

In Quest of Corporate Governance Best Practices by State-owned Enterprises in Zimbabwe

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The Zimbabwe Ezekiel Guti University Journal of Design Innovative Thinking and Practice

2025-05-23

DOI:

<https://doi.org/10.71458/f33ncs32>

[Volume 3, Issues 1 and 2 \(](#)

Abstract

AbstractThe role played by state-owned enterprises (SOEs) in the delivery of services in the country remains important but the prevalent volatile economic situation that the country is faced with, warrants an investigation of the practices of these entities as corruption becomes rampant in the economic turmoil. The main aim of the study was to investigate the causes of non-compliance with corporate governance best practices by SOEs in Zimbabwe. The study is premised on the argument that lack of accountability in SOEs has led to corruption and mass compensation at the expense of service delivery. The research adopted a quantitative approach with positivist philosophy, while , cross-sectional survey designs in which data were gathered using a structured questionnaire were used. The study found that the remuneration of non-executive members can moderate corporate governance practices. The study reveals that by appointing remuneration committees that looked into the remuneration of both executive and non-executive directors, firm performance and corporate governance practices were enhanced. The study concludes that ineffective board committees are the main cause of non-compliance with best corporate governance practices.

Keywords: corporate malfeasance, internal control, corporate scandals, Public Entities Corporate Governance Act, state owned enterprise performance