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Challenges of corporate governance in Zimbabwe: What is the problem? A view from selected managers in Harare.

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ABSTRACT

The title of this paper is challenges of corporate governance in Zimbabwe: What is the problem? A view from selected managers in Harare. The aim of the paper is to assess the extent of adoption of the Zimbabwe corporate governance frameworks. Corporate Governance in the business arena incorporates transparency, fairness, independence, accountability, among other things. Zimbabwe has witnessed collapse and closure of companies mainly due to Corporate Governance breaches. The study investigated the major corporate governance problems in Zimbabwe. The study was carried out in Harare where structured questionnaire and interviews were employed to gather data. The results do indicate that the major corporate governance problems are lack of transparency, lack of fairness, lack of integrity, lack of lack of trust and lack of honesty. From the interviews, which were conducted to seek further clarity on other issues, it was found out that the major problem was appointment of board members, characterised by nepotism, political connections and purging of those in authority who speak against incompetence, criminal abuse of office, misuse of stakeholders' funds and corruption, and lack of action by the responsible authorities. It was concluded that there is need for creation of awareness of the presence of the corporate governance code. The research paper recommends that there is need for the responsible authorities to take action against offenders and to protect those who speak against wrong doers.

Keywords: Corporate Governance, ZimCode, Shareholders, Stakeholders, Corporate Governance Code

Acronyms and Abbreviations

PSMAS	Premier Service Medical Aid Society
ZBC	Zimbabwe Broadcasting Corporation
AFRE	African Renaissance Bank
UMB	United Merchant Bank
CEO	Chief Executive Officer
ZSE	Zimbabwe Stock Exchange
PFMA	Public Finance Management
IoDZ	Institute of Directors of Zimbabwe

LSE	London Stock Exchange
JSE	Johannesburg Stock Exchange
ICAZ	Institute of Chartered Accountants of Zimbabwe
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
TI	Transparency International
OECD	Organisation for Economic Co-operation and Development

1.1 Background of the study

Corporate governance in the business arena incorporates transparency, fairness, independence, accountability, responsibility, integrity and social responsibility, among other things. According to Mukute and Marange (2006), corporate governance is the system by which organizations are directed, controlled and held to account. Zimbabwe has witnessed closure of many companies, including banks in the past two decades. This can be attributed partly to poor corporate governance practices. Rossouw and Sison (2006) say that corporate governance is geared towards ensuring that companies take responsibility for directing and controlling their affairs in a manner that is fair to stakeholders. They go on further to say that this responsibility is either taken voluntarily by the boards of directors of the companies or imposed upon them by the regulatory authorities. Former Reserve bank of Zimbabwe (RBZ) Governor, Gono (2006) is of the view that the prevalence of lop-sided corporate governance systems, accentuated by greed-driven and rent-seeking inclinations to graft, as well as lack of integrity, is cancerous. Muranda (2005) supports this view by saying that in Zimbabwe corporate governance has attracted a lot of attention since the financial crisis in 2003 because several companies have faced problems associated with corporate governance flaws.

From this end, Al-Majed (2008), observed that one of the greatest benefits produced by the adoption of best practices of corporate governance is providing a secure environment to encourage the flow of capital into domestic markets This is supported by Zimbabwe's former Reserve Bank Governor, Gono (2008) that good corporate governance and integrity in business are the bedrock and foundation to sustainable economic and social prosperity. Bosch (2002) also acknowledges that good corporate governance is critical and desirable because it is envisaged that investor protection has increased with huge surge in share ownership therefore good governance will increase the creation of wealth through performance improvement of honestly managed and sound companies. Howarth (2004) concurs and indicates that companies with good governance systems achieve good and better share price. In Zimbabwe, we have problems in regard to all the above.

The global financial crisis and indeed our economic turmoil has highlighted the challenge of establishing good corporate governance, stability and growth in the face of global recession (Mutasa, 2013). The author goes on to suggest that it has brought into focus the critical importance of the ethical dimension in leadership styles and strategies, since the financial crisis emanated at least in part from a breakdown in responsible and ethical behaviour. Mutasa (2013) further says that lack of proactive approach by the regulatory authorities appeared to have encouraged poor corporate governance practices and that the failure by the board of directors to adapt to the demands of a changing competitive environment affected the adherence to the principles of good governance.

An outstanding issue of corporate governance, that needs to be debated, is the "comply or explain" principle as alluded to by Manoiu, Damian, and Strouhal (2015).

Manoiu *et al. (2015)* clarify that the concept of comply or explain had an important impact in Europe since 2006 when the European Commission (EC) introduced comply or explain for the first time in European law, and for this principle to be applied, three elements must be present, which are: a real obligation to comply or explain; a high level of transparency, with coherent and focused disclosures; and a way for shareholders to hold company boards ultimately accountable for their decisions to comply or explain, and the quality of their disclosures. In this regard, Zimbabwe has deficits in all the aspects mentioned above.

In Zimbabwe, as outlined by Sifile, Susela, Mabvure, Chavunduka, and Dandira (2014), several companies have faced difficulties associated with board failure. Of note are companies like Air Zimbabwe, Premier Service Medical Aid Society (PSMAS), Zimbabwe Broadcasting Corporation (ZBC), African Renaissance Bank (AFRE), United Merchant Bank (UMB), ENG Capital and Barbican Bank. They go on to demonstrate that the major causes of corporate scandals were centred on poor oversight and lack of proper monitoring of the chief executive officers (CEO) and executive directors by the board leading to corporate governance breaches. Sifile *et al.* (2014) observed that while board structures were in place in the organisations, the board of directors had the biggest share of the blame for its failure to monitor management.

They further claim that due to the widespread and the seemingly never – ending spectre of scandals, the Zimbabwean Government notes with concern the plethora of scandals and company failures bedevilling the country and affecting the people and the economy at large. This has led to the proposal to form a parliamentary committee to deal with corruption, scandals and misdemeanours perpetrated by those in fiduciary positions. But a point noted by the researcher is that have these portfolio committees yielded anything in their endeavours? The researchers further note that there is now the Zimbabwe Anticorruption Commission (ZACC) but since its inception, there has been no one who has been jailed, let alone arrested for criminality yet it's there for everyone to see that fifteen billion dollars diamond money went missing. Are they toothless bulldogs or they lack independence?

Njanike (2011) expresses that the main cause of corporate failures and fraud in Zimbabwe has been blamed on ineffective internal controls that are used in measuring the compliance levels of managers in the day to day running of organizations by the board. They also report that laxity of implementing effective internal controls, greed and in some instances poor or lack of board supervision emerges as contributors to poor corporate governance in many institutions. In their research on internal controls as mechanisms for ensuring good corporate governance, Foya and Changunda (2019) have argued that the lack of transparency in the appointment of board members by ministers have had negative effect on the operations of various companies and parastatals. Furthermore, the Board of Directors have failed to ensure that systems of internal control continue to operate effectively and efficiently the board must set targets and the board gets updates and reports from executives in meetings. In this regard therefore, Ayogu (2000) hints that:

> the underlying thesis is that a crisis of governance is basically a crisis of the board of directors and that the problem of corporate governance is concerned with the design of institutions that induce management in their actions, to take into account the welfare of stakeholders– investors, employees, communities, suppliers, and customers. Board members are effectively chosen by the senior executives and thus are answerable to them. Given that, the shareholders elect the board, but they invariably simply select from the menu of candidates on the proxy statement circulated by management. Therefore, management effectively decides who is nominated. Could this be the Achilles Heel of the Zimbabwean corporate landscape?

However, Essen, Engelen, and Carney, (2013) argue that other good governance prescriptions such as board independence, incentive compensation, and the separation of CEO and board chair, have on the whole proved harmful to firm performance in times of crisis. They further support their position that the implication for practitioners suggests that governance prescriptions aimed at constraining executive discretion need to be optimized rather than maximized, and corporate boards should consider loosening the reins to enable senior management to respond effectively to changing circumstances. They conclude that the implication is that corporate governance prescriptions could be better optimized for periods of good economic performance, where the primary emphasis is upon maximizing shareholder wealth, and for periods of adversity, where the emphasis may need to shift toward restoring stability and re-establishing corporate resilience.

At present, corporate governance practices in Zimbabwe are regulated by the Companies Act (Chapter 24:03) and Zimbabwe Stock Exchange Act (Chapter 24:18) (ZSE) listing requirements, Public Finance Management Act (Chapter 22:19) (PFMA) as well as the rules of various professional bodies such as the Institute of Directors of Zimbabwe (IoDZ). The ZSE has adopted listing rules based on those of the London Stock Exchange (LSE) and the Johannesburg Stock Exchange (JSE). The IoDZ has been effective in enforcing corporate governance standards as derived from the United Kingdom Cadbury Report and the South African King Report.

Maune (2015) suggests that there are a number of regulations in place that governs the activities of companies in Zimbabwe and says some of these are:

Prevention of Corruption Act, Chapter 9:16, Serious Offences Act, Chapter 9:17, Exchange Control Act, Chapter 22:05, Insurance Act, Chapter 24:07, Banking Act, Chapter 24:01, Reserve Bank Act, Chapter 22:15, Criminal Procedure and Evidence Act, Chapter 9:07, Postal and Telecommunications Services Act, Chapter 12:02, Sales Tax Act, Chapter 23:08, Audit and Exchequer Act, Chapter 22:03, Companies Act, Chapter 24:03, Public Accountants and Auditors Act, Chapter 27:03, Building Societies Act, Chapter 24:02, Bank Use Promotion and Suppression of Money Laundering Act, Chapter 24:24, and Public Finance Management Act, Chapter 22:19.

It is against this background that corporate governance practices in Zimbabwe need to be looked at.

1.2 Statement of the problem

There are a lot of organisational failures in many organisations both private and public due to poor corporate governance practices in Zimbabwe. There is no accountability and transparency in most public transactions to the extent that fifteen billion dollars was lost and no one was held accountable. The general business problem is that executives or managers are failing to steer their organisations to profitability and prevent the collapse thereof. The specific business problem is that some executives in organisations in Zimbabwe lack strategies to improve their understanding of the role of corporate governance in preventing organisational failures. The regulatory authorities also seem to be sleeping on the job or else they are corrupt also.

1.3 Aim of the paper

The aim of this paper is to investigate the major corporate governance problems being faced in Zimbabwean Companies. The objectives of this study are to:

- determine the extent of adoption of the Zimbabwe corporate governance frameworks
- assess the extent of compliance with the Zimbabwe corporate governance frameworks.
- establish the reluctance of key stakeholders to adopt the new corporate governance code.

2.0 Interim literature review

2.2 Corporate governance defined

Definitions of corporate governance vary widely as suggested by Cadbury (2003) and he says they fall into two categories. He acknowledges that the first set of definitions concerns itself with a set of behavioural patterns which is the actual behaviour of corporations, in terms of measures such as performance, efficiency, growth, financial structure, and treatment of shareholders and other stakeholders. He goes on to the second set, which he clarifies that it concerns itself with the normative framework: that is, the rules under which firms are operating-with the rules coming from such sources as the legal system, the judicial system, financial markets, and factor (labour) markets.

Knell (2006) claims that governance means to control and regulate; the exercise of influence to maintain good order and adherence to predetermined standards of behaviour and is supported by Stoker (1998) who says governance is ultimately concerned with creating the conditions for ordered rule and collective action. Furthermore, Tehrani (2016) defines, in general, that corporate governance includes legal, cultural, and institutional arrangements that will determine companies' future direction and performance.

Knell (2006) further expresses that corporate governance is the regulating influence applied to the affairs of a company to maintain good order and apply predetermined standards. He summarises that corporate governance is an ethical environment in which all business processes are undertaken where the predetermined standards are publicly known and are outlined in the company code. He throws light on their application and regulation that percolates throughout the business but must, naturally, emanate from the top - from the board and feels that this is why corporate governance concentrates on the board so much - its chairman, the objective balance of influence, delegation of authority, selection and re-election, remuneration, risk assessment, information provision, performance review and financial reporting.

Wagener (2013) indicates that corporate governance consists of the body of principles, rules and practices that determine companies' management and control. The same author affirms that it therefore covers the distribution of powers between the shareholders and management of a company, and especially the operation of the company's Board of Directors.

2.3 Corporate governance pillars

The four primary pillars of corporate governance are fairness, accountability and responsibility and disclosure transparency as indicated by Clarke (2011) and Drew and Kendrick (2005).

Youssef (2010) proposes a more elaborate list of key elements of good corporate governance structure as fairness, honesty, trust and integrity, openness and transparency, performance orientation, responsibility and accountability, mutual respect, and commitment to the organisation and its stakeholders. Youssef (2010) argues that of importance is developing a model or governance structure that aligns the values and goals of all corporate participants and stakeholders and ensures an outcome that meets the needs of the individuals involved as well as those of the community as a whole with the aim aligning the interests of individuals, corporations and society.

2.3.1 Equitable and Fair Treatment of Shareholders (Fairness)

Youssef (2010), Drew and Kendrick (2005) are in agreement that organisations should respect the rights of shareholders and enable shareholders to exercise their rights by effectively communicating information that is relevant, timely, understandable and easily accessible. He goes on to demonstrate that fairness implies being unbiased and carries with it the requirement of independence and objectivity, giving due consideration to the interests of all stakeholders involved. He further clarifies that it is therefore recommended that the Board of Directors be comprised of a mix of executive, nonexecutive and independent directors he expresses that organisations should recognise that they have legal and other ethical obligations to all legitimate stakeholders. To this end, Youssef (2010) and Clarke (2011) conclude that directors, in exercising their fiduciary responsibilities must act in the interest of all stakeholders and direct and control their organisations according to acceptable local and international governance norms.

2.3.2 Accountability and integrity

Cadbury (1992) remarks that Boards of directors are accountable to their shareholders and both have to play their part in making that accountability effective. He adds that the boards of directors need to do so through the quality of the information which they provide to shareholders, and shareholders through their willingness to exercise their responsibilities as owners. This is supported by Youssef (2010) who explains that corporate accountability refers to the obligation and responsibility to give an explanation or reason for one's actions and conduct. He adds that the board should be willing to engage in effective two-way communication with the stakeholders about their actions and provide reasons for those actions. Cadbury (1992) outlines that integrity means both straight forward dealing and completeness. He adds that what is required of financial reporting is that it should be honest and that it should present a balanced picture of the state of the company's affairs. He further expresses that the integrity of reports depends on the integrity of those who prepare and present them.

2.3.3 Responsible and Ethical Behaviour

Besada and Werner (2010) argue that ethical and responsible decision-making is not only important for good public relations, but it is also a necessary element of risk management. He adds that organisations should develop codes of ethical conduct for their directors and executives that promotes responsible decision making. He further notes that many organisations establish compliance and ethics programs to minimise the risk of the firm stepping beyond ethical and legal boundaries.

Ethical procedures and principles of conduct can be regarded as a form of self-regulation, placing the responsibility to act professionally and ethically with the organisation as noted by Besada and Werner (2010). They claim that it has been empirically established that organisations that practise good corporate governance are more sustainable in the long term and display superior performance results. To this end they remind us that the board has an obligation to act responsibly when making decisions involving the corporation's assets and ultimately stakeholder's interests and investments. They concludes that being socially and environmentally responsible is as important as being financially responsible.

2.3.4 Disclosure and Transparency

Hess (2008) concurs with Youssef (2010) who states that corporate governance entails an inclusive approach when developing corporate strategy, meaning that the purpose, goals and values of the organisation and of the owners and shareholders be identified and communicated to all stakeholders, thereby building mutually beneficial relationships. He indicates that transparency refers to the openness and willingness to disclose financial performance figures which are truthful and accurate.

Youssef (2010) agrees with Mallin (2002) that disclosure of material matters concerning the organisation's performance and activities should be timely and accurate to ensure that all investors have access to clear, factual information which accurately reflects the financial, social and environmental position of the organisation. He goes on to say that organisations should clarify and make publicly known the roles and responsibilities of the board and management to provide shareholders with a level of accountability. He explains that procedures should be implemented to independently verify and safeguard the integrity of the company's financial reporting. He further indicates that the quantity, quality and frequency of financial and managerial disclosure should be clearly defined and adhered to. This is also supported by Cadbury (1992) that openness on the part of companies, within the limits set by their competitive position, is the basis for the confidence which needs to exist between business and all those who have a stake in its success. He goes on to say that an open approach to the disclosure of information contributes to the efficient working of the market economy, prompts boards to take effective action and allows shareholders and others to scrutinise companies more thoroughly.

Cadbury (1992) further explains that access to information is an essential precondition for checks and balances to be effective and also enhances best practises in social accountability. He clarifies that achievement of such access to information requires clearly defined company requirements for timely and detailed reporting to stakeholders and regulators who are the beneficiaries of such information in making vehement personal decisions. Sifile, *et al.* (2014) concur that in this regard it is worthy to disclose future financing agreements as this advocates for transparency in maintaining and building public dialogue when the institution publicly disclose such information as transparency at the highest level will reduce risks of corruption and issues to do with revenue management and allocation.

Sifile, *et al.* (2014) state that the OECD principles provide a lot of matters about which disclosures should be made and timely disclosures should include however not restricted to material information on governance structures and policies and how to apply relevant corporate governance principles and practices, material issues regarding employees and programmes for staff development and stakeholders, financial and operating results, members of the board and key executives and their remuneration and major shareholders and voting rights.

3.0 Research methodology

The researchers adopted an interpretive paradigm which advocates that it is necessary for the researcher to understand differences between humans in our role as social actors. They demonstrate that this emphasises the difference between conducting research among people rather than objects such as trucks and computers. Saunders, et al. (2009) propose that crucial to the interpretivist philosophy is that the researcher has to adopt an empathetic stance and the challenge here is to enter the social world of our research subjects and understand their world from their point of view.

Research design

This study is a descriptive survey in nature and it seeks to answer the questions of who, what, where, when and how. The object of descriptive research is to portray an accurate profile of persons, events or situations. (Saunders, *et al*. 2009).

The researchers used an inductive approach to this study because there is a problem with corporate governance in Zimbabwe. So the researchers needed to find out what the problems are and what can be done to solve these problems.

The data was collected through questionnaire and face to face interviews with respondents.

Sampling techniques

Purposive sampling

Saunders, *et al.* (2009) clarify that research using an inductive approach is likely to be particularly concerned with the context in which such events were taking place. Therefore, the study of a small sample of subjects might be more appropriate than a large number as with the deductive approach. The study was looking at the corporate governance problems. T

Snowball sampling

Saunders, *et al*. (2009) propose that snowball sampling is commonly used when it is difficult to identify members of the desired population. However, the authors state that the main problem is making initial contact but once this is done, these cases identify further members of the population, who then identify further members, and so the sample snowballs.

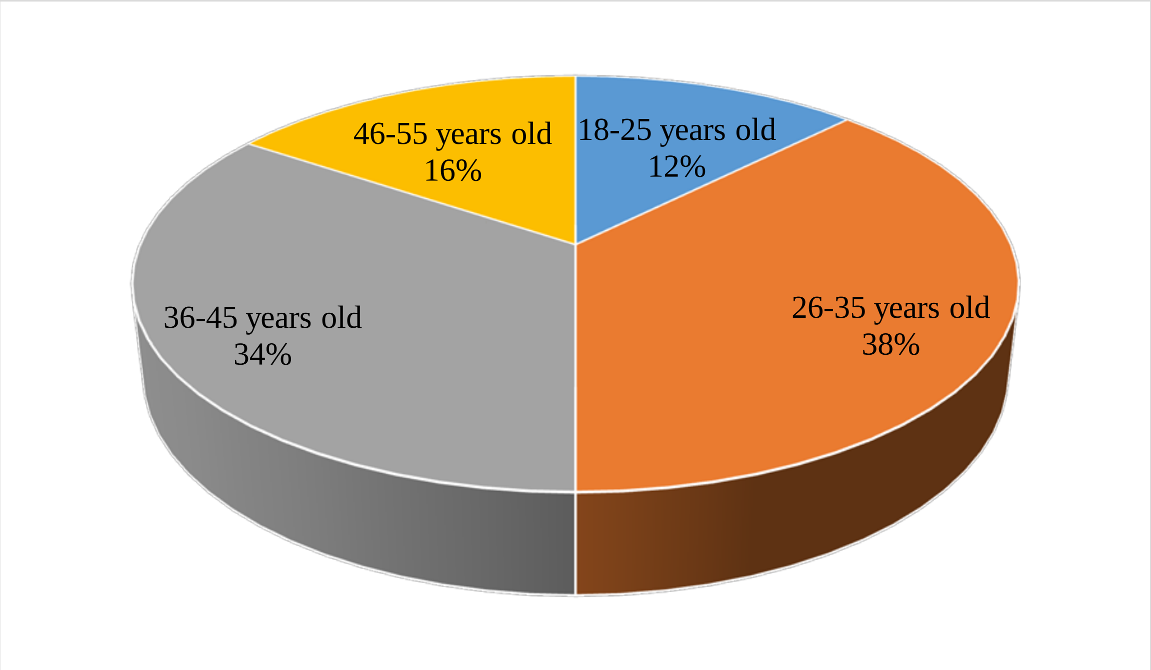
Data collection instruments

The researchers used interviews and questionnaires in collecting data

4.0 Results

Demographics

Figure 1: Age groups of the respondents

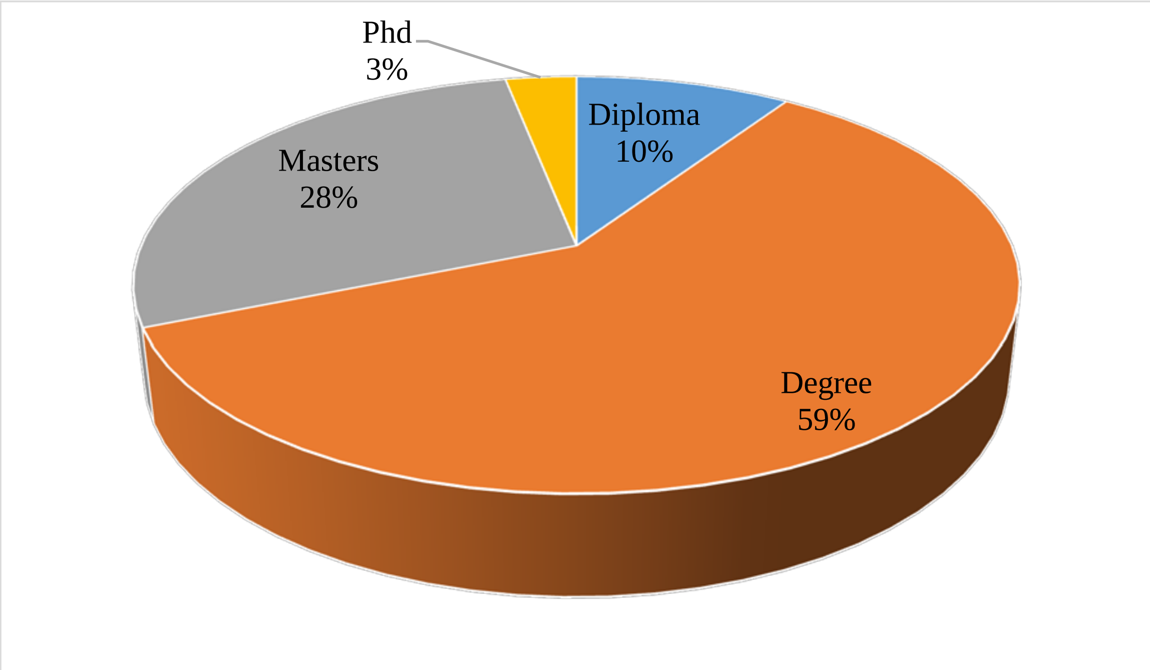


From figure 1 above, it can be noted that the age group 26 – 35 years old is the most common with 37.5%, followed by 36-45 years old with 34%, then 46-55 years with 16%, and lastly 18-25 years with

12 %. However, 56 and above years old were non-existent. It thuds follows that a majority of 72% of the respondents are old enough and deal with these matters on a day to day basis.

Educational Qualifications

Figure 3: Highest qualification of the respondent



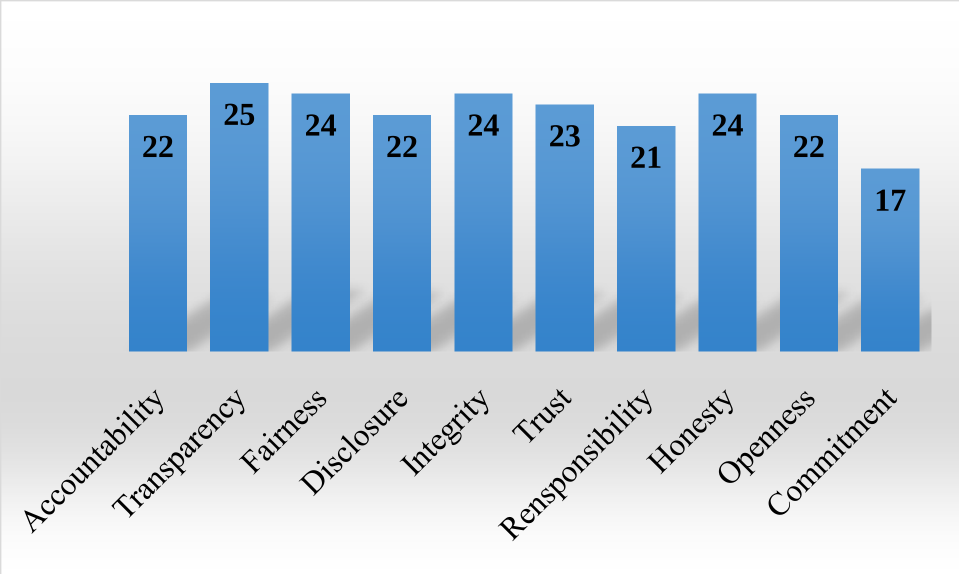
From the pie chart in figure 2 above, 59% of the respondents have degrees, 28% attained a master's degree and only 3 % attained a PhD but there is no one in the corporate world who has a certificate as the highest level of education. This shows how educated or qualified the respondents were. Thus, these respondents will be very knowledgeable about the issues at stake and answered the paused questions properly. The issues of corporate governance if not simplified cannot be understand by an ordinary man in the street. These respondents have great knowledge of corporate governance matters.

4.4 Employment period and management level

28% of the respondents have between 11 – 16 years working in the corporate world, while a reasonable 25% have 16 years and above in the corporate world and these respondents have sufficient knowledge of what is happening in the corporate world thus will be able to give valuable contribution in this study. 22% have 6 to 10 years, 19% have between one and five years and the least had less than a year with 6%. This also shows how much experience most of the respondents who participated in the survey were. Most of the respondents were in the lower management with 58%, middle level management with a 31% and only 11% in the top management. This shows that either top managers are few of were too busy to fill in the questionnaire.

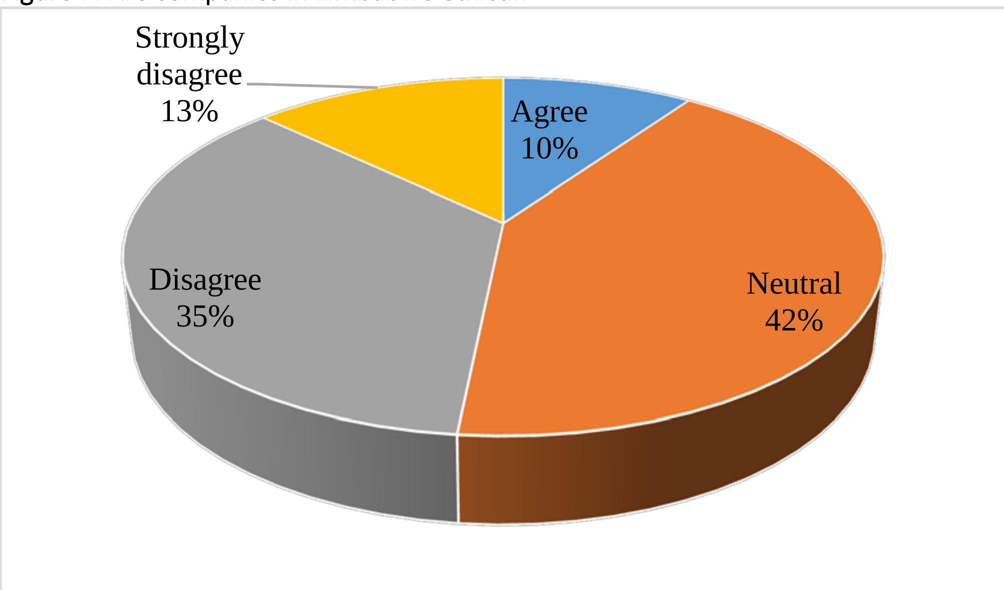
4.5 Major corporate governance problems

Figure 6: Comparison of the major corporate governance problems



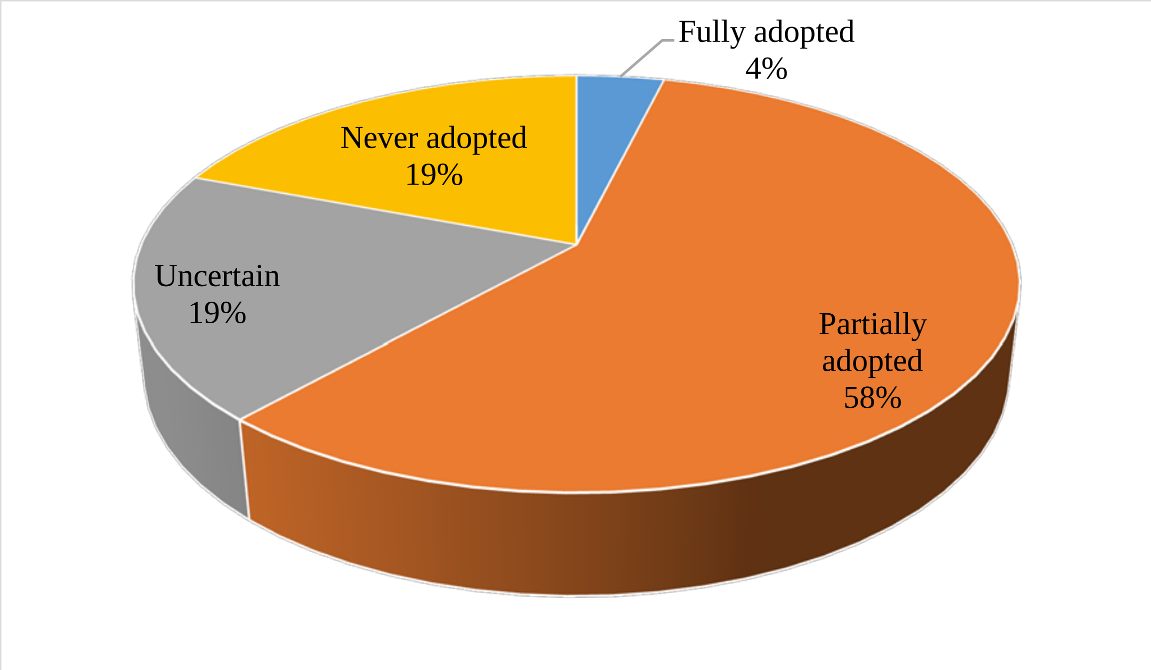
From the bar graph in figure 6 above, lack of transparency has the most frequency implying it is the major problem. Lack of fairness, integrity and honesty follow up with the same frequency. However, it can be seen that lack of commitment has the least frequency 17 which is slightly below the mean implying people believes it is not a major problem. It can be deducted that all corporate governance pillars are the centre of the major problems being faced in Zimbabwe.

Figure 7: Are companies in Zimbabwe ethical?



From figure 7 above, 42% are neutral. 48 % disagree that Zimbabwean companies are ethical and only 10% agrees. This shows that the majority are of the opinion that the companies are unethical. The fact that a combined 35% and 42 % do not agree with the fact that companies in Zimbabwe are not ethical is an indictment on the systems and failure on the part of government which should be in a position to regulate operations of the companies and organisations. The fact that these are people in the corporate world and cannot give a clean bill of health to ethical conduct speaks volumes of what is happening in the companies.

Figure 8: The extent to which the Zimbabwean government has adopted the corporate governance framework

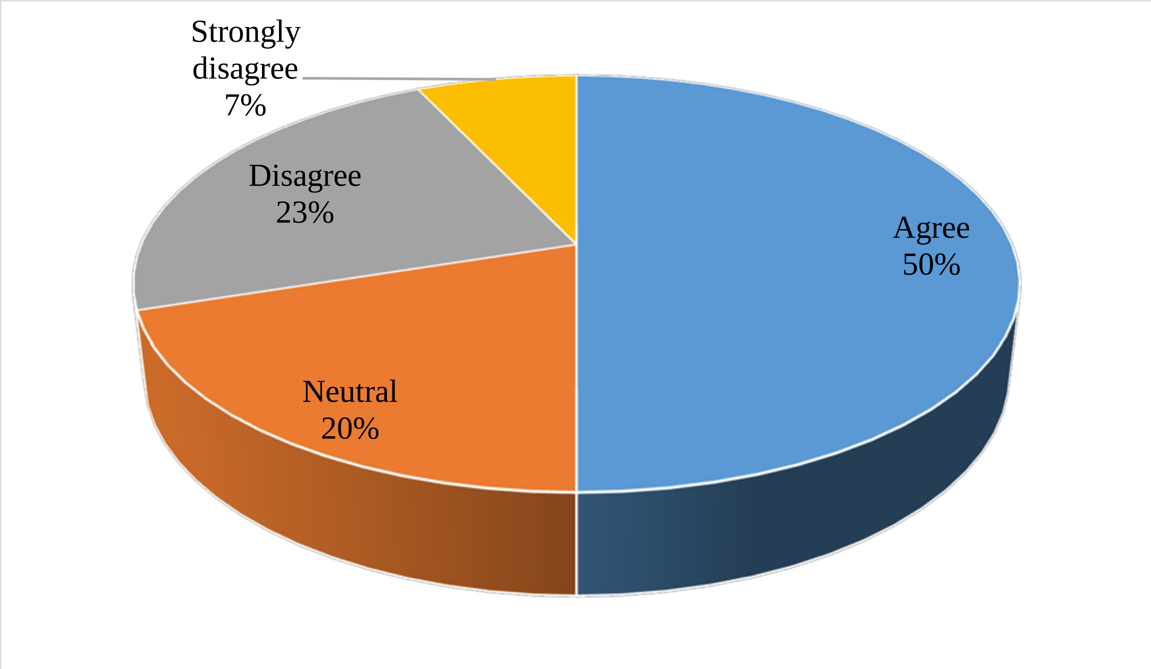


Only 4% of respondents believed that the Zimbabwean Government has partially adopted the corporate governance framework with 58%, 19% is uncertain and another 19% believe that the government never adopted the corporate governance framework. However, 4% believes the government has fully adopted it. The conclusion of the matter is that adoption is one thing and implementation is quite another story in the context of Zimbabwe. A total of 38% include those who are uncertain and those who say Zimbabwe Government never adopted framework for corporate governance and they argue further that the levels of corruption in government organisations and private sector is just too much.

4.6 Key stakeholders are ignoring the new code

60% of the respondents agreed that the stakeholders were ignoring the new national corporate code whilst 20% strongly agree and the other 20% is in neutral. No respondent disagrees they are not ignoring indicating that there is a big problem here.

Figure 10: Regulatory authorities are taking measures to encourage adoption



50% of the respondents agree that the regulatory authorities are taking measures to enforce or encourage the adoption of the national corporate governance framework whereas 20% are neutral and 30% disagree.

Figure 11: Regulatory authorities are taking measures to enforce/encourage the implementation of the national code

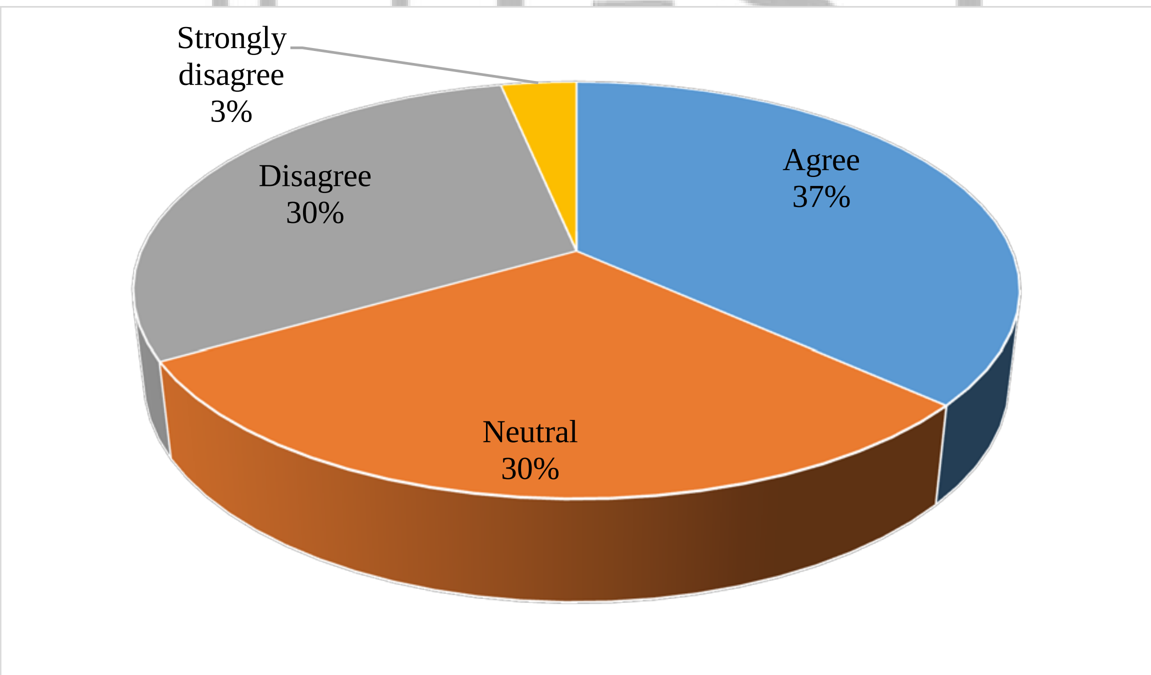
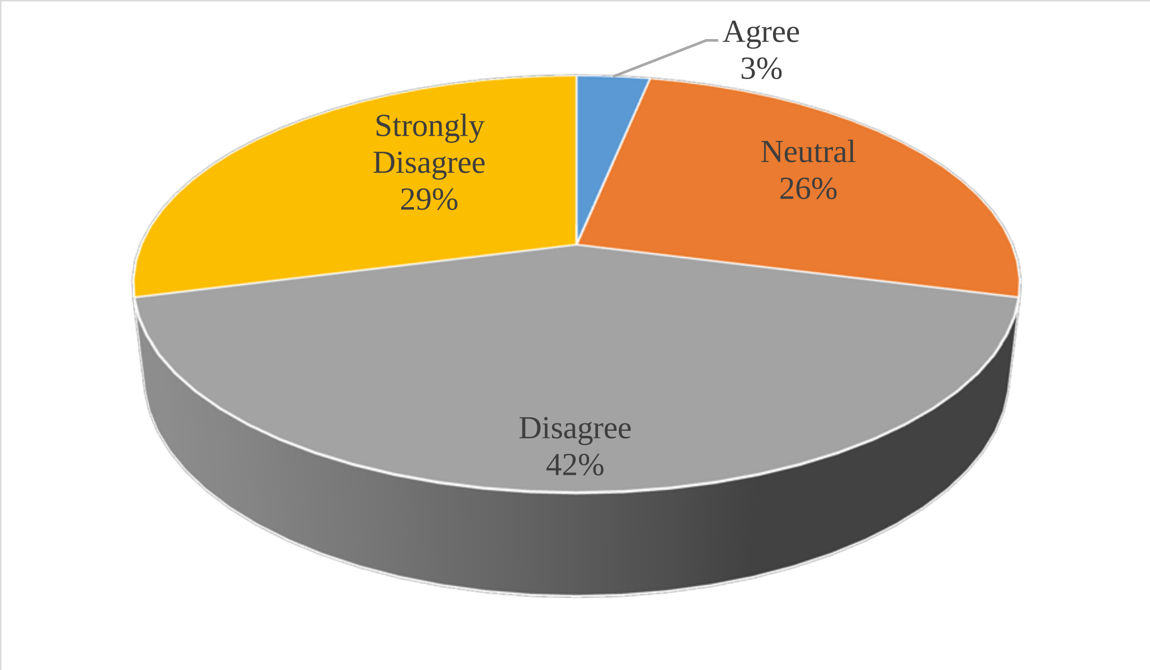


Figure 11 above shows that 37% agree that the regulatory authorities are taking measures to enforce or encourage the implementation of the national corporate governance framework whereas 33.% disagree and 30% is neutral.

Figure 12: Corporate governance frameworks are being adhered to



It can be noted form figure 12 that 42% disagree to the fact that the Zimbabwe corporate governance frameworks are being adhered to, whilst 29% strongly disagree and a mere 3% agree. 26% are neutral.

4.7 Should board members of parastatals be selected by line ministers

52% of the respondents strongly disagreed to the selection of board members by line ministries. This was informed by the situation where in all the cases where members of the board were appointed by respective ministers nothing good has come out of it. Typical cases include Air Zimbabwe, Civil Aviation of Zimbabwe (CAZ) Grain Marketing Board, ZINARA, just name a few. Thus poor performance in these parastatals and other government companies that 68% disagree to the line ministers selecting the board members of parastatals. If precedent is anything to go by, it would not be advisable to have a line minister appointing board members. A mere 19% agree that it is fine for line ministries to appoint board members provided it is professionally done and the process is transparent and accountable in order to bring out good results.

4.8 Why managers'/board members are getting away with corporate malpractices and looting public funds?

83 percent of the interviewees gave similar responses that the biggest problem is in the appointments. They cited nepotism, and the political culture. These respondents went further to argue that some are 'political appointments' meaning that the appointee has to serve the interest of politicians instead of stakeholders. One of them even said that 'it's a scratch my back, I will scratch yours' situation. This means that the appointees are in their positions to serve their masters. Thus, they have no interests in doing what benefits the nation at all. If they loot, misuse or abuse funds, they will give part of the loot to the people who appointed them. 17% said that most of the people are 'politically connected' to the extent that they are 'above the law.' The net impact of this according to 67% of the respondents is that because of the nature of appointment of these boards, there has not been any arrests of those who abuse office or look funds. This question got similar responses to the first question where most of the answers dwelt on political connections and one of the respondents said 'a fish rots from the head.' He added that 'if the executive is corrupt, what do you expect subordinates to do?' on further questioning, the interviewee was reluctant to shed more light on the statements. The other 52% of the respondents maintained that the Comptroller Auditor General, Mildred Chiri has been producing reports annually but government has not acted on them and the reports continue to gather dust while criminals are enjoying themselves at the expense of the nation. 35% of the respondents argue that those who try to expose corruption are persecuted or arrested on flimsy charges or simply eliminated from the scene.

5. Recommendations

From the findings of this study, it is recommended that:

- the stakeholders should publicise the corporate governance frameworks. They should advertise, create awareness and encourage adoption and implementation.
- They should also empower the regulatory and responsible authorities to effect arrest is one has breached the law.
- The board remuneration committee must structure compensation programs to hold executives accountable for specific measures of corporate performance and also to pay them according to their companies' performance. It was also noted that engagement, can be a tool to motivate and retain executives who perform well and transparency, a commitment to show shareholders how compensation decisions are made.
- On board appointment, it was noted that most people disagreed with the principle or idea that board members should be appointed by line ministers. Therefore, it was recommended that there must be an independent committee that is responsible to coordinate with professional bodies for the appointment of board of directors. That committee then recommends to the minister who should be appointed.
- On accountability, it was noted that effective compensation programs and conceptual standards can be used to ensure that board members are compensated in line with their shareholders' interests. The researcher is of the opinion that if board members are selected by line ministers, they are not serving the companies' interest but those of the minister. They state that who selects directors and with what motive, is a key issue.

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