



**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

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**MASTERS IN BUSINESS LEADERSHIP**

**BOARD SIZE, DIVERSITY AND COMPOSITION IN TERMS OF GOOD CORPORATE  
GOVERNANCE PRACTICES CASE OF ZIMBABWE UNITED PASSENGER  
COMPANY (ZUPCO)**

**BY**

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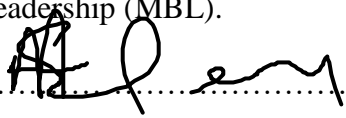
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APPROVAL FORM

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## DECLARATION

I, Linda Samunderu, 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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## **DEDICATION**

I dedicate this project to God Almighty, my creator, my pillar of strength, my source of inspiration, wisdom, knowledge, and comprehension. He has been the source of my strength throughout this program, and I have only flown on His wings. I also dedicate this work to my husband, Itai Samunderu, who has always encouraged me and ensured that I give it everything I have to finish what I had started. To my children Amazing Samunderu, Chipo Samunderu and Daniel Samunderu, who have all been affected by this quest in some way. This work is also dedicated to my parents, Charles Carlos and Edith Carlos, who have always loved me unconditionally and whose good examples have taught me to work hard for what I want whose words of encouragement and push for tenacity ring in my ears. To my friends Tendai Nyamayaro and Maxwell Manditereza thank you for your unwavering support.

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## **ABSTRACT**

This study explored how and when female board members make effective contribution to board processes in Zimbabwe United Passenger Company a passenger transport parastatal in Zimbabwe, a context characterized by low female representation on corporate boards, but highly under-researched with respect to the gender and corporate governance literature. The study is based on questionnaire data from 5 board of directors in the Company. Women on corporate boards contribute to effective board processes and outcomes when their proposed ideas during board meetings are accepted by other board members, implemented by management, and have a positive impact on organizational outcomes such as improved financial, product, and staff outcomes. These effective contributions of female board directors to corporate board processes can be further enhanced by suitable female directors' personal-level conditions such as human capital (advanced degree and professional qualification, and past board membership experience), as well as board-level conditions such as occupying a chairperson/leadership position on the board or committees, and regular attendance. As a result, this study added to the gender and corporate governance literature by providing new evidence from an under-researched geographical context on how women on corporate boards contribute to effective board processes. It also emphasizes the personal and board-level conditions required for female directors to make greater contributions to corporate board processes and outcomes in male-dominated societies and boards.

## **TABLE OF CONTENTS**

COVER PAGE	i
APPROVAL FORM	ii
RELEASE FORM	iii
DEDICATION	iv
ACKNOWLEDGEMENTS	v
ABSTRACT	vi
LIST OF TABLES	vii
LIST OF FIGURES	viii
LIST OF ACRONYMS	ix
<b>CHAPTER ONE 1 INTRODUCTION &amp; BACKGROUND</b>	<b>1</b>
Introduction	1
Background to the Study	2
Brief Background to the Research Sector Model	3
Duty Performance	4
Statement of the Research Problem	4
Research Objectives	5
Research Questions	5
Research Assumptions	5
Justification of the Research	6
Purpose of the Study	6
Significance of the Study	7
<b>CHAPTER TWO 2 LITERATURE REVIEW</b>	<b>8</b>
Literature Review	8
2.1 Theoretical Framework	8
2.1.1 Education level, business education, and nationality-based demographics	9
2.2 Agency Theory	10
2.3 Conceptual Framework	12
2.3.1 Corporate Governance, Board Composition	12
2.2.3 Factors Influencing the Composition	14
2.3.4 Board Size	14
2.3.5 Board Diversity	15

2.3.6 Other Scholars	17
2.3.7 The dangers of diverse boards	17
<b>CHAPTER THREE 3 RESEARCH METHODOLOGY</b>	<b>18</b>
3.1 Epistemology	18
3.2 Design of the Research	19
3.3 Research Approach	19
3.3.1 Data Collection	20
3.3.2 Data Examination	20
3.3.3 Dependent Variables	20
<b>CHAPTER FOUR 4 DATA PRESENTATION, ANALYSIS &amp; INTERPRETATION</b>	<b>22</b>
4.0 Introduction	22
4.1 Restatement of Objectives	22
4.2 Response Rate	22
4.3 Demographic	23
4.3.1 Gender of Participants	23
4.3.2 Experience	24
4.3.3 Educational Qualification of Participants	25
4.4 Normality Test Results	26
4.5 The Relationship between Performance	27
4.6 The Market Response	29
4.7 Reasons for fewer women on corporate boards	31
4.8 The gender diversity on boards	34
4.9 Inferential Results	35
4.10 Chapter Summary	37
<b>CHAPTER FIVE 5 SUMMARY OF FINDINGS, CONCLUSIONS &amp; RECOMMENDATIONS</b>	<b>38</b>
5.0 Introduction	38
5.1 Summary of Findings	38
5.1.1 Correlation between performance and Corporate Governance	38
5.1.2 The Market Response	38
5.1.3 Reasons for few women	38
5.1.4 The Abilities that Women can bring	38

5.1.5 Assessment of whether Gender Diversity on Boards is a Problem	39
5.2 Conclusions	39
5.2.1 Correlation between performance of a corporation and Corporate Governance	39
5.2.2 The market response to incorporation of more women on corporate boards	39
5.2.3 Reasons for few women on boards of directors	39
5.2.4 The abilities that women could bring to the boards	39
5.3 Recommendations	40
5.3.1 Correlation between Performance of a Corporation and excellent Corporate	40
5.3.2 The Market Response	40
5.3.3 Reasons for Few Women	40
5.4 Suggestions for further Studies	41

## **LIST OF TABLES**

Table 3 Variable Descriptions	26
Table 4.1 Cronbach Alfa	30
Table 4.2 Results for VIF Test for Multicollinearity	31
Table 4.3 Corporate Governance and Corporate Performance	32
Table 4.4 More Women and Better Outcome	34
Table 4.5 Reasons for few women on corporate boards	36
Table 4.6 Abilities that Women could bring	38
Table 4.7 Gender Diversity on Boards	39
Table 4.8 Impact of Board Composition	40
Table 4.9 Regression Coefficients	41

## **LIST OF FIGURES**

Fig 1 Conceptual Framework	14
Fig 2 Bar Graph Showing Work Experience	28
Fig 3 Bar Graph depicting Educational Level	29

## **LIST OF ACRONYMS**

BGD - Board Gender Diversity

CEO- Chief Executive Officer

ZUPCO- Zimbabwe United Passenger Company

CG-Corporate Governance,

BC-Board Composition,

BD- Board Diversity and Board Size

## **TABLE CHAPTER LAYOUT**

### **BOARD STRUCTURE AND COMPOSITION IN GOOD CORPORATE GOVERNANCE PRACTICES – A CASE STUDY OF ZUPCO**

<b>CHAPTER 1</b>	INTRODUCTION
<b>CHAPTER 2</b>	LITERATURE REVIEW
<b>CHAPTER 3</b>	RESEARCH METHODOLOGY
<b>CHAPTER 4</b>	DATA PRESENTATION, ANALYSIS AND INTERPRETATION
<b>CHAPTER 5</b>	SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

## CHAPTER 1

### INTRODUCTION & BACKGROUND

#### 1.1 Introduction

The accompanying section will include a brief outline of the foundation data as well as an introduction.

Women's representation on boards of directors is one way to improve their effectiveness. Board gender diversity can help to mitigate the shortcomings of a company's corporate governance systems. Agency theory contends that "the board of directors is central to a governance mechanism that can align the interests of principals (shareholders) and agents (managers) in this regard." Female directors' monitoring functions and typical behaviors, according to Bennouri et al. (2018), differ from men's.

According to Mullins (2018), firms with good diversity management have superior learning, inventing, and problem-solving capabilities, allowing them to reap the strategic benefits of incorporating a diverse workforce. Due to the pivotal board's role in approving operational or strategic decisions, resolving conflicts of interest among decision-makers and residual risk bearers. The influence over board efficiency and firm performance, the composition and structure of the board of directors has been extensively studied (Daily and Dalton 2017).

The female director also brings a different perspective and professional background than the "old boy." According to Ullah et al. (2019), the discipline management of female directors promotes corporate governance and reduces agency conflicts, resulting in increased company value. However, various arguments are made against the potential benefits of female directors. The relationship between gender diversity and ethnic diversity is also contentious. According to Khan et al. (2020), women are more risk-averse than men; thus, the presence of women may persuade management to adopt overly conservative strategies. Another study (Lim et al., 2019) found that gender diversity resulted in lower company performance due to tokenism issues and gender stereotypes.

Diversity on corporate boards has been extensively researched using a variety of theoretical approaches, including agency theory (Al Fadli, Sands, Jones, Beattie, & Pensiero, 2019), resource dependence theory (RDT), and others (Atif, Liu, & Huang, 2019)

Furthermore, board composition reflects a combination of board director skills, independence (the absence of relationships between the firm and the board director that would impair the director's independent judgment), diversity, and tenure, each of which has its own set of complexities (Deloitte 2021). More specifically, board gender diversity (BGD) has been identified as an important research topic in firm performance (Adams et al. 2015; Baixauli-Soler et al. 2016; Greene, Intintoli, and Kahle 2020; Pucheta-Martinez, Bel-Oms, and Olcina-Sempere 2018).

When corporations strive for a more equal workplace, it is usually due to external societal pressure (Sila, Gonzalez, & Hagendorff, 2016). Gender quotas are a common tool or technique used to achieve a more gender balanced corporation, with some countries even going so far as to pass laws requiring gender quotas.

The following is how this paper is organized. The theoretical framework and three identified research development trends in BGD and corporate governance are discussed in Section 2. Section 3 goes over the sample, data, and methodology that were used. Section 4 then provides a description of the findings. Finally, the paper summarizes the findings, discusses the key findings, and draws conclusions.

## **1.2 Background to the Study**

This paper contributes to the literature on gender board reforms in two ways. To begin, the author distinguish the impact of comply-or-explain gender diversity on the appointment of an internal female director to compliance of corporate governance. In this regard, we show how using comply-or-explain gender-diverse policies reduces the inclusion of independent female directors, thereby reducing board independence. Collectivism, which prioritizes group goals (e.g., family objectives) and is based on relationships rather than educational and professional qualifications, generally includes familial culture (Lyu, Yuen and Zhang, 2017).

The performance of commercial organizations has improved, to the promotion of diversity, equality, and inclusion (Armstrong et al., 2010; Issaka, 2020; Kaupp, 2018; Wilson, 2016). Reviewing pertinent specialized literature on diversity, equality, and inclusion in the Zimbabwean labour market is the goal of this essay, which is supported by empirical sources. In light of the foregoing, this study's main principles of diversity, equality, and inclusivity as they relate to human resources management. These ideas have been thoroughly studied in the literature that is now available by a number of eminent authors, including (Issaka, 2020;

Sharma, 2016; Wilson, 2016) and others. With distinctiveness primarily concentrating on equality as a result of distinction, diversity management can be seen as a strategy to equality within organizations.

In Zimbabwe, the International Labor Convention Acts of 1948, 1951, and 1958, as well as the Companies' Acts, have been used to address concerns relating to diversity and equality in businesses and organizations (Chapter 28:01 of the Labour Act of Zimbabwe). Section 5 of the Zimbabwe Labour Act [Chapter 28:01] states, for example, that no employer shall discriminate against any employee or prospective employee based on race, tribe, place of origin, political opinion, colour, creed, gender, pregnancy, HIV/AIDS status, or any disability referred to by definition in the Act, in relation to advertisement, recruitment, remuneration, and other factors.

According to Ndudzo (2013), the chosen state institution lacks a distinct diversity and equality policy that is vividly stated for application in the organization. This is also consistent with the findings of the Foma (2014) research, which noted that 169 respondents from the Society for Human Resources Management claimed they had a documented policy on diversity and equality that was both explicit and structured. As shown on their website in 2012, when 31% of the organization's workforce was made up of women, PEPSI Company supports the ideas of diversity and equality in the United States of America (USA), Canada, as well as Zimbabwe, where it is headquartered.

In an effort to advance diversity and equality, PEPSI created the Strategies for Success Women's Program. As a result, the corporation was given the Human Rights Campaign's Corporate Equality Index (Foma, 2014). The presence of varied groups in the workforce has increased noticeably in a few chosen Zimbabwean organizations. The fact that there have been numerous requests for diversity, inclusivity, and equality from business executives, governmental officials, and lobbyist groups, but the topic is still nebulous, has led to serious issues within some organizations. It is occasionally constrained by rigid structures, which could affect how individuals see inequality, injustice, crime, and the commission of additional crimes.

The aforementioned circumstance stifles inclusivity, diversity, and equality among the organizations. In order to convey the voices of minorities who have been silenced and to recognize the existence of women and increase the number of the current sitting membership from one to equal number of men currently sitting

### 1.3 Brief Zimbabwe United Passenger Company Business Model

The Zimbabwe United Passenger Company Limited (ZUPCO) is a road passenger transport company that was founded shortly after Zimbabwe gained independence in 1980. It is a state-owned enterprise, wholly owned by the Zimbabwean government and overseen by the Ministry of Local Government and Public Works. It is registered under the Companies and other Business Entities Act (Chapter 24:31) and is mandated to provide safe, reliable, affordable and competitive passenger transport services in Zimbabwe. Since inception, the Company's operations were concentrated in the country's major urban areas until the promulgation of the deregulation exercise in 1992. This created operational challenges leading to the gradual expansion of the Company's operations.

Over the past 40 years, ZUPCO has evolved from a minimal focused growth entity and seized opportunities for expansion. The Urban Mass Transport System which was established in 2019, played a crucial role in accelerating that growth, which saw changes being instituted leading to expansion. The company has witnessed significant growth over the past few years from a meagre fleet of 100 buses in 2018, 7 depots, 365 employees to 831 buses, 896 omnibuses, 33 depots and over 6000 employees in 2020

ZUPCO attributes its growth to the support it received from the Government to provide an efficient and competitive public transport system. The enabling operational environment created by the Government has also given the company an opportunity to develop and improve prospects for sustainable growth. Special appreciation goes to esteemed customers who remain the great purpose of the company's existence. ZUPCO now offers the following services; Urban transport, Rural transport, Inter City, Cross Boarder Transport and Bus hiring.

The environmental scan sets the tone for the establishment of growth goals focused on potential areas of improvement. The hallmark for success is hinged on the Key Result Areas which provide the right trajectory for the success of the Company. These are backed by Key Performance Indicators which are driven by the development of a customer centric culture, enhancing efficiency in operations, embracing technology, capacitation of our human resource and a sound corporate governance culture. Through the outcomes and outputs, a basis is set for effectiveness and efficiency in the whole planning process. The financial projections are also provided as determination of the opportunities to be explored in line with the resource envelope.

Structure of the Organisation

Ministry of Local Government and Public Works line Minister

The Board of Directors Non Executive Members

Chairman and two non-executive members

Qualifications of members consists of two engineers and two accountants and one from operations

Executive Directors

Chief Executive Officer

Divisional Operations Manager

Board Committees

Risk committee

Audit committee

Human resources committee

Finance committee

Technical and Operations Committee

#### **1.4 Duty Performance**

The line minister selects the board and forwards to the cabinet for approval, and once approval is granted the board members receive appointment letters stating the duration of their term. The board chairman runs the organisation on behalf of the shareholder. The chief executive officer sees to it that the day to day operations of the business take place and implement policies formulated by the board of directors

The company conducts annual general meetings on a yearly basis and provides financial statements to the shareholders.

#### **1.5 Statement of the Research Problem**

This reaserch focused on gender diversity and its impact in positions of decision-making inside the Board room.This will assist in understanding the evolution of diversity and inclusion as well as identifying future research gaps.The debate on the utility value of women on boards. Gender equality is inextricably linked to sustainable development and is essential to achieving universal human rights. The primary goal of the research is to create an environment in which

men and women have equal opportunities, rights, and obligations in all aspects of the boardroom. Equality exists between men and women when both sexes have equal access to opportunities and development based on personal ambitions, interests, and talents; share responsibilities in the boardroom; and are completely free from coercion, intimidation, and harassment at work.

Three propositions were advanced in this research. First, the rules governing board composition, structure, duties, and powers (referred to as "board rules") can be used to address any one or more of these sets of agency problems. Secondly, the recent corporate governance movement has centered on increasing the effectiveness of the board diversity. Thirdly, is the board size and its ability to deliver and make sound decisions.

Particularly interested in the board's composition and its potential impact on the creation of value and the improvement of economic profitability. The goal is to determine which variables influence the structure of the board, as measured by its size, independence, and diversity of members and investigate whether, as suggested by Linck, Netter, and Yang (2008) and Farag and Mallin (2017), this structure is a function of the costs and benefits of monitoring and advising, and whether good governance recommendations may have an impact on such composition.

## **1.6 Research Objective(s)**

- To determine whether the practice of Performance of a corporation is correlated with excellent corporate governance.
- To establish if the market response to incorporation of more women on corporate boards could produce better outcomes.
- To determine why there are so few women on corporate boards of directors.
- To comprehend the abilities that women could bring to the boards if they were included.
- To ascertain whether gender diversity on boards is a challenge.

## **1.7 Research Question(s)**

- What's the distinction between gender equity, gender equality, and female empowerment?
- Why is it critical to consider gender issues in program design and implementation?
- What exactly is gender mainstreaming or diversification?

- What is the significance of gender equality?
- Are there equal opportunities for women in the appointment of ZUPCO board members
- Is there any equal sharing of responsibilities and appreciation of women and men
- Is there an established policy gender when it comes to recruitment

## **1.8 Research Assumptions**

Gender equality is primarily a female concern.

Targeting women was a key strategy of development organizations in the 1980s to achieve economic development and poverty alleviation. However, this frequently manifested as development "being done" for women, regardless of their actual needs and aspirations.

Women and men are two distinct groups.

There are numerous distinctions between genders. For example, older widows' circumstances are likely to be vastly different from those of a young, unmarried woman. Similarly, men's needs may differ depending on their ethnicity or economic status.

Gender equality is a game of numbers.

While having an equal number of men and women in decision-making groups is an important step, it is not sufficient. Numbers do not always imply equal benefit or empowerment. Strategies are required to ensure that both men and women can participate in ways that support their rights, voices, and influence.

The distribution of opportunities, resources, and responsibilities among men and women should not favor one group over the other.

Equality between men and women exists when both sexes can share equally in the distribution of power and influence; have equal opportunities for financial independence through work or business establishment; and have equal access to education and the opportunity to develop personal ambitions, interests, and skills.

## **1.9 Justification of the research**

This established gender research and analysis allows for the examination and challenge of social norms about what it means to be a woman or man in society, as well as the pursuit of justice and equality for all, both of which should be fundamental aspects of development.

Gender plays an important role in development. It is a method of investigating how social norms and power structures affect the lives and opportunities available to different groups of men and women. Women outnumber men in poverty globally.

Although there is disagreement about the definition of gender, gender study is significant because it focuses on fundamental aspects of existence. Gender research offers empirical information regarding gendered practices, norms, and discourses that is important from a political standpoint. In addition to ideas, methodologies, and theories for comprehending how gender categories are entangled with other categories and practices - something that is still given little or no priority in many academic disciplines - the field offers systematic analysis of the meaning of sex and gender in past and present societies.

### **1.10 Purpose of the Study**

This study focused on the role of female directors on boards by examining whether the existence of women differs between firms with and without gender-diversity.

Board diversity study in ZUPCO seeks to achieve broadly equal opportunities and outcomes for men and women, and outcomes that are identical for all.

Board size study in ZUPCO is a matter of distributing power, influence, and resources in an equitable manner which is currently lacking in the present appointments

Board composition study in ZUPCO also seeks to see the relationship the composition has and good corporate governance

### **1.11 Significance/importance of the study**

This research takes into consideration correlation of female directors with board corporate governance performance monitoring. The study will therefore aid the business and the shareholder in recognizing the impact of women as a minority group on male majority groups on boards. But it's important to understand that, in situations where there is gender inequality, women are frequently left out or given the short end of the stick when it comes to making decisions and having access to financial and social resources. Women's empowerment, with a focus on detecting and redressing power disparities and allowing women more autonomy to manage, is hence an essential part of advancing gender equality. In the boardroom, this would enable them to decide what to do and how to do it.

## CHAPTER 2

### LITERATURE REVIEW

#### Introduction

#### 2.0 THEORETICAL FRAMEWORK

##### 2.1.1 Education level, business education, and nationality-based demographics

Considering the human resources of the board, the number of women on the board Demographics, including educational attainment, business training, and nationality, as well as experience (tenure), connections to other boards (multiple directors), and the standing of women board members all affect the board's human capital. 1. Demographics based on nationality and education level in business Regardless of their educational background, education has an impact on women in their responsibilities as directors in the complex business environment of today. According to Bennouri, (2018) people with and without a business education have a diversity of decision-making methods. Additionally, in order to hold important roles in organizations (such as membership on several board committees), women directors need to possess business knowledge and skills. In actuality, ensuring claimed profitability depends greatly on the financial expertise of the audit committee members. One factor that raises the likelihood of personal achievement and board election is commercial experience. According to Gull et al. (2018), highly educated people can make better decisions due to their cognitive capacity for processing and evaluating relevant information.

Relational board-based demographics Term of office/experience refers to the potential resources that directors may have as a result of their expertise, reputation capital, business, social ties, political connections, and membership in influential networks (Bennouri et al., 2018). In this case, female directors with a good reputation will maximize their career opportunities and protect themselves from takeover defenses.

Gull et al. (2018) state that directors improve their advisory skills through experience, which strengthens the board's decision-making capabilities. Several previous studies have looked into the existence of women in relation to their relationship (Bennouri et al., 2018); (Gull et al., 2018); (Arioglu, 2020). By positively influencing corporate social responsibility, representation improved the company's performance (CSR).

Gender diversity most typically refers to an equal ratio of men and women in corporate boardrooms and other historically male-dominated areas. Computing, engineering, medical, and science are some of the most popular industries where male employees outnumber female employees and in the workplace means that men and women are hired at comparable and consistent rates, are paid equally, and are offered equal opportunities.

A lot of study is being done on the topic of gender diversity on corporate boards, or "board gender diversity." Due to the underrepresentation of female directors on corporate boards, numerous nations have passed gender quota laws requiring the nomination of female directors to corporate boards. Extensive research on board gender diversity has been motivated by an increase in the number of female directors. In this essay, we look at how the literature on board gender diversity in corporate finance and governance has changed over time. We focus on research on gender diversity on corporate boards, variables affecting board gender diversity, and how it affects business decisions and firm-specific difficulties. In Zimbabwe Women on corporate boards Only 17% of ZSE-listed companies' boards of directors are made up of women. A strong female presence in the boardroom has a knock-on effect in breaking down stereotypes. These are significant steps toward increasing economic opportunity for women and creating more inclusive societies. Based on the 54 ZSE-listed companies examined, we discovered that men outnumber women in the position of chairperson. This could be attributed to gender bias, in which men are perceived to be natural leaders. The world is making strides to close the gender gap, and it has become critical to have women represented on corporate boards in order to promote diversity. The Zimbabwe Gender Commission Act of [Chapter 10:31] establishes the Zimbabwe Gender Commission to carry out specific duties, such as investigating and making recommendations for removing obstacles to achieving complete gender equality, as well as to address issues related to or incidental to the aforementioned. A diverse board reflects the culture of the organization. The presence of female leaders on the board of directors creates a catalytic function because they serve as role models and mentors to other women and men. It causes a radical shift in an organization's corporate culture, increases women's empowerment by encouraging them to pursue their careers.

In recent years, board diversity has received significant academic, political, and media attention at both the national and global levels (Bassyouny, Abdelfattah, & Tao, 2020; Cordeiro, Profumo, & Tutore, 2020; Cucari, Esposito De Falco, & Orlando, 2018; Li et al., 2017; Lu & Herremans, 2019; Nadeem, Gyapong, & Ahmed, 2020). According to researchers, policymakers, and practitioners, well-structured boardrooms improve organizational

performance and policymaking for all companies (Aggarwal, Jindal, & Seth, 2019; Alnabsha, Abdou, Ntim, & Elamer, 2018; Alshbili, Elamer, & Beddewela, 2019; Baker, Pandey, Kumar, & Haldar, 2020; Birindelli, Iannuzzi, & Savioli, 2019; Ciocirlan & Pettersson, 2012; Sitthipongpanich & Polsiri, 2014).

Similarly, it has been documented in the literature that a more diverse board may bring benefits to the boardroom by improving connections and networking that could be beneficial for expanding business in areas that may be overlooked (Bufarwa, Elamer, Ntim, & AlHares, 2020; Gulamhussen & Santa, 2015; Haque & Ntim, 2020; Khan, Hussain, et al., 2019; Khan, Khan, & Saeed, 2019; Pucheta- Board diversity, for example, can help firms gain different information and a broader view of the environment from suppliers, customers, policymakers, social groups, and competitors (Elsharkawy, Paterson, & Sherif, 2018; Horbach & Jacob, 2018; Tingbani, Chithambo, Tauringana, & Papanikolaou, 2020).

Furthermore, board diversity improves board independence and decision-making quality by incorporating the perspectives of underrepresented groups (Agyemang-Mintah & Schadewitz, 2019; Elmagrhi, Ntim, Elamer, & Zhang, 2018; Ferrero-Ferrero, Fernández-Izquierdo, & Muoz-Torres, 2015; Glass, Cook, & Ingersoll, 2016). According to Garca-Meca, Garca-Sánchez, and Martnez-Ferrero (2015), more diversity on the board helps to better represent all shareholders and promotes better discussion within boardrooms.

In order to answer the aforementioned concerns, this paper conducts an extensive and current systematic literature review (SLR) of the body of work on the relationship between board diversity and business results in financial institutions.

Women have historically been underrepresented in board nominations and have historically been excluded from the labor force. Despite the fact that women make up 40% or more of the workforce in more than 80 nations throughout the world, women's corporate power remains limited, according to the Pew Research Centre's national labor force study from 2010 to 2016. Additionally, both the overall number of female directors and the rate at which their numbers are growing over time are still quite low. However, in recent years, women have made progress on corporate boards. In 2015, women accounted for 17.9% of the board seats in Fortune 1,000 companies.

One explanation for this phenomenon is that some co-workers may view women negatively for not acting in a stereotypically feminine way when they demonstrate hard skills that are typical of successful managers. These women are perceived as more capable but also less likable, less

socially adept, and less likely to advance in their careers. This section's conclusion is that women have experienced the negative personal and societal effects of being in a disadvantageous position both inside and outside of organizations due to a variety of cultural and biased decision-making practices centered on discrimination issues, primarily based on stereotyping their competencies in order to prevent them from holding managerial positions. However, as we'll see in the following sections, it's important to highlight how important women are to organizational success because they can benefit businesses in a number of different ways.

Now, our focus is on how female directors can affect the value of a company through their financial performance and risk-taking, with a focus on their influence on CEO compensation decisions.

## **2.2 AGENCY THEORY**

Stephen Ross and Barry Mitnick are credited with developing the agency theory, which was published in 1973. (Mitnick, 2006; Nwaubani, 2019). According to Mitnick (2006), "the first scholar to explicitly propose, and to actually begin the creation of a theory of agency was Stephen Ross and Barry Mitnick, independently and roughly concurrently." Stephen Ross and Barry Mitnick are credited with developing the agency theory, which was published in 1973. (Mitnick, 2006; Nwaubani, 2019). According to Mitnick (2006), "the first scholars to explicitly propose, and to actually begin the creation of, a theory of agency was Stephen Ross and Barry Mitnick, independently and roughly concurrently."

The agency model is one of the oldest theories in management and economics literature. Origin and progression.

Adam Smith's foundation Adam Smith's book "An Inquiry into the Nature and Causes of the Wealth of Nations (1776)", and particularly his thoughts on the ineffectiveness of companies whose management was entrusted to a non-owner agent, is without a doubt one of the most relevant references for the study of agency problems. « The directors of such companies, however, being managers of other people's money rather than their own, cannot be expected to watch over it with the same anxious vigilance that the partners in a private partnership frequently watch over their own. Agency theory discusses and emphasizes the problems that exist in firms as a result of the separation of owners and managers. This theory aids in the

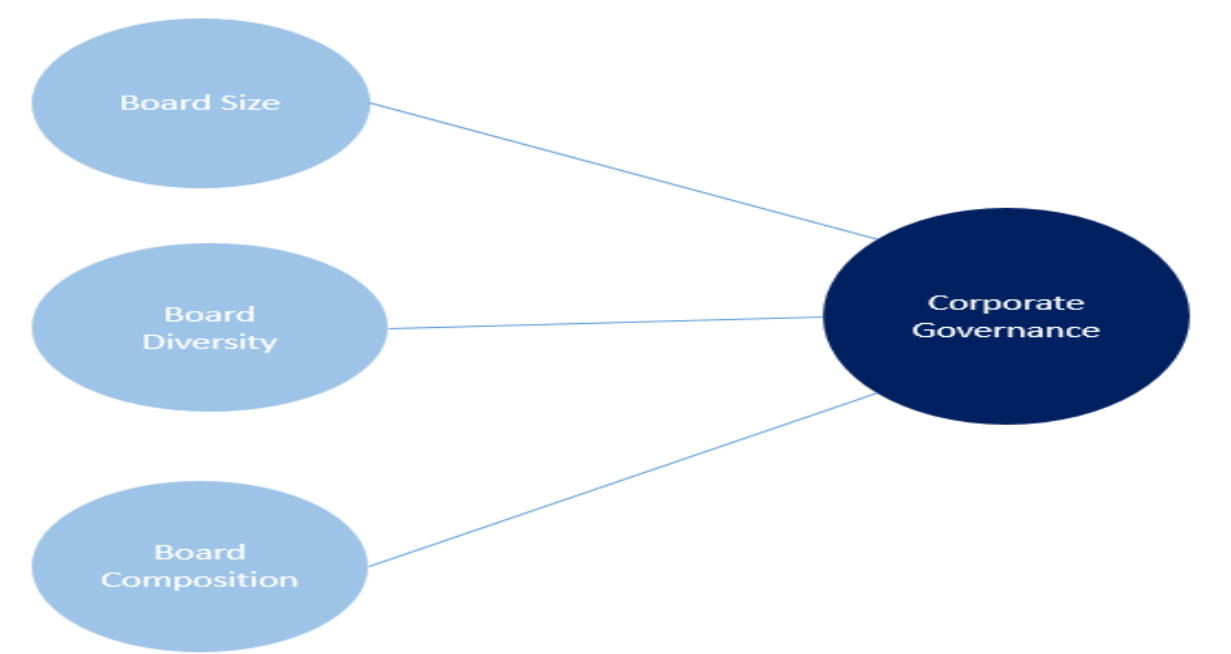
implementation of various governance mechanisms to control the actions of 'agents' in corporations. Agency theory is the study of problems and solutions associated with the delegation of tasks from principals to agents in the context of competing interests between the parties.

It covers issues that can be roughly categorized into hidden characteristics and hidden actions. Its focus is on monitoring the arrangements that can be used to minimize welfare loss. This theory starts with clear assumptions about rationality, contracts, and informational conditions. When there is a conflict of interest, particularly between the company's managers and shareholders, one of the theories that is frequently utilized in the accounting field to resolve conflicts and problems is the agency theory. The principle also applies when there are two parties: the principal and the agent. The principal here refers to the company's or business's owners, and the agent here refers to the managers of the company or business. The management performance of a company reveals how well it adapts to changing circumstances. The quality of a firm is determined by its management's capacity to react promptly and effectively to changes in the business environment. The firm must be able to create and implement specific planning strategies for the environment of the business in order to satisfy the agency hypothesis. Campbell and Underdown get along great (2017). While the shareholders are thought to be interested in the wealth of the investment, the managers are seen to be more concerned with fostering and increasing their perks and profit earning. In order to improve trust between insiders and outsiders and prevent such conflicts of interest, the company may establish some specific committees and conduct an external evaluation that includes governance, external auditors, and the audit function. The relationship between business owners and their agents is a topic that is addressed and resolved using the theory of agencies.

Several formal models for establishing efficient corporate governance control mechanisms based on the performance of the board of directors have recently been developed. For a multi-level decision system like corporate governance, an updated model that takes uncertainty in model parameters into account is necessary to take the uncertain character of the agency problem into account. To further address the agency's issue in a more quantitative way, modeling studies of monitoring board diversity are being carried out using real data.

In terms of business success, the agency theory characteristic of board composition (board independence) produces contradictory results Charitou et al. (2017), Coles et al. (2018), Sandaet al. (2018), Eklund et al. (2019) and Zainal-Abidine (2018)

Fig 1 Conceptual Framework



### 2.3.1 Corporate Governance, Board Composition, Board Diversity and Board Size

Corporate governance refers to the relationships that exist between a company's management, board of directors, shareholders, and other stakeholders. CG also provides the structure through which the company's objectives are set, as well as the means of achieving those objectives and monitoring performance. Every country has its own official procedures based on its customs, political environment, religious beliefs, and social and economic background. Countries have their own set of CG codes that protect stakeholders' rights (Khan et al. 2016).

As previously stated, researchers discovered a positive relationship between CG and firm performance. Many studies have been conducted to investigate the relationship between good CG and a company's ability to succeed. The majority of studies discovered a link between the two factors, CG and firm performance. A previous study discovered a strong link between good CG and financial success for businesses (Malik & Makhdoom, 2016). As previously stated, researchers, regulators, and society in general have expressed an interest in corporate boards of directors, their functions, composition, and impact on firm management. However, this interest has been greatly fueled by the fact that there has been a recent need to transform boards,

both in terms of composition and evaluation of their functioning (Daz et al., 2017; Korent et al., 2014).

At the state level, California has been at the forefront of efforts to change board composition by enforcing required diversity mandates in recent years. California passed regulations requiring the representation of women and minorities on the boards of publicly traded businesses with Californian headquarters in 2018 and 2020, respectively. These two statutes were swiftly contested, and in recent weeks, California state courts ruled that they violated the equal protection section of the state constitution by constituting unconstitutional discrimination. The court recognized the law's admirable objectives when it overturned the need for minority directors (board members from "underrepresented communities").

Washington is the only other state that has enacted legislation requiring board diversity. Women must make up at least 25% of public company boards by January 1, 2022, according to the law. If this requirement is not met, the firm is required to explain and analyze its strategy for board diversity with shareholders prior to the annual meeting. Washington's state constitution contains an equal protection clause, just like California's does, despite the California cases having no precedential effect. While some jurisdictions, like Maryland and Illinois, have mandated disclosure rules regarding board diversity, other states have not adopted obligatory quotas.

The SEC approved a board diversity rule that Nasdaq adopted in 2021, requiring listed companies to publicly disclose statistics on board diversity using a standardized template and requiring companies to have at least two diverse directors, including one who self-identifies as female and one who self-identifies as an underrepresented minority.

The board shall consist of at least five (5) members and no more than fifteen (15), according to the Nigerian corporate governance code. ii) The board "shall not be so large as to be unmanageable," according to the UK Corporate Governance legislation. The Singapore Code of Corporate Governance stipulates that "the Board should assess its size and, in order to ascertain the impact of the number of effectiveness, decide on what it considers an appropriate size for the Board, which facilitates effective decision making.' When determining the appropriate size of a board for a specific company, "the Board should take into account the scope and nature of the company's operations."

A board of directors is an essential component of any corporate governance system that oversees an organization's mechanisms. A board of directors plays an important role in

protecting a company from failure (Detthamrong et al. 2017). A board of directors is made up of people who are elected to set policies for the smooth operation of a company. A board of directors is in charge of overseeing a corporation's operations. Directors are critical to the efficient operation of a business. The size of a board is determined by the firm's diversity; the larger the board, the more diverse the company.

Because they have more resources, companies with a larger number of directors can make more informed and effective decisions. However, only a small number of studies have examined the impact of high CG on businesses (Hernawati & Surya, 2019). The vast majority of studies discovered a strong link between good CG and company performance (Malik & Makhdoom, 2016).

**H1** There is a positive relationship between corporate governance and board composition.

### **2.3.2 Determinants of the board of directors' structure and their relationship to Corporate Governance**

According to the literature, an interactive board improves a company's corporate governance. Firms that hold joint board-management meetings and more frequent meetings tend to perform better (Agustia et al. 2022). Academic researchers have discovered a link between board size and firm performance. According to Mohan and Chandramohan (2018) and Merendino and Melville (2019), board size has a significant negative relationship with firm performance. However, other research indicates that increasing board size improves performance in more diverse companies (Francoeur et al. 2008; Hassan and Marimuthu 2018). According to the researchers, the increase in board size for small and medium-sized enterprises in Denmark reduced firm performance return on assets. According to academics, firms with more operational complexities have more severe conflicts and require more expert advice (Linck et al. 2008; Giannetti and Zhao 2019). In Risks 2022, 10, 185 4 of 20 relation to the impact of board size on firm performance, the literature suggests mixed results. The first hypothesis is developed based on the literature.

### **2.3.3 Factors influencing the composition of the board of directors**

It goes without saying that in order for the board to fulfill its obligations of supervision and advice, we must identify partnerships that take into account the makeup of the board. On the other hand, we might have noticed a change in the importance of the duties that the board of directors must perform in recent years, with supervision and monitoring taking precedence over

the traditional function of administration, possibly as a result of the effects of the crisis on businesses and, indirectly, on shareholders and society at large. As a result, regulators believe that action on various aspects of the market is necessary.

We focus on how the need for guidance and monitoring affects three aspects of the board: size, independence, and diversity, with the goal of comparing the results to those obtained in previous studies (Boone et al., 2007; Borlea et al., 2017; Cavaco, Crifo, Rebérioux, & Roudaut, 2017; Farag & Mallin 2017; Guest, 2008; Linck et al., 2008). Furthermore, by examining these characteristics, we can see how the G.G.C.'s recommendations influenced the board's composition, as the number of directors on the board is regulated. This entails increasing the number of external or independent directors who, among other things, can perform real supervision work.

Finally, the inclusion of more expertise and experience would be necessary to enable the board's task to be done in the most effective way because the suggestions state that the composition of the board should promote diversity rather than merely gender.

#### **2.3.4 Board Size and Corporate Governance**

A board of directors is an essential component of any corporate governance system that oversees an organization's mechanisms. A board of directors plays an important role in protecting a company from failure (Detthamrong et al. 2017). A board of directors is made up of people who are elected to set policies for the smooth operation of a company. A board of directors is in charge of overseeing a corporation's operations. Directors are critical to the efficient operation of a business. The size of a board is determined by the firm's diversity; the larger the board, the more

Because they have more resources, companies with a larger number of directors can make more informed and effective decisions. According to the literature, an interactive board improves a company's performance. Firms that hold joint board-management meetings and more frequent meetings tend to perform better (Agustia et al. 2022). Academic researchers have discovered a link between board size and firm performance. According to Mohan and Chandramohan (2018) and Merendino and Melville (2019), board size has a significant negative relationship with firm performance. However, other research indicates that increasing board size improves performance in more diverse companies (Francoeur et al.2008; Hassan and Marimuthu 2018).

The researchers found that the increased board size in Denmark's small- and medium-sized businesses resulted in a lower firm performance return on assets. Academics assert that businesses with increasing operational complexity experience more serious disagreements and need more expert guidance. 2019's Giannetti and Zhao. The literature indicates conflicting results in Risks 2022, 10, 185 4 of 20 connection to the effect of board size on company performance. On the basis of the literature, the first hypothesis is developed.

**H2** Board size is positively associated with a company's performance.

### **2.3.5 Board Diversity (Women Directorship) and Corporate Governance**

Board diversity has the potential to foster innovation and creativity. Historically, the majority of boards were composed of male directors. In today's world, there is a growing recognition of the importance of having female directors on boards. The results of studies on the relationship between the presence of female board directors and firm performance have been mixed. According to some studies, board diversity improves firm performance (Brahma et al. 2021; Marquez-Cardenas et al. 2022; Yilmaz et al. 2021).

According to Zhang (2020) in another study, board gender diversity was conclusively associated with firm performance. Martinez-Jimenez et al. (2020) found no significant relationship between gender diversity and firm performance in firms listed on the stock exchange. Similarly, Elgadi and Ghardallou's (2022) study concluded that the presence of women on the board of directors has no significant impact on firm performance (Elgadi and Ghardallou 2022). Based on data collected from UK companies, Brahma et al. (2021) argue that board diversity is associated with increased financial worth.

According to Sarkar and Selarka's (2021) research, female independent directors improve performance. In contrast, the benefits of having female directors are significantly diminished in family enterprises, particularly when relatives occupy important executive positions like CEO and chairman. Compared to gray or executive directors, this adverse effect is particularly obvious for independent female directors. The value of the firm is increased by the nomination of independent female directors, but this benefit is reduced when the company is controlled by a family and completely disappears when family members hold key management roles. The results of this study demonstrate the significance of female directors and the role that family ownership and control play in moderating the association between female directors and firm success.

Weck et al. (2022) state in another study that gender diversity could lead to a broader range of task perspectives (Fernando et al. 2020), allowing for more balanced and high-quality board decision making (Adams 2016). It has also been claimed that female executives use less internal and debt financing (Wang et al. 2021).

Some studies, however, indicate a negative relationship between board diversity and corporate performance. According to Elgadi and Ghardallou (2022), overall board diversity has no effect on performance; however, it reduces performance variability during a crisis and in countries where the culture is more open to diversity (Arnaboldi et al. 2020).

Hierarchical cultures, such as the CEO, chairman, or lead director, can help to foster a more open communication environment (Creary et al. 2019), which may be associated with longer managerial decision-making processes (Konrad et al. 2008). It has also been argued that when women achieve the position of chairperson, their roles and ways of thinking may change because they may adopt a male stereotypical approach to voluntary information disclosure when they become the chairperson of a firm (Amorelli and Garca-Sánchez 2020).

According to research, increasing female board representation leads to higher overall performance, less earnings management, and less excessive risk taking, particularly in countries where gender equality is higher.

2020 (Belaounia et al.). It has been proposed that female leaders can assist an organization's administration by bringing their aptitude for and knowledge of social responsibility.

HRM has been extensively researched and developed to include more concepts, theories, and practices than ever before (Collings, Wood, & Szamosiet, 2019).

Diversity management is one such practice. This concept is much newer, but it has its roots in Equal Employment Opportunity and Affirmative Action, as well as the concept of 'Valuing Differences,' which was enacted in the United States in the 1960s (McDonald, 2010; Mullins, 2018). Although, with increased research on the subject, the concept only became popularized and widespread in the 1990s (McDonald, 2010).

Mullins (2018) claims that firms with good diversity management have superior learning, inventing, and problem-solving abilities, allowing them to reap the strategic benefits of incorporating a diverse workforce. Mullins (2018) claims that firms with good diversity management have superior learning, inventing, and problem-solving abilities, allowing them to reap the strategic benefits of incorporating a diverse workforce. Despite having what may

be considered a low proportion of female CEOs, Sweden ranks third in the EU in terms of the highest percentage of female CEOs.

The 2019 European Women on Boards Gender Diversity Index shows that there is still a long way to go for European businesses to achieve gender balanced leadership. Women only hold 27% of leadership posts, the survey states. In addition, women are significantly less likely than men to assume executive positions: according to the study, only 16% of leaders in the second tier and, when present, the third layer of corporate governance are female.

Only 28 of the firms in the study's data set, or 4.7%, had female CEOs. Women in executive positions are also more common in companies that have a female CEO, CFO, or COO. (EWOB, 2019). The narrow and angled way corporations market these job openings to the public is a trend that has grown in popularity since the implementation of gender quotas. It is not uncommon to see job advertisements with the words "female/woman" in the title, requirements, or preferences, such as "Looking for a female..." or "We see it as an advantage that you as a woman apply for this position..." and so on (Swedish Public Employment Service, 2022). All of this leads to an intriguing study on diversity management and gender quotas, as well as how they are perceived and followed up on.

Leaders have realized that having female leaders in top positions and on boards can generate significant value for corporations (Füchtner, 2014; Seierstad et al., 2020). Credit Suisse, for example, conducted a survey of 2,360 businesses to better understand the effects of gender diversity in the workplace. Their data revealed that gender diversity was previously discussed solely on the basis of fairness and equality, but that this has now shifted due to understanding of how women influence businesses and can help generate valuable returns for the companies.

The new perspectives and values that female directors bring to the board of directors enable top managers to offer advice, lead to better decision-making in problem-solving, increase effectiveness and innovation, and increase access to information (Bennouri et al., 2018). Diverse boards can more effectively control management since board independence and diversity are related. The presence of women on the board of directors is more likely to suggest analytical thinking and effective monitoring abilities. Women are more adept than men at figuring out moral conundrums. Furthermore, key oversight roles like independent director and audit committee membership are extremely important to the board's capacity to oversee management. Female directors in monitoring roles, according to (Zalata et al., 2019), reduce managerial opportunism.

### **H3 Female directorship is significantly associated with corporate governance**

#### **2.3.6 Other Scholars**

Women on boards boost perceptions of the board's legality and dependability, boosting stockholder confidence in the company. According to Zalata et al. (2019), women directors with oversight responsibilities reduce managerial opportunism as measured by discretionary accrual. Furthermore, Dadanlar and Abebe (2020) suggested that women-led companies are less likely to face discrimination lawsuits. According to Garca-Sánchez et al. (2019), boards with more female directors reduce the risk of impression management policies in sustainability reporting.

#### **2.3.7 The dangers of 'diverse' boards**

An examination of how the makeup of boards affects all stakeholders, the company, and individual board members is necessary given that boards are becoming more prominent. 'Undiversified and homogenous' boards run the risk of missing opportunities and risks, losing support from shareholders, investors, and stakeholders, disobeying prescribed governance codes, breaking laws pertaining to equality, and jeopardizing the reputations of individual directors, the organization, and the nation. Quality, innovation, output, and performance are all jeopardized.

The board directors' personal characteristics influence decision-making processes. It is critical to have a variety of personality types on the board while still managing discussions, conflicts, and general interactions effectively. Directors are expected to demonstrate confidence (derived from courage and experience), integrity (personal character), and sound judgment (born of knowledge and experience). Furthermore, they should be able to challenge both executive management and each other with the end goal of better serving their stakeholders rather than themselves. The oxymoron 'constructive challenge' is frequently used to remain in one's comfort zone while paying lip service to challenge and diversity.

## CHAPTER 3

### RESEARCH METHODOLOGY

#### 3.0. Introduction

At the beginning of the study the author decided to review the literature using various databases at the start of the research. However, a closer examination of the literature on diversity on corporate boards revealed that previous studies almost exclusively used "Scopus," "Google Scholar," and "Web of Science" as their databases (Khatib et al., 2020; Nguyen et al., 2020). Because previous research focused on specific databases, it is possible to gain more insight and understanding of the topic using different database, such as google scholar. Choosing a rigorous research method (e.g., keyword search strategies), databases, and inclusion criteria is critical for a systematic review because methods influence the review's findings through the inclusion of data.

The approach that researchers must adopt in order to perform their research is known as the research technique. It exemplifies how these researchers define their problem and goals, as well as how they present their findings based on the information gathered throughout the study period. The research outcome will be achieved in accordance with the goals of the study, as shown in the research design and methodology chapter. As a result, this chapter talks about the research techniques that were employed. It comprises the research process for the study, from the research plan to the results presentation. The research strategy, research design, research methodology, the study area, data sources including primary and secondary data, and population concerns are all highlighted by the author in this chapter.

When resources are scarce, questionnaires make it possible to gather both subjective and objective data from a sizable sample of the population under investigation in order to produce statistically meaningful results. Given the number of participants, it is a useful tool for protecting participants' privacy. The reliability of the data and information depends on how truthful the respondents were.

#### 3.1 Epistemology

Bryman and Bell claim that the issue of what knowledge in a field is or should be regarded acceptable knowledge is an epistemological conundrum (2015). The topic of whether social sciences research can and should follow the same guidelines, procedures, and ethical standards as natural sciences is particularly significant in this context. Depending on the research

methodology used, there are three types of epistemological research techniques: positivism, realism, and interpretivism (Bryman & Bell, 2015). Bryman and Bell (2015) define positivism as an epistemic perspective that encourages the use of natural scientific approaches to investigate social reality and beyond.

According to Goldman and O'Connor's (2021) analysis, two epistemological schools are identified: Formal Epistemology (FE) and Social Epistemology (SE), which are discerned as distinct and divergent philosophical trends. These primarily philosophical, cross-disciplinary debates would later come to define mainstream epistemology's concerns as distinct from others. The goal of theory is to develop testable hypotheses that can be used to evaluate laws and their interpretations, i.e. deductivism.

However, positivism includes principles such as only phenomena that can be validated by the senses being authentic (Collis & Hussey, 2014). Furthermore, according to Bryman and Bell (2015), realism and positivism share two characteristics: a belief that the natural and social sciences can and should use the same approaches to data collection and explanation, and a belief that there is an external reality to which scientists should direct their attention. In other words, reality exists independently of our descriptions of it. Empirical realism and critical realism are the two types of realism. Empirical realism essentially asserts that reality can be comprehended through the application of appropriate means.

Finally, there is interpretivism. According to Bryman and Bell (2015), the main goal of interpretivism is to understand human behavior through interviews and observations. Only social constructs such as language, awareness, common meanings, and tools, according to interpretive scholars, provide access to reality, whether given or socially produced (MacIntosh & O'Gorman, 2015). According to Saunders, Lewis, and Thornhill (2019), the theoretical and conceptual frameworks of interpretivism are very simple, that it focuses on stories, narratives, perceptions, and interpretations, and that new perspectives and understandings are required as a contribution.

### **3.2 Design of Research**

According to Bryman and Bell, quantitative research methods frequently begin with a deductive approach, and the researcher typically adopts a positivist epistemic perspective (2015). A quantitative method is also concerned with measuring variables and analyzing quantifiable data, which is typically gathered through a survey of hundreds of respondents. When the researcher has an objective view of reality and believes that knowledge can only be

created by what is measurable or what can be observed, the quantitative method could have been a suitable method (Bryman & Bell, 2015; Collis & Hussey, 2014).

Gender quotas and diversity management are the main topics of this study. The perspective of a corporation in the transportation industry as well as that of seasoned professionals are being explored in relation to this. As the literature research made clear, organizations still lack diversity and a diverse workplace environment. It is therefore of significant interest to investigate this topic with inquiries focused on the company in question's strategy for diversity, equal opportunity hiring, what procedures they employ, and how they follow-up on their hiring. The quantitative design was used in this study. In this study, statistical analysis, tables, or graphs were commonly used.

### **3.3 Research Approach**

The existing theories that make up the theoretical framework for this thesis were found and gathered by the author. Because of this, we began with theory, which is consistent with the deductive approach. These ideas also provided the framework for the study's focus group and interview questions, as well as its empirical results. The author developed hypotheses to test these theories using empirical evidence.

A qualitative study was conducted to determine the whys and hows of the phenomenon under consideration. The result, qualitative research defined the subjectivity of the study, and findings gathered in a written format rather than numerically. Qualitative approaches was used as it is well-suited to gender research because they allow for a more nuanced approach to the issue, which is essential when conducting gender-specific research, particularly on sensitive topics like women inclusivity

In order to uncover the many concerns connected to female members serving on corporate boards, the exploratory research path starts by doing a literature search using the terms "gender diversity," "board structures," and "female features." This sparked an inquiry into whether quotas may contribute to an increase in the proportion of female directors and, if so, what effect they might have. The authors discovered a potential gap in the literature after reading the study by Place and Vardeman-Winter (2018). The discussion next turned to corporate communications literature, where it was found that the subject of gender quotas had not been addressed.

The exploratory research path begins with a literature search using the keywords "gender diversity," "board structures," and "female traits" to identify the various issues relating to female members serving on corporate boards. This prompted an investigation into whether quotas could play a role in increasing the number of female directors and, if so, what impact they would have. When the authors came across the paper by Place and Vardeman-Winter (2018), they realized a potential gap in the literature had been identified. The focus then shifted to the PR and corporate communications literature, where the issue of gender quotas was discovered to be unexplored

## **Population**

### **Sampling and Sample Size**

#### **3.3.1 Data Collection and Sampling**

This study was limited to the top 5 board members appointed from 2019 to date. In order to maintain the originality of data sampling, all board members were made to participate and giving their opinions. After the data collection process was completed, all the data collected was suitable for use as samples in this study.

A questionnaire was used to collect information from the board members on gender diversity and inclusivity. The collection of both subjective and objective data from the small sample of the study population was done and statistically significant results. It is an effective tool for safeguarding participants' privacy given the level of participants. The validity of data and information is dependent on the respondent's honesty.

Questionnaires were mailed to participants in paper form, delivered electronically via email or hand deliver or a combination of the two, with the participant deciding which method is preferred.

Questionnaire-based studies use internet-based communication technology to collect information from participants who respond to the study link (e.g. E-mail, online survey platform). Since the beginning of the COVID-19 pandemic, there has been a growing interest among researchers in using internet-based data collection methods, as evidenced by the increasing number of studies employing online surveys to collect data (Akintunde et al., 2021). This could be due to the relative ease of online data collection over traditional face-to-face interviews while adhering to COVID-19 pandemic travel restrictions and distancing guidelines. Furthermore, when compared to other methods of remote data collection (e.g., telephonic

interview), it is more cost-effective and faster (no interviewer required and automatic data entry).

### 3.3.2 Data Examination

The data was evaluated and analysed using SPSS in order to examine the association between gender inclusion and diversity in corporate governance processes. Descriptive analysis and correlation analysis are the two types of analysis used in this study. These techniques are vital for summarizing variables as well as looking at the relationship between two variables. They are employed as the underlying statistical tests to define the original properties of a data collection.

### 3.3.3 Dependent Variables Abbreviation

**Table 3.1 Variable Descriptions**

VARIABLE	DESCRIPTION	DEFINITION	REFERENCE
BSIZE	BOARD SIZE	A number of directors serve on the board, including a chairperson and independent directors.	Detthamrong et al. (2017)
BD	Board Diversity	The number of female directors in relation to the total number of directors.	Detthamrong et al. (2017)
BC	Board Composition	A board is made up of individual directors, each with their own set of skills, knowledge, experience, and networks. These individuals comprise the entire board and define its composition.	Detthamrong et al. (2017)

## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

#### **4.0 Introduction**

The prior chapter has articulated the research methodology. This chapter presents primary data collected from participants using tables, pie charts and bar graphs. The first section of the study cover study response rate. The next section focusses on demographic details of participants. This is followed by reliability and normalcy tests. The final but essential phases of the study cover responses to all the five study objectives. The chapter concluded by covering inferential statistics on the impact of board structure and composition on good corporate governance practices at ZUPCO.

#### **4.1 Restatement of objectives.**

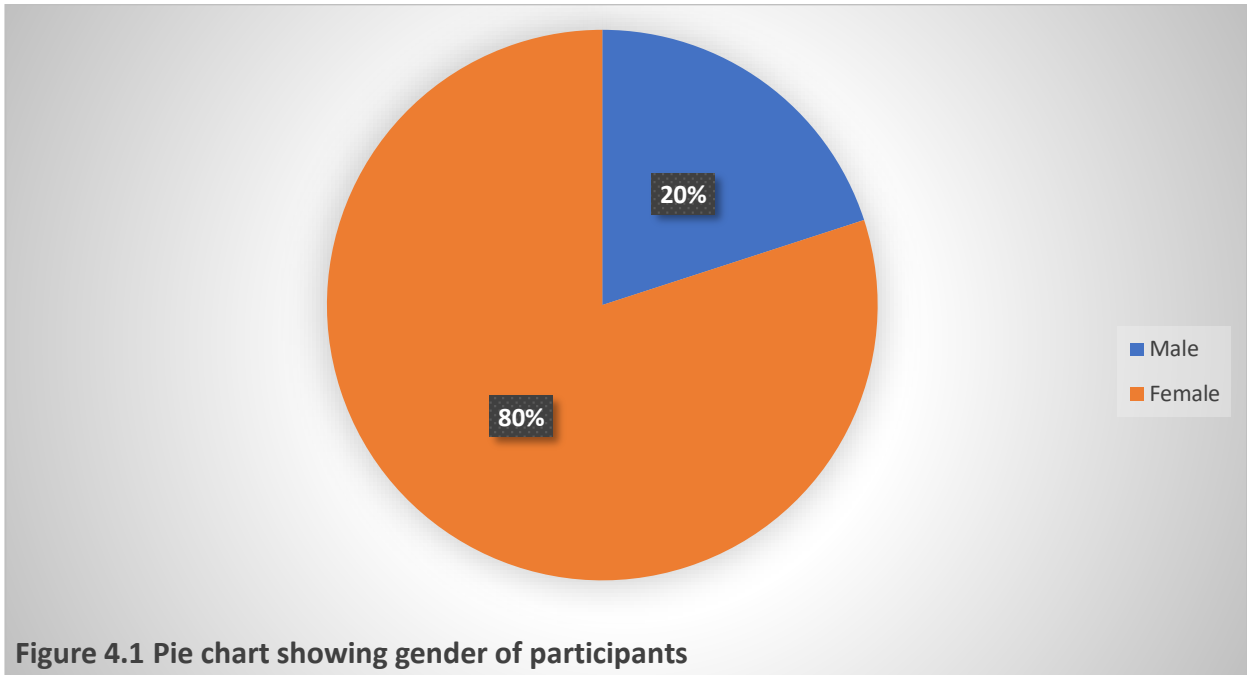
The research sought to achieve five study objectives as listed below:

- 4.1.1 To determine whether the practice of Performance of a corporation is correlated with excellent corporate governance.
- 4.1.2 To establish if the market response to incorporation of more women on corporate boards could produce better outcomes.
- 4.1.3 To determine why there are so few women on corporate boards of directors.
- 4.1.4 To comprehend the abilities that women could bring to the boards if they were included.
- 4.1.5 To ascertain whether gender diversity on boards is a problem.

#### **4.2 Response rate**

All the five board members of ZUPCO participated in the study (100% sample size). Therefore, the study response rate was 100%. Creswell (2018) indicated that a response rate that exceed 50% is large enough to warrant the researcher of valid results that can be generalised to the target population. Hence, this study with a reaction rate of 100% shows that the findings are credible and can be generalised to the entire ZUPCO bus company.

#### **4.3 Demographic profile of participants**

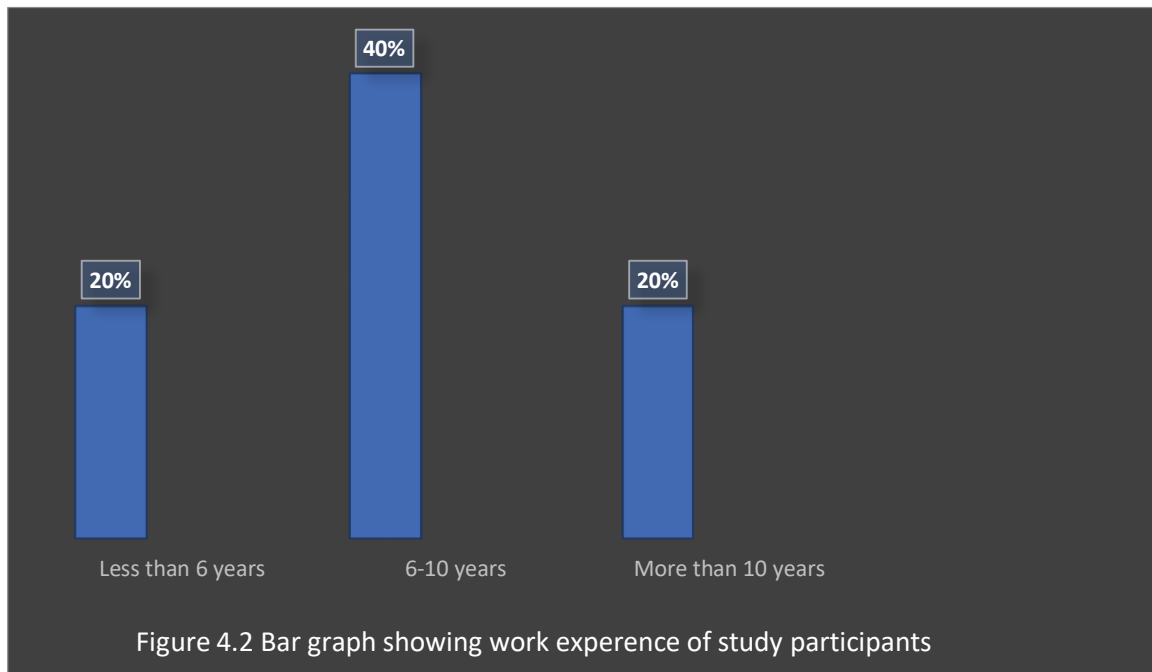


Source: Primary data (2022)

#### 4.3.1 Gender of participants

The illustration on figure 4.1 shows that of ZUPCO board members that participated in the study there were 80% male and 20% female. This shows that there is lack of gender diversity on ZUPCO board. This is very important for this research as it seeks to examine why there are so few women on corporate boards of directors. Hence, the researcher was able to obtain some of the answers on the key research questions from the demographic structure of the board of directors of ZUPCO. Regardless of the gender disparity, the researcher was able to capture views of both men and women on whether the market response to incorporation of more women on corporate boards could produce better outcomes and to ascertain whether gender diversity on boards is a problem.

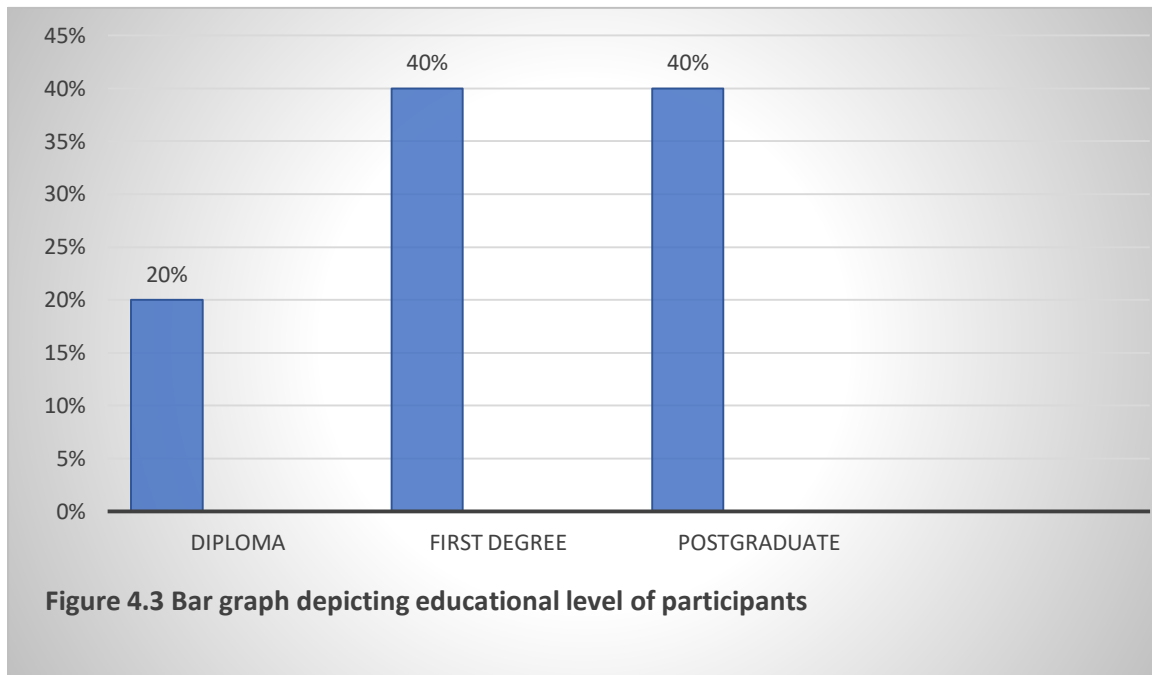
### 4.3.2 Experience of participants



Source: Primary data (2022)

Figure 4.2 shows that majority of ZUPCO board members that participated in the study have served 6-10 years and constitute 60% of the participants and those that served more than 10 years and those that serve less than 6 years, each group constitute 20% of the study participants. Result showed that majority of the participants have effectively served more than one term and this is still in line with the corporate governance framework for parastatals which places a limit of two terms for board members. The result showed that responses on whether the market response to incorporation of more women on corporate boards could produce better outcomes and to ascertain whether gender diversity on boards is a problem were obtained from experienced board members and this increase the credibility of their responses.

### 4.3.3 Educational qualification of participants



Source: Primary data (2022)

Results displayed on figure 4.3 above shows that the highest proportion of participants were first-degree holders who constituted 40% and post graduates as well who make up 40% of the respondents and diploma holders constituted the minority of 20% of the participants. Results show that all study participants were educated enough to understand the questionnaire used to collect data. Results also show that all respondents were highly qualified enough to articulate whether the market response to incorporation of more women on corporate boards could produce better outcomes and to ascertain whether gender diversity on boards.

### 4.3 Reliability test scores

In order to test reliability of the research instrument, Cronbach Alpha scores obtained are shown in table 4.1 below

**Table 4.1: Cronbach Alpha**

Item	Number of scalable items	The scalable reliability coefficient (Alpha)
Corporate governance	5	0.7369

Market response	4	0.8266
Low women representation	5	0.8192
Women abilities	4	0.8337
Gender diversities	4	0.9002
Performance	3	0.9277
Overall	25	0.8322

**Source: Primary data (2022)**

The Cronbach Alpha values depicted on table 4.1 above range from 0.7369 to 0.9277. The overall score for the entire questionnaire was 0.8322. Nazareth (2022) indicated that a Cronbach Alpha score of at least 0.70 confirm that the questionnaire used is reliable and has high internal consistency. Therefore, the questionnaire used for this research with a Cronbach Alpha of 0.8322 was reliable.

#### **4.4 Normality test results**

**Table 4.2 Results for VIF Test for Multicollinearity**

<b>Variable</b>	<b>Variance Inflation Factor (VIF)</b>
Market response	5.113
Low women representation	1.007
Women abilities	2.784
Gender diversities	2.339

*Source: Data from survey, (2022)*

The researcher checked for multicollinearity by computing the Variance Inflation Factor (VIF). Multicollinearity is a problem that arises when independent variables show high correlation. This is evidenced by a Variance Inflation Factor (VIF) that is at least 10 (Saunders et al., 2019).

The table 4.2 above shows that the VIFs were in the range of 1.007 to 5.113 and are within the less than 10 range. Hence, there was no evidence of multicollinearity in the data used. The researcher proceeded with regression analysis as the impact of each independent variable on the response variable was not distorted.

#### 4.5. The relationship between performance of a corporation and excellent corporate governance.

In order, to determine whether the practice of performance of a corporation is correlated with excellent corporate governance, descriptive results are shown on table 4.3 below.

**Table 4. 3: Corporate governance and corporate performance**

Statements	SD	D	N	A	SA	Mean	St. Dev.	
An effective audit committee tightens internal controls of the firm	0%	20%	0%	40%	40%	4.80	.824	
An independent board increases accountability of executive managers	20%	0%	0%	20%	60%	4.78	.804	
Adequate financial disclosures attract investors	0%	0%	0%	40%	60%	4.92	.201	
Adherence to codes of corporate governance enhance share price	20%	20%	0%	20%	40%	4.60	.946	
Overall mean							4.78	

*SD=Strongly Disagreed, D=Disagreed, N=Neutral, A=Agreed, SA=Strongly Agreed*

**Source: Survey Data (2022)**

Findings presented on table 4.3 shows that 80% of the respondents agreed that an effective audit committee tightens internal controls of the firm for a mean score of 4.80. However, 20% of the participants objected to this statement. The result show that most of ZUPCO board members share the view that an effective audit committee put in place water proof controls that reduce financial leakages, thereby enhancing financial performance of the organisation. The result also suggests that an effective audit committee significantly reduce risks faced by the organisation, thereby enhancing financial performance of the organisation. It can be inferred from the result that there is positive influence of corporate governance on corporate performance from the perspective of a strong and effective audit committee.

Table 4.3 also shows that 80% of the participants concurred that an independent board increases accountability of executive managers for an arithmetic score of 4.78. However, 20% of the respondents were not in agreement with this view. The result shows that most respondents share the view that a board with majority of the board members that are independent can effectively discharge its duties because they can uphold the best interests of shareholders and customers among other key stakeholders other than management. The results suggest that the judgement of independent board members is not impaired by executive packages and perquisites because they are not employees of the organisation and are also not directly connected to the organisation. Hence, they are more interested in ensuring that executive management fully account for its actions to the board. The increased accountability of the executive to the board implies that the executive managers are persuaded to properly use the funds of the shareholders and to fully protect the wealth of shareholders to which they are delegated to oversee. Hence, the safekeeping and proper usage of the organisational assets improve profitability of the organisation. It can therefore, be inferred that corporate governance improve corporate performance from the perspective of independent board members.

The table 4.3 also shows that all respondents unanimously agreed that adequate financial disclosures attract investors for a mean score of 4.92. The results showed that as the firm increase the quantity and quality of its financial disclosures in terms of liquidity, profitability, directors' remuneration and sustainability measures implemented, more investors are able to assess the viability of the business and thereby make a decision on whether to inject funds into the business or not. If investors inject funds into the business, this can be used to expand the business. Hence, the increased growth attributable to adequate financial disclosures is realised. It can therefore, be inferred that corporate governance enhances corporate performance from the perspective of increased financial transparency.

Table 4.3 also shows that 60% of the participants agreed that adherence to codes of corporate governance enhance share price whilst 40% disputed this position. The result implies that adherence to codes of corporate governance like the King 111 and Combined code that promote board independence, board diversity and sufficient board size promote a diverse pool of ideas required for companies to operate successfully in the dynamic operating environments. Hence, more stakeholders develop confidence that the affairs of the business are run properly. The increased confidence of shareholders on how the business is run increase share price.

The positive association between corporate governance and corporate performance was supported by Aggarwal, Jindal, and Seth, (2019) who indicated that a company with sound corporate governance significantly improve its profitability, liquidity and reputation as multiple stakeholders support the business from multiple perspectives. The results are also consistent with those of Alnabsha, Abdou, Ntim, and Elamer, (2018) who showed that an effective audit committee tightens internal controls of the firm, reduce financial leakages and reduce risk of penalties for non-compliance with rules and regulations.

#### **4.6. The market response to incorporation of more women on corporate boards could produce better outcomes**

In order, to establish if the market response to incorporation of more women on corporate boards could produce better outcomes, descriptive results are shown on table 4.4 below.

**Table 4. 4: More women and better outcome**

<b>Statements</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>	<b>St. Dev.</b>
Women directors are team players that are very inclusive	0%	0%	0%	40%	60%	4.92	.204
Women directors are very persuasive in their arguments thereby reducing dysfunctional conflicts	20%	0%	0%	20%	60%	4.76	.794
Women thoroughly prepares for board meetings and have better attendance than men	0%	20%	0%	20%	60%	4.76	.794
Women directors support greater transparency and honesty behaviour than men	0%	20%	0%	40%	40%	4.78	.792
<b>Overall mean</b>						<b>4.81</b>	

*SD=Strongly Disagreed, D=Disagreed, N=Neutral, A=Agreed, SA=Strongly Agreed*

**Source: Survey Data (2022)**

Table 4.4 shows that all study participants concurred that women directors are team players that are very inclusive for a mean score of 4.92. The results showed that board members of ZUPCO consistently agreed that women accept view of contrarians and this significantly improve how a business is run. The inclusive nature of women results in constructive discussions required to improve performance of the organisation. It can be inferred from the result that the inclusion of more women on board positions improve better decision making.

The table also shows that 80% of the participants agreed while 20% strongly disagreed that women directors are very persuasive in their arguments thereby reducing dysfunctional conflicts for a mean score of 4.76. The result shows that most of ZUPCO board members concur with the view that women play a crucial role on the board through their persuasive skills which act as a panacea to dysfunctional conflicts. The reduction of dysfunctional conflicts results in board members reducing wastage of time in undertaking unproductive discussions. Hence, better outcome is associated with the presence of more female board members on the board of directorship.

Table 4.4 shows that 80% of the participants agreed that women thoroughly prepare for board meetings and have better attendance than men while 20% disputed this statement for a mean score of 4.76. The result shows that most ZUPCO board members agreed with the view that female board members invest substantially in preparing for the board and this results in them giving well thought responses that add value to the organisation. The result also means that female directors due to their higher commitment, they attend majority of board meetings and this also persuades their male counterparts to improve their board attendance as well. Hence, it can be inferred that participation of more women as board members results in better outcomes in terms of increased board attendance, provision of well thought responses and improved corporate performance.

The table also indicates that 80% of the participants agreed while 20% disputed that women directors support greater transparency and honest behaviour than men for a mean score of 4.78. The result shows that majority of the participants agreed that most female directors express their honest opinions without fear or favour and this promotes a high level of transparency. The increased level of transparency is reputational capital for the business as it attracts several investors to the business. Hence, it improves the chance of the business gaining money for both local and foreign investors.

The positive link between women directors and better performance outcomes is strongly supported by Baker, Pandey, Kumar, & Halder, (2020) who revealed that female directors significantly improve corporate governance and corporate performance than men from the perspective of their increased openness, inclusivity, increased cohesiveness, quick handling of multiple tasks, team playing and high level of persuasiveness. Also, in support of the result are Birindelli, Iannuzzi, and Savioli, (2019) who showed that women leaders demonstrate a higher

level of honesty, transparency and integrity which improve their sound corporate governance score and corporate performance.

#### 4.7. Reasons for fewer women on corporate boards of directors.

In order, to determine why there are so few women on corporate boards of directors., descriptive results are shown on table 4.5 below.

**Table 4. 5: Reasons for fewer women on corporate boards of directors.**

Statements	SD	D	N	A	SA	Mean	St. Dev.
Gender stereotyping leads to fewer women on board of directorship positions	0%	0%	0%	60%	40%	4.95	.208
Huge family responsibilities reduce opportunities for women to be incorporated as board members	0%	0%	0%	40%	60%	4.96	.206
Lack of female role models contribute to lower women vying for directorship positions	0%	20%	0%	60%	20%	4.77	.798
Lack of qualified and experienced female contribute to lower women occupying directorship posts	0%	40%	0%	20%	40%	4.58	.896
Overall mean						4.82	

*SD=Strongly Disagreed, D=Disagreed, N=Neutral, A=Agreed, SA=Strongly Agreed*

**Source: Survey Data (2022)**

#### **Gender stereotyping**

Results displayed on table 4.5 showed that all participants were in agreement with the view that gender stereotyping leads to fewer women on board of directorship positions. The result shows that one of the most powerful reasons that significantly contributes to lower female participation on the ZUPCO board of directors is gender stereotyping. This suggests that women are regarded as inferior and hence are not considered for senior leadership positions. The reason can also be explained by patriarchy society whereby men are considered as more important than female. Thus, leadership positions are viewed as roles for men instead of women.

### **Family work life balance**

Results displayed on table 4.5 also shows that all participants agreed that huge family responsibilities reduce opportunities for women to be incorporated as board members for a mean score of 4.96. The result shows that ZUPCO board members are convicted with the view that women in Zimbabwe carry a huge burden of looking after the family and doing household chores and this deny them a valuable opportunity to rise on the corporate ladder to become a board member. Hence, it can be deduced that another major challenge that significantly contributes to lower women representation on corporate boards is the lack of work life balance of women as they have to look after the family and also work for the family.

### **Lack of female role models**

The tables also show that 80% of the respondents agreed while 20% disagreed that lack of female role models contribute to lower women vying for directorship positions for a mean score of 4.77. The result shows that most of ZUPCO board members consistently agreed that there are fewer female board members due to the fact that there are very few successful female board members in the country. Hence, this reduces the confidence of women in vying for very senior positions like being a board member or board chair. It can be inferred that another significant challenge that affects women to participate in board directorship costs relate to lack of female role models from which other women can emulate.

### **Lack of qualification**

Findings presented on table 4.5 show that 60% of the participants agreed while 40% disputed that lack of qualified and experienced female contribute to lower women occupying directorship posts for a mean score of 4.58. Results show that most participants concurred with the view that majority of women do not have enough qualification and experience that is required for senior leadership posts like directors of a large entity. The results suggests that to some extent the lack of qualification and experience significantly deters ability of female to rise through the corporate ladder to reach the directorship level. Thus, women have a historical disadvantage in that few women have been occupying such posts hence, majority do not have such experience. Furthermore, those who have been in such posts, majority are men and they view it as a men's club and do not like women to join the club. Thus, lack of qualification coupled with lack of access to established female leadership networks contribute significantly to lower proportion of female board members in the country.

The challenges faced by women in their efforts to become directors that include gender stereotyping, lack of family work life balance, lack of female role models and lack of qualification was supported by Bufarwa, Elamer, Ntim, and AlHares, (2020) who cited the same factors as major challenges that are faced by women in leadership positions. The result was also supported by Haque and Ntim, (2020) who showed that patriarchy, gender bias, inferiority complex and poor female network are the greatest barriers for women to successfully rise through the corporate ladder to become directors.

#### 4.7. The abilities that women could bring to the boards if they were included.

In order, to comprehend the abilities that women could bring to the boards if they were included., descriptive results are shown on table 4.6 below.

**Table 4. 6: Abilities that women could bring to the boards if they were included.**

Statements	SD	D	N	A	SA	Mean	St. Dev.
Women focus more on the long-term perspective instead of the short-term perspective	0%	20%	0%	40%	40%	4.78	.803
Women significantly improve innovation capacity of the organisation.	0%	20%	0%	60%	20%	4.79	.802
Women promote collaborations and are willing to engage multiple stakeholders	0%	0%	0%	60%	40%	4.91	.201
Overall mean						4.83	

*SD=Strongly Disagreed, D=Disagreed, N=Neutral, A=Agreed, SA=Strongly Agreed*

#### Source: Survey Data (2022)

Results displayed on table 4.6 shows that 80% of the respondents agreed that women focus more on the long-term perspective instead of the short-term perspective and also that women significantly improve innovation capacity of the organisation for mean scores that range from 4.79 to 4.78. The results showed that if women are brought to leadership positions they are capable of maximising the value of the business in the long run rather than focussing on short term profitability or gains of the business. The result also shows that women has the great potential to improve innovation capacity of the organisation if they are included as board members.

The table also show that all participants agreed that women promote collaborations and are willing to engage multiple stakeholders for a mean score of 4.91. The result showed that ZUPCO directors consistently agreed with the view that women leaders adopt an inclusive and co-operative approach to decision-making and can effectively balance interests of multiple stakeholders of a company. This enhances chance for the company to collaborate with other players in the sector and the company can realise higher value from such collaborations. The result is supported by Khan, Khan, & Saeed, (2019) who showed that women are the glue that connects the firm with multiple stakeholders due to their master skill of collaborations.

#### 4.8 The gender diversity on boards

In order, to ascertain whether gender diversity on boards is a problem., descriptive results are shown on table 4.7 below.

**Table 4. 7: The gender diversity on boards**

Statements	SD	D	N	A	SA	Mean	St. Dev.
Inclusion of women on the board widen the pool of talented directors	0%	0%	0%	60%	40%	4.92	.206
Companies with both male and female board members are considered gender sensitive and satisfies various stakeholder interests	0%	0%	0%	40%	60%	4.91	.203
Gender diversity at board level reduce groupthink thereby improve decision making	0%	0%	0%	60%	40%	4.94	.201
Overall mean						4.81	

*SD=Strongly Disagreed, D=Disagreed, N=Neutral, A=Agreed, SA=Strongly Agreed*

Source: Survey Data (2022)

Results displayed on table 4.7 shows that all study participants agreed that inclusion of women on the board widen the pool of talented directors for a mean score of 4.92. The result suggests that the best ideas arise due to the gender diversity. The result also imply that the organisation is likely to have improved business performance due to cross breeding of ideas emanating from gender diversity on boards.

The results on table 4.7 also shows that all respondents concurred that companies with both male and female board members are considered gender sensitive and satisfies various

stakeholder interests for a mean score of 4.91. The results shows that ZUPCO directors share the view that gender balance on the board promote satisfaction of a diverse range of interests of multiple stakeholders that include the government, women empowerment groups, civic society, customers, human rights groups and potential investors.

The table also shows that all study participants expressed the view that gender diversity at board level reduce groupthink thereby improve decision making for a mean score of 4.94. Results showed that ZUPCO directors strongly believe that gender equality at board level play a vital role of reducing groupthink which is common when the board comprise of one sex only. Hence, it can be inferred that diverse opinions and views on the board are brought about through gender diversity.

The results presented on table 4.7 shows advantages of board diversity and therefore it can be deduced that gender diversity is not a problem. The results are supported by Elsharkawy, Paterson, and Sherif, (2018) who indicated that gender diversity promote expression of various ideas, reduce group thin and attract a wide pool of talents.

#### **4.9 Inferential results on impact of Board Composition, Board Diversity and Board Size on corporate governance**

The results are presented on table 4.8 below:

Table 4.8 on impact of Board Composition, Board Diversity and Board Size on corporate governance

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.942 <sup>a</sup>	.887	.886	.27065
a. Predictors: (Constant), Board Composition, Board Diversity, Board Size				

Source: Primary data (2022)

Pearson correlation coefficient denoted by R of 0.942 shows that there is a strong positive linear impact of predictor variables (Board Composition, Board Diversity and Board Size) on response variable which is corporate governance. The coefficient of determination depicted by R square of 0.887 implies that 88.7% of the variation in corporate governance is caused by Board Composition, Board Diversity and Board Size. The adjusted R Square of 0.886 suggests that Board Composition, Board Diversity and Board Size fit to the model by 88.6%. Therefore, a very strong model was used in the research.

Table 4.9 Regression coefficients on impact of Board Composition, Board Diversity and Board Size on corporate governance

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.536	.134		26.321	.000
	Board composition	.229	.020	.217	11.677	.000
	Board size	.259	.018	.273	14.687	.000
	Board diversity	.638	.013	.883	47.541	.000
a. Dependent Variable: Corporate governance						

Source: Primary data (2022).

The regression coefficient of 0.229 on board composition indicates that for every 1% increase in board composition, there is 22.9% improvement of corporate governance. The positive impact of board composition on corporate governance is statistically significant because the probability value of 0.000 was lower than 0.05 margin of error used. Therefore, the hypothesis which stated that there is a positive relationship between corporate governance and board composition was validated at 5% level of significance. Daz et al., (2017) confirmed a significant positive relationship between board composition and corporate governance.

The regression coefficient of 0.259 on board size indicates that for every 1% increase in board size, there is 25.9% improvement of corporate governance. The positive impact of board size on corporate governance is statistically significant because the probability value of 0.000 was lower than 0.05 margin of error used. Therefore, the hypothesis which stated that there is a positive relationship between corporate governance and board size was validated at 5% level of significance. Hassan and Marimuthu (2018), confirmed a significant positive relationship between board size and corporate governance.

The regression coefficient of 0.259 on board size indicates that for every 1% increase in board size, there is 25.9% improvement of corporate governance. The positive impact of board size

on corporate governance is statistically significant because the probability value of 0.000 was lower than 0.05 margin of error used. Therefore, the hypothesis which stated that there is a positive relationship between corporate governance and board size was validated at 5% level of significance. Hassan and Marimuthu (2018), confirmed a significant positive relationship between board size and corporate governance.

The regression coefficient of 0.638 on board diversity indicates that for every 1% increase in board diversity, there is 63.8% improvement of corporate governance. The positive impact of board diversity on corporate governance is statistically significant because the probability value of 0.000 was lower than 0.05 margin of error used. Therefore, the hypothesis which stated that there is a positive relationship between corporate governance and board diversity was validated at 5% level of significance. Zhang (2020), confirmed a significant positive relationship between board diversity and corporate governance.

#### **4.10 Chapter summary**

The chapter has presented primary data collected from participants using tables, pie charts and bar graphs. The first section of the study covered the study response rate. This was followed by a discussion of demographic details of participants. This was followed by reliability and normalcy tests. The final but essential phases of the study covered responses to all the five study objectives. The chapter concluded by covering inferential statistics on the impact of board structure and composition on good corporate governance practices. Next chapter cover a summary of findings, conclusions and recommendations.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

The chapter provides an overview of the key study conclusions. Study findings are provided in the following subsection. A list of study recommendations follows this. The dissertation study concludes by offering suggestions for additional research.

#### **5.1 Summary of findings**

##### **5.1.1 Correlation between performance of a corporation and excellent corporate governance.**

In response to the first study objective which sought to determine whether the practice of performance of a corporation is correlated with excellent corporate governance, it was unearthed that there is a significant and strong positive correlation between sound corporate governance and corporate performance. With mean scores ranging from 4.60 to 4.92, the study showed that an effective audit committee tightens internal controls of the firm, an independent board increases accountability of executive managers, adequate financial disclosures attract investors and adherence to codes of corporate governance enhance share price.

##### **5.1.2 The market response to incorporation of more women on corporate boards and production of better outcomes.**

In answering the second study objective that sought to establish if the market response to incorporation of more women on corporate boards could produce better outcomes, descriptive statistics with average scores that range from 4.76 to 4.92 showed that women directors are team players that are very inclusive, women directors are very persuasive in their arguments thereby reducing dysfunctional conflicts, women thoroughly prepares for board meetings and have better attendance than men and women directors support greater transparency and honesty behaviour than men and all this individually and collectively improve sound corporate governance adoption and corporate performance.

##### **5.1.3 Reasons for few women on corporate boards of directors.**

In resolving the needs of the third objective that sought to determine why there are so few women on corporate boards of directors, descriptive statistics showed with average scores that range from 4.58 to 4.96 that gender stereotyping leads to fewer women on board of directorship positions, huge family responsibilities reduce opportunities for women to be incorporated as board members, lack of female role models contribute to lower women vying for directorship positions and lack of qualified and experienced female contribute to lower women occupying directorship posts.

#### **5.1.4 The abilities that women could bring to the boards if they were included.**

In response to the fourth aim that sought to comprehend the abilities that women could bring to the boards if they were included, descriptive statistics showed that for mean scores that range from 4.78 to 4.91, women focus more on the long-term perspective instead of the short-term perspective, women significantly improve innovation capacity of the organisation and women promote collaborations and are willing to engage multiple stakeholders.

#### **5.1.5 Assessment of whether gender diversity on boards is a problem.**

In response to the final study objective that sought to ascertain whether gender diversity on boards is a problem, descriptive statistics showed that for mean scores that range from 4.91 to 4.92, inclusion of women on the board widen the pool of talented directors, companies with both male and female board members are considered gender sensitive and satisfies various stakeholder interests and gender diversity at board level reduce groupthink thereby improve decision making. Inferential statistics also confirmed that for every 1% increase in board (gender) diversity, there is 63.8% improvement of corporate governance. The positive impact of board diversity on corporate governance was statistically significant. The hypothesis which stated that there is a positive relationship between corporate governance and board diversity was validated at 5% level of significance.

## **5.2 Conclusions**

### **5.2.1 Correlation between performance of a corporation and excellent corporate governance.**

The study concluded that there is a significant positive correlation that exists between performance of a corporation and excellent corporate governance. Thus, any measures implemented by an organisation to improve implementation of corporate governance

significantly produce high financial performance in terms of profitability and liquidity of the business due to high level of confidence that several stakeholders have in the business.

### **5.2.2 The market response to incorporation of more women on corporate boards and production of better outcomes.**

The study concluded that there is a significant positive correlation that exists between incorporation of more women on corporate boards and production of better outcomes. Thus, as more women are incorporated there is increase in financial transparency, honesty behaviour, board attendance, inclusion of diverse thoughts, cohesion and better decision making.

### **5.2.3 Reasons for few women on corporate boards of directors.**

The study concluded that cultural related and historical imbalances are the major factors that contribute to few women on corporate boards of directors. Thus, a patriarchy culture triggers the gender stereotyping, gender bias, treatment of women as inferior, assigning women to family duties like looking for children and perception that men are the only ones that should go for work. Historical imbalances imply that most families used not to send girl child to school hence there are few qualified women to occupy board positions and also there are few women who act as role models when compared with men.

### **5.2.4 The abilities that women could bring to the boards if they were included.**

The study concluded that women bring unique abilities to the board in terms of long-term growth focus, driving innovation capacity and promotion of collaborations with multiple stakeholders for the benefit of the organisation, thereby increasing the viability and sustainability of the organisations.

### **5.2.5 Assessment of whether gender diversity on boards is a problem.**

The study concluded that gender diversity is not a problem because there is a myriad of benefits that arise from the gender diversity. Chief among the benefits comprise of increased gender sensitivity, elimination of groupthink, improved decision making and better corporate governance.

## **5.3 Recommendations**

### **5.3.1 Correlation between performance of a corporation and excellent corporate governance.**

The study recommends companies in both the private sector and public sector to adhere to codes of corporate governance like the combined code, Cromme code and King 111 code of corporate governance in order to significantly improve their financial performance.

The study also recommends line ministries of parastatals to appoint independent board members with different skills and ensure a proper mix of gender on the board. The appointed board has to ensure that all the relevant board committees like audit committee, remuneration committee and risk committee are properly constituted and deliver their duties effectively in order to significantly improve corporate governance and corporate performance.

### **5.3.2 The market response to incorporation of more women on corporate boards and production of better outcomes.**

The study recommended line ministries to appoint an equal number of female board members and male board members to parastatals in order to ensure that better outcomes like increase in financial transparency, honesty behaviour, board attendance, inclusion of diverse thoughts, cohesion and better decision making are realised.

### **5.3.3 Reasons for few women on corporate boards of directors.**

The study recommends the need for a drastic shift of the mindset of the society, government, political parties and private sector that women and men are equal and they should not be separated based on gender roles particularly on leadership positions. There is need to completely discard the patriarchy culture and actively promote gender equality by civic organisations and political parties to ensure that women are also given a chance to participate as board members, The study recommends the government to reserve a quota of women in directorship positions. This ensures that female directors occupy directorship positions in light of the historical imbalances that they have been and are still facing.

### **5.3.4 The abilities that women could bring to the boards if they were included.**

The study recommends the appointing authority in both the public sector and private sector to appoint more women on their corporate boards in order to bring in more special women abilities that include long-term growth focus, driving innovation capacity and promotion of collaborations with multiple stakeholders.

### **5.3.5 Assessment of whether gender diversity on boards is a problem.**

The study recommends line ministries to appoint more women on directorship posts in order to significantly increase gender diversity and help to ensure that the parastatals benefit immensely in terms of increased gender sensitivity, elimination of groupthink, improved decision making and better corporate governance.

#### **5.4 Suggestions for further studies**

The current study was confined to ZUPCO bus company. Future researchers are recommended a replication of the study to other companies in the transport sector and also to other sectors like mining, agriculture, manufacturing, banking and insurance because the problem of low women representation on board positions is not unique to ZUPCO only but is a prevalent in all sectors of the economy. The study mainly relied on a questionnaire to collect responses from participants. Future researchers are recommended to use interview guide to get a more holistic picture of the underlying issues behind the low women representation on board of directors. The study can also be replicated in other countries in the region that include Zambia, Malawi and Mozambique because the problem of low women representation at board level is not unique to Zimbabwe but it is also a regional problem as well.

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## APPENDIX ONE: QUESTIONNAIRE

### BOARD STRUCTURE AND COMPOSITION IN GOOD CORPORATE GOVERNANCE PRACTICES – A CASE STUDY OF ZUPCO.

My name is Linda. I am a Masters in Leadership & Corporate Governance (MLC) student at Bindura University of Science Education. I am conducting research titled: **BOARD STRUCTURE AND COMPOSITION IN GOOD CORPORATE GOVERNANCE PRACTICES – A CASE STUDY OF ZUPCO.** This research is for academic purposes only and information that you will provide shall not be used for any other purpose without your consent and /or the consent of the university concerned. Your participation is voluntary and the researcher help to promote agricultural production and food security in the country. The right to privacy and confidentiality to all the respondents will be observed.

#### SECTION: Demographic information (Tick appropriate box)

Section		
1	Gender	Male                      Female
3	Your experience as a board member	less than 6 years                      6-10 years Over 10 years
4	Your highest educational qualification	Diploma                      First degree  Postgraduate

#### SECTION B

For the whole of section B, indicate your level of agreement to the given statements by ticking in the appropriate box

To determine whether the Performance of a corporation is correlated with excellent corporate governance practices.

Code	Statement	Strongly disagreed	Disagreed	Not sure	Agreed	Strongly agreed
		1	2	3	4	5
CGP1	An effective audit committee tightens internal controls of the firm					
CGP2	An independent board increases accountability of executive managers					
CGP3	Adequate financial disclosures attract investors					
CGP4	Adherence to codes of corporate governance enhance share price					
CGP5	The moderate board size of the board promote quick decision making					

**To establish if the incorporation of more women on corporate boards could produce better outcomes.**

Code	Statement	Strongly disagreed	Disagreed	Not sure	Agreed	Strongly agreed
		1	2	3	4	5
MWCB1	Women directors are team players that are very inclusive					

MWCB2	Women directors are very persuasive in their arguments thereby reducing dysfunctional conflicts					
MWCB3	Women thoroughly prepares for board meetings and have better attendance than men					
MWCB4	Women directors support greater transparency and honesty behaviour than men					

**To determine why there are so few women directors on corporate boards**

Code	Statement	Strongly disagreed	Disagreed	Not sure	Agreed	Strongly agreed
		1	2	3	4	5
BARR1	Gender stereotyping leads to fewer women on board of directorship positions					
BARR2	Huge female responsibilities reduce opportunities for women to be incorporated as board members					
BARR3	Lack of female role models contribute to lower women vying for directorship positions					

BARR4	Lack of qualified and experienced female contribute to lower women occupying directorship posts					
BARR5	The lack of access to established female leadership networks contribute to lower proportion of female board members					

**To appreciate the contributions that women could bring to corporate boards if appointed.**

Code	Statement	Strongly disagreed	Disagreed	Not sure	Agreed	Strongly agreed
		1	2	3	4	5
ABI1	Women focus more on the long-term perspective instead of the short-term perspective					
ABI2	Women significantly improve innovation capacity of the organisation.					
ABI3	Women promote collaborations and are willing to engage multiple stakeholders					
ABI4	Women leaders promote sound environmental management					

**To ascertain whether gender diversity on boards is a problem.**

Code	Statement	Strongly disagreed	Disagreed	Not sure	Agreed	Strongly agreed
		1	2	3	4	5
GDBP1	Inclusion of women on the board widen the pool of talented directors					
GDBP2	Companies with both male and female board members are considered gender sensitive and satisfies various stakeholder interests					
GDBP3	Gender diversity at board level reduce groupthink thereby improve decision making					
GDBP4	More women on the board lead to huge increase in quantity and quality of public disclosures					

**Corporate governance and performance**

Code	Statement	Strongly disagreed	Disagreed	Not sure	Agreed	Strongly agreed
		1	2	3	4	5
CG1	Corporate governance implementation has improved					

	over the past 5 years at ZUPCO					
CG2	Compliance with codes of corporate governance has improved over the past 5 years at ZUPCO					
CG3	Financial performance of ZUPCO has improved over the past five years					

**INTERVIEW GUIDE**

**Topic:** BOARD SIZE, DIVERSITY AND COMPOSITION IN TERMS OF GOOD CORPORATE GOVERNANCE PRACTICES – CASE OF ZIMBABWE UNITED PASSENGER COMPANY (ZUPCO)

**Purpose:** This established gender research and analysis allows one to examine and challenge social norms about what it means to be a woman or man in society, as well as pursue justice and equality for all, both of which should be fundamental aspects of development.

**Questions**

*Thank you for your time. I have finished my questions. Do you have any remaining questions for me?*

*Would you like a copy of the draft report so you can provide feedback on the interpretation and analysis before it is finalized?*

**YES**

**NO**

**Here is my contact information, please feel free to contact me if you have further questions or concerns. [lindasamunderu@gmail.com](mailto:lindasamunderu@gmail.com)**

**Thank you for participating!**

**Harare 2022 Dec 02**

## **APPENDIX 2 TURNITIN REPORT SUMMARY**

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