management since some fall under the ambit of the board. The following theories will therefore be at the core of my hypothesis.

1.8 Justification of the research

In line with Zimbabwe's National Development Strategy One (NDS1) policy document, and the second republic's drive towards an Upper Middle Income Economy by the Year 2030, ZUPCO is one of the state-owned enterprises with a key role to play towards that goal through the provision of safe, reliable and affordable road transport service to the commuting public, especially the working class. It is therefore of paramount importance that those in charge of the company adhere to sound corporate governance practices to ensure the company is able to successfully deliver on its mandate, whilst at the same time reducing its reliance on government subsidies so that treasury re-directs funds to other critical sectors of the economy.

1.9 Purpose of the Study

The purpose of this research is to explore the extent to which ZUPCO's Senior Management adhered to the Codes of Corporate Governance Best Practices during the COVID-19 era to ensure the company stayed afloat whilst at the same time delivering on its mandate.

1.10 Significance/importance of the study

This research is intended to advise ZUPCO's Board of Directors and its Senior Management on modern trends in corporate governance best practices so that they are in a position to identify gaps or areas for improvement. The research will also help them improve company performance under the difficult COVID-19 conditions.

As already alluded to in the Research Assumptions Section above (**Sec 6**), the World Health Organisation (WHO) believes the world is still under threat from the COVID-19 pandemic, or any of its variants that are cropping up now and again in different parts of the world, especially from China where the pandemic is believed to have originated. It is therefore of paramount importance that companies remain vigilant to protect the gains already made in the fight against the pandemic.

ZUPCO is a public road passenger transporter classified under essential services, and hence cannot afford to close shop since it is responsible for ferrying other essential service providers such as those in the health sector and food industry. It is therefore of paramount importance that the company practices corporate governance best practices to ensure economic viability whilst at the same time ensuring the safety of not just its employees, but that of its valued customers as well. This research will therefore go a long way in helping ZUPCO assess its corporate governance efforts to date, whilst also mapping its way into the future.

1.11 Chapter Summary

This first chapter gives a brief background to the research by narrating the advent of the COVID-19 pandemic, and its effect on organisations in the public road passenger transport sector such as ZUPCO, which is our case study. A brief narration of ZUPCO's corporate governance structure is also provided. The chapter then presents a statement of the research problem, the research objectives, research questions and assumptions, a brief summary of the theoretic and conceptual frameworks. It then concludes with the justification and significance of the research.

CHAPTER TWO:

LITERATURE REVIEW

2.0 Introduction

The advent of the COVID-19 pandemic in the year 2019 caused a lot of disruptions not only in people's social life, but corporates as well. People and corporates had to adapt to new ways of doing things in line with the dictates of the World Health Organisation (WHO)'s migratory measures, adopted by governments across the world, which were designed to save the human race.

Families lost bread winners to the pandemic, whilst other families' bread winners lost their sources of income as economic activity slowed down, with most companies forced to scale down or close shop in compliance with government's lock-down pronouncements in efforts to combat the spread of the virus.

Most corporates switched to safe mode as they culled down on most of their economic activities to stay afloat, or at least stand a chance of re-opening once the pandemic was declared over. It became more and more difficult for corporates to balance the interests of all stakeholders through Environmental, Social and Governance activities such as the protection of the environment, maintaining sound and transparent relationships with stakeholders such as employees, suppliers, and upholding the tenets of good governance which is generally reflected in a company's management structure, executive remuneration and other variables.

In this article, I will first give a brief background to the field of corporate governance, how it all started and why its importance grew in the corporate world and the various measures taken by different states/governments to ensure good corporate governance tenets are practiced for the benefit and protection of all stakeholders.

2.1 Corporate governance and its Background

Corporate governance refers to the set of guidelines, customs, and procedures that regulate and control a business. It basically entails striking a balance between the interests of a company's numerous stakeholders, including shareholders, senior management staff, clients, suppliers, financiers, the government, and the local community. [J.Chen, 2022, Investopedia.com].

Sound corporate governance is founded on the principles of Fairness, Transparency, Risk Management, Responsibility and Accountability for the resultant benefits such as the alignment

of the interests of the organisation's various stakeholders, building trust with the stakeholders and giving them a clear picture of the company's direction [Code of Best Practice of Corporate Governance, Brazilian Institute of Corporate Governance, 1995].

[<https://www.swview.org/blog/seven-characteristics-corporate-governance>, March 6, 2007 - 07:00] Wickramanayake Corporate Discipline, which is a commitment by a company's senior management to adhere to behavior that is universally recognized and accepted to be correct and proper, is also included, as is Independence, which is the extent to which mechanisms have been put in place to minimize or avoid potential conflicts of interest, such as dominance by a strong chief executive or large share owner. And finally, *Social Responsibility* is the other characteristic of good corporate governance. This is a company's awareness of, and response to issues such as high ethical standards, non-discriminatory, non-exploitative, and being conscious to environmental and human rights issues [Code of Best Practice of Corporate Governance – OECD].

According to the Harvard Law School Forum on Corporate Governance, the expected global trends in the year 2022 in corporate governance include:

- Bold investors willing to cast a vote for change
- 2) More stringent requirements for climate disclosure [Richard Fields, Rusty O'Kelley III, and Laura Sanderson, Russell Reynolds Associates, on Monday, February 21, 2022]
- 3) Enhanced board effectiveness and
- 4) greater emphasis on equity diversity and inclusive culture initiatives at the board and corporate level, [Richard Fields, Rusty O'Kelley III, and Laura Sanderson, Russell Reynolds Associates, on Monday, February 21, 2022].

These increased demands on the part of investors and shareholders will certainly bear more pressure on modern boards and their management teams to perform well, a task that will be quite challenging under COVID-19 operating conditions.

Modern boards and their management teams will undoubtedly face additional pressure from investors and shareholders to perform well, a task that will be very difficult under COVID-19 operating conditions.

Cases of corporate fraud such as the Enron corporate scandal in the USA forced countries to devise various means to curb the scourge whilst at the same time protecting the investors and

other innocent stakeholders, and the measures took various forms, with the USA employing the legislative route through the Sarbanes Oxley Act (SOX) in 2002 which used the apply or else approach. Most other countries adopted the apply or explain approach through recommendations of experts who crafted various Codes on corporate governance.

The UK initially had the Cadbury Report [1992], followed by the Myners Report [1995] that was prepared by Paul Myners. The Greenbury Report was next [1995] then the Hampel Report that was prepared by Sir Ronald Hampel the same year. Finally, Sir John Walker combined all these various codes to come up with the Code of Best Practice of Corporate Governance in 2010.

In South Africa, the Institute of Directors (IoD) engaged a retired supreme court judge Mervyn E. King [1993] to look into corporate governance issues, and his efforts produced the King Report which has subsequently been reviewed to produce the King II [2002], King III [2010] and King IV Report [2016]. These reports have not been legislative but are only based on principles and practices, hence are of an *Apply* or *Explain* nature.

The Zimbabwean corporates, especially those listed on the Stock Exchange (ZSE), have largely relied on codes of conduct borrowed from other countries such as the King Reports from South Africa and the Cadbury Report from the UK. It was not until the year 2010 when the government of Zimbabwe made deliberate efforts to intervene and bring some sanity into the corporate world, first through the Corporate Governance Framework for State Owned Enterprises and Parastatals (SEPs) in the year 2010, which was more of recommendations and not binding, but a series of corporate scandals such as the PSMAS and ZBC salary scandals pushed the government to legislate corporate governance issues through the promulgation of the Public Entities Corporate Governance Act (Chap 10:31) in the year 2020.

Codes of corporate governance best practices are put in place to correct weaknesses in the corporate governance system by recommending a detailed set of models on the role and composition of the board of directors, their relationships with various stakeholders, auditing and information disclosure, and the selection, remuneration of senior executives. As a result, implementing codes of corporate governance best practices has far-reaching benefits to an organisation in that it creates transparent rules and regulations, provides guidance to leadership whilst at the same time aligning the interests of the various stakeholders. In addition, it gives a clear picture of the company's direction, whilst building trust with stakeholders, thereby

making it easy to raise new capital, secure debt, attract and retain skilled and qualified personnel.

All this will enable the organisation to meet the demands and expectations of shareholders and other various stakeholders.

Governance Frameworks, Governance Documentation, Policies in accordance with the law and applicable regulations, Documenting processes and procedures are some examples of effective corporate governance practices. Agenda and minutes, effective board reporting Subsidiary governance policies, executive compensation structure, disclosure practices, Director training and board evaluations Checks and balances in decision-making (Risk Management), Measures to reconcile conflict of interest with the organization's Mission Statement, Board members' stake in profits, frequency of both internal and external audits as well as the handling of stakeholder complaints.

Several codes of best corporate governance practices have been presented, and one of the most common and detailed one was issued by the Brazilian Institute of Corporate Governance (IBGC) whose objective was to was offer guidelines, or suggest courses of action for both listed and private corporates to improve their performance and hence facilitate access to capital. This guideline identifies six areas were the codes should apply, namely;

- Owners, who happen to be the shareholders
- Board of Directors – the body representing the owners
- Management – the chief executive officer and top managers
- Auditing – the independent auditors
- Surveillance – the fiscal council Ethics/Conflicts of interest

The code also identifies the pillars of the Code of Best Practice of Corporate Governance to be:

- Transparency - The requirement for the CEO and his management team to meet different information and transparency needs of the owners, the board of directors, the independent auditors, the supervisory board, the stakeholders, and the public at large.
- Accountability - The agents of corporate governance such as the board of directors, CEO and management, independent auditors and fiscal council are expected to account for activities and to the bodies that elect them.

- Fairness – this relates to the fair treatment of all agents of corporate governance and stakeholders of the company.
- Ethics – Best practice requires the company to comply with the law and have its statement of values and code of ethics. This will assist the avoidance of conflict of interest.

From the six areas identified in the code, this research will focus on the CEO and the senior management team. The CEO is in charge of implementing the policies and strategies approved by the Board of Directors, and in doing so, he will also nominate names to fill-in senior management positions for the approval of the Board of Directors.

On disclosure requirements, the CEO is expected to disclose all critical information, whether mandatory or voluntary, to the shareholders, the board of Directors and any other stakeholders who could be affected by their decisions and actions. The information to be availed to stakeholders is expected to be balanced to enable the user to make informed decisions when evaluating the company. Management is also expected to formulate of ethics for the wholes company, and such code should have the approval of the Board of Directors.

In terms of accountability, the CEO and senior management are accountable to the Board of Directors for the activities and performance of the company. They are also accountable to all stakeholders such as employees, customers, suppliers, banks, the government, environmental and non-governmental organizations, among others. Both the CEO and the top management are accountable to the Board of Directors for good stakeholder relations.

2.2 Corporate Governance and the COVID-19 Pandemic

The authors of Corporate Governance and COVID-19: A Literature Review by A. Koutoupis, P. Kyriakogkonas et al. sought to review the various literature on corporate governance, environmental, social, and governance (ESG) issues, and corporate social responsibility (CSR) during the COVID-19 pandemic in order to identify the characteristics of the literature on Corporate Governance.

Going concern is a very important principle (Albitar et al., 2020; Mathew and Sivaprasad, 2020; Nurunnabi, 2020; Nigeria, 2020). During a health pandemic, this idea might be brought back into focus (Mathew and Sivaprasad, 2020). The rule specifies that if management is aware of significant risks that could materially impair an entity's ability to continue operating, it must disclose those risks in the financial statements (Deliu, 2020a, 2020b). Therefore, it is crucial that businesses understand the potential effects of COVID-19, make adjustments, and

appropriately report outcomes at the end of 2019. (Deliu, 2020a, 2020b). However, it was very challenging to forecast how the impending pandemic may affect businesses' operations in December 2019.

In a similar vein, Kells (2020) emphasizes that the COVID-19 crisis has allowed due consideration to be given to business continuity, which was previously considered abstract and was generally ignored. Nurunnabi (2020) acknowledges the going concern principle as one of the major challenges for an audit committee.

While adjusting to the new normal, boards must also monitor how businesses are operating (Atici and Gursoy, 2020; Mathew and Sivaprasad, 2020; Nigeria, 2020; Patel and Patel, 2020). According to Matthew and Sivaprasad and Patel and Patel, 2020, the notion of going concern and prudent capital allocation are closely related concepts. In particular, boards must re-examine dividend policies and executive compensation plans, as well as audit every expense (Mathew and Sivaprasad, 2020; Patel and Patel, 2020). Since 50% of free cash flow in the S&P 500 was allocated to share buybacks when boards were tasked with preserving the interests of all stakeholders, not just those of shareholders, it appears that wise capital allocation is of the utmost significance (Mathew and Sivaprasad, 2020). Boards must plan for harsh weather and provide the proper technical infrastructure, which requires investment in innovation and digitalization, to ensure they are well-prepared to meet these challenges (Atici and Gursoy, 2020; Nigeria, 2020).

The literature also discusses government responses to the COVID-19 epidemic, in addition to corporate responses such as online board meetings, dividend pay-out ratios within set boundaries, a laxer insolvency framework, and corporate rules (Atici and Gursoy, 2020; Enriques, 2020; Zetzsche et al., 2020). Furthermore, some research acknowledges the requirement for regulatory governance structures under such extraordinary conditions (Enriques, 2020; Puaschunder et al., 2020).

Features of corporate governance. Most studies in this area share the common trait of having a performance-resilience measure as the dependent variable by employing market data such as stock returns. Both Garel and Petit-Romec (2020) and Amore et al. (2020) specifically employ stock returns to gauge firms' resilience. According to Garel and Petit-Romec (2020), a board's monitoring duty takes precedence over independence in difficult times. In a similar vein,

Amore et al. (2020) draw the conclusion that family-controlled businesses in Italy performed better during the COVID-19 crisis in terms of capital (the majority of shareholders are family members) and the board, reiterating the idea that independence is not crucial when a crisis arises. Finally, it appears that firms with less entrenched executives perform better than the rest of the market (Ding et al., 2020).

Disclosures. On risk perception and disclosure during COVID-19, new literature is emerging (Larcker et al., 2020; Loughran and McDonald, 2020; Stephany et al., 2020; Wang and Xing, 2020). Particularly, Larcker et al. (2020) draw the conclusion that there is wide variance in whether and how a relevant disclosure is made. Additionally, prior to the COVID-19 outbreak, industry-dependent health pandemic-related disclosures were not taken into account (Stephany et al., 2020; Wang and Xing, 2020). (Loughran and McDonald, 2020).

Financial results. Exchange-traded funds (ETFs), mutual funds, and individual company stocks have all been the subject of analysis in this field of study (Folger-Laronde et al., 2020; Bae et al., 2020; Broadstock et al., 2020; Demers et al., 2020; D'az et al., 2020; Mukanjari and Sterner, 2020; Palma-Ruiz et al., 2020; Financial vehicles called ETFs are similar to mutual funds but are traded like stocks. In general, studies (Albuquerque et al., 2020; Broadstock et al., 2020; D'az et al., 2020; Hoang 2020; Palma-Ruiz et al., 2020) show how important ESG metrics are to financial performance.

However, no statistically significant association between returns and CSR measures was discovered in four investigations (Bae et al., 2020; Demers et al., 2020; Folger-Laronde et al., 2020; Mukanjari and Sterner, 2020). In contrast, one study (Dottling and Kim, 2020) supported a negative correlation between sustainability ratings and net fund flows. Dottling and Kim (2020), controlling for variables including fund size, cost ratios, and risk-adjusted performance, relate their finding to retail investors' perception that sustainability is a luxury commodity and as such is pricey.

Additionally, Takahashi and Yamada's (2020) findings appear to be contradictory, as they found no proof of higher performance among companies with high CSR ratings. Despite this, companies with ESG funds appear to fare better than those without comparable funds. Numerous nations have participated in the research in this section. The USA (Albuquerque et al., 2020; Bae et al., 2020; Demers et al., 2020; D'az et al., 2020; Do tting and Kim, 2020),

Spain (Palma-Ruiz et al., 2020), the United Kingdom (Hoang, 2020), Japan (Takahashi and Yamada, 2020), and China (Takahashi and Yamada, 2020) (Broadstock et al., 2020).

Marketing: Available literature suggests that corporate social responsibility (CSR) initiatives by businesses may be related to client loyalty (He and Harris, 2020; Huang and Liu, 2020). The literature also provides instances of CSR initiatives by businesses (He and Harris, 2020; Talbot and Ordonez-Ponce, 2020). In the COVID-19 era, there are typically two conflicting perspectives on CSR. According to the first argument, businesses should stop their CSR initiatives because their immediate continued existence is their prime concern. According to the opposing hypothesis, a health pandemic will actually hasten long-term post-pandemic CSR initiatives as businesses see the importance of striking a balance between their own financial success and societal responsibility (He and Harris, 2020). However, studies show that businesses vary in their level of support for their local communities (Talbot and Ordonez-Ponce, 2020).

Economic growth: Popkova et al. (2020) made an effort to define the function of CSR during the COVID-19-related economic crisis. A multiple regression analysis was used in the study to determine the impact on the economic development of developing markets. It looked at variables of corporate management, including the shadowization of business and the difficulty of conducting overseas economic activities. They came to the conclusion that compliance fosters economic expansion.

Sector Analysis: Numerous studies looked at how the COVID-19 epidemic has affected various industries. The majority of these studies (Filimonau et al., 2020; Huang and Liu, 2020; Jones and Comfort, 2020; Mao et al., 2020; Ou et al., 2021) focus on CSR and sustainability in the hospitality sector, while others (Notteboom and Haralambides, 2020; Amankwah-Amoah, 2020) concentrate on the port and airline sectors. All studies identify issues with governance, sustainability, and the sectors' capacity to predict the future of sustainability (Jones and Comfort, 2020; Notteboom and Haralambides, 2020). Additionally, even if driving and air travel have declined dramatically, it is believed that this reduction in gas emissions is only temporary and will return as soon as things return to normal (Amankwah-Amoah, 2020; Jones and Comfort, 2020).

Additionally, it is conceivable that the pandemic causes a re-evaluation of corporate interests as survival becomes crucial and environmental obligations are given less priority (Amankwah-Amoah, 2020; Jones and Comfort, 2020). Additionally, CSR initiatives in the hotel sector were seen as significant for employees (Filimonau et al., 2020; Mao et al., 2020), and it was found that perceived employee wellness increased organizational resilience.

Risk management. Risk and volatility are interwoven because accurate forecasting is essential to portfolio risk management (Hyup Roh, 2007). Investors are presuming that they will deploy capital based on corporate fundamentals during times of financial crisis, making ESG portfolios safe havens (Singh, 2020). Furthermore, according to the literature on perceived risks associated with ESG portfolios (Broadstock et al., 2020; Ferriani and Natoli 2020; Kanamura 2020), these risks are comparatively lower than those of their peers while they are probably associated with much greater returns (Albuquerque et al., 2020). Additionally, because disclosures lessen volatility, the impact of COVID-19 is lessened the more transparent an organization's ESG disclosures are (Hoang, 2020).

In their article, COVID-19: Implications for corporate governance and Corporate Social Responsibility (CSR) in Africa, M. A. Lateef and A. O. Akinsulore [Beijing Law Review, 2021] argued that, in contrast to Milton Friedman's assertion that a corporation's social responsibility is to maximize profits for its shareholders and that anything that suggests otherwise threatens the foundation of a free enterprise state (New York Times, 1970), corporations, as significant players in any economy are expected to strive to be good corporate citizens who strike the appropriate balance between their shareholders' values and stakeholders' interests.

As a result, during a period of socio-economic crisis in the society, a corporation's real test of its consideration for stakeholders, resilience of its corporate governance (corporate executive leadership and management), and corporate investment in Corporate Social Responsibility (CSR) are put to a tremendous task. COVID-19 continued to be a significant cause of socioeconomic disruptions in Africa in the year 2020, from Egypt (Africa news, 2020), where the first case of the pandemic in the continent was reported, to the Republic of South Africa (WHO, 2020), which turned out to be the epicentre of the disease in the region (UNECA, 2020). The average GDP growth in Africa was projected to drop from 3.2% to 1.8% or worse in 2020, according to the United Nations Economic Commission for Africa (UNECA), as a result of the

significant economic harm, societal costs, and reduced overall well-being brought on by the COVID-19 epidemic (UNECA, 2020).

The lockdown policy, adopted by many nations and areas, was an important tactic in the fight against the epidemic. The economy will be greatly disrupted by keeping the lockdown, which will cost people and businesses money both now and in the future. These actions impacted international supply lines, trade, tourism, and commercial operations. The recession of "The Great Lockdown of 2020" was anticipated by the International Monetary Fund (IMF) to be 3%, as opposed to 0.1% during the global financial crisis of 2009. (IMF, 2020).

The 2020 global financial crisis was brought on by an abrupt health pandemic that severely constrained global economic activity, as opposed to previous crises that were brought on by corporate failures, financial imbalances, and governance problems that led to excessive business risks, among other causes (Bernanke, 2020).

It is therefore understandable that corporations, particularly multinational corporations, can play a crucial role in assisting governments' efforts to restore the economies of states during and after the COVID-19 pandemic. Being a significant factor in the economic development of the state places corporations at the centre of state policy debates and national problem-solving radius. After all, businesses offer a variety of benefits like jobs, wages, social amenities, products, and services, just like governments do.

African companies, both domestic and international, have been hardest damaged by the COVID-19 pandemic. In Africa in the year 2020, the pandemic was a significant cause of socio-economic disturbances. A number of papers with projections on the effects of COVID-19 for businesses in Africa claim that, on average, enterprises in the region only performed at 43% of their capacity, with larger organizations performing marginally better.

Manufacturing, health, entertainment, transportation, and trade were all said to have run at their bare minimum capacity. The following are the top issues faced by African businesses, listed in order of severity: decline in demand for goods and services; lack of operational cash flow; fewer opportunities to meet new clients; closure of business; problems with changing business strategies and providing substitute goods and services; decline in workers' productivity from working from home; many workers' inability to return to the workforce; difficulties with logistics and supply chain management.

With such dire reports as the ones mentioned above, corporations at the time seemed to be focusing most strategically on survival and company continuation. Therefore, whereas the large corporations were challenged by the need to modify their business models in response to the crisis, small and medium-sized organizations (SMEs) were primarily worried with their prognosis for cash flow. It was challenging to have any adequately planned response beyond the haphazard corporate philanthropy or charitable giving that characterized the actions of the majority of corporations that could still afford to give at this time due to the focus on survival and company continuity. A further difficulty was that making crucial decisions in these circumstances was laden with uncertainty.

There cannot be a simple response to this question regarding the corporate response to the pandemic's harmful effects on people, businesses, and the environment at this time because the full effects of the pandemic are still hypothetical and unknown. This is especially true because the responses have been as varied and national in nature as the pandemic's effects. Second, there are currently not much scientific facts available to definitively answer this question as the pandemic continues to show its teeth. Despite the aforementioned restrictions, there are numerous examples of how African businesses have responded by making donations of money, providing medical and safety packages, food supplies, providing test kits, and more.

Soon after the pandemic broke out in Nigeria, as in the majority of African nations, businesses, banks, corporate goliaths, and affluent people stepped in to donate, and this tendency has continued to support and complement government efforts (Salaudeen, 2020). The pattern has been consistent across many countries, including Angola, Botswana, Egypt (Nassar, 2020), Ghana (Goldfields, 2020), Namibia (De Beers Group, 2020), and the Republic of South Africa, among others. There are worries that some businesses, especially multinational ones in the mining, oil, gas, and petrochemical sectors, may be using the devastating pandemic to forcefully advance their own corporate agendas, such as regulatory rollbacks, a halt to environmental law enforcement, criminalization of environmental protests, and outright government bailouts in a growing number of countries, even as underlying risks facing the industry, however, remain unchanged (Business & Human Rights Resource Centre, 2020). To check the possibility of such opportunistic corporate giving and exploitations, there is a need for regulatory institutions in Africa to be vigilant and insist on the right thing always.

An essential tenet of the market economy, good corporate governance boosts investor trust. At the broadest level, it is clear that effective management is essential for social welfare, business

performance, and economic efficiency. However, in order to prevent self-interest and opportunistic corporate donations, especially during a crisis, openness and accountability are essential corporate governance practices.

The Asian Financial Crisis in 1997, the Dot.com Bubble in 2000, the Global Financial Crisis in 2007, the European Sovereign Debt Crisis in 2011, and the COVID-19 pandemic in 2019 are just a few of the disasters that the globe has experienced throughout the years. COVID-19 differs from the other crises in that they were all brought on by corporate wrongdoing, such as accounting fraud, excessive risk-taking, and top management avarice. These crimes went unpunished for extended periods of time due to poor regulation and, in some cases, a lack of enforcement.

In their article titled "Corporate Governance Research in the Wake of a Systematic Crisis: Lessons and Opportunities from the COVID-19 Pandemic" [Journal of Management Studies, 2021], authors A. Zattoni and A. Pugliese sought to use the COVID-19 pandemic to study how different governance mechanisms affect corporate performance by untangling the crisis's many effects, such as mobility restrictions and lockdowns, and the company and government responses to the crisis.

Traditional mainstream corporate governance research prioritized a corporation's focus on its shareholders (e.g., Jensen and Meckling, 1976). By using a stakeholder-oriented approach, academics, policymakers, and business executives have contested this viewpoint and its underlying premises (Zattoni, 2020). The COVID-19 crisis provided a unique opportunity to determine if organizations that prioritized stakeholders would be better equipped to weather the storm than those that prioritized shareholders. It also made it possible to decide and pinpoint which stakeholders—such as shareholders, employees, and suppliers—would be most protected throughout and after the crisis. It would also enable evaluation of whether a company's purpose, values, and codes of ethics have an impact on behaviour and, consequently, social and environmental performance, or if they are implemented just as a means of bolstering the legitimacy of the organization.

In this regard, a new declaration on the purpose of a corporation centred around a stakeholder perspective was released in August 2019 by the Business Roundtable (i.e., the association of 181 CEOs of American top corporations). By evaluating the effects of their choices on stakeholders and (short- and long-term) firm results, this action provided scholars with a rare opportunity to investigate the question of whether CEOs "walk their talk." The initial empirical

data suggests that this might not be the case (Bebchuk and Tallarita, 2020). Researchers can also investigate if "Benefit corporations," or for-profit businesses with objectives that include both profitability and a positive social and environmental impact, would do better than conventional businesses during the crisis or in the years following the crisis.

Overall, the Covid-19 situation provided a once-in-a-lifetime chance to investigate whether or not other stakeholders or shareholders may question the validity of wholly shareholder-centric businesses (Kano and Oh, 2020). In addition, experts will be able to examine how businesses will attempt to handle these difficulties and which tactics will be more successful in the post-crisis business climate, which is defined by rising stakeholder demands and public pressures. Given that in this new corporate context long-term economic, social, and environmental results might be more significant than short-term shareholder returns, scholars may find it advantageous to supplement or replace agency theory with stakeholder theory when developing their theoretical frameworks (Hitt et al., 2021).

The substitution of face-to-face meetings with virtual ones may shape interactions with potential risks in terms of process-losses and lower cognitive conflicts and dissent (Zhu, 2013). Exploring a range of issues, such as whether boards might hold more frequent and longer meetings to adequately address escalating problems or whether executive directors might be given more authority because of their in-depth understanding of the business and industry environment, can be helpful. Given the changes to the board design, such as the holding of virtual meetings, businesses may also take into consideration a larger pool of qualified candidates for boards. The viability of boards leveraging the competencies and the experiences of all directors, outside the board-room setup, can also prove to be a challenge.

According to corporate governance theory, the board compensation committees and the boards themselves are the main parties accountable for the alignment which must be made between executive compensation and the development of shareholder value. According to this perspective, using short- and long-term incentives is a potent tool for bringing top managers' and investors' interests into alignment. Executives may attempt to change the mechanisms tying their compensation to the performance of the company by protecting themselves from uncontrollable risks or by demanding higher risk premiums to balance increased riskiness, just as the COVID-19 crisis had a negative impact on corporate profitability and, as a result, managers' compensation tied to performance.

Paine [2020] asserts that governance literature has demonstrated that managers have a major impact on their pay: for instance, they are rewarded for good market and industry events but reluctant to deal with the negative effects of bad occurrences outside their control. Therefore, it is very likely that institutional investors will vote against excessive compensation during the COVID-19 crisis and the ensuing dividend reductions, whilst at the same time challenging managerial power more and more. A change toward fixed compensation for management and executives is only one example of how existing logics and practices may be called into question as a result of the pandemic issue.

As a result, boards and their compensation committees will be subject to increased pressure from shareholders and increased social scrutiny from stakeholders regarding how they design compensation mechanisms and how they monitor their effects. This is also likely to have an impact on executive compensation in businesses receiving significant State aid, such as parastatals and wholly-owned state enterprises such as ZUPCO.

The Covid-19 crisis highlights the importance of internal and external corporate accountability procedures. First, the quality of ex-ante disclosure, which reflects the degree of information asymmetry between internal and external stakeholders (such as banks, investors, and the government), may influence stakeholders' capacity to assess how the crisis will affect specific enterprises. Such variation has clear, measurable impacts on how well (and how expensively) enterprises can get resources to weather the crisis. Research might focus on how CFO traits and audit committee make-up influenced disclosure quality (ex-ante) and ensured transparency ex-post.

The COVID-19 crisis provided an opportunity to evaluate whether longer-tenured auditors will restrict (or facilitate) executive discretion in terms of reducing the consequences of the crisis in financial statements. External auditors will also be subject to enhanced scrutiny. The interaction between financial regulation, government action, and business transparency could then be the subject of research. The systems of checks and balances have temporarily changed as a result of several governments briefly re-visiting accounting standards that included corporate reporting; hence, academics may investigate the effects of recasting disclosure rules as a tool for public policy. Researchers may investigate whether the effectiveness of corporate control systems has an impact on government interventions, for instance, given that many subsidies are linked to business (self-reported) accounting statistics.

Last but not least, transparency will be important when considering how non-economic goals might be achieved in order to ensure survival (Crane and Matten, 2021): the crisis is likely to either assist or hinder the inclusion of key performance indicators for environmental and social performance (Paine, 2020).

Previous research has frequently indicated that corporate governance practices have an impact on a company's financial and social outcomes (Gangi et al. 2021). Corporate governance practices typically focus on sustainability and aim to balance the advantages of society, the environment, and the economy in a climate of intense competition. To do that, social and environmental responsibility on the part of businesses is now expected rather than an option. By upholding the fundamental rights conventions in both external and internal communities, social responsibility engagement (SRE) demonstrates the company's capacity to meet society's expectations of being a good citizen by respecting their fundamental rights conventions in external and internal communities (Melo and Garrido-Morgado 2012).

While environmental responsibility engagement (ERE) reflects a company's commitment to the environment and society, it does so by reducing its negative environmental impact through a variety of strategies (Huo et al., 2021) and by lowering its "cost to society" (Gangi et al., 2021), which enables new market entrants (Scuotto et al., 2020) through environmentally friendly designed products and technology. Overall, they will raise stakeholders' satisfaction with businesses, which could result in their attachment to the company.

Commercial stakeholders in today's dynamic world are becoming more and more aware that the rise in business operations is linked to environmental and social challenges (Ansu-Mensah et al. 2021). Global occurrences like the Covid-19 outbreak also increase attention in these concerns among people, and its cause is a serious problem that has to be looked into. As a result, certain international organizations have been working to determine the origin of Covid-19. There is currently no agreement on the origin of Covid-19, despite the fact that the majority of media outlets claim it came from a Chinese seafood market. Vietnam's socio-economic progress is accompanied by an increase in environmental and social problems, and local consumers are growing more concerned about firms' responsibilities in addressing these concerns (Nguyen et al. 2021).

The research that already exists in this field emphasizes the benefits of business compliance with its social and environmental obligations in boosting corporate competitive advantage and increasing company performance sustainably (Gangi et al. 2021; Yu et al. 2020; Ho 2020).

These benefits are committed to enhancing corporate resources and knowledge management, establishing reputation, sustaining innovations, advancing products, increasing customer satisfaction, enabling premium segment accessibility, improving efficiency, lowering operational costs, and improving environmental indicators that improve corporate performance in various ways (Gangi et al. 2021; Scuotto et al. 2020; Scuotto et al. 2019; Martinez-Conesa et al. 2017). From an operations management perspective, SRE and ERE are worthy and tightly associated with how businesses are managed and controlled to be environmentally and socially responsible, which stakeholders are increasingly concerned about (Samson 2020).

Numerous studies have demonstrated the importance of CG to organizational operation. Its guiding principle is to direct and oversee businesses to ensure accountability to stakeholders and transparency in corporate operations. Rehman and Hashim (2021) assert that a strong CG is necessary for a company to survive. Poor CG processes can cause a crisis, as seen by the economic crises that have occurred in Asia, Russia, and South America. CG qualification positively correlates to economic growth (Assankutty et al. 2019). On the other hand, effective CG can help a company improve its performance in a number of ways and raise its stock price (Yu et al. 2020; Ho 2020). CG capability may be affected by board-related factors such as "board independence"; "board size"; "compensation policies" and "board diversity" those are important in dealing with various stakeholders and objects (Jain and Jamali 2016).

According to various theories, CG is conceptualized differently. In particular, from the perspective of agency theory, the strict foundation of CG's position is the mandate that ties managers to shareholders. According to this viewpoint, managers should generate revenue for ownership by abiding by the social norms embodied in the ethical laws and customs. The agency theory also holds that managers are "opportunists" whose interests go beyond those of the organizations. Therefore, the board of directors must have the authority to limit the managers and let them act in the interests of shareholders (Hussain et al. 2019). This fiduciary restricts the corporate social and environmental engagement as a problem of agency.

2.3 Theoretical Framework

Several theories have been expounded in trying to explain the corporate governance concept, but the main ones include the Stakeholders theory by Freeman (1984) who asserted that Corporate governance mechanisms are the centre that "orient businesses towards environmental and social responsibility" and at the same time "shape the relationships between shareholders and stakeholders".

According to the Resources-based View (RBV) developed by Barney in 1991, the Board of Directors plays a critical role in the corporate governance system by strategically providing the company with the knowledge it needs, adding values, and fostering relationships that will contribute to sustainability.

In the same year, he improved on the RBV to a Natural NBV, which said that by adopting sustainability innovation and enhancing innovation capability, environmental involvement enables the firm to produce superior results. These have a vital role in the limitations of the natural environment and produce "a sustained competitive advantage".

The stewardship theory was expounded by Muth and Donaldson (1998) who asserted that the Stewardship theory was contradictory to the agency theory regarding the perception of roles, functions, and conflict of interest related to the executives of the firm. This theory assumes that managers are trustworthy and that they consistently perform their duties in order to maximize shareholder wealth. As a result, stewardship theory considers managers to be "stewards" rather than "self-centered," and self-interest is not their only motivation. As a result, non-financial incentives such as "appreciation," "internal satisfaction," and "recognition" that may stimulate "managers' behaviors" are largely "ignored" in the agency theory. Social Responsibility Engagement (SRE) is the process by which a business identifies its socially responsible actions (Gangi et al. 2021; Laguir et al. 2021). SRE is concerned with getting corporations to take seriously and methodically fulfil their social obligations.

Environmental Responsibility Engagement (ERE) is the process by which a business identifies its environmentally responsible actions (Gangi et al. 2021; Laguir et al. 2021). To ensure the best for the environment in many ways, the ERE idea was widely applied. Therefore, ERE is very concerned with factors like lowering emissions and pollution, not exploiting limited resources, not allowing enterprises to trade long-term gains for any kind of environmental harm, fostering continuous innovation, lowering waste, and employing environmentally friendly products (Sciarelli et al. 2021).

ERE is also interested in how businesses might be actively involved in systematically fulfilling their environmental obligations. Businesses can then improve their reputation, grow their resources and capabilities, enhance their goods, increase their efficiency, and decrease their risk exposure, all of which will benefit Firm Performance in different ways (Yu et al. 2020; Ghoul et al. 2018).

2.3.1 Guiding Principles of Corporate Governance

Business Roundtable supports the following core guiding principles:

1. The board selects a chief executive officer (CEO), approves corporate strategies aimed at creating sustainable long-term value, supervises the CEO and senior management in running the company's business, including allocating capital for long-term growth and assessing and managing risks, and establishes the "tone at the top" for ethical behavior.
2. With the aim of generating long-term, sustainable value creation, management creates and executes the company's corporate strategy and manages the company's operations under the direction of the board.
3. Under the watchful eye of the board and its audit committee, management prepares financial statements that fairly depict the company's financial condition and operating results, as well as providing investors with the timely disclosures needed to evaluate the company's risks and financial and business viability. The board's audit committee oversees the company's risk management and compliance programs, as well as the company's annual financial statement audit and internal controls over financial reporting. It also hires and manages the relationship with the outside auditor.
4. The board's nominating/corporate governance committee takes the lead in directing how the firm is governed, works to create a diverse and active board whose makeup is suitable given the goals and strategy of the business, and actively plans the board's succession.
5. The board's compensation committee develops an executive compensation philosophy, adopts and oversees the implementation of compensation policies consistent with that philosophy, creates compensation packages for the CEO and senior management to encourage the creation of long-term value, and develops meaningful performance-based compensation goals that support the company's long-term value creation strategy. Long-term shareholders should be consulted by the board and management on matters and issues that affect the company's ability to create long-term value and are of general interest to them. If shareholders choose to interact with the board and management in a way that could influence corporate decision-making or strategies, they are encouraged to disclose appropriate identifying information and to take some responsibility for the

long-term interests of the business and its shareholders in general. Shareholders should understand that the board must constantly consider both short- and long-term capital uses when deciding how to distribute money in a way that is most beneficial to shareholders and creates long-term value as part of their duty. When making decisions, the board may take into account the interests of all the company's constituents, including stakeholders like workers, customers, suppliers, and the community in which the company conducts business, provided that doing so directly and significantly advances the creation of long-term value.

Several recommendations are in place to support public business boards of directors and management in their efforts to put in place suitable and efficient corporate governance procedures and act as the public face for developing governance standards. Although there is no "one size fits all" approach to governance that will be suitable for all public companies, it is crucial that shareholders and other stakeholders understand why a company has chosen to use specific governance structures, practices, and processes to achieve that goal. The creation of long-term value is the ultimate measurement of successful corporate governance. Companies should therefore report both the types of practices they use and the criteria they used to choose such practices.

2.3.2 Key Corporate Actors

Although the focus of my research is on senior management at ZUPCO, understanding the distinct responsibilities of the board, management, and shareholders, as well as how they relate to one another and to other business stakeholders, is essential for effective corporate governance. Business Roundtable thinks it's crucial to define the responsibilities of these crucial business players before talking about the fundamental guiding principles of corporate governance.

- The **board of directors** - In order to accomplish long-term value development, the board of directors plays a crucial role in directing the management and business strategy of the organization. Choosing a capable chief executive officer (CEO) to manage the business, keeping an eye on and assessing the CEO's performance, and managing the CEO succession planning process are some of the board's most crucial duties. The CEO receives power and duty from the board to run the company's operations, and through the CEO, other top executives. Effective directors are meticulous observers, not managers, of corporate activities. However, they do not manage—or micromanage—

the company's business by carrying out or duplicating the duties of the CEO and top management. Instead, they conduct robust and diligent control of a company's affairs, including important areas like strategy and risk.

The line between management and oversight is not always clear-cut, and certain circumstances (like a crisis) can call for more board involvement in day-to-day operations. Additionally, the board plays a direct role rather than an oversight role in other areas (such as the connection with the independent auditor and CEO compensation).

- **Management** - The CEO-led management team is in charge of developing, overseeing, and carrying out the company's strategies. This includes, but is not limited to, managing the company's operations while the board oversees them, and keeping the board up to date on their progress. Strategic planning, risk management, and financial reporting are all duties of management. A competent management team steers clear of placing an excessive emphasis on short-term KPIs by running the business with a focus on carrying out the company's strategy over a substantial time horizon.
- **Shareholders** - By purchasing a corporation's stock, shareholders make an investment with the aim of gaining financial rewards. Although shareholders are not directly involved in running businesses on a daily basis, they do have the right to choose representatives (directors) and access to information that could be relevant to their investment and voting decisions. Corporate boards and managers should take care of shareholders' investments in the company throughout the long term. They should also anticipate that the board and management will respond to issues and worries that influence the company's long-term worth and are of general interest to long-term shareholders.

Corporations are for-profit businesses that are created to deliver enduring value to all of their owners. Shareholders shouldn't anticipate being able to achieve their own personal goals or broad social or political objectives by using the publicly traded corporations in which they invest.

- **Shareholders** - Some shareholders may want to have a say in the strategic direction and decision-making of the company, which traditionally fell under the purview of the board and management. Shareholders seeking this power should be aware that it entails

some level of responsibility on their part in order to achieve the objective of long-term wealth development for the business and all of its shareholders.

Effective corporate governance necessitates the board, CEO, and senior management giving their full attention to both their individual responsibilities and the shared objective of creating long-term value with the corporation's shareholders, and it in its view of this research seeks to establish the extent to which ZUPCO's senior management played this role during the COVID-19 era.

2.3.3 Key Responsibilities of the CEO and Senior Management

An effective system of corporate governance provides the framework within which the CEO and senior management, under the watchful eye of the board, address their key responsibilities, and the creation of the company's long-term strategic plans and the successful execution of the company's business in accordance with those goals are under the control of the CEO and management. The following responsibilities are placed on the CEO and Senior management as part of this role.

- Business operations - Under the direction of the board, the CEO and management operate the firm with the goal of creating long-term value.
- Strategic planning - With significant assistance from the board, the CEO and senior management typically take the lead in outlining a vision for the firm's future and establishing strategic goals meant to increase long-term value for the organization. Following board approval, management puts the plans into action, meets regularly with the board to examine progress made in relation to the strategic plans, and makes any required recommendations for and adjustments to the plans.
- Capital allocation - The CEO and senior management are in charge of making recommendations to the board regarding the capital allocation of the company's resources, including but not limited to organic growth, mergers and acquisitions, divestitures, and spin-offs, as well as the maintenance and expansion of its physical and non-physical resources and the appropriate return of capital to shareholders in the form of dividends, share repurchases, and other capital distribution methods.
- Identifying, evaluating and managing risks -The company's management recognizes, assesses, and manages the risks involved in carrying out its business operations and strategic initiatives. The company's risk appetite is another factor that management

considers when determining if these risks and corresponding risk management initiatives are acceptable. The board and pertinent committees are kept up to date by senior management on the key risks facing the company and its risk management procedures.

- Accurate and transparent financial reporting and disclosures - The organization's management is in charge of maintaining the accuracy and timeliness of the company's financial reporting system as well as the financial statements and related disclosures. Establishing, maintaining, and periodically evaluating the company's internal controls over financial reporting and the company's disclosure controls and procedures, including the capability of such controls and procedures to detect and deter fraudulent activity, are management's responsibilities under the direction of the CEO and the company's principal financial officer.
- Annual operating plans and budgets - The company's annual operating plans and budgets are created by senior management and presented to the board. The management staff puts the operating plans and budgets into action, monitors them, makes modifications in light of shifting circumstances, presumptions, and expectations, and informs the board of material developments and alterations.
- Selecting qualified management, establishing an effective organizational structure and ensuring effective succession planning - Senior management makes hiring decisions based on qualifications, establishes organizational structures, and creates and implements strategic succession planning and career development plans that are appropriate for the business.
- Business resiliency - In light of the company's operations, management creates, implements, and re-evaluates plans for business resilience that offer the most crucial protection.
 - *Risk identification* - The management of the organization analyzes the main business and operational risks, such as those related to regulatory changes, leadership voids, physical security, cybersecurity, and other issues.
 - *Crisis preparedness* - Management collaborates with the board to identify circumstances (such as a crisis involving senior management) in which the

board may need to take on a more active response role. Management creates and implements crisis readiness and response strategies.

However, since the directors of corporate businesses manage other people's money rather than their own, it cannot be reasonably assumed that they will keep an eye on it with the same level of worry that private co-partners routinely exercise. Like stewards of a wealthy man, they frequently view attention to minor issues as unimportant to their master's honour and very readily excuse themselves from maintaining it. In the management of the business of such a firm, negligence and profusion must thus always predominate, more or less. — Adam Smith, as cited by Jensen and Meckling (1976).

Given the key responsibilities of the CEO and senior management as cited above, it is pertinent to note that all the responsibilities above were negatively impacted by the advent of COVID-19, and management teams had to take initiatives, or think outside the box, to come up with relevant solutions, not just to keep the company afloat, but to ensure its survival into the future.

In the case of ZUPCO, government measures such as lock-downs negatively affected business operations as the bulk of its fleet was grounded, save for a small number that was deployed to ferry workers in sectors deemed to be essential services. The need to increase expenditure on protective equipment and chemicals also meant revision of budgets and the re-allocation of funds to expenditure lines that had not been foreseen at the budget preparation and presentation stages.

On business resilience, management had to identify new risks brought about by the pandemic, such as the potential loss of skilled manpower to the plague, compliance risks presented by new regulations promulgated by the government in its efforts to curb the spread of the virus, and at the same time, the company had to put in place contingency plans to ensure all critical positions had a potential successor in place in the event that the incumbent succumbed to the pandemic.

2.3.4 The Agency Theory and Corporate Governance

The division of an organization's ownership from its management has led to a lot of debate over how to best align the interests of the managers and owners. When he claimed that the division of ownership and control provided weak incentives for managers to run the organization effectively, Adam Smith raised this issue as early as 1776. The classic work by Berle & Means (1932), which identifies the agency problem in contemporary organizations as

one emerging from the separation of ownership and control, serves as the theoretical foundation for the majority of the present framework for corporate governance.

This has been expressed by the authors' own statements; "It has often been said that the owner of a horse is responsible, if the horse lives he must feed it; if the horse dies he must bury it. No such responsibility attaches to [the owner of] a share of stock. The owner is practically powerless through his own efforts to affect the underlying property. The spiritual values that formerly went with ownership have been separated from it...the responsibility and the substance which have been an integral part of ownership in the past are being transferred to a separate group in whose hands lies control."

The essence of the agency problem is the separation of management and finance, or, as has defined in more standard terminology, as the separation of ownership and control, Shleifer and Vishny (1997). In a business organization, an entrepreneur, or a manager, raises funds from investors to put them to productive use. While the investors need the manager's specialized human capital to generate returns on their funds, the managers need the investor's funds since he does not have enough capital of his own to invest. The investors' dilemma is how to ensure that, once they put in their funds, they would not be left holding a worthless piece of paper issued by the manager.

When viewed in this light, the agency problem refers to the challenges faced by investors in ensuring that their money is neither stolen or thrown away on unattractive ventures. In order to develop a theory of the ownership structure of the firm, Jensen and Meckling (1976) integrated elements from agency theory and property rights. They defined agency costs as consisting of the principal's monitoring costs, the agent's economic bonding costs, and the residual economic loss.

Shleifer et al. (1997) described corporate governance as "... how to convince financiers that they get a return on their investment" as a method that historically developed to address the agency problem. At that time, the majority of the material they read concentrated on what is known as the Anglo-Saxon model, which is primarily employed in the UK and the USA and is where businesses are more similar to the Berle and Means view of the world.

Other available literature contends that the interaction between principals, such as shareholders, and agents, such as firm leaders and managers, is described by the term "agency theory" (Jensen and Meckling, 1976; Eisenhardt, 1989; Fadun, 2013). Agency theory asserts that human nature

is rooted in economic rationality (Davis et al., 1997). Agency theory, which has its roots in economics, contends that agents would favour opportunistic self-interest over behaviour that maximizes the interests of the principal (Jensen and Meckling, 1976). Stewardship Theory: Donaldson and Davis (1991) created Stewardship Theory as a fresh way to look at how the ownership and management of a firm are currently connected (Pastoriza and Arino, 2011).

According to this idea, there is no conflict of interest between managers and owners, and the purpose of governance is to identify the structures and procedures that will allow for the best possible coordination between the two sides (Donaldson, 1990).

The connection between principals (such as firm shareholders) and agents is defined by agency theory (such as directors of company). This notion states that the company's owners employ the agents to carry out tasks. The directors or managers, who are representatives of shareholders, are given the task of managing the company by the principles. The shareholders anticipate that the agents will act and choose in the principal's best interests. On the contrary, it is not required that the agent decide in the principals' best interests.

The agent could give in to self-interest and opportunistic behavior and fail to live up to the principal's expectations. Separation of ownership and control is the main component of agency theory. According to the principle, individuals or workers should be held accountable for their duties and commitments. Agents' priorities can be adjusted through rewards and penalties.

2.3.5 Stakeholder Theory

In their study, Shleifer et al. (1997) also looked at the Japan-Germany model, two nations where institutional and corporate block holders have developed an alternative framework for corporate governance and play a significant role in monitoring. This strategy, known as the stakeholder view of corporate governance, is frequently associated with Japanese and continental European practice, most closely with German practice, where custom has long required that a company's bankers and large-block shareholders have seats, and where law has long required that half the seats on supervisory boards go to representatives of the workforce.

Stakeholders are "any group or individual who can affect, or is affected by, the achievement of a corporation's goal," according to Freeman (1994), who defined them in the theory of corporate governance.

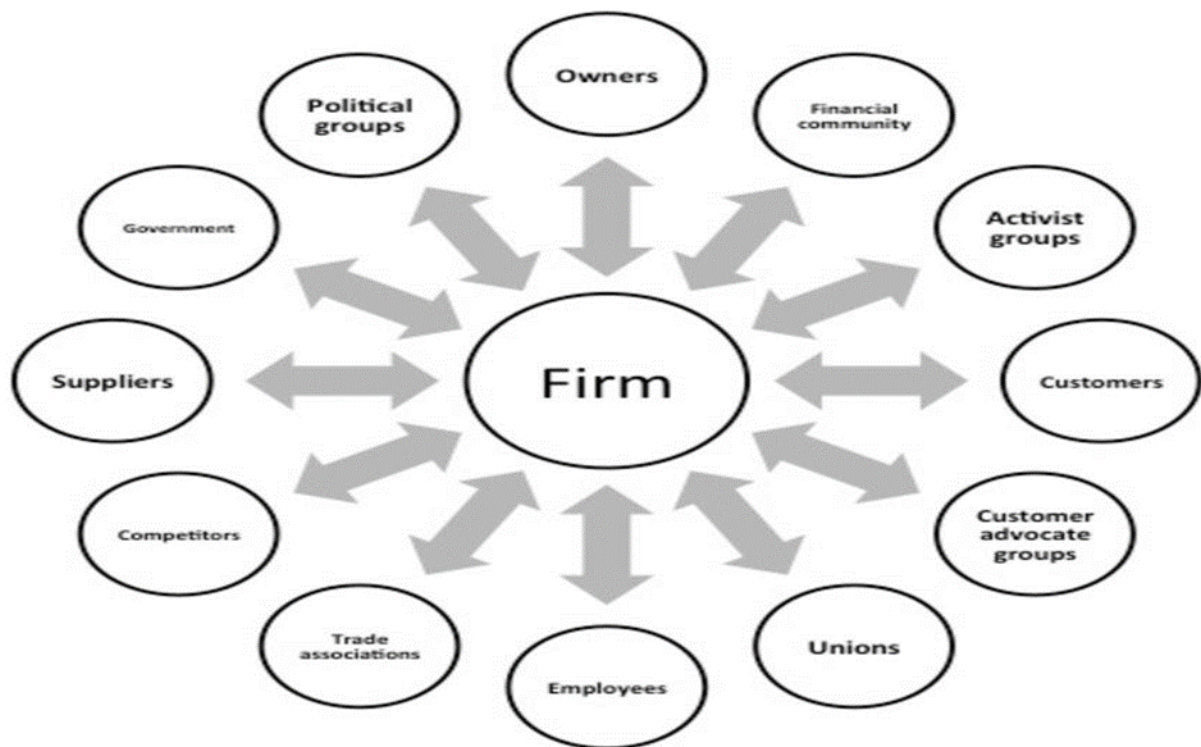


Figure 2.1: Freeman's generic stakeholder map (Source: Papaioannou and Pettersson, 2012)

This developed partly as a result of the expanding understanding of the complexity of strategy and the realization that, contrary to earlier beliefs, a corporation wasn't just a system of production where strategy was largely focused on products and the means to manufacture them. Ansoff's (1987) ideas from the 1960s to Michael Porter's (1980) ideas about industry analysis from the 1980s to Kaplan and Norton's (1992) work on balanced scorecards from the 1990s are examples of this approach. Instead, there was a growing appreciation that corporations created value through the complex interaction of various networks of relationships.

Two key issues posed by Freeman articulate the stakeholder theory's focus (1994). What is the firm's goal, is the first query? This incites the firm's managers to express the shared understanding of the value they produce and what unites its key stakeholders, propels the business forward, and enables it to produce remarkable performance, as measured by both its mission and market financial measures. The second question posed by the stakeholder theory is: What obligations does management have to its constituents? This forces managers to clearly state their preferred methods of operation, in particular, the kinds of connections they need to establish with their stakeholders in order to fulfil their objectives.

More and more evidence points to a shift toward a more inclusive form of governance that, while emphasizing the need to create shareholder wealth, be accountable to all stakeholders,

and distribute money fairly, is also mindful of society's more general requirements. The size and scope of corporate frauds and scams in the 21st century have also amply demonstrated that businesses, in the pursuit of their profits, cannot afford to disregard their impact on the dimensions of their interface with the environment and the society in which they operate.

According to Balasubramanin (2008), Mahatma Gandhi was one of the most prominent proponents and interlocutors of such a model in contemporary times. There is actually a significant amount of knowledge and guidance available in the Indian tradition that would serve as the groundwork for such a framework. He continues by arguing that the Gandhian principles of stewardship, truth, nonviolence, and satyagraha (or truth-force) not only align perfectly with modern expectations of corporate stewardship, which stand for looking after other people's money and resources entrusted to the care of corporate directors and executive management, but also go much further than those expectations.

Incorporated into the management discipline in 1970, stakeholder theory was steadily refined by Freeman (1984) and included corporate accountability to a wide range of stakeholders (Abdullah and Valentine, 2009). Stakeholders are the group of constituents that have a legal claim against the company (Freeman, 1984). This paradigm emphasizes managerial or strategic decision-making and contends that no particular group of stakeholder interests is deemed to be more important than any other (Donaldson & Preston, 1995).

Stakeholder theory emerges as a result of the agency theory. All individuals, groups, or organizations that affect or have an impact on a company's operations are referred to as stakeholders. It concerns: the company's owners, shareholders, investors, workers, clients, vendors, business partners, rivals, federal, state, and local governments as well as NGOs, pressure organizations, local communities, the press, and others. Each of these elements interacts and has an impact on how a firm does business. Milton Friedman (1970) believed that maximizing financial performance for shareholders was the top concern of a corporation. Stakeholder Theory modified this belief between 1980 and 1990. Freeman (1984) created the stakeholder theory, which focuses on how corporate responsibility is viewed in relation to distinct stakeholder groups.

2.3.6 Stewardship Theory

According to the steward theory, a steward maximizes and preserves shareholders' wealth through corporate performance. Stewards are corporate leaders and managers who aim to protect and maximize shareholder returns. When organizational success is realized, the

stewards feel satisfied and inspired. It places emphasis on the responsibility of employees or executives to behave with greater independence in order to maximize profits to shareholders. The workers faithfully perform their jobs and take ownership of them.

Although it only has a temporary impact there, stewardship theory describes the function of management leadership in preserving and enhancing the value of the organization. The underlying premise of stewardship theory, which has roots in the fields of psychology and sociology, is that managers are trustworthy, effective, and responsive individuals who are good managers of the resources entrusted to them. This theory holds that "an administrator preserves and maximizes shareholders' wealth, hence maximizing the utility functions of shareholders," according to Schoorman & Donaldson (1997). From this angle, directors and managers seek to increase the wealth of shareholders on behalf of shareholders.

The steward hypothesis asserts that when faced with a comparative situation, managers under the stewardship theory will act in the company's best interests, in contrast to the agency theory, which holds that managers are more likely to act in their own interests than those of the owners when presented with a conflict of interest.

The Y Theory, which assumes that managers are rational creatures and that there is no need to overly watch their behaviour as the agency theory assumes, is notably tied to the creation of work motivation theories by McGregor in the 1960s. In 2007, Nicholson and Kiel Fulop (2011) asserted that while the steward theory values the board director structure, it must include interns from the firm because they are best positioned to understand its issues and respond appropriately. If the board of directors primarily includes outsiders, they won't respond as quickly to the business's ongoing issues.

2.3.7 Resource Dependency Theory

Pfeffer and Salancik first developed the resource dependence theory in 1978. This method's basic tenet is that organizations try to assert control over their surroundings by appropriating resources necessary for survival (Pfeffer and Salancik, 1978; Duztas, 2008). The focus of resource dependency theory is on how the board of directors can give the organization access to the resources it needs while minimizing uncertainty (Pfeffer and Salancik, 1978; Abdullah and Valentine, 2009; Fadun, 2013).

The Resource Dependency Theory concentrates on the function of the board of directors in providing the firm with access to resources. It claims that through their connections to the

outside world, directors are crucial in securing or supplying vital resources to an organization. The availability of resources improves organizational performance, a firm's ability to compete, and its ability to survive. The directors provide the company with resources like knowledge, expertise, connections to important stakeholders like vendors, customers, public policy makers, and social groups as well as credibility. Directors can be divided into four groups: community influencers, business experts, support specialists, and insiders.

This Resource dependency model is an explanatory model of organization activities that emphasizes the fact that they are open systems and the environment in which they operate and the social relations are the basis in decision making about resources allocation. In this context, Pfeffer and Salancik (1978) highlighting the resource dependence perspective on inter-organizational behaviour, argue that: "To understand the organization behaviour you must understand the context in which that behaviour occurs [...] this is understandable from the perspective that organizations' activity is inevitably linked with the environmental conditions in which they operate." Hillman, Canella and Paetzold (2000) argue that the resource dependence theory focuses on the role that managers play in providing essential resources for the organization in relation to the external environment.

According to studies by Hillman, Canella, and Paetzold (2000), managers contribute to the decision-making process through knowledge resources, expertise, and access to important business partners including suppliers, creditors, the government, social organizations, etc. A business' managers can be divided into four groups, using Abdoullah & Valentine's (2009) classification:

- a) "insiders", meaning the current and former managers of the company offering expertise in specific areas of the company such as finance and law;
- b) "business experts", meaning the managers of big companies who provide expertise in business strategy, decision-making and solving economic problems facing the company;
- c) "support specialists" represented by lawyers, bankers and insurance companies, public relations experts and all those experts who provide specialised support in their individual specialization area;
- d) "community influential", meaning political leaders, academic leaders, religious leaders or social and community organization leaders. From the point of view of allocated internal resources the power engaged in the process of allocated resources can be stronger or weaker

and it depends on the extent to which managers belong to one of the four categories listed above.

2.3.8 Transaction Cost Theory

Cyert and March (1963) were the first to introduce the concept of transaction costs, and Williamson (1996), who was cited by Abdullah and Valentine, went on to theoretically explain and disprove it (2009). The study of governance known as "transaction cost economics" is focused on identifying, explaining, and minimizing all types of contractual risks (Williamson, 1996). This idea was created to make it easier to compare the costs of task planning, adaptation, and completion monitoring across various governance models (Williamson, 1985). Additionally, he emphasizes that three environmental factors—uncertainty, a lack of trading activity that compromises discipline, and asset selection—are the main causes of transaction costs. According to Williamson, these factors influence the governance structure that is selected for the transaction.

According to transaction cost theory, a corporation enters into several contracts with both its own customers and other businesses in order to generate value for the business. Each contract you enter into with an outside party carries a cost known as a transaction cost. If using the market has a higher transaction cost, the business would do the transaction itself.

Transaction cost theory explicitly incorporates the idea of corporate governance, in contrast to agency theory. (Fulop, 2011) According to this view, the corporation has a hierarchical structure that is comparatively effective and acts as a framework for managing the contractual ties. "To explain the transactions undertaken in terms of the efficiency of governance systems" is the primary goal of transaction cost theory, Wieland (2005). The idea of "transaction costs" was first coined by Ronald Coase, who instead of using the term explicitly in his 1937 article *The Nature of the Firm*, established the judgment about a firm's existence by referring to the "cost of employing the price mechanism" (Coase, 1988).

By highlighting the expenses associated with coordinating production through market channels (contracting by market), Coase supports his claim regarding the nature of the company. So some spending can be cut by setting up an entity that is in charge of allocating resources. Kenneth Arrow goes on to establish transaction cost theory, defining transaction costs as "running costs of the economic system." (Arrow, 1969). The creator of transaction cost economics, Williamson, later stated that "the study of governance includes: recognizing, explaining and opposing all sorts of dangerous contracts" (Williamson, 1996).

2.3.9 Political Theory

The Political philosophy advocates for gaining shareholder support for voting, rather than buying it (Abdullah and Valentine, 2009; Fadun, 2013). At a macro level, the political model of corporate governance acknowledges how the government distributes corporate power, privileges, and profits among owners, managers, and other stakeholders through a variety of constituencies.

Political theory suggests that shareholders should be encouraged to support voting rights rather than buying them. It emphasizes how government favour determines how corporate power, profits, and privileges are distributed.

For these reasons, the political influence of corporate governance procedures was covered in several definitions of corporate governance. Corporate governance, for instance, is described by Cosma (2012) as the "discipline of economics that investigates how organizations can become more efficient by leveraging the institutional structures such as the constituted act, organizational chart, and legal framework". Political theory relates to political influence on corporate governance, which can be seen in the government's ownership of stock or the legislation that political bodies pass that have a big impact on corporate governance. The political model places a strong emphasis on government favours given to businesses when making decisions on how to divide their power, profits, or other advantages (Abdoullah & Valentine, 2009).

For instance, when it comes to dividend policy, there may be regulatory requirements that place a special emphasis on dividends as a potential instrument for resolving agency issues associated to holding shares. In this regard, nations like Brazil, Chile, Columbia, Greece, and Venezuela enact laws requiring dividend payments. The significance of the judicial system varies by nation. As a result, various boards that offer suggestions for bettering the corporate governance techniques employed by the board of directors have been established in the UK. (2008) Ileana.

2.3.10 Ethics Theory

According to Abdullah and Valentine (2009), business ethics theory focuses on business activities, decisions, and situations where the right or wrong are addressed. Virtue ethics theory is concerned with moral value, goodness, charity, and good character. Feminist ethics theory emphasizes empathy, healthy social relationships, loving care for one another, and the avoidance of harm (provides a holistic style in which firm may focus on goal accomplishment and addresses the inner feeling which is beyond the facial value).

The authors have identified the ethical theories that can be closely related to corporate governance in addition to the fundamental theories of corporate governance such as agency theory, steward theory, stakeholder theory, resource dependence theory, transaction cost theory, or political theory. These are related to discourse ethics theory, business ethics theory, virtue theory, feminist theory, and postmodern ethics theory. (Abdoullah & Valentine, 2009).

2.4 Conceptual Framework

From the seven (7) corporate governance theories detailed above, which are namely; Agency; Stakeholder; Steward; Transaction Cost; Resource dependency; Political and Ethical theories, several have a direct impact on the performance of senior management whilst others have a higher bearing on the board. My research will however focus on stakeholder theory since it is the one with a significant influence on senior management performance on companies such as ZUPCO, that serve the public under COVID-19 conditions.

Operating under COVID-19 conditions presented challenges to senior management in that they were expected to uphold the seven tenets of good corporate governance, namely: 1) Discipline; 2) Transparency; 3) Independence; 4) Accountability; 5) Responsibility; 6) Fairness and 7) Social responsibility [Code of Best Practice of Corporate Governance – OECD] as they strived to meet the diverse expectations of all the company's stakeholders under very difficult COVID-19 conditions.

This research will therefore seek to establish the extent to which senior management at ZUPCO upheld the codes of best practice corporate governance under the COVID-19 operating environment.

2.5 Chapter Summary

Traditionally, businesses started as sole traders and partnerships, but as they expanded and grew bigger, it became more and more difficult for business owners to continue running the businesses on a day to day basis. This resulted in the formation of corporates, which were companies with a legal persona of their own which were run by business managers under the supervision of boards of directors who were representing the shareholders, and this created its own challenges as the shareholders had to ensure the employed managers and the elected boards of directors were representing, and making decisions that were in the best interests of the shareholders and the long-term survival instead of pursuing their personal interests. The need to strike such a balance marked the beginning and basis for corporate governance.

Initial stages of corporate governance were characterised by recommendations in the form of codes by experts in various fields, but financial crises and corporate failures caused by weak legislation, financial indiscipline and outright corporate fraud saw governments strengthening corporate governance, with the USA taking the first steps at legislating the field through the Sarbanes-Oxley (SOX) Act. The UK had several codes such as the Cadbury and Green-bury, whilst SA had the King's Report. Our own Zimbabwe took the first steps towards legislation by providing corporate governance guidelines for state-owned entities in 2010 and the Public Entities Corporate Governance Act (2020).

The year 2019 witnessed the outbreak of the COVID-19 pandemic with catastrophic consequences on the world economy that was characterised by company closures and down-sizing, a significant number of employees laid-off, and the world's economy going into depression.

These challenges required corporates to come up with novel ways of anticipating and timely mitigating risks, whilst at the same time providing adequate information to re-assure all stakeholders that their interests in the company was safe, and in the absence of face-to-face meetings, companies had to adopt new technologies to facilitate virtual meeting over the various internet platforms the provided the service.

This chapter therefore sought to explore the corporate governance challenges presented by COVID-19 and the roles of the different players in the corporate governance matrix, such as the Shareholders, the Board, the Executive and Senior Management in addressing these challenges.

RESEARCH METHODOLOGY

3.0 Introduction

This chapter explains the data collection methods and the statistical techniques applied towards the delivery of the outcomes of this research. It also presents the methodology applied for the research project, the project limitations, data collection methods used, data analysis and the research design.

3.1 *Research Design - Case Study*

There are several known qualitative research designs, namely Ethnography (Study of theory & culture of a group of people), Phenomenology (Study of individual experiences of events such as the experience of TB therapy or AIDS care), Grounded theory (Going beyond adding to the existing body of knowledge to developing a new phenomenon), Participatory action Research (Individuals or groups researching their own personal being, socio-cultural setting and experiences) and finally Case study (In-depth investigation of single or small number of units over a period in time).

Research design, according to Creswell and Clark (2017), is the general method an empirical researcher uses to select and combine various research components in a distinctive, coherent, systematic, logical, and sequential way in order to fully address the research problem. By defining research design as a method of accurately creating pertinent instructions and guidelines which are pertinent in addressing the main research problem and or phenomena, Mouton (2014) provided weight to the definition. Similar to how Yin (2014) put it, research design is the "glue" that holds the entire research project together because it precisely gives a scientific researcher a very logical and systematic sequence that subsequently forges a strong connection between the study's goals and objectives, research questions, research problem, research methods, and the final conclusion. According to Astuti, Nurjannah, and Mulyani (2018), it is crucial to make sure that the research design being employed is sufficient to appropriately support the research philosophy for a study to achieve academic rigor.

Given the above classifications of qualitative research designs, this project is a qualitative research falling under the Case Study bracket because it will study best practices of corporate governance at the Zimbabwe United Passenger Company (ZUPCO) only instead of the whole

transport industry. I will conduct the research by way of survey where I will interview all senior management at ZUPCO since this is the management team that supports the CEO in policy implementation on a daily basis as well as making the necessary recommendations to the board where policy changes are necessary.

3.2 Research approach

Research using quantitative, qualitative, and mixed approaches are the three main research tactics. Qualitative research, as defined by Bryman and Bell (2014), is a planned, ordered, and open style of inquiry that is firmly based on lived experiences and is utilized by researchers in an effort to comprehend reality while being led by both the interpretive and naturalistic approach. Contrarily, a quantitative research method is one that primarily comprises gathering data that can be described in numerical terms and subjecting it to statistical analysis with the intention of confirming or disconfirming a certain hypothesis, according to Joslin and Muller (2016). The application of both quantitative and qualitative research techniques in a single study is known as "mixed methods research" (Creswell, 2015).

Qualitative research is the development of concepts which help us to understand social phenomena in natural settings, giving due emphasis to the meanings, experiences and views of the participants. (Pope & Mays, BMJ 1995; 311:42-45).

The qualitative research approach, as opposed to the quantitative approach, was applied in the investigation.

3.3 Target population

ZUPCO's senior management consists of a team of ten (10) Heads of Departments (HoDs) who report direct to the CEO and make presentations direct to the board's various sub-committees responsible for their fields. these senior managers will constitute the research population because they are responsible for decision-making as well as enforcing the company's policies on a daily basis.

3.4 Sampling technique

Target population was defined by Saunders et al. (2016) as a complete set of cases from which a sample was drawn by the researcher to answer the study topic. Similar to this, Tran (2016) described a target population as a collection of elements—which could be people, things, or

events—that meet certain criteria and for which the researcher hopes to generalize the results of the study. Rahi (2017) defined a target population in the same context as a large group of persons or instances from which a researcher seeks to gather data. Several sampling techniques exist, such as the following:

Random sampling:

Every member of the target population has an equal chance of being chosen to participate as the final study sample using the probability sampling approach known as simple random sampling (Eyisi, 2016). Therefore, the absence of bias yields a balanced sample size suitable for producing results that are reliable (ibid). According to Creswell (2015), simple random sampling is distinguished from other sampling methods by having a high degree of simplicity. Ruzvidzo (2021) employed a straightforward random sampling technique in his investigation of the Covid-19 implications in Zimbabwe and produced reliable research findings, so this sampling method is a reliable, scientific, and time-tested probability sampling method.

Stratified Random Sampling

In the probability sampling technique known as stratified random sampling, a heterogeneous target population is cleanly divided into small homogeneous subgroups (stratum) in order to ensure that no subgroup in the target population is overrepresented or underrepresented (Schwab-McCoy, 2019). OECD (2020) conducted a prior study on the impact of COVID-19 that covered Africa, Europe, and Asia and used the stratified random sampling technique to get reliable research results.

Because of the small number of senior managers running the company, the research will target all the managers, making it a 100% test.

3.5 Sample size determination

Sampling is the method of choosing people who will respond to the study instrument (Muza, 2018). According to Rahi (2017), sampling is the process of choosing a subset from the selected sampling framework, where the sampling framework is the whole list of the real cases that must be included in the sample. Probability sampling refers to sampling methods that give every member of the study's target population an equal chance to participate (Sarstedt et al.,

2017). According to Burns, Bush, and Sinha (2014), because probability sampling approaches are more systematic, scientific and logical, it is quite simple to build a sample using them.

ZUPCO has ten (10) departments, each headed by a senior manager, and these are namely the:

- Finance Manager
- Human Resources Manager
- ICT Administrator
- Administration Manager
- Audit Manager
- Procurement Manager
- Properties & Estates Manager
- Legal Manager
- Chief Security Officer
- Risk Manager

Because of their small number (10), all the senior managers were requested to respond to the Questionnaire, of which nine out of ten responded. This response rate (90%), according to Chiswe (2022) is sufficient for a researcher to produce valid results.

3.6 Research Instrument

A tool used for gathering data is a research instrument (Brown et al., 2021). A structured questionnaire was utilized in the study to gather information from participants. According to Stuart and Yu (2019), a questionnaire is a method of data collection used to provide study participants with answers to a set of questions. When they stated that a questionnaire is a tool used by a researcher to pose rationally ordered questions to participants so that they can respond and so enable him or her to resolve the research problem, Akinci and Saunders (2015) also echoed similar ideas.

The research used the questionnaire approach because it guarantees respondent anonymity, encouraging participants to answer the questions honestly, and allows respondents to complete the questionnaires at their convenience (Bryman & Bell, 2015). The questionnaire method does have certain restrictions, though. These include unanswered questions, questionnaire fatigue, and dishonest replies (Karimbika, 2021). Participants were assured that their anonymity would

be maintained and the study would only be used for academic reasons in order to lessen the influence of these restrictions on the study.

The Questionnaire used in the research was adopted mainly from a Corporate Governance Questionnaire prepared by Dr. M. Shah, Bakhta University, year 2020/2021 [<https://www.studocu.com/row/document/bakhtar-university/financial-management/corporate-governance-questionnaire/6814197>].

3.7 Data Collection & Analysis

For data collection, I used a Structured Questionnaire that was circulated to all ZUPCO senior managers. I also carry out a literature review to gain an appreciation of what other researchers before me had gathered in this field of study, and the views they have given on the subject matter.

In addition, I also reviewed the various laws that have been promulgated by government to enhance sound corporate governance practices within our corporates, especially state-owned entities and parastatals. The various codes of corporate governance best practices were also reviewed.

Data collected from study participants was analysed using the Statistical Package for Social Sciences (SPSS) version 25, which is a very popular user-friendly statistical package used across the globe which enabled this researcher to easily and quickly display the results (output) and the interpretation of such results was characterised by high degree of simplicity (Chikanda, 2019).

3.8 Limitations

The research will only focus on the application of codes of corporate governance best practice by senior management who are currently within the structures of the organisation. Those who have since left will not be included, but I don't expect this limitation to affect the research outcome.

3.9 Delimitations

Corporate governance structures include an organisation's Board of Directors, Executive Management, Senior Management and Line Management.

This research will however focus on Senior Management as this is the level directly responsible for policy formulation and implementation.

3.10 *Ethical considerations*

A person's right to privacy and confidentiality is protected by law and ethical principles alike. Participants in research are not an exception. Because of this, the researcher has a moral and legal obligation to protect the study participants' rights. The confidentiality, anonymity, and privacy of the participants were carefully considered. All information gathered from study participants was kept secure in a locked drawer to which only the researcher has access. During the data gathering procedure and in the final report, the names of participants were not revealed. In order to guarantee that the respondent anonymity principle was respected in its entirety and to safeguard participants against any unanticipated possible harm, self-identifying comments were completely avoided on the questionnaire.

All information received from Questionnaire Respondents is confidential, and strictly under no circumstances will it be disclosed to third parties. Respondents are also not compelled to fill-in their names on the Questionnaire.

3.11 CHAPTER SUMMARY

This chapter details the research methodology employed for this project, and this includes the research design, sampling techniques employed, the instruments used for the research, a list of the research participants. In addition, the chapter also explains how the collected data was analysed. Given the need to safeguard and protect participants' privacy, ethics were also taken into account during the data-gathering process.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

The chapter presents data collected from participants on enquiry into the codes of corporate governance best practices during COVID-19 at uppermost management level using a case study of ZUPCO. The study begins with a response rate analysis. This is followed by analysis of the demographic profile of participants. The next section analyses and discusses responses to each of the four study objectives.

4.1 Restatement of objectives

The study sought to achieve the following study objectives.

4.1.1 To determine whether Senior Management at ZUPCO adhered to the Codes of Corporate Governance best practices during COVID-19.

4.1.2 To establish the extent to which ZUPCO's senior management appreciates the importance of the codes of corporate governance best practice.

4.1.3 To determine whether senior management at ZUPCO is committed to the codes of corporate governance best practice.

4.1.4 To determine whether ZUPCO as an organization has taken any initiatives towards creating an awareness for codes of corporate governance best practice amongst its senior management.

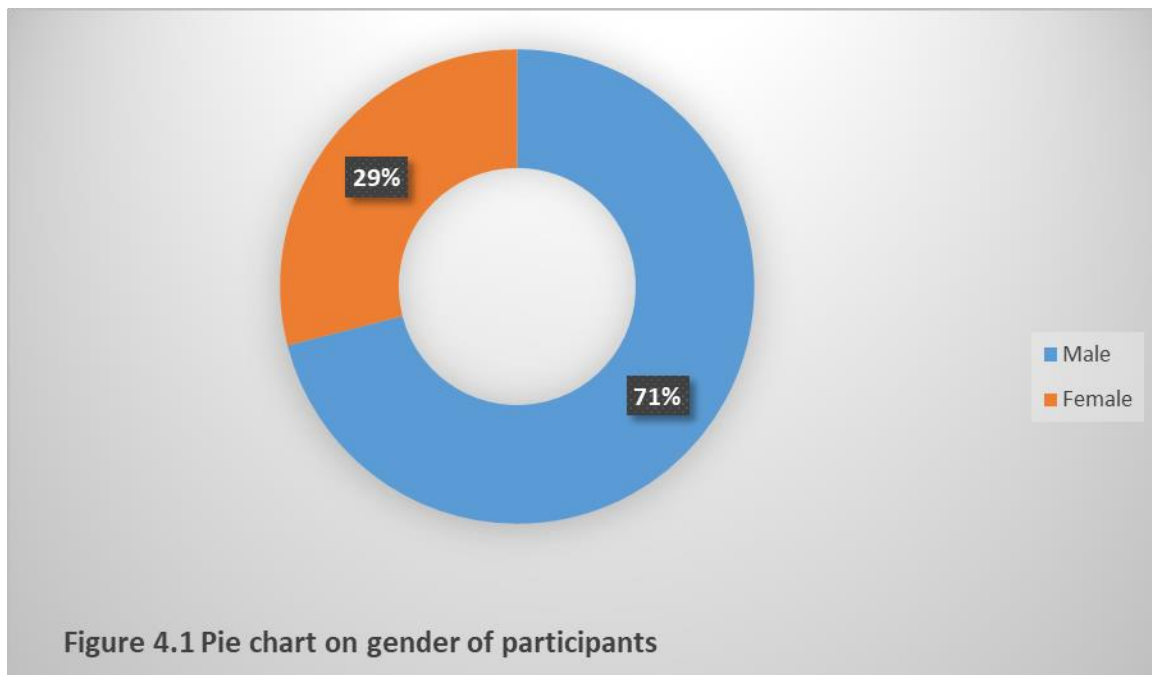
4.2 Response rate analysis

The study dispatched ten questionnaires to all the ten most senior managers at ZUPCO. A total of nine questionnaires were filled and returned to the researcher. That translated to a response rate of 90%. Chiswe (2022) stated that a response rate of at least 50% is large or sufficient to warrant the researcher of valid results. Hence, this study with a questionnaire response rate was large enough to pass the generalisation test.

4.3 Demographic profile of participants

This section focuses on gender and work experience of study participants and their implication on the study.

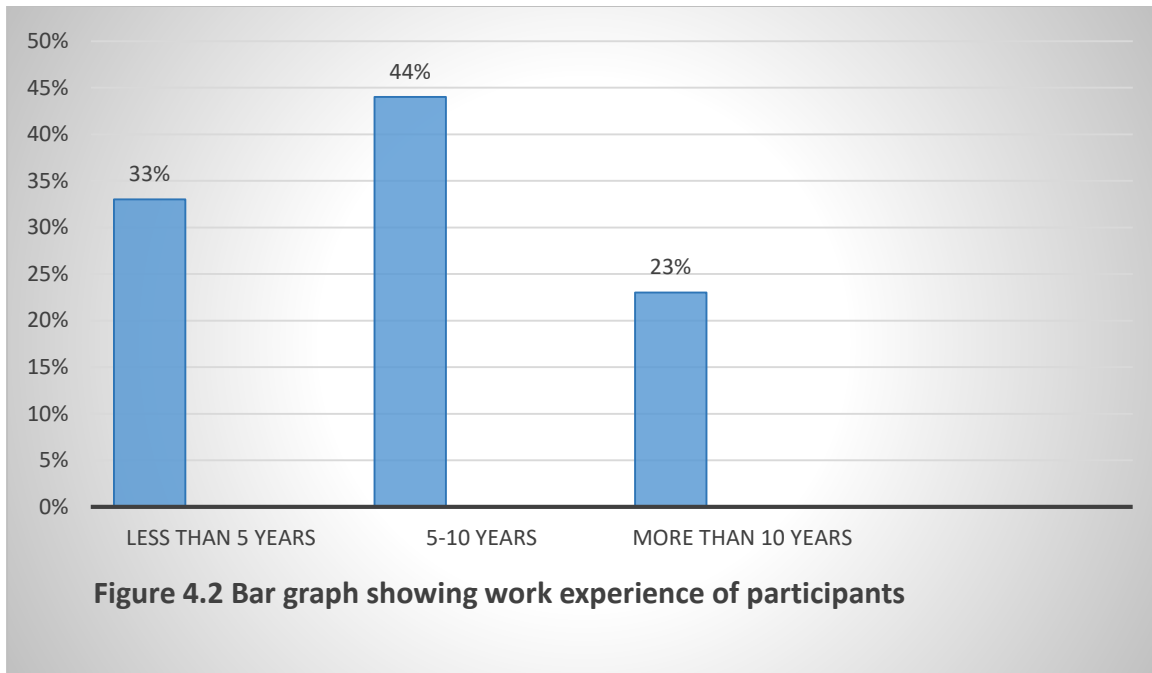
4.3.1 Gender of participants



Source: Primary data (2022)

Figure 4.1 shows that 71% of the participants were male while 29% were female. The result showed that there is male domination on executive positions. This shows gender inequality that needs to be addressed at ZUPCO. It reinforces the position that there is no gender diversity at workplace at the parastatal. Despite the gender disparity the study managed to gather views of both male and female on enquiry into the codes of corporate governance best practices during COVID-19 at uppermost management level at ZUPCO.

4.3.2 Work experience of participants



Source: Primary data (2022)

Figure 4.2 shows that 44% of the participants have worked at ZUPCO for 5 to 10 years, 33% worked at the parastatal for a period of less than 5 years and 23% worked at ZUPCO for the period exceeding a decade. The result showed that majority of the participants have worked at ZUPCO before and during the Covid-19 era, hence they were able to articulate well the level of compliance by the parastatal with the codes of corporate governance best practices during COVID-19 at the parastatal.

4.4 Assessment of whether Senior Management at ZUPCO adhered to the Codes of Corporate Governance best practices during COVID-19.

The first study objective sought to determine whether Senior Management at ZUPCO adhered to the Codes of Corporate Governance best practices during COVID-19. Results are presented on table 4.4 below.

Table 4.4 on whether Senior Management at ZUPCO adhered to the Codes of Corporate Governance best practices during COVID-19.

Statements	Y	N
Are board members and management staff responsibilities clearly spelt out in writing? (Responsibility)	89%	11%
Is there a Remuneration committee? (Remuneration)	100%	0%
Did the company experience reduced salaries and benefits during the COVID19-induced national lockdown? (Remuneration)	100%	0%
Did senior management hold regular meetings during the COVID19-induced national lockdown? (meetings)	100%	0%
Does the company inform its workforce about COVID-19? (Information disclosure)	100%	0%

Y=Yes, N=No

Source: Primary data (2022)

From results presented on table 4.4 showed that 89% of the study participants concurred that board members and management staff responsibilities clearly spelt out in writing. However, 11% of the respondents objected to the statement. The results showed that to a large extent ZUPCO is adhering to the codes of corporate governance that include the King 111 which requires board members and management staff responsibilities to be clearly spelt out. This helps to check on accountability. Management is accountable to the board. The board is accountable to the shareholders. Hence, the key principles of accountability and responsibility are promoted at ZUPCO.

Results on the table also showed that all participants concurred that there is a remuneration committee. This is in line with Higgs report, Combined code, Cromme code and King 111 code of corporate governance that require every board to have among its committees the remuneration committee responsible for designing executive remuneration and reviewing the terms and conditions of executive employment. A follow up question showed that all members of the remuneration committee are independent and non-executive as pronounced by the codes of corporate governance. This reduces conflict of interest as an executive cannot award himself or herself remuneration. It can therefore be inferred that to a larger extent, Senior Management at ZUPCO adhered to the Codes of Corporate Governance best practices.

Findings presented on table 4.4 showed that all respondents agreed that senior management hold regular meetings during the COVID19-induced national lockdown. The results showed that despite the pandemic managers of ZUPCO continued to regularly meet in line with codes of corporate governance. Hence, it can be inferred that Senior Management at ZUPCO adhered to the Codes of Corporate Governance best practices during COVID-19. The King 111 codes of corporate governance recommends managers to regularly meet to discuss viability of the entity and put in place adequate internal controls which ensures that the business remain a going concern.

It can also be observed on table 4.4 that, respondents concurred that the company inform its workforce about COVID-19. The result shows that in line with combined code and King 111 code of corporate governance that promote transparency through information disclosure to both internal and external stakeholders, ZUPCO achieved a milestone. ZUPCO spread information on risks faced by the company and its employees due to Covid-19 and this was successfully done. Codes of corporate governance also require the audit and risk committee to mitigate risks that are likely to be faced by the organisation. A follow up question asked if the company's buses fumigated, and passengers' temperatures taken to protect customers and bus crews from COVID-19 infections and all respondents agreed which clearly show that the business has put in place measures to mitigate health risks that could potentially harm the business during the Covid-19 era.

The generally high compliance to codes of corporate governance during the Covid-19 era was supported by Yu et al. (2020) and Ho (2020) who concurred that during the Covid-19 era, a large number of parastatals continued to do meetings virtually in order to promote social distancing in line with WHO standards and national lockdown restrictions.

4.5 To establish the extent to which ZUPCO's senior management appreciates the importance of the codes of corporate governance best practice.

The third objective sought to establish the extent to which ZUPCO's senior management appreciates the importance of the codes of corporate governance best practice. In light of results presented on table 4.4 where at least 50% of the executive managers concurred that they adhere to the codes of corporate governance during the Covid-19 pandemic, it can be deduced that senior managers of the parastatal, to a larger extend appreciates the importance of codes of corporate governance. When senior management were posed with the question about disclosure of information to employees and stakeholders, they concurred that this is successfully done

using bulletins, emails and their website. This shows that the senior managers devote time and resources to communicate with the outside world using various communication platforms in line with codes of corporate governance like the King 111 which require management to be transparent and this is achieved through information disclosure to various stakeholders. The general high level of compliance of senior management with respect to composition of the remuneration committee where all the managers concurred that it is made up of independent non-executive board members in line with the combined code of corporate governance showed that indeed senior managers at ZUPCO appreciate the importance of codes of corporate governance. The result is supported by OECD (2021) which confirmed that majority of parastatals in appreciate the importance of adhering to codes of corporate governance in their bid to lure foreign and local investors.

4.6 Assessment of whether senior management at ZUPCO is committed to the codes of corporate governance best practice.

The third study objective sought to determine whether senior management at ZUPCO is committed to the codes of corporate governance best practice. From the results presented on table 4.4, it can be observed that senior management of ZUPCO were committed to codes of corporate governance best practice. The presence of a remuneration committee comprising of independent non-executive board members, regular meetings conducted virtually during the Covid-19 era and disclosure of information about covid-19 to employees are clear signals of the commitment of ZUPCO senior managers on complying with codes of corporate governance. When ZUPCO managers were quizzed with a follow up question on whether reports produced detail management's objectives for the year and progress against these objectives, all the respondents concurred. This is evidence that managers are doing their delegated responsibility of ensuring that clear objectives of the organisation are set and realised to satisfy the needs of the shareholders which include shareholder wealth maximisation.

Another follow up question asked participants on whether financial statements are signed by the Chairman, CEO and Finance Director, to which all study participants concurred. This implies that the board through the chairman and the executive management through the chief executive and finance director assumes responsibility for the financial statements. This is in line with the King 111 code of corporate governance which requires both management and the board to take responsibility of financial risks, internal controls and risks of the business which

they preside over. Hence, it can be inferred that senior management at ZUPCO are committed to the codes of corporate governance best practice.

The other follow up question relates to how often is the management performance review undertaken at ZUPCO and whether there are set performance indicators or not, to which all study participants concurred that performance reviews are undertaken annually and there are clearly defined performance parameters. The result showed that the board has put in place ways of assessing performance of managers. This is in line with the Combined code of corporate governance and the King 111 code of corporate governance which require the board to exercise its oversight role of ensuring that there are checks and balances on how executive managers are running the business such that if the managers are underperforming, they can be removed from office at the annual general meeting or an extraordinary meeting can be called to that effect. This is also in line with the agency theory which requires managers to act in the best interest of the shareholders to grow the business. This is also in line with the stewardship theory which require managers as stewards to safeguard assets of the business, invest them productively to ensure that wealth of shareholders is increased. The result is supported by Ibitar et al., (2020) and Mathew and Sivaprasad, (2020) who showed that senior managers lead by example through strictly adhering to codes of corporate governance and their high level of commitment inspire junior managers and employees to follow suit.

4.7 Assessment of whether ZUPCO as an organization has taken any initiatives towards creating an awareness for codes of corporate governance best practice amongst its senior management.

The final study objective sought to determine whether ZUPCO as an organization has taken any initiatives towards creating an awareness for codes of corporate governance best practice amongst its senior management. From results presented on table 4.4 above, it can be observed that the ZUPCO company has achieved significant strides in promoting awareness for codes of corporate governance best practice amongst its senior management in various dimensions that include remuneration, meetings, information disclosure, performance measurement and financial results. A follow up question that relates to whether there is an information disclosure policy dictating information that can be disclosed to the public, showed that all participants were agreeable to that and also clarified that the information relates to business contracts, changes in key management personnel and company success stories. Thus, in line with best codes of corporate governance that include the Crome code, Combined code and King 111

code, a business is required to disclose sufficient information to allow users of the information to make informed decisions. Hence, through the information disclosure policy, it is an initiative towards promoting awareness for contents of the codes of corporate governance.

Another follow up question relates to if the company have an established system to raise concerns to which all participants concurred that there is one which entail extensive use of suggestion boxes, emails and immediate supervisors. This help management to address issues raised in order to promote growth of the business. The King 111 code of corporate governance require managers to take accountability and responsibility through addressing critical issues that may threaten viability of the firm, to ensure that it remains a going concern and the shareholder continue to enjoy a dividend and increased share price. Therefore, through encouraging employees to report their grievances to the supervisor or through suggestion boxes, ZUPCO is taking great initiative of creating an awareness for codes of corporate governance best practice amongst its senior management.

Other follow up questions pertain to whether minutes of the previous meeting approved at the following meeting to which all participants agreed, and they also indicated that responsibility for action is clearly indicated in the minutes and the company undertake a review to ensure that actions decided at meetings have been undertaken. This shows that management at ZUPCO are serious in promoting sound corporate governance which require full accountability and responsibility of actions undertaken by any person within the organisation. Thus, accountability, responsibility and fairness are some of the key pillars of sound corporate governance as indicated in the several codes of corporate governance that include the Combined code of corporate governance and the King 111 code of corporate governance. The results are supported by OECD (2021) who revealed that majority of parastatals have taken initiatives towards creating an awareness for codes of corporate governance best practice amongst their respective employees.

4.8 Chapter summary

The chapter presented data collected from participants on enquiry into the codes of corporate governance best practices during COVID-19 at uppermost management level using a case study of ZUPCO. The study commenced with a response rate analysis. This was followed by analysis of the demographic profile of participants in terms of gender and work experience. The final section analysed and discussed responses to each of the four study objectives.

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The final chapter of this dissertation project focuses on providing summary of major research findings, conclusions and recommendations. To mark the end of this dissertation, suggestions for further studies are given at the end of the project, given the background that this study has also some limitations.

5.1 Summary of findings

The purpose of the section is to summarise the major study results based on each study objective.

5.1.1 Assessment of whether Senior Management at ZUPCO adhered to the Codes of Corporate Governance best practices during COVID-19.

Respondents concurred that Senior Management at ZUPCO adhered to the Codes of Corporate Governance best practices during COVID-19 in key areas that include attendance of management meetings, remuneration, information disclosure, taking responsibility and management of risks linked to Covid-19 among other areas. It was observed through the study that ZUPCO management adhered to combined code and King 111 code of corporate governance among other codes.

5.1.2 Assessment of the extent to which ZUPCO's senior management appreciates the importance of the codes of corporate governance best practice.

More than 50% of the respondents concurred that to a large extent ZUPCO's senior management appreciates the importance of the codes of corporate governance best practice. This is evidenced by about disclosure of information to employees and stakeholders, they concurred that this is successfully done using bulletins, emails and their website. This shows that the senior managers devote time and resources to communicate with the outside world using various communication platforms in line with codes of corporate governance like the King 111 which require management to be transparent and this is achieved through information disclosure to various stakeholders. Further piece of evidence emanates from the position that the general high level of compliance of senior management with respect to composition of the

remuneration committee where all the managers concurred that it is made up of independent non-executive board members in line with the combined code of corporate governance showed that indeed senior managers at ZUPCO appreciate the importance of codes of corporate governance.

5.1.3 Assessment of whether senior management at ZUPCO is committed to the codes of corporate governance best practice.

The study found out that senior management at ZUPCO is committed to the codes of corporate governance best practice highlighting the presence of a remuneration committee comprising of independent non-executive board members, regular meetings conducted virtually during the Covid-19 era and disclosure of information about covid-19 to employees as clear signals of the commitment of ZUPCO senior managers on complying with codes of corporate governance. Further evidence showed that, when ZUPCO managers were quizzed with a question on whether reports produced detail management's objectives for the year and progress against these objectives, all the respondents concurred. This evidence demonstrates that managers are doing their delegated responsibility of ensuring that clear objectives of the organisation are set and realised to satisfy the needs of the shareholders which include shareholder wealth maximisation.

5.1.4 Assessment of whether ZUPCO as an organization has taken any initiatives towards creating an awareness for codes of corporate governance best practice amongst its senior management.

The study confirmed that ZUPCO as an organization has taken many initiatives towards creating an awareness for codes of corporate governance best practice amongst its senior management. This was evidenced by achieved significant strides in promoting awareness for codes of corporate governance best practice amongst its senior management in various dimensions that include remuneration, meetings, information disclosure, performance measurement and financial results.

5.2 Conclusions

This section focuses on study conclusions.

5.2.1 Assessment of whether Senior Management at ZUPCO adhered to the Codes of Corporate Governance best practices during COVID-19.

The study concluded that natural disasters like the Covid-19 pandemic do not affect ability of managers of parastatals to adhere to sound corporate governance principles as they can always embrace the new way of doing business like virtual meetings in place of physical meetings.

5.2.2 Assessment of the extent to which ZUPCO's senior management appreciates the importance of the codes of corporate governance best practice.

The study concluded that to a large extent ZUPCO's senior management appreciates the importance of the codes of corporate governance best practice. They consistently follow the codes of corporate governance to improve corporate performance and enhance the reputation of the business.

5.2.3 Assessment of whether senior management at ZUPCO is committed to the codes of corporate governance best practice.

5.2.4 Assessment of whether ZUPCO as an organization has taken any initiatives towards creating an awareness for codes of corporate governance best practice amongst its senior management.

The study concluded that ZUPCO as an organization is doing fairly well in taking initiatives towards creating an awareness for codes of corporate governance best practice amongst its senior management.

5.3 Recommendations

This section avails recommendations for both theory and practice.

5.3.1 Assessment of whether Senior Management at ZUPCO adhered to the Codes of Corporate Governance best practices during COVID-19.

The study recommends managers of ZUPCO to maintain their momentum of adhering to codes of corporate governance during pandemics. The study also recommends ZUPCO managers to continuously mobilise resources for virtual working model even after the pandemic as it is in line with technological developments and it does not impede ability of the parastatal to adhere to sound corporate governance principles,

5.3.2 Assessment of the extent to which ZUPCO's senior management appreciates the importance of the codes of corporate governance best practice.

The study recommends ZUPCO's senior management to continue to invest their time and money in understating the codes of corporate governance and share the result with lower-level employees as they are also part of future managers of the entity.

5.3.3 Assessment of whether senior management at ZUPCO is committed to the codes of corporate governance best practice.

The study recommends senior managers to maintain their momentum of increasing their commitment to codes of corporate governance. The study also suggests that other codes of corporate governance other than King 111 code and combined code must also be extensively researched on and used by the parastatal.

5.3.4 Assessment of whether ZUPCO as an organization has taken any initiatives towards creating an awareness for codes of corporate governance best practice amongst its senior management.

The study recommends ZUPCO managers to bench mark its initiatives towards creating an awareness for codes of corporate governance best practice amongst its senior management with best practice in South Africa, Kenya and United States of America so that it can continue to improve.

5.4 Suggestions for further studies

The study looked at ZUPCO only. Future studies can be replicated the study to other companies in the public sector and in the private sector as well. The current research relied mainly on the questionnaire. Future researcher should consider use of interviews and focus discussion groups to collect data from study participants. Future studies can also focus on similar research in the context of foreign countries. The study recommends are replication of the research post the Covid-19 era and compare the results for consistency.

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APPENDIX 1: QUESTIONNAIRE

Dear Respondent,

I am currently carrying out research on the extent to which ZUPCO's senior management adhered to Codes of Corporate Governance Best Practices during the COVID-19 era, and to that end, I hereby kindly request for your input through this Questionnaire.

Please kindly complete the Questionnaire and return it to the following e-mail address: maxwellmanditereza@gmail.com. I would greatly appreciate your responses by the end of day, 15th October 2022. Your responses are highly confidential, and under no circumstances will they be disclosed to third parties.

Part 1

1. Name and Surname (*Optional*): _____
2. SEX: Male/Female: _____
3. Age: _____
4. Department (*Optional*): _____
5. Number of years in ZUPCO:

Part 2

RESPONSIBILITY

1. Are board members and management staff responsibilities clearly spelt out in writing?
 - a) Yes
 - b) No
2. Does the company differentiate between what the board can do and what managers can do?
 - a) Yes
 - b) No

SENIOR MANAGEMENT REMUNERATION

3. Is there a Remuneration committee?
 - a) Yes
 - b) No
4. What is the composition of the Remuneration committee?
 - a) Executive directors
 - b) Non-Executive directors
 - c) Independent directors
 - d) Others

5. Did the company experience reduced salaries and benefits during the COVID19-induced national lockdown?
 - a) Yes
 - b) No

MEETINGS

6. Did senior management hold regular meetings during the COVID19-induced national lockdown?
 - a) Yes
 - b) No
7. If the answer to 5 above is Yes, how were the meetings held?
 - a) Face to face
 - b) Virtually
 - c) Other
8. Is there a set quota for senior management meetings?
 - a) Yes
 - b) No
9. How often does senior management meet?
 - a) Once every month
 - b) Every quarter
 - c) Twice a year
 - d) Other
10. What is the quorum requirement for senior management meetings?
 - a)
11. Who is responsible for recording minutes of senior management meetings?
 - a) Company secretary
 - b) PA to the CEO
 - c) Administration Manager
 - d) Others
12. Are minutes of the previous meeting approved at the following meeting?
 - a) Yes
 - b) No
13. Is responsibility for action clearly indicated in the minutes?
 - a) Yes
 - b) No
14. Does the company undertake a review to ensure that actions decided at meetings have been undertaken?
 - a) Yes
 - b) No
15. How does the company disclose transactions made by management that conflict with the interests of the company, or that have the potential for conflict of interest?

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INFORMATON

- 16. Does the company have its own website?
 - a) Yes
 - b) No
- 17. is the company's internet page organised in the manner as to enable a simple access to information relevant to stakeholders?
 - a) Yes
 - b) No
- 18. How are employees kept informed of company information?
 - a) News bulletins
 - b) Website
 - c) E-mail
 - d) Others
- 19. Does the company inform its workforce about COVID-19?
 - a) Yes
 - b) No
- 20. If your answer above is Yes, how is the information disseminated?
 - a) News bulletins
 - b) Website
 - c) E-mail
 - d) Other
- 21. Is there an information disclosure policy dictating information that can be disclosed to the public?
 - a) Yes
 - b) No
- 22. If yes to the above, what type of information can be disclosed to the public?
 - a) Company's success stories
 - b) Business contracts
 - c) Changes in key positions
 - d) Others

SYSTEM TO RAISE CONCERNS

- 23. Does the company have an established system to raise concerns?
 - a) Yes
 - b) No
- 24. What type of system is in place to raise concerns?
 - a) Suggestion box
 - b) Website
 - c) E-mail
 - d) Others

25. Is the system reviewed regularly to ascertain effectiveness?

- a) Yes
- b) No

26. Who is responsible for reviewing the system?

- a) Board of Directors
- b) CEO
- c) Auditors
- d) Others

PERFORMANCE MEASUREMENT/REVIEW

27. How is the performance of management reviewed?

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28. How often is the review undertaken?

- a) Annually
- b) Every two years
- c) Others

29. Are there set performance indicators?

- a) Yes
- b) No

30. Are reports produced detailing management's objectives for the year and progress against these objectives?

- a) Yes
- b) No

FINANCIAL STATEMENTS

31. Does the company apply International Accounting Standards (IAS) and IFRS?

- a) Yes
- b) No

32. Are financial statements signed by the Chairman, CEO and Finance Director?

- a) Yes
- b) No

33. How does the company maintain its accounting records?

- a) Manually
- b) Software
- c) Excel sheets
- d) Others

34. Does the company provide adequate resources such as face masks and gloves to protect its employees against the COVID-19 pandemic?

- a) Yes
- b) No

35. Are the company's buses fumigated, and passengers' temperatures taken to protect customers and bus crews from COVID-19 infections?

a) Yes

b) No

36. Given the financial challenges brought upon companies by the COVID-19 pandemic, has ZUPCO been able to engage in any Corporate Social Responsibility programs?

a) Yes

b) No

37. If your answer to 36 above is Yes, which programs is the company involved in?

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SIGNED (Optional) _____

DATE: _____

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