

# Analysis of Current Challenges Affecting Business Operations of Two State Enterprises

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## ABSTRACT

The study sought to establish challenges affecting the effective business operations of two Zimbabwe parastatals under the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development namely, the Grain Marketing Board (GMB) and the Zimbabwe National Water Authority (ZINWA). The study was prompted by negative media reports and complaints from key stakeholders about the operations of these institutions. The main theory underpinning the study was the Resource-Based Entrepreneurship theory (RBET) by Hussain et al. (2019) complimented by the organisation theory (Oyibo and Gabriel, 2020). The pragmatism philosophy was applied to ensure that both quantitative and qualitative aspects of study were accommodated. The study used the mixed methods paradigm and the explanatory sequential design. The target population was made up of 97 managers from the GMB and the ZINWA, as well as government officials. A sample of 46 respondents was used to obtain quantitative data responses. Purposive sampling the online sample calculator were used to determine the two sample sizes made of those who provided qualitative data and those for quantitative data through use of a self-administered structured questionnaire and semi-structured interview guide. The major findings were that the two parastatals did not have management succession plans and suffered from political interference, lacked financial resources to carry out their operations and deliver quality products and/ or services. The major recommendations were; the need to promote autonomy and reduce bureaucracy in their operations, mobilising more resources particularly finances to ensure that daily operational expenses are met, implementing sound corporate governance systems that address corruption and having a coherent and effective performance management system.

**Keywords:** Business, Business Challenge, Business Solution, Parastatal, Economy

## BACKGROUND OF THE STUDY

The dramatic change in the performance of the Zimbabwe's economy following the onset of the economic and financial crises meant that business has not been business as usual, and these challenges called for a proactive management to deal with the vagaries of the economic environment (Wushe et al, 2015). The business environment in Zimbabwe has become turbulent, ushering in viability and operational challenges which directors and management of state-owned enterprises (SOEs) must grapple with in order to mitigate their effects (Wushe et al, 2015). According to a study carried out by Wushe et al (2015), the Zimbabwean economy witnessed large corporate failures which, if they were to be left unabated, could have brought the economy to a standstill, leaving citizens exposed to the vagaries of the economic environment. Dlamini and Mbira (2017) point out that the liquidity crisis has beleaguered banks and has been bedeviling

companies since 2009, after the introduction of the multi-currency system which has affected the Zimbabwean economic development.

### STATEMENT OF THE PROBLEM

GMB and ZINWA have not been spared by the economic situation in Zimbabwe. This has led to failure to meet the expectation of stakeholders despite receiving government support in terms of protective legislations which give them monopoly and capital injection (Chigudu, 2023; Kanyepi and Tanyanyiwa, 2021). GMB has failed to deliver on its mandate of maintaining strategic grain reserves. In the 2022 year, the unfavourable weather conditions negatively affected the grain yield aggravating the situation (Chigudu, 2023, Global Agricultural Monitoring Special Report, 2023) and that continued with the 2023-2024 farming season (Global Agricultural Monitoring Special Report, 2023). The GMB operations have resulted in farmers losing confidence and not willing to supply it with grains due to delayed payments which are usually eroded by inflation.

The water situation in Zimbabwe, has particularly portable water for human consumption. (British Geological Survey, 2023; Kanyepi and Tanyanyiwa, 2021). Cities in Zimbabwe have experienced serious perennial water woes particularly because of droughts and purification challenges with residents in Harare turning to unsafe sources of water for their consumption (British Geological Survey, 2023; Kanyepi and Tanyanyiwa, 2021). The responsible authority, ZINWA has not done enough to improve the country's water situation in cities and towns resulting in cholera outbreaks which claimed several lives and threatening the fragile health system (Olatunji et al, 2023).

### RESEARCH OBJECTIVES:

- To establish political challenges affecting effective business operations at GMB and ZINWA
- To establish legal and policy challenges affecting effective business operations at GMB and ZINWA
- To establish the financial challenges affecting effective business operations at GMB and ZINWA
- To establish human capital challenges affecting effective business operations at GMB and ZINWA
- To establish technological challenges affecting effective business operations at GMB and ZINWA
- To establish economic challenges affecting effective business operations at GMB and ZINWA
- To establish climatic challenges affecting effective business operations at GMB and ZINWA

### LITERATURE REVIEW

#### Theoretical framework

This study was guided by the Resource-Based Entrepreneurship theory (RBET) by Hussain et al.(2019) and Organisation Theory by Oyibo and Gabriel, (2020). Resource-Based Entrepreneurship theory (RBET) by Hussain et al. (2019) In this study, the RBET's three theories developed by Hussain et al, (2019) namely the Financial Capital/Liquidity Theory, Social Capital/Social Network Theory and Human Capital Entrepreneurship Theory supported the adoption of good strategies of business management (Hussain et al 2019). The Financial Capital/Liquidity theory averred that access to financial resources or Adequate liquidity capacitates an organization to meet its obligations in time and allowed founders of businesses to grab new opportunities and in the process growing their businesses further avers that Liquidity management is credited as a lifeline of every concern and efficacious liquidity management is cardinal for well-being of an organization.

The organisation theory (Oyibo and Gabriel, 2020), maintains that organisations and managers are often confronted with challenges from their environment of the business and these challenges evolve and cause them to shift and adapt regularly and transform themselves to meet the expectations of their clientele. The theory also advances that organisations operate in fluid environments and therefore vital for them to align and re-align their elements and structure in order to survive and compete effectively.

**METHODOLOGY**

This study adopted a pragmatism philosophy that subsequently resulted in using the mixed methods methodology. Purposive sampling was used to select participants A self-administered structured questionnaire and semi-structured interview guide were used to obtain both quantitative and qualitative data. The explanatory sequential design was used to collect and analyse quantitative data first, followed by qualitative data (Wiklund and Cooper, 2017). Quantitative data was analysed using descriptive statistics and for qualitative data, thematic analysis was used.

**FINDINGS**

**Presentation of results or findings**

**Key:** SA - Strongly agree numbered 1, A-Agree numbered 2, NS-Not sure numbered 3, D-Disagree numbered 4, SD-Strongly disagree numbered

**1. POLITICAL CHALLENGES**

**Table 1: Responses on political challenges affecting GMB and ZINWA**

CHALLENGES	RESPONSES							
	1 %	2 %	3 %	4 %	5 %	TOTAL %	1+2 %	4+5 %
1.Lack of autonomy in the development of strategies	33	41	17	0	9	100	74	9
2.Political interference in the day-to-day operations	47	35	9	9	0	100	82	9
3.Imposition of sanctions by the Western European countries	20	26	22	17	15	100	46	33
4.Political and economic reforms	17	53	13	17	0	100	70	17

**Political challenge 1: Effect of lack of autonomy on effective business operation.**

SOEs often cite lack of autonomy in the running of parastatals’ day to day operations as a contributory factor. The study sought to get the views of respondents on this perspective or challenge the development of strategies The majority, 74% of of respondents either agreed and/or strongly agreed showing that they felt that there was lack of autonomy in the business operation.. This is affirmed by Awuah (2019) in which he revealed that parastatals lacked autonomy as ANC influenced its policies in the restructuring of ESKOM in South Africa. This is the same scenario if not even worse in Zimbabwe where there is a lot of bureaucracy , centralization and political interference by influential politicians (Zhou, 2023; Muchadenyika, 2017).

**Political challenge 2: Effect of political interference on operations.**

Parastatals, by virtue of being SOEs, have to deal with political interference in their operations. The government would direct parastatals to act in certain directions which might not give parastatals the best In terms of returns just for political reasons. On parastaltals facing political interference in their day-to-

day operations, 82% of the total respondents who either agreed and/ or strongly agreed concurred that parastatals faced political interference

The findings resonate well with a study in Umlalazi local municipality of KwaZulu Natal in South Africa. Mngomezulu (2020) reveals that South African political interference in the administration of service delivery is a serious problem in many municipalities, where municipalities are experiencing serious challenges on how to deal with the interface between politicians and officials. Mngomezulu (2020) cites inappropriate political interference in administrative matters as well as strained relations between key political and administrative officials in the municipalities appears to be the order of the day. Political interference was one of the leading causal factors of parastatals failure especially towards national presidential and house of assembly elections (Chiuriri and Arshad, 2023).

**Political challenge 3: Effect of sanctions imposed by western countries.**

In one way or another, parastatals need to freely operate without any restrictions imposed on them. Some once viable economies in the world collapsed due to the imposition of sanctions on them. Zimbabwe’s parastatals are said to be operating at below their capacities due to the imposition of sanctions by Western European countries.. The majority, 46% of the total number of respondents who either agreed and/ or strongly agreed felt that sanctions were a challenge to parastatals in Zimbabwe.

This is confirmed by Heitzig et al (2022) who revealed that recent sanctions levied on Russia by the United States and the European Union in response to Russia’s invasion of Ukraine were disrupting global trade and financial networks across the world, including in Africa. The economic sanctions have seriously affected the parastatals business performance as funding which used to come through donations and grants from western countries no longer came (Mazorodze, 2021). Furthermore, standards of living in Zimbabwe deteriorated, a number of companies closed, including militarization of government (Katsinde, 2022).

**Political challenge 4: Impact of politics and political reforms.**

The majority of respondents, 70% who either agreed and/ or strongly agreed concurred that political and economic reforms posed some challenges to the parastatals. This is supported by research by Euromonitor International Report (2014) which revealed that persistent and rising political turmoil has undermined investor and consumer confidence in countries such as Egypt and Ukraine, while economies like Indonesia and Chile have seen growing capital inflows as a result of improvements in political stability and their business environments.

Parastatals were not spared from challenges pertaining to political and economic reforms. The issue of indigenization policy, agrarian land reforms and poor international relations worsened by usually disputed national elections have seriously affected parastatals, some of which have been put on sanctions by the western countries (Hilliker and Murisa, 2020) The paragraph below discusses legal and policy challenges affecting business operations of GMB and ZINWA.

**2. LEGAL AND POLICY CHALLENGES**

**Table 2: Showing legal and policy challenges affecting GMB and ZINWA**

CHALLENGES	RESPONSES							
	1 %	2 %	3 %	4 %	5 %	TOTALS %	1+2 %	4+5 %
1.Prescription of policies by the government	28	50	18	0	4	100	78	4
2.Lack of supportive legal frameworks to carry out some business operations	20	47	11	22	0	100	67	22

3.Inconsistencies in government business policies	33	57	4	4	2	100	89	7
4.Excessive bureaucracy in their operations	24	54	9	13	0	100	78	13
5.Global trade liberalisation	11	37	22	28	2	100	48	130

**Legal and policy challenge 1: Prescription of policies by government.**

On responses on the challenges emanating from prescription of policies by the government, the majority of 78% of total number of participants who either agreed and/ or strongly agreed with the assertion strongly felt that prescription of policies posed some challenges to parastatals. This resonates with study in South Africa in which policy prescription manifested in the privatization of ESKOM where it had to comply with the ANC's overall transformation agenda of increasing black ownership effectively renders SOEs inefficient as commercial entities (Awuah, 2019). Although in Zimbabwe some parastatals have been commercialized like Dairiboard, majority have failed and are actively in a worse state such as GMB, National Railways of Zimbabwe (NRZ), Zimbabwe United Passenger Company (ZUPCO), Air Zimbabwe and Cold Storage Commission (Maune and Chakaza, 2022; Zvinoira, 2019).

**Legal and policy challenge 2: Effect of lack of legal framework on some business operations.**

On the challenge caused by lack of supportive legal frameworks to carry out some business operations by parastatals, 67% of total number of respondents who either agreed and /or strongly agreed felt that lack of supportive legal frameworks created challenges for parastatals where they want to carry out some business operations. According to research in South Africa, it was found out that there was no uniform legislation governing appointment of directors for SOEs in South Africa. Muntingh (2020) states that the overarching impression of the current state of SOE boards is one of a fractured reality where different rules apply differently and inconsistently. In Zimbabwe public enterprise and parastatals reform has been stalled by economic, legal and institutional issues (Kapesa, 2021). Lack of legal framework was also adversely affecting progress on implementation of information technology governance systems (Chikomba, Rodrigues and Ngoepe, 2021).

**Legal and policy challenge 3: Prevalence of government policies inconsistencies.**

On the impact of challenges emanating from inconsistencies in government business policies, 89% being the majority of respondents who either agreed and /or strongly agreed with the assertion that inconsistencies in policy pronouncements created some challenges. Policy inconsistencies have affected the flow FDI's in the country and also partnership arrangements with corporates from the western countries (Kavila, 2021). Gumbodete (2023) of Zimcodd, cited the fuel sector as being allowed to operate in USD while other sectors were being restricted and suggested that government should promote sustainable resource mobilisation.

**Legal and policy challenge 4: Effect of bureaucracy in the organization.**

The majority, 78% of the total number of participants who either agreed and or strongly agreed concluded that bureaucracy in organisations had serious effect on business operations. The study in Zambia by Ajemba resonates very well with the views of respondents that it delays actions. Ajemba (2022) confirms that decision making is slowed down by the systems and procedures that have been successfully implemented and are made to keep the organization under control and in uniformity. The worrying levels of bureaucratic tendencies among parastatals in Zimbabwe was really retrogressive as they experience slow response to decision making discouraging innovation, diverting huge amount of time into politicking and not working (Njabo, 2019).

**Legal and policy challenge 5: Impact of global trade liberalization.**

Although the trade liberalisation was not very familiar with respondents, majority with 48% of total num-

ber of respondents who either agreed and/ or strongly agreed felt that liberalisation of trade created some challenges for parastatals. Those who either disagreed or strongly disagreed constituted 30%. This is confirmed by a study in China which concluded that international trade also created a rift between some agreed members countries on the issue of dumping, e g, China and North America with the presence of FDI in the emerging countries really forcing many domestic firms to fold up (Hassan et al, 2014). Trade liberalization introduced during the economic reforms of 1990s (ESAP) up to date have led to the downsizing and closure of some parastatals like ZISCOI, CSC, ZUPCO,NRZ and air Zimbabwe (Vambe, 2023; Chanakira, 2019). The next paragraph discusses financial challenges affecting business operations at GMB and ZINWA.

### 3. FINANCIAL CHALLENGES

**Table 3: Showing responses on financial challenges affecting GMB and ZINWA**

CHALLENGES	RESPONSES							
	1 %	2 %	3 %	4 %	5 %	TOTALS %	1+2 %	4+5 %
1.Lack of adequate financial resources for business operations	42	28	19	9	2	100	70	11
3.Level of taxation and tax systems in Zimbabwe	17	48	22	11	2	100	65	13

#### **Financial challenge 1: Effect of lack of adequate financial Resources on business operations.**

70% of total number of respondents making up the majority who either agreed and /or strongly agreed confirmed that lack of adequate financial resources has a bearing on parastatal operations. Awuah (2019) in South Africa notes that SOEs have overall negative return on equity with their losses posing a risk to public finance and as well as inability to raise money to invest in the needed economic infrastructure by SOEs with fragile balance sheets. In Zimbabwe, there has been inadequate capital for parastatals with GMB always failing to pay farmers on time losing credibility with most farmers looking for alternative buyers ( Mashingauta, 2024). Musvota and Mukonza (2021) attributed lack of funding at GMB to corruption, abuse of power and fraud.

#### **Financial challenge 2:Effect of taxation on business operations.**

On the effect of taxation on business operations, 65% of total number of respondents, were of the view that the level of taxation and tax systems created some challenges on parastatal operations. Kelly (2018) wrote that limited resources and large payments such as annual tax bills only contribute to cashflow problems and operational inefficiencies with the small and medium businesses which are the heroes of all economies who create two thirds of all jobs, the engine of prosperity and social cohesion in communities facing another giant hurdle in tax when it comes to their size.

The tax regime in Zimbabwe is highly regressive with too many tax heads and very high tax rates which repudiates investors and this is adversely affecting operations of many businesses (Wadesango, Chibanda and Wadesango, 2020). The next paragraph discusses the human resources challenges affecting GMB and ZINWA business operations.

#### 4. HUMAN RESOURCES CHALLENGES

**Table 4: Showing responses on human resources challenges affecting GMB and ZINWA**

CHALLENGES	RESPONSES							
	1 %	2 %	3 %	4 %	5 %	TOTALS %	1+2 %	4+5
1.Lack of qualified and experienced human capital	7	30	7	30	26	100	37	57
2.The prevalence of corruption in the organisation	33	37	15	13	2	100	70	15

##### **Human Resources challenge 1: Prevalence of lack of qualified and experienced staff.**

On the assertion that parastatals lacked qualified and experienced human capital, 37% of the total number of respondents agreed and/ or strongly agreed that parastatals lacked qualified and experienced human capital against majority making 57% of the total number of respondents disagreed and /or strongly disagreed with the view that parastatals lacked qualified and experienced human capital implying parastatals do not lack. Although the study seems to largely argue that SOEs have required human capital, a study on National Railways of Zimbabwe indicated that there was a human capital crises in 2016. Chiguvi and Magwada (2016) note the high levels of retrenchment and redundancies shocking at 6000 between 1980 and 1992, 3500 from 1992 to 2012, with a further 3500 that is expected to stabilize the labour force at a projected figure of 5000 by 2016. The next paragraph discusses technological challenges affecting business operation of GMB and ZINWA.

#### 5. TECHNOLOGICAL CHALLENGES

**Table 5: showing responses on technological challenges affecting GMB and ZINWA**

CHALLENGES	RESPONSES							
	1 %	2 %	3 %	4 %	5 %	TOTAL S %	1+ 2	4+ 5 %
1. Lagging behind in Information & Communication technology	26	46	6	15	7	100	72	22
2.Lack of suitable equipment and infrastructure for operations	26	41	7	22	4	100	67	26
3.Lack of modern and efficient technology	11	43	20	22	4	100	54	26

##### **Technological challenge 1: Prevalence of lagging behind in technology.**

The respondents highly subscribed to the view that parastatals perform poorly because they lag behind in Information & Communication technology. The majority, 72% of respondents who agreed and/ or strongly agrees felt that parastatals lag behind. This is supported by a study in South Africa which affirmed that SOEs lack necessary technology and systems to perform well and efficiently taking time to finish work (Dlamini et al, 2021). Dlamini et al (2021) note that technology and systems are also deficient causing more delays in service delivery.

Most parastatals in Zimbabwe were lagging behind in terms of Information Technology adoption due to a number of factors which were failure to acquire modern computers, lack of maintenance of infrastructure, lack of training and development culture among operatives and technocrats as well as underfunded budgets (Chamba and Chazireni, 2021).

**Technological challenge 2: Prevalence of lack of equipment and infrastructure.**

The study has shown that the majority, 68% of total number of respondents who agreed and /or strongly agreed that Zimbabwe’s parastatals lack suitable equipment and infrastructure for their businesses felt that parastatals lacked suitable equipment. This is supported by research by Wegrich et al, (2017) who observed that given these challenges, it was not surprising that governments across the globe were struggling with getting the governance of infrastructure right. Due to perennial funding problems in Zimbabwe parastatals coupled with economic instability and poor credit worthiness has not helped the procurement of equipment and infrastructure, let alone the inability to do maintenance (Muchadenyika and Williams, 2018; Kunaka, 2014)

**Technological challenge 3: Prevalence of lack of modern and efficient technology.**

The majority, 54% of respondents who agreed and/ or strongly felt that parastatals have not deployed modern and efficient technology. This resonates with study in Iran on the challenges caused by lack of modern equipment. Ghorbani et al (2020) reveals that resource limitations in the agricultural sector for achieving food production is one of the most critical challenges for planners and policymakers in many countries including Iran. As alluded earlier on by Chamba and Chazireni (2021), Zimbabwe parastatals fall behind in terms of modern technology and hence they are experiencing inefficiency and waste of resources including poor quality products and services. The next paragraph discusses the economic challenge affecting operations of GMB and ZINWA.

**6. ECONOMIC CHALLENGES**

**Economic challenge: Effect of lack of business competitiveness**

**Table 6: Showing responses on challenges caused by lack of business competitiveness among Zimbabwe’s parastatals**

CHALLENGE	RESPONSES							
	1 %	2 %	3 %	3 %	4 %	TOT AL %	1+2 %	4+ 5 %
Lack of business competitiveness in their operations	22	37	30	9	2	100	59	11

Majority, 59% of respondents were in support of the fact that parastatals lack competitiveness. Empirical analysis of findings on a study on competition, competitiveness, and growth in Sub-Saharan Africa suggests that an increase in competition can help to improve economic growth and welfare through increased productivity and export competitiveness, and lower consumer prices (Gonzalez-Garcia et al, 2020). Most parastatals are monopolies in Zimbabwe, there is no culture of being competitive or embrace innovation, entrepreneurship and industrialization resulting in them being comfortable with the same routine of doing things ( Mazibuko, Smith and Tshuma, 2018). The next paragraph discusses climatic challenge affecting operations of GMB and ZINWA.



## 7. CLIMATIC CHALLENGES

### **Prevalence and effect of unpredictable climate and environment changes.**

The majority, 76% of the total number of respondents who either agreed and/or strongly agreed felt that unpredictable climatic and environmental changes affect parastatals businesses. This resonates well with the study by the World Economic Forum. According to its Regional Risks Report (2019) extreme weather events, failure of climate change adaptation and natural catastrophes were ranked in the top 10 risks for business leaders in East Asia and the Pacific and North America. The climate pattern in Zimbabwe has had severe consequences such as drought, increased health risks, food insecurity and displacement due to extreme weather patterns like the cyclone Idai, water shortages (Matsa and Matsa (2021) as well as increased poverty and hardships. The next paragraph discusses a social challenge affecting operations of GMB and ZINWA.

## FINDINGS FROM INTERVIEWS

### **Minister given too many powers**

Line ministers have imperial powers over parastatals as they appoint or dissolve board members. There have been reports that some ministers exploit the parastatals to milk resources for self-aggrandizement and for political expediency through projects in some constituencies.

Key Informant 14 said “the government drives its agenda through the line ministers who are given too much power to control them. Ministers have powers to exploit these institutions through corrupt tendencies which benefit them in most cases. Senior members of staff who do not sing their tune are either constantly frustrated or transferred to pave way manipulation and misappropriation of resources”

### **Bureaucratic tendencies**

The appetite by Government to retain control of activities within parastatals has resulted in bureaucratic processes being put in place to ensure full grip of the parastatal. The approval processes take a lot of time resulting in some potential business opportunities being lost to private corporates where decisions are approved faster. Projects end up costing much more, particularly in an inflationary environment due to the delays in the approval processes.

Key Informant 4 said “Bureaucracy is the order of doing this in parastatals. The practice is so much entrenched in all the systems. This is not good for business as lucrative opportunities are not grabbed as it takes ages for completing processes to make decisions”

### **Adherence to company procedures and control documents**

Key Informant 3 said “for proper management of these parastatals, there need for them to adhere company procedures as well as other documents giving directions. The various regulations in require to be observed without exceptions as deviations create rooms for corruption

### **Arresting corruption.**

Key Informant 7 said “corruption in parastatals is deeply rooted that it now sounds like the right thing to do. Corruption has become the order of the day and the top brass enjoys every bit of corruption. They report for duty to ensure that their activities are not exposed at all”

### **Crisis Management training**

Key Informant 12 said “GMB must be proactive in managing crisis related to droughts and crop destruction during storage times. There must be regular inspections of silos so that the grain does not go bad due to water getting into silos. It must ensure that the grain is kept in good state for a number of years to circumvent droughts”

### **Several policy shifts**

The unstable economic environment experienced in Zimbabwe has resulted in policy shifts as the government tries to bring it under control. Several policies have been crafted rendering others redundant before full implementation. These have created lack of confidence in parastatals operations. This created a wait and see attitudes by stakeholders before committing their resources.

Key Informant 1 said “the government is known for inconsistencies in making policy pronouncements. The monetary authorities have often come under attack for making frequent reviews and or shifts of policies making it difficult for the pricing of goods and services by the business community and as result the law enforcement agents have incarcerated a number of businesses and individuals for violating such policies”

### **Massive infrastructure improvement**

Key Informant 14 said “business infrastructure is a very critical component of every business. The availability of dams with adequate water supply is very important as farmers would be able to draw water without restrictions for farming activities. GMB on the other hand needs to provide safe grain storage silos to ensure that the grains is safe once harvested and delivered before final consumption”.

### **Sound corporate governance practices.**

The success of every enterprise is hinged on good corporate governance. Issues like implementation of sound corporate governance practices such as putting in place clear policies on procurement and implementing and adhering to good budgetary practices would ensure that it spends within expenditure levels.

Key Informant 5 said “poor corporate governance practices are entrenched in the parastatals that they are treated like they are acceptable and normal. These create loopholes for manipulation and in the processes enriching those in positions of influence. Top managers normally award themselves perks not properly awarded or sanctioned”

### **Corruption and abuse of funds**

The biggest challenge in the parastatal is corruption and unless it is curtailed there would nothing meaningful to talk about. The rampant looting is weighing the parastatal down and as such there is little contribution to the realisation of the mandate. Those in the positions of authority are busy lining up their pockets. Corruption is really a major problem in this case.

Key Informant 13 had this to say “When you look at the rampant corruption and abuse of funds at the SOEs and parastatals, you need to question why it is happening. Why are the boards not being fired by the line ministers?”

Another Key informant 4 said “Normally, if there is corruption noted in a parastatal or SOE, you expect the board to fire the chief executive or top management. If the board doesn’t fire the chief executive, you expect the minister to fire the whole board. But how many boards have been fired by the ministers”

## **CONCLUSION**

In light of the findings and results, the study concluded that GMB and ZINWA had several challenges affecting their operations among them political interference, lack of autonomy in running the affairs of the SOEs, lack of adequate financial resources, worrying cases of corruption and weak corporate governance. Unpredictable climatic conditions and lack of business competitiveness in parastatal operations were cited as other challenges affecting SOEs in Zimbabwe.

## RECOMMENDATIONS

The study makes the following major recommendations to address the challenges affecting GMB and ZINWA:

- Promote autonomy and reduce bureaucracy in the operations of SOEs.
- Mobilise more resources particularly finances to ensure that daily operational expenses are met as they become due.
- Come up with sound corporate governance systems in order to effectively discharge their mandates
- Address issues of corruption
- Come up with a coherent and effective performance management system.

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