



Faculty of Commerce  
Department of Accounting



**CORPORATE BOARD DIVERSITY AND STATE OWNED ENTERPRISES  
PERFORMANCE IN ZIMBABWE'S (2011-2015)**

BY

CHIRUME TAKAWIRA

R12535A

*SUBMITTED TO:*

*MIDLANDS STATE UNIVERSITY IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
OF MASTER OF COMMERCE IN ACCOUNTING DEGREE*

GWERU, ZIMBABWE

**NOVEMBER, 2017**

**APPROVAL FORM**

The undersigned certify that they have supervised the student Takawira Chirume dissertation entitled: “Corporate Board Diversity and State Owned Enterprises performance in Zimbabwe’s (2011-2015)” in partial fulfilment of the Master of Commerce in Accounting Degree at Midlands State University.

.....  
SUPERVISOR

.....  
DATE

.....  
CHAIPERSON

.....  
DATE

**RELEASE FORM**

NAME OF STUDENT : TAKAWIRA CHIRUME

REGISTRATION NUMBER : R12535A

DISSERTATION TITLE : CORPORATE BOARD DIVERSITY AND  
STATE OWNENED ENTERPRISES  
PERFROMANCES IZ ZIMBABWE (2011-  
2015)

YEAR THIS DEGREE GRANTED: 2017

Permission is here granted to the Midlands State University to produce single copies of the project and to lend or sell such copies for scholarly and scientific use only. The author reserve the right for other publications and the dissertation nor extensive extracts from it may be printed or otherwise reproduced without the author's written permission.

Signed: .....

PERMANENT ADDRESS 2037 Nyatsime Road  
St Marys  
Chitungwiza

DATE: November 2017

## **DEDICATION**

I dedicate this study to my Mother for the unwavering supports she gave to me for the entire life so far. I say mother you are a star. I wish to take this dedication to my sons Tinashe and Nyasha Takawira Jnr and my Daughter Michelle for the little jaw breaking discussions during my spare time from this great work and your encouragement to soldier on

## **ABSTRACT**

This paper examines the associations between diversity of board members and financial performance of State Owned Enterprises in Zimbabwe (SOEs). Three demographic characteristics of board members, gender, cultural/nationality, and age were used as the proxies for diversity. The study used a positivism philosophy was used and being anchored on the quantitative research design. A survey of 54 SOEs were sampled to include 114 directors in the SOEs sector. This study found out that both accounting and market performance have significant negative associations with gender diversity. Nationality diversity is found to have no influence on firm performance. In contrast, the proportion of young members is positively related to market performance, providing evidence that young people in the boardrooms are associated with improved financial performance.

**Keywords: Corporate Governance, Board Diversity, Financial Performance**

## **ACKNOWLEDGEMENTS**

The support rendered from the Office of the President and Cabinet's Corporate Governance Unit, State Enterprises Restructuring Agency (SERA) and Ministry of Finance And Economic Development. A special mention goes to My Supervisor Mr Philemon Mvura for the coaching, guidance and mentorship during this period. I wish also to extend my gratitude to the Advisor to Minister of Finance and Economic Development Dr Chidhakwa for review of this documents during the study.

May the good Lord bless you all!!

## LIST OF TABLES

	<b>Table</b>	<b>Page</b>
4.1	Questionnaire response rate	29
4.2	Years in service	29
4.3	Position in organisation	30
4.4	Qualifications Held	31
4.5	Firm Diversity and Board Membership	32
4.6	Firm Board Diversity and Committee Chairperson	33
4.7	Firm Diversity and Staff Recruitment	34
4.8	Advertising and Board Membership Diversity	35
4.9	Advertising and Board committees diversity	36
4.10	Advertising and Staff recruitment	37
4.11	Recruitment and Board Positions	38
4.12	Recruitment and Committees diversity	39
4.13	Legal skills proficiency and diversity promotion	40
4.14	Accounting Skills and Diversity promotion	41
4.15	Information Technology and diversity promotion	42
4.16	Marketing and diversity promotion	43
4.17	Cultural knowledge and board selection	44
4.18	Cultural knowledge and board committees selection	45
4.19	Social and cultural norms as hindrances to board diversity	45
4.20	Limited bandwidth as hindrances to board diversity	46
4.21	Limited appreciation to board activities as a hindrance to diversity	47
4.22	Taking Ownership for integration into boards	48
4.23	Tone setting by leaders for diversity	49
4.24	Continuous development and skills sharpening	50
4.25	Attending Board Related Events to sharpen skills	51
4.26	Conducting Systematic due diligence	52
4.27	Embracing opportunities for board nominations	53
4.28	Correlationship between gender diversity and performance	54
4.29	Correlationship between skills spread and performance	55
4.30	Correlationship between Cultural diversity and performance	56
4.31	Correlationship between Age diversity and performance	57

## LIST OF FIGURES

1.1	Conceptual framework	6
-----	----------------------	---



## TABLE OF CONTENTS

	<b>Content</b>	<b>Page</b>
	The Approval Form	ii
	Release Form	iii
	Dedication Form	iv
	Abstract	v
	Acknowledgements	vi
	List of Tables	vii
	List of Figures	viii
	Table of Contents	
	<b>CHAPTER 1:INTRODUCTION</b>	<b>1</b>
1.1	Background of the study	1
1.2	Statement of the problem	3
1.3	Significance of the study	3
1.4	Scope of Study	3
1.5	Research objectives	4
1.6	Research hypothesis	4
1.7	Purpose of Study	4
1.8	Conceptual framework	4
1.9	Assumptions	7
1.10	Limitations of the study	7
1.11	List of acronyms	7
1.12	Dissertation outline	8
1.13	Chapter summary	9
	<b>CHAPTER 2:LITERATURE REVIEW</b>	
2.0	Introduction	10
2.1	Theoretical Review	10
2.1.1	Resource Dependence Theory	10
2.1.2	Stakeholders Theory	11
2.1.3	Human Capital Theory	12
2.2	Empirical Review	12
2.2.1	Board Diversity and Performance	13

2.2.2	Effects of Diversity on Performance	17
2.2.3	Challenges of Board Diversity on Performance	18
2.3	Need for achieving Diversity	19
2.4	Chapter summary	20
	<b>CHAPTER 3: RESEARCH METHODOLOGY</b>	
3.0	Introduction	21
3.1	Research philosophy	21
3.1.1	Constructive philosophy	22
3.1.2	Pragmatic philosophy	22
3.1.3	Positivism philosophy	22
3.2	Research Design	23
3.3	Research population, Sampling and Sampling Technique	23
3.3.1	Research population	23
3.3.2	Sample and sampling Technique	24
3.4	Data collection instruments	24
3.4.1	Questionnaire	24
3.5	Data sources	25
3.5.1	Primary data	25
3.5.2	Secondary data	25
3.6	Reliability and validity	26
3.6.1	Validity	26
3.6.2	Reliability	26
3.7	Ethical consideration	26
3.8	Data analysis and presentation	27
3.9	Chapter summary	27
	<b>CHAPTER 4: DATA PRESENTATION AND ANALYSIS</b>	
4.0	Introduction	29
4.1	Questionnaire response rate	29
4.1.1	Years in service	30
4.1.2	Position in organisation	30
4.1.3	Qualifications Held	31

4.1.4	Firm Diversity and Board Membership	32
4.1.5	Firm Board Diversity and Committee Chairperson	33
4.1.6	Firm Diversity and Staff Recruitment	34
4.1.7	Advertising and Board Membership Diversity	35
4.1.8	Advertising and Board committees diversity	36
4.1.9	Advertising and Staff recruitment	37
4.1.10	Recruitment and Board Positions	38
4.1.11	Recruitment and Committees diversity	39
4.1.12	Legal skills proficiency and diversity promotion	40
4.1.13	Accounting Skills and Diversity promotion	41
4.1.14	Information Technology and diversity promotion	42
4.1.15	Marketing and diversity promotion	43
4.1.16	Cultural knowledge and board selection	44
4.1.17	Cultural knowledge and board committees selection	45
4.1.18	Social and cultural norms as hindrances to board diversity	45
4.1.19	Limited bandwidth as hindrances to board diversity	46
4.1.20	Limited appreciation to board activities as a hindrance to diversity	47
4.1.21	Taking Ownership for integration into boards	48
4.1.22	Tone setting by leaders for diversity	49
4.1.23	Continuous development and skills sharpening	50
4.1.24	Attending Board Related Events to sharpen skills	51
4.1.25	Conducting Systematic due diligence	52
4.1.26	Embracing opportunities for board nominations	53
4.1.27	Correlationship between gender diversity and performance	54
4.1.28	Correlationship between skills spread and performance	55
4.1.29	Correlationship between Cultural diversity and performance	56
4.1.30	Correlationship between Age diversity and performance	57
4.14	Chapter summary	57
	<b>CHAPTER 5: FINDINGS CONCLUSION AND RECOMMENDATIONS</b>	
5.0	Introduction	58

5.1	Chapter Summaries	58
5.2	Major Findings	59
5.3	Recommendations	60
5.4	Summary	60
	References	61
Appendix 1	Authorisation letter	64
Appendix II	Questionnaire cover letter	65
Appendix III	Questionnaire	66

## **Chapter 1:**

### **Introduction**

#### **1.1 Background of the study**

The State Owned Enterprises (SOEs), in Zimbabwe are perennial loss makers and as a result there have been occasional support from the fiscus (Maune, 2013). Entities such as Grain Marketing Board (GMB), National Railways of Zimbabwe (NRZ) and Cold Storage Company have never made any profit post multi-currency period (Chinamasa, 2015). NRZ had a loss of \$44, 4 million in 2011, followed by a loss of \$52, 6 million in 2012, \$33, 2 million in 2013. In 2014 the loss increased to \$50, 6 million and then \$40, 9 million in 2015. GMB had a loss of \$6, 21 million, profit of \$6, 71 million, profit of \$1,422 million and loss of \$50, 99 million in 2011, 2012, 2013 and 2014 respectively. This was followed by losses of \$1.56 million and \$58, 1 million in 2014 and 2015 respectively.

In contrast, the performances of private sector companies such as CBZ Holdings, Econet and Delta Beverages during the same post multi-currency period, has been positive. Delta had the following profit levels, \$54.1 million in 2011, \$75.2 and \$104.9 million in 2012 and 2013 respectively. In 2014, the profitability of Delta Beverages rose to \$107.1 million then dropped to \$91.9 million in 2015. Comparatively Econet Wireless' profit performance were \$140.1 million, \$161.3 million and \$139.2 million in 2011, 2012 and 2013 respectively. This was followed by another impressive set of results in 2014 of \$119.3 and \$70.4 million in 2015. A further analysis of the private sector entities performance shows that CBZ Holdings had some impressive results over the period 2011 and 2015. The profitability of the bank had been \$50.1 million in 2012, \$39.9 million in 2013, \$35.7 million in 2014 and \$35.6 million in 2015.

The above analysis shows that the private sector performance has outperformed the SOEs sector during the same post multi-currency period. According to Sener and Karaye (2014), a number of factors for example board diversity, strategy implementation and operating environment have been singled out as affecting performance of entities. ZNCCG (2014), Dang and Nguyen (2014), Galia and Zenou (2013), argue that board diversity can also be viewed from the perspective of the skills spread also known as competencies. The skills of accounting, law, Information Technology, industrial knowledge and human capital development are key components of the board diversity [Corporate Governance Framework for State Enterprises and Parastatals [(CGFSP) (2010)]

Perusal of board diversity of SOEs shows that less than 20% of the board members are women, while the rest constitutes the male members. The recent appointment of the CSC Board is a sure example of the divergence of board diversity in which a board of nine (9) members has only three (3) women representation. The appointed board of the National Railways of Zimbabwe of a 10 member board also has three (3) women representing slightly above a third of the board members.

Board diversity as measured by gender, ethnicity, age, nationality and skills spread has become topical the world over, because of the emergence of misgovernance, financial shenanigans and falsification of financial results like the Enron saga, Tyco scandals and the WorldCom scandals in the Americas (Karaye and Sener, 2014). (Buniamin, & Rauf, 2012), noted that number of countries the world over have instituted the representation matrix for women on boards. The board compositions in the private sector has a greater mixture of female and male representation. In the case of CBZ Holdings, there is a 50% of the female board members in a 10 member board and at Econet, there is close to 40% representation in yet another 10 member board.

Based on the above observations, the study intends to establish whether there is a relationship between SOEs performance and board diversity. As far as the writer is aware, no study in Zimbabwe has attempted to link the performance of SOE to the board diversity of the entities. Therefore this study intends to fill this gap in literature.

### **1.2 Statement of the problem**

Women representation has been lacking in the SOEs sector and that women have been confined to the peripheries of the economy (Njaya & Chimbadzwa, 2015). Furthermore skills mix have been a talking point in the SOEs as a number of boards have run without any boards(Chiromba, 2012)(Muzapu,Havadi & Xiongyi, 2016). The private sector setups which have been embracing corporate governance principles have outperformed their counterparts in the SOEs sector. SOEs in Zimbabwe are perennial loss makers and have become a drain on the fiscus. This study therefore invokes the stakeholder theory to try and understand whether there is a relationship between board diversity and SOEs performances in Zimbabwe.

### **1.3 Significance of the study**

The purpose of the study is to make a contribution to the body of knowledge by analysing the role, compromise and effects of board gender diversity, and members' skills spread on the performance of SOEs in Zimbabwe. The results of this study will help the government in enforcing the gender quota system in terms of leadership positions in Government as a fulfilment of section 17 of the Constitution of Zimbabwe. Furthermore the relationship that will be determined by policy makers in influencing the appropriate board sizes for SOEs and the required competencies in terms of the board skills spread.

### **1.4 Scope of the study**

The study will be conceptually based on the board diversity in the SOEs sector in Zimbabwe. Furthermore the study will be confined to gender diversity based on the member competencies, gender diversity and skills spread and their effect on the performances of the SOEs. These are moderated by legal status, the operating environment and the political spheres of the country. The research study will cover a period of 5 years from 2011 to 2015

## 1.5 Research objectives and Hypothesis

The following are the research objectives and the Hypothesis,

Objectives	Hypotheses
<b>O1:</b> To establish the relationship between gender diversity and performance SOEs performance.	<b>H1:</b> A significant positive relationship exists between board diversity and board cohesion,
<b>O2:</b> To determine the relationship between skills spread and SOEs performance.	<b>H2:</b> There is a positive relationship between skills spread and SOEs performance,
<b>O3:</b> To establish the relationship between board competencies and SOEs performances.	<b>H3:</b> There exists a positive relationship between board competencies and performance in SOEs
<b>O4:</b> To establish the mediating effect of operating environment on the relationship between gender, skills spread and board competencies.	<b>H4:</b> There is a positive mediating effect of operating environment on gender, skills spread and board competencies.

## 1.6 Purpose of the study

The main purpose of the research is to establish whether there is a relationship between board diversity and SOEs performance in Zimbabwe.

## 1.7 Conceptual framework

Figure 1.1 below shows the relationship between board diversity as measured by the skills spread, gender diversity and board competencies. According to the stakeholder theory, the performance of the firms is affected by a number of factors namely diversity, operational environment and the strategy implementation (Sener and Karaye, 2014). Board diversity from a stakeholder theory point improves stakeholder's linkages, reduces nepotism and ensures the fulfilment of the stakeholders' interest on the firm performances (Lincoln and Adedoyin, 2012). According to Carter et al (2010) higher boards are perceived to have an influence on the decision making and more so when there is gender diversity, skills spread and competences, The relationship network between various stakeholder have a bearing on the



firms; decision making process. The stakeholder theory therefore contends that there are some intrinsic values to the interests and needs of the stakeholders (Letting et al, 2012). This is premised then on the equality of all stakeholders and that no single stakeholder interest is greater than those of the other.

According to (James & Joseph, 2015), one of the most important aspects of the board is the mobilisation of resources from external partners, be they investors or other stakeholders. In carrying out that exercise, there is need for board diversity in terms of skills and gender presence (Bridoux, 2013)

Carter et al (2010), opined that the resource dependence theory of board diversity serves to link the corporation to the external and internal resources at its disposal. According to Tarjesen et al (2009) the ability to obtain the requisite funds is achieved through the provisions of resources, the creation of the communication channels and then the provision of the support from the providers of finance. Ujunwa et al (2012), defines gender diversity as the number of women on the board as a percentage of total board composition. Deloitte (2014) highlights that diversity can be viewed from the point of gender mix. Abdullah and Ismail (2013) avers that the mixture of male and female members on the board is very essential for the good governance of the firm.

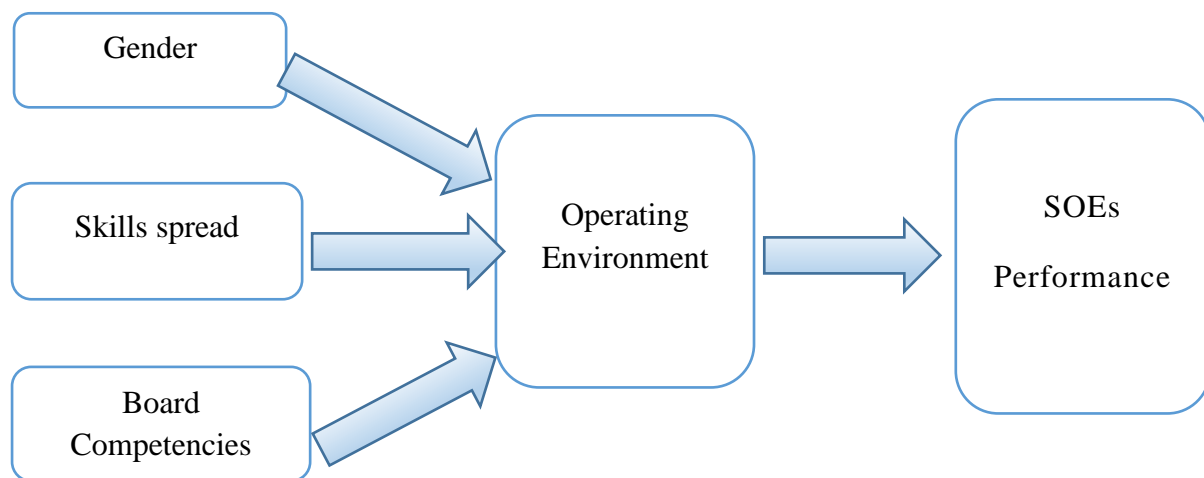
Mahadeo et al (2012), noted that the human capital is an important aspect of board diversity, as it outlines the mixture of the skills that espouse the operations of the organisations at large. According to Campbell and Miguez –Vera (2009), board diversity is the composition of the board that is aimed at including, women, age, and skills, foreign and minority members on the board. McGregor and Schulte (2015), noted that boards that are diverse need to have the practical examples of the mix of women and men, executive and non-executive directors and also the elderly and the young members. This diversity is more defined when the boards are reflective of these aspects.

The relationship between board diversity and firm performance is not always as smooth and straight as assumed, but are affected by the factors in between. These are called the mediating or controlling variables. The board diversity-firm performance relationship factors are moderated by the operating environment, legal and political factors which can affect the relationship between the independent factors and the dependent factors at varying levels (Wakaisuka-Ingoma et al, 2016). Njanja et al (2012), also alludes that using the stakeholder theory, the environment has certain opportunities and challenges which have a bearing on the

diversity of the board. On another research by Sener et al (2011) noted that the legal aspects of the countries have a bearing again on the level of board diversity that is acceptable. (Rose, Munch-Madsen and Funch, 2013), noted that there has been developments in gender diversity, for example, France, Norway, Finland have stipulated a 40% women representation. Ong and Wan(2008), noted that the also noted that the board diversity-firm performance can also be affected by the cognitive conflict, which means that the egos and ethos of the individual members can affect the board processes and hence the decision to have a more diversity board can be affected.

Bachiller et al (2010), noted that of late the concentration on organisational performance was done based on financial performance, but however the multi-dimensional of firms has led to the view of the firm as the unit than the hierarchical aspects. In SOEs, the fulfilment of the mandates and the offering of services cannot entirely be based on the financial results but by the fulfilment of the purposes for which they had been created.

**Fig 1.1: Conceptual framework**



Board diversity consisting of gender, skills spread and board competences have been identified as the thorny issues affecting the board compositions (Man et al, 2013). Skills spread according to Rampling (2011), means the attributes and expertise of the members of the board that includes information technology, legal mind, finance, marketing and procurement understanding. When there is a lack of these on the board, more often than not, the board is subject to running legal battles with the stakeholders. On the other hand, countries all over the world, like in Zimbabwe, China, Norway and France to mention a few

have advocated for women representations on the leadership positions in all spheres of the business [(Rose, Munch-Madsen and Funch, 2013)(Pande & Ford, 2012)]

However these variables are affect one way or the other by the legal environment, political and the operating environment , in which quota systems could be imposed by the government and also that the operational sphere of the business might require masculinity rather than mere relational –oriented involvement by women or otherwise. These variables which might hinder or accelerate the achievement of the required or target performances by the firm.

### **1.8 Assumptions**

The following are the assumptions underpinning this research study:-

- No significant variations will be done to the business models of the SOEs in Zimbabwe , which could affect board compositions,
- The current bill on the National Corporate Governance Code will sail through parliament without major amendments which can affect SOEs governance structures.

### **1.9 Limitations of the study**

Most government institutions are governed by the Official Secrecy Act [Chapter 11:09] and as such some information perceived to be confidential will not be obtained easily. The research will give assurance to the respondents based on the ethical consideration, that information and respondents' identity disclosure will not be done without their consent.

### **1.10 List of acronyms**

BoD	Board of Directors
CEO	Chief Executive Officer
CGFSP	Corporate Governance Framework for State Enterprises and Parastatals
CoZ	Constitution of Zimbabwe Amendment No. 20 Act (2013)
GDP	Gross Domestic Product
MOFED	Ministry of Finance and Economic Development

NCCGZ	National Code of Corporate Governance in Zimbabwe
NEDs	Non- Executive Directors
OLS	Ordinary Least Square
RBV	Resource Based View on Corporate Governance
SOEs	State Owned Enterprises
VAT	Value Added Tax

### **1.11 Chapter summary**

The background of the study, together with the statement of the problem, and the purpose of the study has been highlighted and analysed. The conceptual framework to the study, the objectives to the study and the hypothesis have also be crafted and presented, limitations, delimitations, assumptions and the acrimonies were also delved upon.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.0 Introduction

A number of studies have been carried out to explore on the issue of gender diversity and firm performances from both the developed and the emerging markets. This particular literature from previous researcher will be reviewed and elaborated in this chapter. This chapter will follow the research objectives format presented in the previous chapter. Particular literature review will be chronologicalised as follows, the meaning of board diversity in the SOEs context, benefits of board diversity, the challenges hindering board diversity, measures of financial performances, the correlationship between gender diversity and firm performances and finally the best practices in which board diversity leads to improved firm performance

#### 2.1 Theoretical Review

Theoretical review is meant to bring about the theories that have been developed by other authors in line with the issue of board diversity. The researcher is going to focus on the resource dependence theory, the stakeholder theory and the human capital theory

##### 2.1.1 Resource Dependence Theory

Carter et al (2010), opined that the resource dependence theory of board diversity servers to link the corporation to the external and internal resources at its disposal. According to Tarjesen et al (2009) the ability to obtain the requisite funds is achieved through the provisions of resources, the creation of the communication channels and then the provision of the support from the providers of finance. Ujunwa et al (2012), defines gender diversity as the number of women on the board as a percentage of total board composition. Deloitte (2014) highlights that diversity can be viewed from the point of gender mix. Abdullah and Ismail (2013) avers that the mixture of male and female members on the board is very essential for the good governance of the firm.

Tarjesen et al (2009) noted that gender diversity affects the dynamics of the board's ability to obtain financing and therefore the needs that mixture as it fulfils the resource dependence theory of diversity at large. There is therefore need to balance between gender on the boards. Chan and Heang (2011) opines that the women representation in modern day have been

viewed as having the ability to solve problems diplomatically and being sensitive to certain risky investments and as a results reduced firm bankruptcy.

### **2.1.2 Stakeholders theory**

Stakeholders theory, states that managers and board members should act according to the needs of all stakeholders and not for the interests of a single member of the company (Sumedrea, 2016). Ferreira and Kirchmaier (2013) avers that stakeholders are drawn from a number of spheres including customers, creditors, employees, managers, investors and government. Because of globalisation, ethnicity and external customers have become an important constituency of diversity. McDonald (2012) also views diversity from the inclusion of the minority members on the board so that the needs of all the stakeholders are addressed in line with the stakeholder theory of good corporate governance. Zheng et al (2012), posits that the diversity of the board is defined by the composition that exists within the boardroom at any given time.

Agrawal et al (2012), noted that there is need for the codes of corporate governances the world over to promote the diversity of the board based on ethnicity , gender, education and skills in order to increase the oversight role of the board and to exhibit the expertise that would be required for decision making processed within the organisations. Furthermore Adams and Ferreira (2009), Ferreira (2010) noted that for governance to work well there is need to have variety of thought and have checks and balances brought about by the diversity of the boards. Ethnicity means the diversity brought about by the racial, cultural and religious differences of both the investors and other stakeholders.

Dobbin and Jung (2010), opined that the board should be representative of all the religious, cultural and racial aspects of the firm including the employee and the markets in which the firm operates. According to Deloitte (2014), posits that the representation should be in line with the fulfilment of all the stakeholders that have direct or indirect benefit or link to the firm. Abdullah and Ismail (2013) argued that because of the global operations of firms, it is imperative that there be representative from the various cultural, religious and ethnic groups that are representative of where the firm operates. Abdullah and Ismail (2013), posits that there is a push the world over to have gender proportions on the boards as an ethical and legal way of promoting women on boards

### **2.1.3 Human Capital Theory**

Carter et al (2010), noted that the human capital is an important aspect of board diversity, as it outlines the mixture of the skills that espouse the operations of the organisations at large. According to Campbell and Minguez –Vera(2009), board diversity is the composition of the board that is aimed at including, women, age, and skills, foreign and minority members on the board. McGregor and Schulte (2015), noted that boards that are diverse need to have the practical examples of the mix of women and men, executive and non-executive directors and also the elderly and the young members. This diversity is more defined when the boards are reflective of these aspects.

Deloitte (2014) noted that board diversity needs to have a mixture of optimal skills, like accounting, legal, information technology and human resources to ensure appropriate attention of the strategy are taken care of. Ujunwa et al (2012) defined skills spread diversity as the percentage of the skills of the board as a percentage of the total board. Kim and Lim (2010), opines that the level of education has a bearing on the performance of the firm and as a result there is need to have a board that has a variety of educational backgrounds coupled with experience and expertise. Sifile et al (2014), noted that the higher a member of the board is educated the more the member is able to contribute positively to the organisational strategy of the firm.

Age, according to Deloitte (2014), is another special aspect that defines board diversity. Boards should have an appropriate mix of both the elderly and the young in order to achieve board effectiveness. Abdullah and Ismail (2013) noted that the diversity of the board based on age is meant to ensure succession planning in case the elderly are no longer members of the board. The younger generation that takes over needs to be mentored on how the firm should be directed and managed as a means of institutionalising the vision and mission of the firm. Sifile et al (2014) however noted that boards composed of the younger age is associated with bankruptcy than boards with the elderly, meaning that the later uses experience to wade off the challenges

## **2.2 Empirical Review**

According to Bagubu et al (2015), gender differences on the board plays an important role on the firm performances the world over. Board diversity can either have negative, positive or neutral effects on the board and that there are a number of the challenges that hinder board diversity Schwartz-Ziv (2013). A number of studies have been carried out the world over the

years on the effects of board diversity on firm performance and these are the empirical evidences to analyse over.

### **2.2.1 Board Diversity and Performance**

Ijas (2012) found a significant positive correlation between board gender diversity and corporate responsibility, social responsibility and financial responsibility, in a study of the FTSE 100 firms. However, Ijas (2012), noted that gender board diversity is not the only causal factor of improved financial performances in firms on the fortune 500 listed firms. But in a study of the Fortune 500 firms, Miller and Triana (2009), established a positive correlation between board racial diversity and firm reputation and innovation hence improved firm performances, somehow concurring with Ijas (2012). Furthermore, Minguez-Vera (2008), using the Blau and Shannon indices, found a positively significant correlation between women on board and the firm value, which means that women representations improves corporate performances. However the study by Torchia et al (2011) based on 317 Norwegian firms between 2005 and 2006 shows that there inclusion of between 3 and 4 women on the board of directors improves innovation for the firms. Women representation on boards therefore improves both the performances and the innovations of the firms.

Adams and Ferreira (2010), in the context of United States firms, proffers that firms that have a remarkable number of women on their boards have reported higher performance than those with fewer women on the boards. This was based on the fact that the appointment of women on the board is a signal that the firms are doing well already and need that to strengthen that performance. The conclusions by Adams and Ferreira (2010) were further complemented by Jerkins (2012) noted that the performance of the firms on the New York stock exchange is positively correlated to women on board and are likely to have a premium and are less likely to be delisted, meaning that boards that have more women or a balanced board can achieve a higher firm value. Lindstaedt et al (2011), studied the women ration in the board and their effects of Return On Assets (ROA), Return on Equity (ROE) and price to book value of 160 listed German companies of the DAX family between 2002 and 2010 and found a positive link for firms with a higher ratio of female employees and for the B2C companies.

Mahadeo et al (2012), in a study of 371 directors of 39 listed companies on the Mauritius Stock Exchange found a positive effect of board diversity on the performance of the firm and noted that the representation of women on boards have spurred other companies to follow and



increase their participation for better results. Similarly Rampling (2011), had already made the same conclusion when a research was carried on Australia's listed firms between 2000 and 2008 and noted that women representation as a board diversity aspect has a direct impact on the firm performances, especially on earnings before interest and taxes and return on assets. In the same study of the Australian firms, Rampling (2011), further noted that the heterogeneity of the boards in Australia brings about balance in decision making. In a similar study on the fortune 500 seats by Dobbin and Jung (2011), have noted a positive relationship between the compliance to gender parity and the rise in the firms' stock on the market, arguing that the effect is as a result of process enhancements by the board at large. This overall shows that in given jurisdictions like the Americas, Norway and the Scandinavian countries the diversity of the board in a panacea to the improvement of the firms. Performances and hence the need to ensure that more balanced boards in terms of gender, skills spread and competences will enhance the overall net worth of the firms.

However studies by Cimerova et al (2014), using the Hofstede cultural framework, found a negative impact of cultural diversity on firm performance in their study of a sample of firms ,which represent 95% of the market capitalisation of the London Stock Exchange. The study noted that the cultural beliefs of the members of the board, which is the decision making board affects operational abilities. This conclusion was in support by the study carried out by Ujunwa et al (2012), who also noted that there was a negative relationship between gender board diversity and firm performance and that the participation of women on boards has an effect on the share prices performance. Ujunwa et al (2012), had carried out the study on the Nigerian Listed firms using panel data of 122 firms. As a result Abdullah and Ismail (2013), further refined the target firms to the top 100 Malaysia non-financial listed firms and concluded that there is a negative correction ship between gender Board diversity and the performance of firms, also noting that ethnicity and age have no relationship at all to firm performance, giving another set of inconclusive results about the effect of board diversity on firm performances. This means that using the Tobin's Q, the of women and the special skills will actual affect the performances of the firms and hence the conclusion by Bohren and Strom (2010), based on the 203 firms in Norway listed on the Oslo's Stock Exchange from 1989 to 2002, who noted that women on boards affects the Return on equity and Return on Assets.

Daunfeld and Rhudolm (2012), using data from 20,847 firms in Sweden between 1997 to 2005 and using a random effects random co-efficient model ,found a negative relationship

between board diversity and return on assets. This was in support of the prior study by Ferreira (2010) in a study of the firms in New Zealand, who opines that those companies that have decided to include women on their boards have however created a trade-off between profitability and women representations, hence diversity affects performance.

Kyereboah-Coleman and Biekpe (2017), using data from the Ghanaian Stock Market between 1990 and 2001, found inconclusive relationship between board diversity and firm performance on their study of companies listed in Ghana. This was in support to the study earlier by Molenkamp (2015), which found no correlation between educational diversity and nationality diversity but found a significant positive relationship between gender diversity and firm performance on listed Dutch firms. Joecks et al (2012) using the critical mass theory and panel data from 151 listed German firms between 200 and 2005, avers that the relationship between gender board diversity and firm performance follows a “U” shaped process with a negative first then positive after the level called the “critical mass”. Petrova (2012), in a study of the Russian firm, posits that the effect of board diversity is dependent on what roles are being considered by the researcher, namely acquisitions and mergers, external finance negotiations or divestiture of the organisation.

Different factors define board diversity and includes among others gender, age, competences and ethnicity (Fraga and Silva, 2012). Fraga and Silva (2012), in their study of the Brazilian firm that were listed on the BM and FBovespa and covering firm without majority shareholding, posits that greater diversity is achieved on educational and presence or non-presence of independent directors have a negative effect on the performance of the firms. This conclusion supports the earlier conclusions by Darmadi (2011), in a research based on 169 sampled firms on the Indonesian Stock exchange, who noted that the diversity based on ethnicity, gender and nationality has been supplemented by factors such as educational background, experience and the socio-economic status and as such helps improve the board efficiency and functionality.

Rhode and Packel (2010) noted that where there is diversity on boards, the tendencies for group thinking are lessened using panel data from firms in the United Kingdom. This opinion was also supported by Ujunwa et al (2012), who had a research based on the Nigerian Listed firms, who opined that the divestiture of the board removes the homogeneous board group thinking, which does not scrutinise the strategies or resolutions brought for consideration. Group thinking according to Sunstein (2009), leads to individual members disowning their

own thoughts and concentrate en-block on agreeing on a certain outcome of the strategy or resolution, without analysing the consequences of such a standing. This means that the more diverse a board the less the group coerced thinking the board will experience from the members.

Fraga and Silva (2012) in a study of the Brazilian listed firms without majority shareholding noted that diversity also removes the element of polarisation in the members. This supports prior study in the area of diversity in which Darmadi (2011), argued that, when the board is made up of members that are more confident and who controls the board, there is extremism in think by other members who believe that the “talkative or controlling” members are models to them. Corporate strategic change and innovation is achieved more with a diversity and larger composition of the board than in leaner and less diverse (Zainal et al, 2013). This conclusion was reached based on a study in the Malaysia in which the top 300 listed companies were selected and also using the longitudinal analysis. The polarisation that is created by the “more” powerful members is reduces when there is a wide representation including age, gender mix and competences of the members (Man et al, 2013). Man et al (2013), supported the earlier research by Darmadi (2011), that confidence of the members on the board is affected by the group thinking philosophy within the board of directors.

Board diversity also ensure the breadth and depth of the board’s judgement (Abdullah and Ismail, 2013). Given that firm operate in environments that are characterised by ethnicity, gender and expertise, it is imperative that this be reflected on the boards as it relates to the inclusivity of all the facets on the board (Ujunwa et al ,2012). Board diversity has to be broadened to be representative of the societies in which the firms operates (Abdullah and Ismail, 2013). Zainal et al (2013), argued that from a dependency theory point of view, the role of the board is to provide legitimacy, counsel and advice and as such the higher the diversity the more these roles are achieved by the board.

Improved monitoring of the firm’s activities can be achieved through the diversity of the board as more people with varying expertise and experiences will combine within the board (Fraga and Silva, 2012). Ujunwa et al (2012), argued that the variety of skills and differing gender perspectives improve information symmetry and therefore the monitoring mechanisms. Ararat et al (2010), as quoted in Molenkamp (2015), noted that the board diversity composed of larger boards, gender mix and competences has a bearing on the monitoring aspect of the firm and hence affects performance. Man et al (2013) avers that the

monitoring role of the board is strengthened when there is a wide participation of women on the boards as women can embrace predominance in ethical behaviours' than their male counterparts.

### **2.2.2 Effects of diversity on performance**

Arena et al (2015), in a study of women in the masculine industry, noted that women creates relationship conflicts and reduce value creation. This sis caused by the inability to accept the ability in the communities and rendering themselves to the mercy of their male counterparties. Further, Ijas (2012), argued that boards that have a higher degree of female members are prone to much more conflicts than the non-female boards. This is premised on the fact that women have a hate feeling among themselves and cannot fight from a single corner within the board (Man et al, 2013). Ujunwa et al (2012) posits that there is much more emotional conflicts in larger boards as compared to the lean board that are less diverse and this has a negative bearing on the performance of the board and hence the firm at large.

Daunfeld and Rhudolm (2015), argued that the larger the boards the more the conflicts that are expected to be met and the slowdown in decision making within the board of directors. Dobbin and Jung (2011), similarly argued that conflicts are more likely to disrupt decision making process when there is a wide diversity on the board. Cook and Glass (2015) furthermore asserts that more members with a diverse background and gender and ethnicity have effects of conflicts, poor coordination and communication leading to reduced performance by the firm.

Zainal et al (2013), argued that besides relational conflicts, the diversified body will most likely face the challenge of coordination as members fail to appreciate each other's expertise. Cook and Glass (2015) avers that the size of the board and its diversity leads to a slowdown in decision based on poorly coordinated strategies and designs. Similarly. Dobbin and Jung (2011), posits that coordination requires a lean team that can concentrate to crafting the strategy in a way that makes implementation easier to follow, unlike large members who have little concentration on the work at hand. Rampling (2011), alluded that the coordination aspect of the business strategy does not require large numbers because it then takes long time to agree on a simple principle and yet coming up with an unworkable mechanism for strategy implementation matrix.

The relations-oriented diversity are also prone to the challenges of concentrating on the relations rather than the tasks on hand. Zainal et al (2013), noted that task oriented divesture brings about innovation, coordination and creativity to the board. Relations-oriented divesture is however based on the educational background, their age and background orientation which have no link to the strategic design of the firm (Rampling, 2011)

Vinnicombe (2011) noted that the other challenge hindering the ascendry of women in leadership and to the boardroom is the dictatorial tendencies by their male counterparts. Campbell and Minguéz-Vera (2007), noted that the Spanish authorities for example have explicitly made it clear by statutes that board dictatorial tendencies be eliminated. This means that the authorities had observed the tendency and come up with legislation to bring this to check. Kabongo et al (2013), avers that the call for diversity on the board has been brought about by the need to ensure that the dictatorial tendencies by the male counterparts are challenged and eliminated altogether at the board level.

Dike (2016), argued that whenever issues of diversity are brought to the fore, there is an element of disrespect from the other member. Vinnicombe (2011), opines that the disrespect that is always aimed at the new comers or the female members who would have just been included into the boardroom. This was also alluded by Sealy (2009), who avers that the inclusion of female members to the board is always met with a lot of disrespect from the male counterparts as a way of silencing them, while increasing their general dictatorial tendencies on the board. Doldor et al (2012), professes that the compliance to acceptable board diversity the world over will always be hampered when there is lack of respect from the members themselves to their counterparts.

### **2.2.3 Challenges of board diversity and performance**

Stereo-typing is a challenge that has hindered the participation of women on the boards. According to Tarjesen et al (2009), there is a general perception that there are not enough women out there who have the necessary qualifications and expertise to participate on boards. According to Sealy (2009), the stereotyping of women as weaker elements has continued to hog the limelight and as such their ascendry to boards' participation has been hindered by that perception.

Lack of social capital is the other challenge faced in ensuring board diversity. Social capital is defined by Doldor et al (2012), as the relationships that exist between people and mutual

obligations and the support create by these relationships. Tarjesen et al (2009) argued that, women are not able to create social capital aspects because on the continued dominance of their male counterparts. Doldor (2011), noted that women generally would not want to get into the thick of things where a show of power is needed and they take a back seat. It is that regard that their recognition is not adherently seen by the appointing authorities. Sealy et al (2009), argued that the exclusion from the boards is also facilitated by the removal or blockages from the social capital networks, which affects mainly the less connected members like women.

Doldor (2011), argued that board culture has a bearing on the compliance to board diversity in a number of firms. Firms that have a progressive design and who are far reaching in nature have more diversified boards than those that are traditional and have a laid back approach to globalisation (Ferreira,2010). Zainal (2013) has argued that the board culture can be used to side-line the women participation in the boardroom hence hindering the women participation in strategic decision making mechanisms. Boardroom cultures can be so inhospitable to the less represented groups within the boards (Sealy et al, 2009)

Broader national culture of besides the culture within the boards have a much more bearing to the diversity of boards in both the developing and the developed world (Tarjesen, 2009). Culture is perceived as a national trait that differs from country to country and from ethnic group to ethnic group [Zheng et al, 2012 and Bryan et al, 2014]. Shehata (2013), noted that culture is one factor that affects the attainment of a more balanced board diversity. Shehata (2013) argued that boards ,as a result of globalisation, are composed of members across nationalities and as result, the cultures from which the members are selected from weighs down the ability to achieve diversity on the boards.

The appointment process also hinders the participation of women on the board. According to (Doldor et al, 2012), the major challenges that hinders board diversity is bias within the appointing authorities. Tarjesen et al (2009), provided some of the perspectives that the nomination committees have upon women representations on the board and these range from perception of the pipe line thinking and stereotyping.

### **2.3 Need to achieving Gender diversity**

According to Daunfeld and Rhudolm (2012), gender diversity could be achieved by use of legislation which promotes the participation of women on boards. A number of countries the world over have instituted the representation matrix for women on boards. (Rose, Munch-

Madsen and Funch, 2013), noted that there has been developments in gender diversity, for example, France, Norway, Finland have stipulated a 40% women representation, while in Asia. (Pande & Ford, 2012), noted that the legislation of board gender diversity brings compliance than the mere talk about women equality and equity on the boards.

Minguez-Vera (2008) argued that firms that promote the women participation of the boards should be offered some incentives and not be penalized. Jerkins (2012), opined that those firms that promote women participation as a means of ensuring compliance to the available legislature should be considered for incentives and other motivations. This will work as encouragements to other firms to follow through (Minguez-Vera (2008). Zainal et al (2013), further noted that the promotion of gender on boards should be harnessed for all firm be they listed or not. Small or large.

There is need to look at the issues of gender from the task –oriented approach than from the mere relationships based approach (Daunfeld and Rhudolm, 2015)). Zainal et al (2013), further opined that the innovations that comes from the task-oriented approach to board diversity encourages women participation and research on how best they can improve the firm performance than being mere seat warmers. Nnabuife et al (2015), alluded that there is however need to promote moral suasion in which voluntary requirements of the inclusion of women on the boards will be promoted. Ekwochi (2012), avers that the disclosure by companies of their diversity quotas is a sign that firms are embracing voluntary compliance to the inclusion of women on the boards.

Improving the social capital participation by women can also help in bringing board diversity (Sealy, 2011). The moment women becomes also socially networked, the more they can bring about the required resources and linkages to the board (Doldor et al, 2009). Habash (2010) avers that the inclusion and opening up of the social capital networks helps the women to participate and partake of the benefits that arises from their inclusion and hence they become visible for selection into boards.

## **2.4 Chapter Summary**

The chapter reviewed literature on the benefits brought by diversity, the challenges brought by board diversity , the relationship of performance and board diversity and the steps that needs to be taken by relevant authorities if the achievement of board diversity in the boardrooms and all other spheres of business. A number of the above studies were based on

the small number of firms over a very short period of time because of data limitation and as a result, the data were not conclusive on the larger number of firms. Secondly the endogenous nature of women representation on the board could not explain the effect of diversity on the board and firm performances. The next chapter provides the methodology that the research will use in gathering the data for this study



## **CHAPTER: THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

The study addressed the research approach and methodology used in conducting the research. The matters to be addressed include population, sampling, data collection procedures. It will also look at the method used for data analysis in attaining the purposes of the study.

#### **3.1 Research Philosophy**

This can be thought of in 3 main dimensions i.e. epistemology, ontology and axiology according to Saunders et al (2012). Benecker and Pritchard (2008), defined epistemology as a philosophy of knowledge. Tomar (2014), further asserts that the philosophy of epistemology as the ultimate interrogations of truths, beliefs and perceptions. The bottom line in the epistemology philosophy is the sifting on knowledge from the research. Dretske (2009), noted epistemology embraces all the topics comprised in cognitive sciences.

Ontology on the other hand is defined by Crotty (2003), as quoted in Ahmed (2008) as “the nature of reality”. Tomar (2014) argues that in Ontology philosophy, hinges on the metaphysics of the truth. Ahmed (2008), noted that this philosophy follows the beliefs that the world is modelled on the cause –effects relationships. This cause-effects relationship mean that there are realities, which can be proved by sciences.

According to Archidis (2011), axiology is defined as the philosophy of value. Arora (2010), noted that the search for the science of value were developed by early Greek philosophers in the 5<sup>th</sup> and 6<sup>th</sup> century as a way on enhancing ethics. Tomar (2014), noted that axiology focusses on questions about what “ought to be” .Furthermore Tomar (2014), avers that axiology is that branch of philosophy concerned with the general problem of values, such as nature, origin and characters. Foss and Littlejohn (2009), alluded that ethical considerations

plays and greater role in research because it shapes the way the respondents concludes certain phenomenon's.

Explain these terms and then go on to indicate that research can be quantitative in which case it will embrace positivist research philosophy or qualitative in which case it will embrace phenomenological philosophy (Collins and Hussey, 2003)

Cohen et al (2007) described the research philosophy as the model. This means it can be defined as the extensive framework and it comprise of opinions or view and empathetic numerous practices, theories that are and/or used in conducting of the study (Descombe, 2009). Saunders et al (2007) described the research philosophy as the embellishment of the investigation background, research evidence and its relation to the situation. Cohen (2011), further described the research philosophy as the paradigm or framework for which the whole methodology is anchored. There are different research philosophies or approaches that can be used in conducting a research. These are namely positivism view, constructive view and pragmatic view.

### **3.1.1 Constructive Philosophy**

According to Creswell (2014) the constructive philosophy works with an inductive thinking. Descombe (2009), argues that the proponents think that the reality is there but it is subjective to the people around and therefor there is no single conclusion to it. The respondents' prior experiences, expectations and expectations define the conclusions that are obtained from the study (Vasloo, 2014). Creswell (2014), avers that under this paradigm, the fact that observers and interviews and questionnaires differences are regarded as not being problematic at all, because they depend on the lenses from which the respondent is viewing from. Therefore both numeric and non-numeric conclusions are dependent on the different personal lenses and are all viewed as correct unlike in the positivist approach where, one conclusion is right and the other is regarded as wrong Saunders et al (2007).

### **3.1.2 Pragmatic Philosophy**

The pragmatic philosophy is that approach in which both the qualitative and quantitative data collections can be achieved (Creswell, 2014). In following such a study, the research would want to obtain the qualitative data on the qualities envisaged in the board diversity and then

also obtain quantitative data for the purposes of the determination of the existence the correlation between the firm performances and the board diversity in terms of gender parity and skills spread. Furthermore (Vosloo, 2014) , opined that the pragmatism world-view enables the study to provide a philosophical analysis of all the facts about the research problem, be they qualitative or quantitative in nature.

### **3.1.3 Positivism**

Edirisingha (2012) defined the positivism approach or view as an impartial reality to a study research phenomenon irrespective of the researcher's viewpoint or belief. Saunders et al (2007) also described it as an ordinary science and it is categorised by hypothesis testing from prevailing theories by the measurement of evident realities of the social sphere. Creswell (2014) in addition to the above definitions noted that positivism is the best approach if there is need to prove a hypothesis numerically. In this case the research would want to prove the existence or non-existence of a relationship between board diversity and SOEs performance and this requires mathematical approach which can only be achieved by using the positivism philosophy. The researcher followed the positivism approach in conducting the study because of the need to prove the hypotheses proposed numerically using mathematical conclusions.

## **3.2 Research design**

Collins and Hussey (2009) defined the research design as the planning of how the researcher is going to conduct the study making sure results that valid outcomes are attained and will be of importance to the area of the study. Therefore the research design is the technique and a strategy of action to be used in the study or research. Three types of research designs, that is, qualitative, quantitative and mixed methods are advance by Creswell (2009). This study, being quantitative, employs a cross-sectional survey design as it intends to establish the prevalence of a phenomenon at a particular point in time.

## **3.3 Research population, Sampling and sampling techniques**

The justification of research population, the sample and the sample design will be analysed in this section.

### **3.3.1 Research Population**

Pilot and Hungler (1999) described the research population as a cumulative or totality of all items, matters or participants that follow a set of specifications. This was also alluded by

Truskin and Small (2012) that a research population is an aggregation of all the elements in asset.

The population in this study is drawn from the directors from the SOEs in Zimbabwe who are 514 in total out of the 78 SOEs. Together with the SOEs directors, the directors at the regulatory level of these SOEs with a count of 154 out of 14 entities are also included to ensure that the views of the regulators are heard in this study as they are the ones which brings the central government views and policies on the operations of the SOEs. The total population therefore will be 668 directors.

### **3.3.2 Sample and sampling technique**

Krejcie and Morgan in 1970 developed the Krejcie and Morgan sample calculator, which determines the appropriate sample size at either the 90% confidence interval or 95% confidence interval. These will be plotted against the standard margin error of the sample or degree of accuracy at either 1%, 0.5% etc. Therefore having determined the population of 688 in the study, the appropriate sample size using the Krejcie and Morgan sample calculator becomes minimum 114 directors using an accuracy rate of 0.035%.

The sample has been selected by using the Krejcie and Morgan (1970) model, which stipulates that is a population is between 100 and 200, with a margin of error of 0.03, then the sample has to be between 46 and 68. The total population for this study is 688 directors and as such the sample has to be between 73 and 120 items. As such the researcher has managed to draw a sample of 114 directors from 70 SOEs form the respective Line Ministries in Zimbabwe. The results from these SOEs will be reflective to the overall performance of the SOEs as alluded to by Mugenda and Mugenda (2014).

According to (Mugenda & Mugenda , 2009), (Rajasekar, Chinnathambi, & Philominathan, 2013), and (Creswell, 2014), the sample of 50% and above of the population is a regarded as a true reflection of the population and warrants analysis. The researcher therefore used a sample of 50% of the respective clusters meaning that questionnaires will be administered to a sample of 114 respondents

### **3.3.3 Measurement of variables**

## **Independent Variables**

The study come up with gender diversity, cultural diversity, age diversity and skills spread as the independent variables. According to Lindstaedt et al (2011) and Haslam et al (2010), gender diversity is measured using the ration of female on the boards as a composition of the total board positions within the organisation. This information is derived from the annual reports or other publications by the Government pertaining to the SOEs.

Age diversity is measured using the number of board members below the age of 40years, who sits on the boards (Makhlouf et al (2015) and Nakano and Nguyen (2011)).The cultural diversity id measured using the Hofstede-Gray theory, which states cultural impact on firm performance (Shehata, 2013)

### **Dependent variables**

The performance of the SOEs as the dependent variable has been measured using the Tobin Q and the profitability for financial. The market share, while the fulfilment of the mandate for which the SOEs has been created is also a non-financial factors on the SOEs.

## **3.4 Data collection Instruments**

According to Creswell (2014) data collection instrument is the way in the researcher will gather the information either quantitatively or qualitatively. The researcher will collect the data quantitatively.

### **3.4.1 Questionnaire**

According to Abawi (2013) in order to collect and complete data in logical manner, a questionnaire is the most ideal tool to use. Sukamolson (2013) alluded that questionnaires are the most appropriate for collecting data which can be quantified.

According to Polit (2003) and Saunders et al (2009), the questionnaires are meant to provide data that is guided by the researcher. It is design in such a way that a variety of questions are provide to the respondents with the intention to decide the most appropriate answer form the options given. Creswell (2014), noted that the questionnaires are either open ended or closed ended , meaning that the respondents can either choose to add their own opinion (open ended) or they can just be guided by what is on the questions without giving any of their opinion.

The questionnaires were designed by developing the sub-research objectives so that they encompasses all the related aspects of the research study. According to Bolarinwa (2015), the questionnaire has to clear from the onset and for quantitative research there has to be structured questions in order to obtain numerical values.

#### **3.4.1.1 Questionnaire Design**

This is a multi-stage process that involves the determination of the types of the questions, the structure of the questions, the respondents' type and the depth of the questions to be administered in the questionnaire.

The researcher developed the questionnaire by determining the question content, question wording, question length, defining the respondents, choosing the methods of reaching the respondents. This was followed by the pre-testing of the questionnaires and then the development of the final survey of the study

### **3.5 Data sources**

This research study is going to use two types of data sources, namely primary data and secondary data. The primary data will be collected through by way of questionnaire to be administered, while secondary data will be the likes of reports and other correspondences.

#### **3.5.1 Primary data**

According to Hox and Boeije (2005) primary data is original data collected for a specific research study in order to achieve the research goal. This means that the data will be unique to any other data collected before and no one would have collected it before as well. The advantage of using primary data is that it original and specific research area. It is also current and usually gives a realistic evaluation of the research phenomenon being researched.

Primary data will be collected using the questionnaires. They provide new information that is intended at the specific study and therefore enhances the quality of the conclusions obtained and the triangulation with the secondary data obtained

#### **3.5.2 Secondary data**

This is data collected earlier by other researchers and might not be linked directly to a particular study area (Hox and Boeije, 2005). Secondary data is represented in different form

like electronic, written typed and can be classified according to their sources either internally or externally.

The secondary data for this research design will be sourced from annual reports, publications and journals relating to this area of study.

### **3.6 Reliability and Validity**

Tovakol and Denminik (2011) proffered that reliability and validity are very important aspects of the study research whether it is quantitative or qualitative. This has enhanced the quality and accuracy of the assessment carried out. Creswell (2014) also noted that these two aspects reveal different meanings depending with the research design adopted that is quantitative or qualitative.

#### **3.6.1 Validity**

According to Thatcher (2010) validity is the extent to which the measuring instrument is significant to achieve the purported result. This means that the research must clearly ensure that the concept is practically measurable and making practical sense. The researcher achieved validity by carrying out a pilot questionnaire research. Bolarinwa (2015) ,further noted that the questionnaires should be ready to establishing validity and argued that there are five methods to be used to measure such validity, namely, face validity, content validity, predictive validity, concurrence, convergence validity, discriminant validity, known group validity, factorial validity and hypothesis testing validity.

#### **3.6.2 Reliability**

Haele and Tywcross (2015) described reliability as the degree to which a concept in a quantitative research study is accurately measured. It is obtained by using the same instruments to bring consistency of the results in almost similar situations but different conditions. Further Bolarinwa (2015), defined reliability as the degree to which results obtained by a measure and /or procedure can be replicated. There are three types of reliability namely the stability reliability in which an instrument is tested and then retested to establish stability over time. Equivalence reliability, which is used to establish the relationship created by the use of the other options than the instrument under use in order to establish congruence with the original instrument. The last of these indexes is the homogeneity reliability, which meant to test the instrument and establish the consistence created. It is also known as the internal consistence.

The researcher just like in the validity section above created a pilot questionnaire that has been used for a few selected respondents in order to obtain reliability of the instruments. In terms of content validity, the researcher will ensure that the questionnaires that have been designed covers all the areas of the research study based on the objectives derived from the first chapter. Secondly, the researcher will ensure that the goals and objectives are operationalised to meet the requirements of the study.

### 3.7 Ethical consideration

Ethical consideration has to be observed by Heale and Twycross (2015), as the most important consideration in carrying out a quantitative research. According to Stevens (2013) ethics is the study of good behaviour and the justification of creating judgements of what is good or wrong.

Fouka and Mantzorou (2015), noted that there are a number of ethical considerations that needs to be taken into account. These included, informed consent, respect for privacy and anonymity and assurance of confidentiality.

In order to achieve the well informed data the researcher will draft consent letter which was signed by the chairperson of the department as proof that the researcher is carrying out the research for the purposes of academic only.

### 3.8 Data presentation and analysis

The data collected by the researcher was presented by way of graphs, tables and figures

The researcher will screen out the questionnaires that would have been returned with errors and inconsistencies before selection and tally tabulation of the response sheet.

The researcher analysed the data using the SPSS system using the correlational aspects and the functionality equation as highlighted below to obtain the multi-colleniality of the variables

The equation for obtaining the relationship between the board diversity and firm performance will be made up of the following variables according to the ordinary least square measure will be made up of the following:-

$$\mathbf{Financial\ performance = \alpha + f(skills) + f(gender) + f(comp) \dots \dots \dots (1)}$$

Where  $\alpha$  exogenous factors



f (skill) means skills diversity

f (gender) means gender diversity

f (comp) means board competencies

Research instruments that are going to be used are questionnaires and the Ordinary least square (OLS) statistical analysis tool.

$$\mathbf{financial\ performance}(Fp) = \mathbf{a} + \mathbf{b}(\mathbf{diversity}) \dots \dots \dots (2)$$

**Where (a) is autonomous factors and (b) is the diversity variant.**

### **3.9 Chapter summary**

This chapter looked at the research methodology emphasising the research design adopted by the researcher and how it is going to be conducted. In this case the researcher adopted the positivism philosophy as well as quantitative research approach which will represent purely numerical values. A questionnaire is going to be used as an instrument in the data collection. The next chapter is for the analysis of the data drawn from this chapter's methodology.

## CHAPTER 4: DATA ANALYSIS

### 4.0 Introduction

Chapter 4 brought about the data analysis that was carried out for the data that was collected from the methodology that was adopted in the previous chapter. Results obtained from the questionnaires and the Ordinary Least Square (OLS) were analysed and a discussion follows the analysis of each and every question from the questionnaires that were administered during those research project. The research used the Statistical Package for Social Sciences (SPSS) analysis tool version 20.

### 4.1 The Questionnaire response

Table 4.1: Questionnaire administered response rate

Administered questionnaire response rate(AQRR)				
		Frequency	Valid Percent	Cumulative Percent
Response Validity	Number Returned	108	94.7	75.8
	No. Not returned	6	5.3	100.0
	Total	114	100.00	

*Data Source: Primary data*

114 questionnaires were administered to the respective members of the boards (here defined as respondents) and a total of 108 questionnaires were returned, representing 94.7% of the total administered. The remaining 6 out of 114 therefore represents 5.3% of the total

questionnaires administered. According to Mugenda and Mugenda, (2011) and Punch (2003), questionnaire response rate of more than 50% warrants continued data analysis, because it is reflective of the total questionnaires administered.

#### 4.1.1 Service length in Organisation

Table 4.2: Service Length

Years	Frequency	Percentage
<b>5 and below</b>	38	35.1
<b>6-10</b>	34	31.5
<b>11-20</b>	21	19.4
<b>21 and above</b>	15	14.0
Total	<b>108</b>	<b>100.0</b>

**Data source: Primary**

A total of 38/108(35.1%) of the respondents have been in the organisation’s employment for a period below 5 years. 34/108 (31.5%) have been in employment for 6 to 10 years, while 21/108(19.4%) have been in employment for 11 to 20 years and 15/108(14%) have been employed in their respective organisations for more than 21 years.

The mode of this distribution of 38/108 or 35,1% is below 5 years but the median class of this distribution falls within the 11-20 years class meaning that most of the respondents have been with the firms for a considerable period for which they have been involved for a longer period with strategic decision making and crucial decision making.

#### 4.1.2 Position in Organisation

Table 4.3: Position in Organisation

Position	Frequency	Percentage
----------	-----------	------------

<b>Board Chairperson</b>	17	15.7
<b>Non-Executive Director</b>	47	43.5
<b>Executive Director</b>	23	21.4
<b>Other (Company secretary, Legal advisor etc)</b>	21	19.4
<b>Total</b>	<b>108</b>	<b>100.0</b>

*Data source: Primary*

17/108(15.7%) of the respondents were the board Chairpersons of the firms surveyed, while 47/108 or 43.5% of the respondents were Non-Executive directors. 23/108 or 21.4% of the respondents were Executive Directors and the remaining 21/108(19.4%) were either Company Secretaries, Legal Advisors or the other senior advisory roles of the Company who are not directly members of the Boards.

The conclusion that can be drawn from this analysis is that the respective board members of the firms under survey are well represented in this sample including the NEDs and the Executive Directors. These are the members that have the appropriate experiences and knowledge about the level of board diversity within their organisations, given that above these have been in association with the organisations for a period more than 5 years.

#### **4.1.3 Qualifications held**

Table 4.4: Respondents qualifications

Qualification	Frequency	Percentage
<b>Post Graduate</b>	16	14.81
<b>Graduate</b>	52	48.15
<b>Tertiary (Technical : Engineers, Boilermaker, Technicians)</b>	30	27.78
<b>Others (A levels, CIS, certificate in Bookkeeping etc. )</b>	10	9.26
<b>Total</b>	<b>108</b>	<b>100.0</b>

*Data source: Primary data*

Total of 16/108 (14.81%) respondents have qualification of a post graduate while another 52/108 (48.15) had qualifications of graduate. Of the remaining 40/108(37.04%) those who had Tertiary education like Engineers, Boilermakers and other Technicians amounted to 30/108(27.78%) while those with professional qualifications like Chartered Institute of Secretaries, the CIMA and ACCA qualification in commerce.

The level of qualification are high and the level of understanding of the issues relating to board diversity within the firms. It shows that the level of qualifications can eliminate the element of bias within the respondents.

The firm diversity was analysed in three appropriate scenarios namely the diversity and board membership, board diversity and communities Chairpersonship and lastly the diversity and Staff recruitment within the respective firms..

#### 4.1.4 Firm Diversity and Board Membership

		Frequency	Percent	Valid Percent	Cumulative Percent
Response Validity	Strongly agree	32	28.0	29.6	29.6
	Agree	45	39.5	41.7	71.3
	Uncertain	0	0.00	0.00	71.3
	Disagree	19	16.7	17.6	88.9
	Strongly Disagree	12	10.5	11.1	100
	Total	108	94.7	100.0	
Missing	System	6	5.3		
Total		114	100.0		

Source: Primary data

29.6% or 32/108 respondents strongly agreed that in the firm's appointment of the board, diversity of skills, gender age and ethnicity should be taken into account in selecting board committees within organisations. A total of 45/108 (41.7%) agrees while 0/108 (0%) were

uncertain and 19/108(17.6%) disagreed. The remaining 12/108(11.1%) strongly disagreed that firms should reflect diversity in their selection of boards.

In total 77/108(71.3% were in agreement that there is need to reflect the diversity of boards in the selection of board members. The remaining 31/108 (28.7%) were in disagreement that the boards should be reflective of gender diversity.

It can be concluded that it is important to have reflect board diversity in their selections of the boards.

#### 4.1.5 Firm Board Diversity and Committees Chairperson(s)

		Frequency	Percent	Valid Percent	Cumulative Percent
Response Validity	Strongly agree	21	18.4	19.4	19.4
	Agree	35	30.7	32.4	51.8
	Uncertain	20	17.5	18.5	70.3
	Disagree	21	18.4	19.5	89.8
	Strongly disagree	11	9.6	10.2	100.0
	Total	108	94.7	100.0	
	Missing from System	6	5.3		
Total		114	100.0		

*Source: Primary data*

21/108 (19.4%) of the respondents strongly agreed that the firms' selection of the committees chairpersons should be reflective of the diversity existing in the boardroom. The other 35/108 (32.4%) were in agreement and the other 20/108 (18.5%) were uncertain on whether boards should reflect diversity. 21/108 (19.5%) disagreed that it is imperative that boards reflects their level of diversity while the remaining 11/108 (10.2%) strongly disagreed.

A cumulative total of 55/108(51.8%) were in agreement that firms should reflect diversity in terms of their appointment of the board committees chairpersons including gender, age, ethnicity and skills spread.

From the analysis and the link with literature, it can be concluded that when firms appoint board committees they should be reflective of the diversity in the boardroom

#### 4.1.6 Firm Diversity and Staff recruitment

Table 4.7: Firm Diversity and Staff recruitment		Frequency	Percent	Valid Percent	Cumulative Percent
Response Validity	Strongly agree	12	10.5	11.1	11.1
	Agree	34	29.8	31.5	42.6
	Uncertain	24	21.1	22.2	64.8
	Disagree	25	21.9	23.1	87.9
	Strongly disagree	13	11.4	12.1	100.0
	Total	108	94.7	100.0	
	Missing in System	6	5.3		
Total		114	100.0		

*Source: Primary data*

When recruiting staff members, 12/108 (11.1%) strongly agreed that there is need to be reflective of the intentions to achieve board diversity in the firm , by considering that process at the recruitment of the staff members. 34/108 (42.6%) were in agreement , while 24/108(22.2%) were uncertain and the other 25/108 (23.1%) were in disagreement. The remaining 13/108 (12.1%) however strongly disagreed that the firms' recruitment policy should be reflective of the board diversity.

In total, 58/108 or42.6 % were in agreement that the recruitment policy of the general staff can be reflective of the firms' intentions to uphold board diversity compliance at the board level. The remaining 62/108(57.4%) were in disagreement that the recruitment policy of the firm is a reflection of the compliance to board diversity within the firms.

The conclusions that can be researched here are that firms can have a varied reflection of the recruitment policy and the need to achieve board diversity at the board level, The level of diversity of skills, age, gender and ethnicity within the recruitment process of the general staff does not translate to that of the board's diversity.

#### 4.1.7 Advertising and Board Membership Diversity

Table 4.8 :Advertising and board diversity		Frequency	Percent	Valid Percent	Cumulative Percent
Response Validity	Strongly agree	16	14.0	14.8	14.8
	Agree	12	10.5	11.1	25.9
	Uncertain	10	8.8	9.3	35.2
	Disagree	40	35.1	37.0	72.2
	Strongly disagree	30	26.3	27.8	100
	Total	108	94.7	100.0	
Missing	System	6	5.3		
Total		252	100.0		

*Data source: Primary data*

A total of 16/108 (14.8%) of the respondents strongly agreed that board advertising is reflective of the compliance to board diversity in their organisations, while 12/108(11.1%) agreed and 10/108(9.3%) were uncertain. Of the remaining 70/108(64.8% ), 40/108 ( 37.0% ) disagreed and the other 30/108(27.8%) strongly disagreed.

In total 38/108(34.2%) were in agreement that the advertising for board positions are reflective of the compliance to board diversity in their respective organisations. The remaining 70/108(64.8%) were is disagreement



Deloitte (2014) and Sifile et al (2014), noted that there should be unbiased advertising for board positions ,but a special appeal to the female constituency to be encouraged to apply will enhance board diversity within the boards. However, the scenario here according to these results shows that the need for diversity considerations is not taken into account within the SOEs sector in Zimbabwe.

It can therefore be concluded that the level of encouragement for applications into board positions within the SOEs sector in Zimbabwe is far-fetched and is not promotional of the need to have diversity of the boards.

#### 4.1.8 Advertisement and Committee membership

Table 4.9: Advertising and Committee membership		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	24	21.0	22.22	22.22
	Agree	29	25.4	26.85	49.07
	Uncertain	15	13.1	13.89	62.96
	Disagree	28	24.5	25.93	88.89
	Strongly disagree	12	10.5	11.11	100.00
	Total	108	94.7	100.00	
Missing	System	6	5.3		
Total		114	100		

*Source: Primary data*

24/108(22.22%) of the respondents were strongly in agreement that advertising that is carried out for the positions of committee membership within the SOEs in Zimbabwe are not reflective of the need to keep a diversity balance.29/108(26.85%) agreed , while 15/108(13.89%) were uncertain. The remaining 28/108(25.93%) and 12/108(11.11%) disagreed and strongly disagreed respectively that the advertisements for committee membership are reflective of board diversity.

In to total 53/108(49.07%) were in agreement that the advertising of the committee membership positions are reflective of the board diversity within the SOEs in Zimbabwe. The remaining 55/108 (50.93%) were in disagreement to the question in place.

According to Deloitte (2014), the board of directors and its respective committees should reflect a level of compliance to board diversity within the board. The Conclusion by Ujunwa et al (2012) and Kim and Lim (2010) , that the membership of the committees should be balanced in terms of skills, gender and age in order to achieve balanced boards.

The conclusions drawn here are that firms should ensure that there is need for consideration of board committees' diversity in order to achieve higher contribution from that diversity.

#### 4.1.9 Advertisement and Staff recruitment

Table 4.10: Advertising and Staff Recruitment		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	14	12.28	12.96	12.96
	Agree	19	16.67	17.59	30.56
	Uncertain	20	17.54	18.52	49.07
	Disagree	54	47.37	50.00	99.07
	Strongly disagree	1	0.88	0.93	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

A total of 14/108 (12.96%) of the respondents strongly agreed that, in the recruitment of staff members, there is need for the advertisements to encourage female members to apply for such positions advertised. 19/108(16.67%) agreed and 20/108(17.54%) were uncertain. Of the remaining 55/108(50.93%), 54/108 (50%) were in disagreement and the other 1/108(0.89%) strongly disagreed that, it is important to ensure encouragement of female members to apply.

In total 33/108 (30.56%) of the respondents were in agreement, while the remaining 75/108(69.44%) disagree that the staff recruitment advertisements should be reflective of the need to achieve gender balance.

According to Minguéz-Vera (2008) noted that the involvement of diversity in the recruitment improves the performance of the firm. Torchia et al (2011), further argued that the inclusion of at least 3 women in an organisation's operations levels improve the profitability an innovation of operations.

It can therefore be concluded that the advertising for recruitment of the staff members in the SOEs sector is not reflective of the need to achieve compliance to board diversity in terms of age, gender, ethnicity and skills spread.

#### 4.1.10 Recruitment and Board Positions

Table 4:11:Recruitment and Board Positions		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	36	31.58	33.33	33.33
	Agree	28	24.56	25.93	59.26
	Uncertain	17	14.91	15.74	75.00
	Disagree	19	16.67	17.59	92.59
	Strongly disagree	8	7.02	7.41	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

*Source: Primary data*

In the recruitment of board members, 36/108(33.33%) strongly believe that there is need to ensure that there is diversity on the board to ensure a balance of decision making and sound judgements. 28/108(25.93%) agreed, while 17/108(15.74%) were uncertain. 19/108(17.59%) of the respondents disagreed and 8/108(7.02%) strongly disagreed that there should be diversity balance in the recruitment of board positions within SOEs.

A total of 64/108(59.26%) were in agreement that in order to achieve diversity there is need to promote that on the recruitment of the board positions in the SOEs sector in Zimbabwe. The other 44/108(40.74%) of the respondents were in disagreement that board diversity reflection start at the recruitment of board positions in the SOEs.

Deloitte (2014), noted that there is need to consider skills spread in the recruitment of board members such as legal, Accounting IT and marketing if there is to be robust decision making and informed participation of members. Besides that, Agrawal et al (2012) alluded that there is need for codes of governance to ensure that there is board diversity based on ethnicity, skills spread, age and gender in order to increase oversight role of the board of directors.

It can be concluded therefore that, recruitment of board positions should be reflective of the need to achieve board diversity based in ethnicity, skills spread, age and gender in order to improve oversight role of the board.

#### 4.1.11 Recruitment and Board Committees

Table 4.12: Recruitment and Board Committees		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	27	23.68	25.00	25.00
	Agree	35	30.70	32.41	57.41
	Uncertain	14	12.28	12.96	70.37
	Disagree	19	16.67	17.59	87.96
	Strongly disagree	13	11.40	12.04	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

*Source: Primary data*

27/108 or 25% of the respondents strongly agreed that when recruiting members of the respective committees, there is need to ensure that there is gender and skills balance. 35/108(34.41%) agreed ,while 14/108 or 12.28% were uncertain. 19/108 or 17.59% disagreed and the other 13/108 or 12.04% , strongly disagreed that recruitment of board committee membership should be reflective of gender and skills spread balance.

In total 62/108 or 57.41% were in agreement that in recruiting members of the respective committees, there is need to ensure that they are diversified in terms of skills spread and gender. The remaining 46/108(42.59%) were in disagreement.

According to the Human Capital Theory (HCT), there is always need to create an organisations that has a number of competencies in it in order to enjoy the benefits of the diversity of skills (Carter et al (2010). Deloitte (2014) further opined that there is need to

ensure that boards have requisite skills in terms of the respective committees that will be created, such that appropriate members heads them.

It can be concluded that committees should have the appropriate persons heading them with the appropriate skills for such committees. This improves delivery of service and increases the oversight role of the board.

#### 4.1.12 Legal Skills Proficiency

Table 4.13: Board and Legal Proficiency		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	54	47.37	50.00	50.00
	Agree	25	21.93	23.15	73.15
	Uncertain	5	4.39	4.63	77.78
	Disagree	0	0	0.00	77.78
	Strongly disagree	24	21.05	22.22	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

*Source: Primary data*

54/108(50%) strongly agree, 25/108(23.15%) agree that board compositions reflects proficiency in terms of legal aspects. 5/108(4.63%) were uncertain. 0/108(0%) disagreed while 24/108(22.22%) strongly disagree.

A total of 73.15% were in agreement that board compositions reflects proficiency in terms of legal aspects while 26.85% disagreed.

According to Deloitte (2014), boards should be represented by a distinguished legal mind such that all issues that have a legal bearing to the organisation can be ironed out before they are issued or agreed up by the members and the stakeholders at large.

It can be concluded that the boards should have appropriate legal minds in order to handle the legal aspects of decision making and operations.

#### 4.1.13 Accounting Skills

Table 4.14: Board and Accounting Skills		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	46	40.35	42.59	42.59
	Agree	31	27.19	28.70	71.30
	Uncertain	14	12.28	12.96	84.26
	Disagree	10	8.77	9.26	93.52
	Strongly disagree	7	6.14	6.48	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

46/108(42.59%) strongly agree, 31/108(28.70%) agree that board compositions reflects proficiency in accounting and finance. 14/108(12.96%) were uncertain, 10/108(9.26%) disagree while 7/108(6.48%) strongly disagree.

The analysis shows that 77/108(71.30%) were in agreement that board compositions reflects proficiency in accounting and finance while 31/108(28.7%) disagreed.

According to Deloitte (2014) and McGregor and Schule (2015), there is need to have a person who has eloquence in numbers, an Accountant who can help the other members with the interpretation and analysis of the accounting figures and explain their implications to the organisation. The results of the data collected correlates with what is in literature.

It can be concluded that there is need to have a person with an Accounting mind to help in the preparation, interpretation and analysis of the financial statements for the purposes of compliance to the accounting standards.

#### 4.1.14 Information Technology Skills

Table 4.15: Board and IT Skills		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	24	21.053	22.22	22.22
	Agree	29	25.44	26.85	49.07
	Uncertain	31	27.19	28.70	77.78
	Disagree	21	18.42	19.44	97.22
	Strongly disagree	3	2.63	2.78	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

24/108(22.22%) strongly agree, 29/108(26.85%) agree that board composition should reflect proficiency in IT Skills. 31/108(28.7%) were uncertain, 21/108(19.44%) disagree while 3/108(2.78%) strongly disagree.

A total of 49.07% were in agreement while 51.03% were not in agreement that board composition reflects proficiency in IT Skills.

According to Campbell and Miguez-Vera (2009), information technology skills have brought about a number of changes to the way business is done, as such boards should reflect the ability to use the technology. It is imperative that a person with proficiency in IT skills should be roped in as part of the board members for the purposes of addressing IT related issues on behalf of the board. This was also reinforced by Deloitte (2014), who noted that systems are now IT based as such there is need to have a board that reflects upon IT skills proficiency among the members.

It can then be concluded that IT proficiency is a critical skill in modern day operations and as such the board should be reflective of such a skill among its members

#### 4.1.15 Marketing Proficiency

Table 4.16: Board and Marketing Skills		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	18	15.79	16.67	16.67
	Agree	38	33.33	35.19	51.85
	Uncertain	19	16.67	17.59	69.44
	Disagree	17	14.91	15.74	85.19
	Strongly disagree	16	14.04	14.81	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

18/108(16.67%) strongly agree, 38/108(35.19%) agree that board compositions reflects proficiency in terms of Marketing and Sales skills. 19/108(17.59%) were uncertain, 17/108(15.74%) disagree while 16/108(14.81%) strongly disagree.

The analysis shows that 51.85% were in agreement while 48.15% disagreed that board composition reflects proficiency in Marketing and sales skills.

MacGregor and Schulte (2015), argued that the essence of going global means that the firm has to reflect the skills in terms of international marketing on its board. The person will be the centre of the issues related to the marketing, sales and distribution policy and strategy formulation leadership on the board. As such there is need for the boards to be reflective of this important skills. The results shows that the respondents were almost uncertain on the role of a marketer on the board given the 51.85% and 48.15% of the decisions for and against it.

It can be concluded that there is convergence on the need or role of a Marketer on the board to represent and help in Marketing strategy formulation and policy direction



#### 4.1.16 Cultures Knowledge and board selection

Table 4.17: Culture knowledge and board selection		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	51	44.74	47.22	47.22
	Agree	24	21.05	22.22	69.44
	Uncertain	17	14.91	15.74	85.19
	Disagree	10	8.77	9.26	94.44
	Strongly disagree	6	5.26	5.56	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

51/108(47.22%), of the respondents strongly agreed that there is need for consideration for board members selections being done on the basis of the cultural knowledge in order to ensure that cultures are well represented and upheld by all within the board. 24/108(22.22%), agreed while 17/108(15.74%) were uncertain about the need of cultural knowledge in board selection. 10/108(9.26%) disagreed and the remaining 6/108(5.56%) strongly disagreed.

In total 75/108(69.44%) of the respondents agreed while the remaining 33/108(30.56%) were in disagree that board selection does not require knowledge of cultures to be effective.

Miller and Triana(2009) posits that the inclusion of members with differing cultural backgrounds should be enhanced in order to bring about more innovation and improve oversight hence the need for the members to have knowledge of cultures given the diversification and globalisation of operations.

The conclusion reached here are that firms should embrace cultural knowledge in their pursuit of ensuring board diversity given the need for globalisation of operations.

#### 4.1.17 Cultures Knowledge and Committees selection

Table 4.18: Cultural knowledge and Committee selection		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	46	40.35	42.59	42.59
	Agree	34	29.82	31.48	74.07
	Uncertain	28	24.56	25.93	100.00
	Disagree	0	0	0.00	100.00
	Strongly disagree	0	0	0.00	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

A total of 46/108 (42.59%) of the respondents strongly agreed that there is need for the boards to appoint committees based on their cultural knowledge and 34/108(31.48%) agreed, while 28/108(25.93%) were uncertain. 0/108(0%) disagreed and another 0/108(0%) strongly disagreed. In total 80/108(74.07%) were in agreement and the remainder of 28/108(25.93%) were in disagreement. Miller and Triana (2009) committees should resemble the level of cultural diversity within the firm's operational depots including the global offices and the domestic offices. It can be concluded that board committees should resemble the diversity in terms of racial and cultural backgrounds of the firm's operations.

#### 4.1.18 Social and Cultural norms as hindrances to diversity

Table 4.19: Social and Cultural norms as diversity hindrances		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	72	63.16	66.67	66.67
	Agree	14	12.28	12.96	79.63
	Uncertain	10	8.77	9.26	88.89
	Disagree	11	9.65	10.19	99.07
	Strongly disagree	1	0.88	0.93	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

72/108(66.67%) of the respondents strongly agrees that social and cultural norms hinders the progression of women in leadership and hence into the boardroom. 14/108(12.96%) agreed, while 10/108(9.26%) were uncertain. Of the remaining 12/108(mm\_), 11/108(10.19%) disagreed and 1/ 108(0.93%) strongly disagreed that women are hindered from the boardroom by cultural and social norms.

84/108 (79.63%) were in agreement and the remainder of 22/108(20.37%) were in disagreement that women are hindered from ascending to the boardroom by social and cultural norms.

According to Daunfeld and Rhudolm (2012), a number of boardrooms uses the cultural and social norm as the major wound to side-line women into the boardrooms. As a results the achievement of the diversity compliance is not achieve.

It can be concluded that women should not be side-lined by way of cultural and social aspects in order for them to hold leadership positions.

#### 4.1.19 Limited Bandwidth as a hindrance to Board diversity

Table 4.20: Limited bandwidth and diversity hindrance		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	57	50	52.78	52.78
	Agree	18	15.79	16.67	69.44
	Uncertain	14	12.28	12.96	82.41
	Disagree	16	14.04	14.81	97.22
	Strongly disagree	3	2.63	2.78	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

57/108 (52.78%) of the respondents strongly agrees that limited bandwidth in terms of qualifications has hindered women from holding top leadership positions and thus affected board diversity. 18/108(16.67%) agreed ,while the other 14/108(12.96%) were uncertain. Another 16/108(14.81%) disagreed and the remainder of 3/108(2.78%) strongly disagreed.

In total 75/108(69.44%) agreed while the remainder of 33/108 (30.55%) were in disagreement.

Carter et al (2010), opined that there is need for appropriate qualifications in terms of educational background in order for members to be appointed to the board. Therefore it is imperative that the female constituency be well educated in order to achieve the board requisite appointments.

It can be concluded that the qualifications of the members should also be taken into account than the mere quota system of female board members appointment.

#### 4.1.20 Limited appreciation as hindrance to board diversity

Table 4.21: Limited appreciation and diversity hindrance		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	62	54.39	57.41	57.41
	Agree	11	9.65	10.19	67.59
	Uncertain	9	7.89	8.33	75.93
	Disagree	20	17.54	18.52	94.44
	Strongly disagree	6	5.26	5.56	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.2631579		
Total		114	100		

Source: Primary data

Docility and lack of interests has been identified as on of the major hindrance of the rise of women into the boardroom. Accordingly 62/108(57.41%) of the respondents agrees to that notion, while 11/108(10.19%) agrees and 9/108(8.33%) were uncertain. 20/108(18.52%) disagreed and the remainder were strongly disagreed.

In total 73/108(67.59%) were in agreement while, the other 35/108(32.41%) were in disagreement.

According to Ujunwa (2013), the lack of interest of the female members to be members of the boards has impacted negatively on the achievement of board diversity within the SOEs.

Furthermore, Dobbin and Jung (2011) alluded that generally women are not interested in the boardroom issues and hence their docility to participation.

It can be concluded that agreement and convergence of data is there that women’s lack of leadership roles is as a result of their unwillingness to take them.

#### 4.1.21 Taking ownership for integration into boards

Table 4.22: Taking Ownership and board improvement		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	63	55.26	58.33	58.33
	Agree	21	18.42	19.44	77.78
	Uncertain	7	6.14	6.48	84.26
	Disagree	15	13.16	13.89	98.15
	Strongly disagree	2	1.75	1.85	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

By taking ownership for integration of gender and other factors of boards’ diversity into account, firms can ensure board diversity on their boards. Accordingly 63/108(58.33%) strongly agrees, while 21/108(19.44%) agrees and the other 7/108 (6.48%) were uncertain. 15/108 (13.89%) disagrees and the other 2/108(1.85%) strongly disagrees.

In total 84/108(77.78%) were I n agreement while the remaining 24/108(22.22%0 were in disagreement.

Dobbin and Jung (2011), argued that women have to take ownership in order to achieve board diversity. Furthermore Dobbin and Jung (2011), noted that the more women take ownership the more others are encourage to be in the boardrooms.

It can then be concluded that women should take the initiatives to be on the boards and encourage the upcoming and potential female membership in boardrooms.

#### 4.1.22 Tone setting for board diversity

Table 4.23: Setting the Tone for board diversity and Compliance to board diversity		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	45	39.47	41.67	41.67
	Agree	22	19.30	20.37	62.04
	Uncertain	14	12.28	12.96	75.00
	Disagree	17	14.91	15.74	90.74
	Strongly disagree	10	8.77	9.26	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

*Source: Primary data*

45/108(41.67%) of the respondents strongly agree, 22/108(20.37%) agree that board members can contribute more effectively on boards by setting the tone early for diversity. 14/108(12.96%) were uncertain, 17/108(15.74%) disagree and 10/108(9.26%) strongly disagree.

A total of 67/108(62.04%) were in agreement that the board set the tone early for diversity while 41/108(37.96%) were not in agreement.

According to Adams and Ferreira (2010), the firms should set the tone for diversity, such that the members are aware of the need to uphold, gender, ethnicity and age diversity within the boards. Lindstaedt et al (2011), further alluded that the firms' management and existing board members should ensure that there is concretisation of the need to have diversified boards.

From the above analysis between the primary data and literature, it could be concluded that there is congruency of results and as such there is therefore need to ensure that the management and government should set the tone for board diversity. Besides the government voice to ensuring boards diversity there will be continual mismatch between skills, gender, ethnicity and age diversity within the SOEs boards.

#### 4.1.23 Continuous Development and skills sharpening

Table 4.24: Continuous development and Board Considerations		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	48	42.11	44.44	44.44
	Agree	21	18.42	19.44	63.89
	Uncertain	18	15.79	16.67	80.56
	Disagree	12	10.53	11.11	91.67
	Strongly disagree	9	7.89	8.33	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

48/108(44.44%) of the respondents strongly agree, 21/108(19.44%) agree that board members contribute effectively on board continuous development or sharpening their skills. 18/108(16.67%) were uncertain, 12/108(11.11%) disagree while 9/108(8.3%) strongly disagree.

From the analysis, a total of 69/108(63.89%) were in agreement whilst 39/108(36.11%) disagreed that board members continuously sharpen their skills.

Continuous development of skills could be seen as another aspect for which the female constituency can get the recognition to be included on the boards. Furthermore, even for those on the boards be they men or women, there is need for continuous skills sharpening in order to appreciate be it the Legal, IT and Accounting aspects of the board. Deloitte (2014), noted that there is need for the board members to continuously develop themselves continuously so that they can contribute effectively to the overall board mandate.

It can be concluded that there is need for continuous development of board members of the SOEs so that they are able to eloquently contribute to the overall board mandate of the respective firm. There is need to conduct such courses as finance for non-Finance managers etc. for the purpose of understanding some critical aspects of the operations of the board.

#### 4.1.24 Attending board-related events to sharpen skills

Table 4.25: Attending Board related events and Board Considerations		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	57	50	52.78	52.78
	Agree	24	21.05	22.22	75.00
	Uncertain	16	14.04	14.81	89.81
	Disagree	11	9.65	10.19	100.00
	Strongly disagree	0	0	0.00	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

57/108(52.78%) of the respondents strongly agree, 24/108(22.22%) agree that women can better prepare for board membership by attending to board related events to further build their connections. 16/108(14.81%) were uncertain, 11/108(10.19%) disagree while 0/108(0%) strongly disagree.

A total of 81/108(75%) agreed while 27/108(25%) were not in agreement that women attend board related events in order to sharpen their skills.

Minguez –Vera (2008), opined that women need to continuously develop themselves in order to be considered for board appointment both on a gender ticket or the skills spread factors. Deloitte (2014) noted that the major reason why there is lack of gender diversity on the board is the lack of training and expertise within the female quota. It is therefore imperative that besides designing the female quota system through the constitution, there is need for the women themselves to prove that they have the capability to make decisions at the highest level.

The conclusion drawn here are that women needs to “up “their game if they are to be considered for the leadership positions at board level and beyond.



#### 4.1.25 Conducting Systematic due diligence

Table 4.26: Conducting systematic due diligence and Board diversity		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	46	40.35	42.59	42.59
	Agree	31	27.19	28.70	71.30
	Uncertain	19	16.67	17.59	88.89
	Disagree	9	7.89	8.33	97.22
	Strongly disagree	3	2.63	2.78	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

46/108(42.59%) of the respondents strongly agree, 31/108(28.70%) agree that women can better prepare for board membership by conducting systematic due diligence on board membership. 19/108(17.59%) were uncertain, 9/108(8.33%) disagree while 3/108(2.78%) strongly disagree.

From the analysis, a total of 71.30% were in agreement that women conduct systematic due diligence on board membership in order to better prepare themselves for board membership while 28.70% were not in agreement.

Deloitte (2014), noted that women need to carry out some proper due diligence on the board membership rolls and evaluate where they fit well and participate to the best of their ability. This [process ensures that women are able to participate in those areas to which they have the best of ability.

It can be concluded that there is need for the women constituency to properly prepare themselves for board membership by getting the appropriate mentorship from other women already on the boards.

#### 4.1.26 Embrace Opportunities for board nominations

Table 4.27: Embracing Opportunities and Board considerations		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	52	45.64	48.15	48.15
	Agree	27	23.68	25.00	73.15
	Uncertain	16	14.04	14.81	87.96
	Disagree	9	7.89	8.33	96.30
	Strongly disagree	4	3.51	3.70	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

52/108(48.15%) of the respondents strongly agree, 27/108(25%) agree that women can better prepare themselves for board membership by embracing opportunities for board nominations. 16/108(14.81%) were uncertain, 9/108(8.33%) disagree and 4/108(3.70%) strongly disagree.

A total of 73.15% were in agreement that women can better prepare themselves for board membership through embracing opportunities for board nominations while 26.85% disagreed.

Deloitte (2014), noted that there is need for the board members to continuously develop themselves continuously so that they can contribute effectively to the overall board mandate.

The conclusions drawn here are that there is need for women to embrace opportunities as they come to them and also continuously develop themselves and get appropriate mentorship from others already on some boards.

#### 4.1.27 There is a positive Correlationship between gender diversity and firm performance

Table 4.28: Correlationship between gender diversity and performance		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	61	53.51	56.48	56.48
	Agree	24	21.05	22.22	78.70
	Uncertain	12	10.53	11.11	89.81
	Disagree	11	9.65	10.19	100.00
	Strongly disagree	0	0	0.00	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

61/108(56.48%) of the respondents strongly agree, 24/108(22.22%) agree that there is a positive correlationship between gender diversity and firm performance. 12/108(11.11%) were uncertain, 11/108(10.19%) disagree.

A total of 85/108(78.70%) were in agreement that there is a positive correlationship between gender diversity and firm performance while 23/108(21.30%) disagreed.

Minguez –Vera (2008) using the Blau and Shannon indices found a positive correlationship between gender diversity and firm value and this was complemented by Torchia et al (2011), who noted that the inclusion of at least 3 women on the board improves innovations and hence firm performances.

There is therefore congruence between the results from the primary data and those from literature. Meaning that gender diversity improves firm performance because there is complementarity of thought by a variety of members.

**4.1.28 There is a positive correlation between skills spread and performance of SOEs**

Table 4.29: Correlation between skills spread and performances		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	58	50.88	53.70	53.70
	Agree	27	23.68	25.00	78.70
	Uncertain	18	15.79	16.67	95.37
	Disagree	5	4.39	4.63	100.00
	Strongly disagree	0	0	0.00	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

58/108(53.70%) of the respondents strongly agree, 27/108(25%) agree that there is positive correlation between skills spread and firm performance. 18/108(16.67%) were uncertain, and 5/108(4.63%) disagree.

The above analysis shows that at total of 78.70% were in agreement that there is positive correlation between skills diversity and firm performances

Deloitte (2014), avers that the optimal skills that a board exhibits have a bearing on the overall firm performance and as such firms need to ensure that various skills levels are available at the board level. This complements the results from the primary that reveal that respondents opines that there is need for diversity of skills in order to achieve higher firm performances.

It can then be concluded that board needs to exhibit a variety of skills and expertise in order to achieve both improved oversight and appropriate decision making mechanisms

**4.1.29 There is a positive correlationship between cultural Diversity and SOEs performances**

Table 4.30:Correlationship between cultural diversity and performance		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	32	28.07	29.63	29.63
	Agree	37	32.46	34.26	63.89
	Uncertain	21	18.42	19.44	83.33
	Disagree	14	12.28	12.96	96.30
	Strongly disagree	4	3.51	3.70	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

*Source: Primary data*

32/108(29.63%) of the respondents strongly agree, 37/108(34.26%) agree that there is cultural diversity affects firm performance. 21/108(19.44%) were uncertain, 14/108(12.96%) disagree and 4/108(3.70%) strongly disagree.

A total of 69/108(63.89%) were in agreement while 39/108(36.11%) disagreed that cultural diversity affect firm performance.

Miller and Triana (2009), noted a positive correlationship between board racial diversity and firm performances and as such compliments the results of this study which shows that 63.9% are of the opinion that culture as measured by racial diversity. These results contradicts the conclusions reached by Cimerova et al (2014), who used the Hofstede cultural framework to determine correlationship and found that there is a negative relationship between cultural diversity and firm performances on the London stock exchange.

#### 4.1.30 Age diversity has a positive relationship with SOEs performances

Table 4.31: Correlationship between age diversity and performance		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	21	18.42	19.44	19.44
	Agree	47	41.22	43.52	62.96
	Uncertain	19	16.67	17.59	80.56
	Disagree	14	12.28	12.96	93.52
	Strongly disagree	7	6.14	6.48	100.00
	Total	108	94.74	100.00	
Missing	System	6	5.26		
Total		114	100		

Source: Primary data

21/108(19.44%) of the respondents strongly agree, 47/108(43.52%) agree that age diversity has a positive effect on firm performance. 19/108(17.59%) were uncertain, 14/108(12.96%) disagree and 7/108(6.48%) strongly disagree.

The analysis shows that a total of 62.96% were in agreement that age diversity has a positive effect on firm performance.

Darmadi (2011), noted that diversity based on age, ethnicity, gender and nationality including such aspects as educational background the experience and socio-economic status have been used to improve board efficiency and functionality.

The conclusion that can be reached on this is that age diversity has a positive but insignificant relationship with the firm performance.

#### 4.1 Chapter summary

The chapter analysed the data that was obtained from the questionnaires that were administered and some conclusions have been made based on that data. The next Chapter provides the findings, conclusions and recommendations for policy intervention

## **CHAPTER 5:**

### **CONCLUSIONS, FINDINGS AND RECOMENDATIONS**

#### **5.0 Introduction**

This chapter provides the findings, conclusions and recommendations that are derived from the previous chapter on data analysis.

#### **5.1 Chapter summaries**

Chapter one (1) provided the background to the study in which the continual bleeding of the fiscus by the SOEs have become a challenge to government. Furthermore these same SOEs have become perennial loss makers on the backdrop of misgovernance, poor strategy development and unsustainable business models. These SEOs furthermore have little consideration for the diversity of the board ion terms of gender, ethnicity, age and skills spread. From the background provided, the research problem was designed together with the conceptual framework for the study. It is from this conceptual framework that the research objectives were developed linking the independent variables, with the dependent variables through the moderating variables. Thereafter the assumptions, the limitations, delimitations and the significance of the study were highlighted together with the acronyms and abbreviations for the study.

Literature were reviewed in Chapter 2, based on the theoretical framework using the human capital theory, the resource dependence theory and the stakeholder theory. Furthermore empirical review of board diversity and form performance were reviewed bringing in inconclusive and differing effects of the various diversity aspects on the performances of the firm. A conclusion was derived based on these empirical evidences on board diversity.

The research methodology was developed in Chapter 3, with particular attention being on the research philosophy and the research design. The study was based on the positivism philosophy because the intention of the research was to bring about the quantitative approval

or disapproval of the board diversity phenomenon and performances of SOEs. The sampling methods, data collection tools and the reliability and validity of these instruments justified. Lastly the researcher justified the ethical considerations of this study.

Chapter 4 provided the data analysis using the SPSS data analysis tool and presented using tables for clarity and better presentation.

In chapter 5, discussion were then used to come up with conclusions on each question presented and analysed. Furthermore it also gave the recommendations and the implication bringing the area of further study.

## **5.2 Findings**

The following were the findings obtained by the researcher:-

- The recruitment processes of the SOEs in Zimbabwe have little regards to the sensitivity of board diversity and especially in the strategic SOEs whose membership is the prerogative of the respective Ministers,
- There is no regard for skills, competences, gender, age or ethnicity diversification of the boards in SOEs
- The boards do not promote the ascendry of women into the boardrooms as the selectors within the selection committees of the boards are predominantly male,
- Women are starting to get out their shells recently, but had been previously hindered by their social and cultural norms into believing that they can also get into the boardrooms,
- There is no enforcement of the provisions of the Constitution of Zimbabwe and ZIMCODE in the SOEs as far as diversity is concerned.

## **5.3 Recommendations**

The recommendations drawn are that can be drawn from the above findings are that:-

- There is need to enforce that corporate governance and constitutional provisions for board diversity to ensure that gender , skills and age diversity will be complied to and further enhancing board oversight role.



- There is need to encourage women participation in the boardrooms by ensuring that they participate fully in boardroom related events.
- Boards and their nomination committees need to promote women participation in board,
- There is also need to remove barrier to women ascendancy to the boardrooms, such as cultural and social norms,
- There is need to ensure that selector and /or the process of selection be designed to promote skills, gender and age diversity within the SOEs.

#### **5.4 Suggestion for further study**

Overall the results are consistent with the global literature, which suggests that board diversity, especially the marginalisation of the women in boards. Furthermore the dominance of men in selection boards has been a hindrance to women and younger generation's ascendancy to positions of authority. Although the objectives were met, there is need for further study include more data to enhance the information on the study by including the SOEs in the SADC region and beyond in order to establish the correlation at a larger scale.

#### **5.5 Chapter summary**

The chapter summaries, the findings and the recommendations have been highlighted in this chapter.

## REFERENCES

- Alvarado & Ruiz, 2011. **Gender Diversity on Boards Of directors and Business Success.** Investment Management And financial Innovations, 8(1-1). Investment Management and Financial Innovations, 8(1).0
- Bridoux, F., 2013. **A Resource-Based Approach to Performance and Competition: An Overview of the Connections between Resources and Competition.** Institute Administration ET De Gestion, Université Catholique De Louvain, Belgium, Pp. 1-15.
- Buniamin, & Rauf, 2012. **Board Diversity And Discretionary Accruals Of The Top 100 Malaysia Corporate Governance (Mcg) Index Company.** African Journal of Business Management, 6(29), Pp. 8496-8503.
- Carter, & Simpson, 2008. **The Diversity of Corporate Board Committees and Financial Performance. Corporate Governance: An International Review,** 2(5), Pp. 14-32.
- Channar, Khan & Shakri, 2015. **Internal Control Effectiveness & Its Relationship with Financial Performance.** Journal of Business Studies (Formerly Journal of Management & Social Sciences), 11(2), Pp. 92-107.
- Chiromba, C., 2012. **Corporate Governance & Firm Performance: Emerging Market Financial Institutions Analysis. In: Harare:** Lambert Academic Publishing.
- Constitution of Zimbabwe, 2013. **Constitution of Zimbabwe Amendment (No. 20) Act 2013,** Harare: Government of Zimbabwe.
- Creswell, J. W., 2014. **Research Design: Qualitative, Quantitative and Mixed Method Approaches.** 3rd Ed. California: Thousand Oaks, Ca: Sage Publications Ltd.
- Ernest& Young, 2013. **Board Diversity and Firm Performance: A Perspective.** Ernest And Young Published Reports, Pp. 1-20.
- Fauzi & Locke, 2012. **Board Structure, Ownership Structure and Firm Performance: A Study of New Zealand Listed-Firms.** Asian Academy of Management Journal of Accounting and Finance, 8(2), Pp. 43-67.

Fong, E., 2009. **CEO Pay Fairness as a Predictor of Stakeholder Management**. Journal of Business Research, Pp. 1-7.

Gallego, García, Rodríguez, 2010. **The Influence of Gender Diversity on Corporate Performance**. Spanish Accounting Review, 13(1), Pp. 54-88.

Herdhayinta, H., 2014. **The Influence of Board Diversity on Financial Performance: An Empirical Study of Asia-Pacific Companies**. University Of Adder, School Of Business and Law, Pp. 1-82.

James & Joseph, 2015. **Corporate Governance Mechanisms and Bank Performance: Resource Based View**. Procedia Economics and Finance, 31(1), P. 117 – 123.

Karaye & Sener, 2014. **Board Composition and Gender Diversity: Comparison of Turkish and Nigerian Listed Companies**. Procedia - Social and Behavioural Sciences, Issue 150, P. 1002 – 1011.

Kyule, J. M., 2015. **Impact Of Liquidity And Solvency On Financial Performance Of Firms Listed At The Nairobi Securities Exchange**. School Of Business, University Of Nairobi, Pp. 1-89.

Mangena and Tauringana, 2007. **Disclosure, Corporate Governance and Foreign Share Ownership on the Zimbabwe Stock Exchange**. Journal of International Financial Management and Accounting, 18(2), Pp. 53-85.

Mugenda & Mugenda, 2009. **Research Methods: Quantitative and Qualitative Approaches**. Nairobi: African Centre of Technology Studies.

Mungure, J., 2011. **Corporate Governance in the Insurance Industry in Zimbabwe Harare**: Lambert Academic Publishing.

Muzapu, Havadi & Xiongyi, 2016. **Managing State-Owned Enterprises (SOEs) and Parastatals in Zimbabwe: Human Resource Management Challenges - Drawing Lessons from the Chinese Experience**. Journal of Management, 6(4), Pp. 89-102.

Ngueyen, & Faff, 2010. **Impact of Board Size and Board Diversity on Firm Value: Australian Evidence**. Corporate Ownership & Control, 4(2), Pp. 24-32.

Njaya &Chimbadzwa, 2015. **Measuring Gender Differences On Board Of Directors Of Companies Listed On The Zimbabwe Stock Exchange.** Global Journal of Arts, Humanities and Social Sciences, 3(11), Pp. 16-24.

Pande and Ford, 2012. **Gender Quotas and Female Leadership.** World Development Report, Issue 1, Pp. 1-44.

Rajasekar, Chinnathambi, &Philominathan, 2013. **Reserach Methodology.** Bangalow: Tamilnada..

Rose, Munch-Madsen and Funch, 2013. **Does Board Diversity Really Matter? Gender Does Not, But Citizenship Does.** International Journal of Business Science and Applied Management, Volume 8, Issue 1, 2013, 8(1), Pp. 15-27.

Saqib & Rashid, 2015. **Resource Based View ofthe Firm: The Nature of Resources Required For Competitive Advantage.** International Journal of Management & Organizational Studies, 2(1), Pp. 92-95.

Shehata, N., 2013. **How Could Board Diversity Influence Corporate Disclosure? Corporate Board: Role, Duties &Composition,** International Journal of Finance and Accounting 9(3), Pp. 1-15.

Siantar, Christopher &Dongfa, 2015. **Effects of Board Gender Divesityon Firm Performance and Directors Compensation in India.** Economics H195b, Pp. 1-43.

Vosloo, J., 2014. **Research Designing and Methodology.** Pretoria: S.N.

Zhou and Chilunjike, 2013. **Mobilising Domestic Revenue through Toll Gate Systems in Zimbabwe.** International Journal for Business and Science, 4(7), Pp. 188-204.

Zhou, G., 2012. **Fiscal Management in Zimbabwe.** International Journal of Economics and Finance Vol 3(4) pp 114-122

## **APPENDIX I**

### **Cover Letter**

Midlands State University  
Bag 9055  
Gweru  
Telephone +263 54 227 411

09 September 2017

#### **The Secretary**

Corporate Governance Unit  
Office of the President and Cabinet  
Munhumutapa Building  
Harare  
Zimbabwe

Attention: Dr. Cumberbarch

Dear Sir,

#### **RE: AUTHORITY TO CONDUCT RESEARCH ON STATE OWNED ENTERPRISES IN ZIMBABWE**

I am a final year student at Midlands State University, pursuing a Master of Commerce Accounting Degree. In Partial fulfillment of the programme, it is a prerequisite to carry out a research project.

My research topic is entitled “**CORPORATE BOARD DIVERSITY AND STATE OWNED ENTERPRISESPERFORMANCE IN ZIMBABWE’S (2011-2015)**”

I hereby apply for authority to carry out this study on State Owned Enterprises in Zimbabwe. Information gathered shall be used for academic purposes and will be treated with utmost confidence. For further clarity you may contact the University using the above numbers.

Your assistance will be greatly appreciated,

Yours faithfully

Takawira Chirume (R12535A)

Approved / Not approved

DATE STAMP

**APPENDIX II**

**Questionnaire Cover Letter**

Midlands State University

Bag 9055

Gweru

Telephone +263 54 227 411

09 September 2017

**RE: Request to collect data through questionnaire**

I am a final year student at Midlands State University, pursuing a Master of Commerce Accounting Degree. In Partial fulfillment of the programme, it is a prerequisite to carry out a research project.

My research topic is entitled **“CORPORATE BOARD DIVERSITY AND STATE OWNED ENTERPRISES PERFORMANCE IN ZIMBABWE’S (2011-2015)”**

I hereby request that you spare a moment of your valuable time to respond to the questions in the questionnaire provided. May you please kindly assist by providing relevant information to this research study. In answering this questionnaire, there are no correct or wrong numbers, it is only your factual response that matters. Information gathered through this process shall be used for academic purposes and will be treated with utmost confidence and privacy. For further clarity you may contact the University using the above numbers.

Your cooperation will be greatly appreciated,

Yours faithfully



	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
<b>4.</b> Advertisement for board positions in community newspapers emphasis has been on diversity					
<b>5.</b> Committee Chairperson advertising encourages board diversity					
<b>6.</b> Staff positions advertising emphasis diversity					
<b>7.</b> New board positions reflects diversity of groups in the community					
<b>8.</b> Committee / working group positions are reflective of the community groups diversity					
<b>9.</b> The board composition reflects proficiency in terms of legal aspects					
<b>10.</b> The board composition reflects proficiency in Accounting and finance					
<b>11.</b> The board composition reflects proficiency in terms of Information Technology					
<b>12.</b> The board compositions reflects proficiency in terms of Marketing and Sales					
<b>13.</b> Board set up has sufficiency in knowledge of cultures and traditions is recognized as a valued skill when filling new positions					
<b>14.</b> The firm recognise knowledge of cultures and traditions as valued skills when evaluating Board Members					
<b>15.</b> Social and cultural norms are hindrance to board diversity					
<b>16.</b> Limited bandwidth is a hindrance to achieving board diversity					
<b>17.</b> Limited appreciation of the benefits of Board membership are hindrances to board diversity.					
<b>18.</b> Board Members can contribute more effectively on Boards by taking ownership of integration into the board					
<b>19.</b> Board Members can contribute more effectively on Boards by ssetting the					



tone early for diversity					
<b>20.</b> Board Members can contribute more effectively on Boards continuous sharpening the their skills					
<b>21.</b> Women can better prepare for Board membership by attend Board-related events to further build their connections					
<b>22.</b> Women can better prepare for Board membership by Conduct systematic due diligence on board membership					
<b>23.</b> Women can better prepare for Board membership by eembrace opportunities for board nominations					
<b>24.</b> There is a positive correlationship between gender diversity and firm performance					
<b>25.</b> There is a positive correlationship between skills diversity and performances in SOEs					
<b>26.</b> Cultural Diversity positively affects SOEs performances					
<b>27.</b> Age Diversity has a positive effect on SOEs performances					