

**THE ROLE OF GOVERNANCE WITHIN SOUTH AFRICA'S STATE-OWNED
ENTERPRISES: A CASE STUDY OF ESKOM**

BY

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DECLARATION

I, TSIRELEDZO DZAGA, (student number: 14011182), declare that this research dissertation titled: "THE ROLE OF GOVERNANCE WITHIN SOUTH AFRICA'S STATE OWNED ENTERPRISES: A CASE STUDY OF ESKOM", hereby submitted by me for the degree of Master of Administration in the Faculty of Management, Commerce and Law at the University of Venda has not been previously submitted for a degree at this or any other university, and that it is my own work in design and execution, and that all reference material contained, herein, has been duly acknowledged.



02/08/2022

Signature.....

Date.....

ACKNOWLEDGEMENTS

First and foremost, I would like to give thanks to the Almighty God for granting me the opportunity and strength to complete this study which not many of my peers in South Africa have. I will forever be grateful to Him for this precious opportunity.

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DEDICATION

I would like to dedicate this study to myself, there comes a times wherein I wanted to quit and give up as I was going through times of resource shortages with limited outside help. This study was undertaken during the COVID-19 outbreak, as a result, I had limited resources such as access to the library, which was frustrating and emotionally draining, God Almighty gave me strength, wisdom and He made a way for me to pull through up until this day. For that I thank God to have come this far and completed this study.

ABSTRACT

The study is about the role of governance within South Africa's State-owned enterprises (SOEs): A case study of Eskom. This study sketches out the management and governance challenges facing Eskom as one of the strategic South African SOE. The study further examines the impact of poor governance at Eskom, with the objective to understand how Eskom ended up being in the current financial and management crisis. This research made use of a mixed research method wherein the techniques of qualitative and quantitative research methods were applied in cooperation. The research utilised a narrative exploratory study design and descriptive research design. Purposive sampling method was used as a sub-type of non-probability to select the participants of the study. Data collected through questionnaires was analyzed through Statistical Product and Service Solutions (SPSS) latest version 28.0 and presented in a form of tables, with frequencies and percentages, followed by a synthesis of information. The researcher also applied thematic-narrative data analysis in which a variety of measures for translating information was generated in research. Research ethical guidelines that informed this study were also outlined.

Key findings of the study are that South Africa lacks proper establishment of policy reform on the governance of SOEs. The study also revealed that there is political interference in the governance of SOEs and no set disciplinary measures in place for those who are involved in such actions/behaviour. The study therefore recommends that the state should familiarise itself with and adopt the best principles of corporate governance as recommended by institute of directors (IOD) especially good corporate governance through ethical and effective leadership within ESKOM. Clear policy which requires SOE governance should be carried out in an open and transparent manner with the highest standard of accountability and professionalism.

Key Words: State-Owned Enterprises, Governance, Corporate Governance, Management, Maladministration, Corruption.

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LIST OF ACRONYMS

AfDB	African Development Bank
AERC	African Economic Research Consortium
ARC	Audit and Risk Committee
BoDs	Board of Directors
BWI	Bretton Woods Institute
CEO	Chief Executive Officer
COO	Chief Operations Officer
DG	Director General
DPE	Department of Public Enterprises
DTI	Department of Trade and Industry
ECTC	Electronic Communications and Transactions Act
EIR	Eskom Integrated Report
ESKOM	Energy Supply Commission
GDP	Gross Domestic Product
GNGP	Government's New Growth Path
IDASA	Institute for Democratic Alternatives in South Africa
IoD	Institute of Directors
JSE	Johannesburg Stock Exchange
MOI	Memorandum of Incorporation
MTSF	Medium-Term Strategic Framework
NACF	Nation Ant-Corruption Forum
NDP	National Development Plan
OECD	Organisation for Economic Co-operation Development
PAIA	Promotion of Access to Information Act

PFMA	Public Finance Management Act
PRC	Presidential Review Commission
PRASA	Passenger Railway Agency of South Africa
SA	South Africa
SAA	South African Airways
SABC	South African Broadcasting Corporations
SAGND	South African Government National Directory
SANRAL	South African National Road Agency Limited
SAPO	South African Post Office
SASSA	South African Social Security Agency
SEC	Social and Ethics Committee
SIU	Special Investigative Unit
SME	Small Medium Enterprises
SOC	State Owned Companies
SOE	State Owned Enterprises
SONA	State of the Nation Address
SPSS	Statistical Package for Social Science
TRANSNET	Transportation network.
UNDESA	United Nations Department of Economic and Social Affairs
ZCI	Zondo Commission of Inquiry

CHAPTER 1

INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 INTRODUCTION

The Republic of South Africa (RSA) has under its wing, various State-Owned Enterprises (SOE) that are established to play a major role in the development of the economy and the livelihoods of the diverse community. According to Kikeri (2018), since the year 1994 when South Africa converted to democracy, SOE has been playing a significant role in the achievement of the local economic growth which has played a major role in poverty reduction and addressing various socio-economic issues. Kikeri (2018) further stated that SOE's addresses market failures as well as delivering key infrastructure services such as energy Supply Commission (Eskom), Transportation Network (Transnet), and water, which allow inclusive economic growth which will thrive through community access to quality services.

Good governance has a huge role to play in positive performance of an established organisation. Historically, corporate governance importance has been closely associated mainly with the private sector as opposed to the public sector. The focus, however, was on the corporation-shareholder relationship with well-established and listed corporations being the centre of the attention (Simpson, 2014). Abor and Biekpe (2007) as noted by Simpson (2014) are of the view that the concept of governance has later been explored and adopted by various studies focusing on Small Medium and Micro Enterprises (SMME's), Non-Government Organisations (NGO's) and the public sector.

Simpson (2014) states that scholars like (Hicks, 2003; Hepworth, 2004; Nicholl, 2006; and Halligan, 2006) are of the view that public sector is worthy of more attention of good corporate governance, this is grounded on the premise that unethical behaviours in the private-corporate sector impacts shareholders' income and institution's turnover, whereas unethical behaviour within the public sector posses' negative impact which affects all the taxpayers and citizens. Furthermore, Simpson (2014) is of the view that good governance within public sector can be a vehicle to drive quality service in the public sector with officials' accountability, efficiency, and transparency in service delivery which shows to have a strong link for a long-term economic growth and poverty reduction.

According to Thabane and Snyman-Van Deventer (2018) failed corporate governance leads to a collapse of institutions which also reduces shareholder value. They are of the opinion that SOE's provide basic and essential public services for the benefit of the society which states that under certain circumstances, our lives depend on the successful governance of these

institutions. Nevondwe, Odeku, and Tshoose (2014) argue that political interference in SOE's, causes serious effects which may lead to corporate failure, loss of jobs, revenue, and investors lose confidence in the institution and management. With that being said, several countries all over the globe have developed corporate governance guidelines as a way to safeguard the sustainability and success of the various strategic SOE's.

1.2 BACKGROUND OF THE STUDY

The phenomenon of corporate governance has historically been mainly associated with private sector; the main focus was on the relationship of corporation-shareholder of reasonably large and listed corporations being the centre of attention (Simpson, 2014). In this sense, Kaufmann *et. al.* (2005) as cited in Simpson (2014) noted that where the public sector is involved within the macro level, studies show that there is some sort of positive link in relation to per capita income against the quality of governance in various countries across the globe.

According to Thabane and Snyman-Van Deventer (2018), the loophole of ministerial involvement and interference in the operational affairs of SOE's usually leads to board/shareholder fallout. By so doing, Rossouw (2005) added that for a longest time, SOE's have been going through economic turmoil which is being enforced and impacted by corruption driven by political influence and involvement from politics which hinders socio economic development and good service delivery. Rossouw (2005) furthermore indicates that, the way in which SOE boards are structured, it puts them in a vulnerable position wherein the executives are politically subjective. When carefully scrutinising the functions of the board of Eskom, regarding appointments of executives, such as Chief Executive Officer (CEO) leaves much to be desired. The most important question in this regard can be, "is it the Cabinet, shareholders, minister, or the board who facilitates the appointments and what could be the best practice?"

As stated by Fourie (2013) the relationship which exists between shareholders, CEO's, and the board can somehow be hostile wherein under certain circumstances leaves a loophole for political interference. In over 20 years of democracy, South Africa's socio-economic development curves have come full circle with the country falling behind in various socio-economic indexes. At some stage, South Africa had always presented itself as a model state of African development with well-established institutions and desirable per capita. With reference to the above statement, it is of paramount importance to conduct research about the prevailing corporate governance dilemma facing Eskom as an SOE. It can be noted that in the previous decade till date, it has been reported by Business Tech (2019) that situation at Eskom has been largely insecure in the sense that there have been various shifts on the

board, financial problems, CEO's resignation and countless load shedding every now and then which raises concerns amongst citizens and the business community.

It has been noted by Fourie (2013) that there has been a visible hostility among the Board of Directors (BoDs), shareholders, and the CEO. Under such circumstances there often be political interference and involvement with board members appeasing politicians at the expense of public interests. Therefore, during the course of this research, close attention was paid to the allegations that there seems to have been several misunderstandings amongst the top executive management and the BoD at Eskom which at some point required the state to intervene. With such information, the study also shifted its focus to the fact that in the past 12 years, Eskom has experienced a number of resignations and dismissals of members of the board, CEOs and other to management personnel as a result of politicians meddling in the day-to-day business of the board.

Hofstadter (2018) stated that the then president, Jacob Zuma fired the respected minister, Nhlanhla Nene and appointed a least known backbencher, Des van Rooyen as Finance minister. During this period, it is reported that R170 billion was wiped off from the share value traded in the Johannesburg Stock Exchange (JSE) and the rand plunged to its record lows. With the news making waves, and Zuma getting pressure from the bank executives, he replaced van Rooyen with Pravin Gordhan who has been on the move for sideways eighteen month earlier after becoming an outspoken critic of parastatal looting. Hofstadter (2018) added that the main reason behind removing Nhlanhla Nene from his position was to make a way for public officials to loot the state resources.

In addition, government of South Africa through various reports and guidelines highlighted the need for SOE's to observe the principles of good corporate governance during their day-to-day activities. McGregor (2014) added that the government has a mandate through Eskom to provide sufficient and vital electricity to a large community with the view of having enormous contributions to the development of social economy. Therefore, it is the duty of the government to ensure that Eskom carries and sustains the principles of corporate governance which amongst others include corporate governance framework, equitable treatment of shareholders, role of stakeholders, and that they deliver services as intended and satisfactory according to specifications.

1.3 PROBLEM STATEMENT

In the upliftment and the development of the South African social economy, the South African SOE's play a vital role in terms of bringing about basic and vital services at an affordable rate to the country's citizens and every corner. In this regard, the role of good governance becomes vital in the sense that SOE's were established with the aim of servicing the country. With

reference to the above premise, the King IV report (2016) views corporate governance as the paramount concept in the success of SOEs and to protect and advance the welfares of the nation and its citizenry. King report further stated that governance assists in the operation of leadership structure of the SOE at hand; also it stipulates the provisions by which SOEs should be governed for the purposes of meeting its strategic objectives.

Organisation for Economic Co-operation and Development (2005) as cited in Simpson (2014), avows that the issue of governance has been given little to no attention despite evidence and reports that SOEs lack of performance and collapsing can be traceable to none other than poor corporate governance and lack of transformational leadership. Simpson (2014) further argued that governance is a contentious concept in Public Administration and Private Administration discourse, and that good governance plays a vital role in the success of SOEs and the private sector.

Simpson (2014) also noted that Nellis (2005) is of the opinion that poor performance of African SOEs is of the result of corporate governance challenges which can be traced to poor monitoring, deficient Board of Directors (BoDs), managerial challenges, and poor reporting systems. Robinett (2006) in Simpson (2014) stated that the tool of corporate governance includes the formation of quality BoDs to enable SOEs to function at their best and have the best interest of the community and stakeholders. The OECD (2005) conducted a study which seeks to confirm that proper governance within SOEs can have the potential to promote and improve corporate governance through controlled performance and increasing productivity.

In the recent years, there has been concerning indications coming to light through various media publications which are supported by the notion of poor governance practices in Eskom and other SOE's. This is advocated by Thomas (2012), who noted that the raising number of publication reports concerning Eskom over the past two years has been totalled to 6 269. Looking at these publications and reports, it is evident that Eskom, amongst other strategic SOE's has been lacking in proper governance demand. Therefore, this research was motivated by frequent reports of governance related issues concerning Eskom. This study therefore seeks to find answers and possible solutions to poor governance and leadership transgressions into SOE's.

1.4 RATIONALE OF THE STUDY

Good governance, accountable leadership, and ethical behaviours within various South African SOEs have a huge role to play in the advancement of governmental institutions and goals. State-Owned Enterprises were created to bridge the gap of unequal service delivery and to bring about affordable essential services to the community; SOEs also have a mandate

to bring about socio-economic inclusivity within the public. Governance within SOEs brings about better results and ensures that every member of the public enjoys public services at an affordable rate.

One of the vital roles of SOEs is to ensure the promotion of socio-economic development, proper and satisfactory service delivery. Simpson (2014) observed that public sector micro level and the role of governance has been given little to no attention even though there have been previous studies proving that the poor performances and the collapse of SOEs is traceable back to the absence of good governance and poor leadership structure. Governance is of paramount importance in the general advancement and successful operations of SOEs. Good governance provides an important role in the smooth functioning of the public sector's leadership structure as well as providing the arrangements by which various SOEs should be governed for the purposes of meeting its mandates and strategic objectives.

The rationale of this study is to play its part in addressing the gap existing due to the lack of sufficient information and knowledge regarding proper governance and transformative leadership within various SOEs, the public sector in general and Eskom in particular. The outcomes of this study will provide a valued insight into the legislation, codes, and guidelines that govern what the BoDs and top-level management of SOEs do. Information and findings found in this report can serve as a guide for future studies and for researchers wishing to conduct study in similar pursuits. It can also be used as a guide to legislators and policymakers as they can consult this study and its findings together with recommendations to best address issues of corporate governance within SOEs.

1.5 AIM OF THE STUDY

This study aims to investigate the role and importance of corporate governance within South Africa's state-owned enterprises and recommend effective strategies that can be used to promote transformative leadership, good governance, and ethical conduct.

1.6 THE SPECIFIC OBJECTIVES OF THE STUDY

This study's specific objectives are:

- To investigate the role of governance within SOEs;
- To analyse the governance effects in the public sector;
- To review corporate governance in relation to political interference;
- To evaluate management leadership on corporate governance; and

- To propose mechanisms for the promotion of good governance.

1.7 RESEARCH QUESTIONS

The following are the research questions of the study:

- What is the role of governance within SOEs?
- What are the effects of governance in the public sector?
- How best can the government improve good governance within the public sector?
- What managerial leadership can be employed to encourage good governance?
- What are the mechanisms to be put in place to endorse good governance?
- What are the mechanisms to be employed for better application of good governance?

1.8 SIGNIFICANCE OF THE STUDY

De Vos, Strydom, Fouche, and Delport (2011) pointed out that proposed academic research should hold value and indicate that the outcomes of the research must also be relevant for the purpose of which it was intended as well as in other relevant settings. Therefore, outcomes of this research will contribute in identifying the root causes of political interference and involvement in the corporate governance which is very dominant in SOE's. Furthermore, the study will help to improve in the review of legislation by government, codes, and the guidelines on the quality of services that SOE's render to their clients/customers. This information may be used to inform the upcoming generation about the effects of political intrusion in corporate governance of SOEs which will also help in addressing future problems and causes of political interference relating to public and private sector. Most importantly, the study will also highlight the role and importance of good governance within the public sector.

1.9 DELIMITATION OF THE STUDY

This study focusses on the role of governance within the South African SOEs. The researcher delimits the study to Eskom. According to the South African Government National Directory, the SA government has 128 SOEs and other public entities under its wing. The study investigates the role and importance of governance within various SOEs with reference to Eskom. This study was done to get a clearer understanding on the role of corporate governance and the prevalence of political interference in the business governance within SOEs with Eskom as a point of reference.

1.10 LIMITATIONS OF THE STUDY

A few challenges that might be a hindering factor in the completion of the study has been identified and stated below:

- Difficulties in getting through to the Eskom higher authorities and getting permission to conduct the research within their institution. By so doing, the researcher had to send the permission letter in time and constantly making follow ups to get the permission letter in time.
- Reluctance by the Eskom officials to provide information as they are afraid of being subjected to prejudice and discrimination by giving out information as it could also somehow jeopardise their opportunities of getting promoted. However, the study has a confidentiality clause which ensures participants of their identity to not being revealed in any way whatsoever as addressed as one of the ethical issues to protect and safeguard participants' identity and make sure that there is no harm caused, physically or emotionally.
- Insufficient funding for stationery, transport, printing, and editor expenses. In this regard, the researcher will make use of funding opportunities at his disposal from the university. However, the researcher made use of his personal savings as the study was self-funded because of lack of funding opportunities and approval.
- Conducting physical interviews was a challenge as the study was done during the period wherein the country (South Africa) was under lockdown because of covid-19 pandemic. However, the researcher made use of online interviews as an alternative to collect valid and meaningful data.

1.11 DEFINITION OF OPERATIONAL CONCEPTS

This research is conceptualized and grounded on the following conceptual frameworks

1.11.1 State Owned Enterprises

Public Finance Management Act (PFMA), 1999 (Act 1 of 1999) under section 1, defines State Owned Companies as legal entities recognised by the national executive and given the power to carry out business activities. However, the PFMA uses the term 'national government business enterprise' instead of a legal entity. In other words, SOEs are organizations that are either entirely or in part under the authority of the state and that make substantial contributions to the nation's and society's economic development. The same phenomenon is believed to have been supported by the World Bank (2014) as they published that SOEs account for over 15% of the GDP growth in the African continent. It is also believed that SOEs are valued

according to their abilities to provide, quality, efficient and affordable services which cannot be overstated.

1.11.2 Governance

According to Kanyane and Sausi (2015), governance is the framework and procedure used by institutions at all levels to identify the participants in decision-making and implementation processes as well as those who will be held accountable and responsible for the results of the decisions that are put into action.

1.11.3 Corporate Governance

As defined by King IV Report (2016), corporate governance is the execution and exercise of ethical and effective management by the leadership of the institution towards the achievement of institutions objectives, control, performance, and ethical conducts. The organizational rules that set managerial behaviour and discretionary authority are known as corporate governance. A more specific definition of corporate governance is articulated by Madhani (2017) as the mechanisms in place to ensure that the company's creditors and shareholders receive the highest possible rate of return on their investments. Therefore, the structure of corporate governance outlines the distribution of rights and responsibilities between different role players in the corporation, these include but not limited to board of directors, shareholders, and other stakeholders which also spell out the rules and procedures to be followed when making business decisions on corporate affairs.

According to the World Bank (2014), corporate governance is defined as the processes and procedures which serve to steer corporations in a sustainable direction. This also clarifies the distribution of power within stakeholders which ultimately articulates rules and procedures for decision making processes on various affairs of the corporation. This therefore grants a provision of the structure which defines the implementation and monitoring of the corporations' goals, ambitions and objectives to ensure accountability.

In relation to the above definition, this study focusses mostly on the definition of the World Bank (2014) which provides that corporate governance safeguards the power of defining, applying and monitoring the goals of the company together with its objectives to ensure that there is accountability within the corporation. In this instance, it means that SOE's must have their own respective systems which they must adhere to in order to have a proper control and management which will have clear legislative framework and set them free from political interference.

1.11.4 Maladministration

According to Sampara (2014) maladministration means an action taken in disparity with the rule of law, the provisions of a law passed by parliament, or an action that is perceived as unfair, unjust, and discriminatory in the context of a particular situation. Guslan (2018) contends that it is the process of carrying out governmental issues in a dishonest and unfaithful manner by government officials. Maladministration is also seen as administrative error which can also be taken as a way in which management manages the corporation in a manner that benefits their own private interests and not entirely the interests of the intended public.

1.11.5 Management

Management can be defined as the activities of setting various strategies for an organization, directing its human and financial resources, and coordinating the tasks that are assigned to employees so that the desired outcomes are achieved (Jones & George, 2018). On the other hand, Griffin (2013) states that the term management is viewed as activities which oversee the planning and organisation directed towards organization's resources such as human and financial, this carries the view of succeeding regarding the aims and objectives of the organization in a reasonably effective and efficient means. However, the concept of management can also be viewed as the process of overseeing through organisational goals by working together with human and capital resources.

1.12 Organisation of the Study

This study will be divided into five chapters for the purpose of carrying out systematic and logical presentations of the tasks. The chapters are presented as follows:

Chapter 1: Introduction and Background of the Study

Chapter one discusses the what the study entails in general; it paints a picture on how the whole study is structured and gives a brief detail on the aspects which are covered within the study.

Chapter 2: Literature Review

Chapter two is the review of relevant literature on governance and related issues and challenges facing institutions especially the South African SOE's. It explains the contextual issues affecting the hypothetical characteristics relating to the prevalence of poor governance in the SOE's. This chapter focuses on the endeavours presented by numerous academics on the theoretical aspects of the issues in the governance of SOE's.

Chapter 3: Research Methodology

Chapter three focus is upon the exploration design and approach followed in organizing the research. This segment comprises of areas such as research strategy and method of the study, sampling, sampling method, sampling size, data collection, data analysis and ethical considerations.

Chapter 4: Data Presentation, Analysis, and Interpretation

Chapter four is related to presentation, analysis, and interpretation of data from primary sources such as the selected participants in the study. This chapter, therefore, concentrates on data presentation, analysis, and discussion. Information collected on political interference in the governance of SOE's is presented for discussion, evaluation, and analysis.

Chapter 5: Findings, Recommendations and Conclusions

As the final chapter of the study, this part centers on presenting the findings regarding the main issues which were researched. It consists of findings, recommendations, and conclusion of the study.

1.13 SUMMARY

Chapter 1 above serve as the introductory chapter wherein the context and driving forces behind the study were described. Additionally, the problem statement and methodology used for this study's execution were highlighted. It also highlighted the rationale, aim and the objectives of the study. The literature study on corporate governance in SOEs is focused in the second chapter. Investigations are also conducted into recent events and Eskom's current position as one of the principal strategic SOEs with regard to legal compliance. In chapter two, definitions of key terms are also presented.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter reviews the literature related to the topic of the research. The literature relies on the previous scientific and academic knowledge, debate, and constructive arguments which are closely related to the current research study. Literature review relies mostly on books, journals and articles published in a well-established and reliable research platforms and that they are usually distinct and required sections of any research project. This chapter, therefore, provides and reviews the literature looking into the role of governance within South Africa's SOEs and global perspectives where possible. The chapter further reviews the literature from academic reports, journals, articles, newspapers, government publications, and internet sources.

Literature may not be limited to the above sources but also look at other published and unpublished dissertations which are related to the current study and seem to contain valuable and useful material, notions, data, and indication transcribed from a certain perception to express certain viewpoints regarding the current study. The main purpose of this stage is to build a deeper knowledge of the current knowledge available and its significance to the current research project. It will then deal with issues like the concept of governance, management and governance challenges, legal and institutional framework as well as the principles of governance.

2.2 THEORETICAL FRAMEWORK IN GOVERNANCE

There are many definitions of governance that have been proposed by academics. Despite the diversity of meanings, the consensus seems to be that the term "governance" refers to the political arena and political activity as a crucial duty of every national government (Asaduzzaman & Virtanen 2016). This section will, therefore, explore and examine the different theories and whether they can be of good use in terms of clarifying the accomplishment of a portion of the fruitful South African SOEs.

Theoretical framework plays a pivotal role in that the researcher organises the ideas demonstrating logical extension of the study based on the current available knowledge. The theoretical framework of this study intends to clarify and separate the collection of internal and external restrictions which reduce the conflict of interest that may happen amongst executives and shareholders which emphasise the rights and control. therefore, the agency theory serves

as the recognition of the struggle of interest which develops in the process of separation of ownership and management.

The research made use of two theories, notable as agency theory and institutional theory because it considers that a single theory may not be sufficient to understand and evaluate governance structures. The concept of corporate governance within SOEs expresses various complex pieces. The notion is that relying on a single perspective poses a challenge of great rewards in the understanding of practical terms of advancing the techniques of corporate governance. The environment of various SOEs is dynamic and complex which demands interdisciplinary, universal, and theoretical consideration centred on the two cited theories for the relevance of this study.

2.2.1. Agency Theory and its relevance

Agency theory plays a vital role as a vehicle of establishing and resolving common issues which are in relation to business owners and managers. The most common relationship is that of shareholders as principals and company executives as agents (Panda & Leepsa 2017). With reference to the above description of the agency theory, Bendickson, *et al.* (2016) further indicated that when the relationship between the principal and agent is clearly defined, it then becomes imperative for the two parties to duly address any conflicts which may arise and threaten the economic and respective organizational system.

According to agency theory, a shareholder is a person who negotiates with a director in order to come to a mutually agreeable decision for the institution and act on behalf of the shareholder. In understanding and studying corporate governance practices within SA SOEs and their implications for performance, an agency theory is considered to be the best theoretical lens (Matsiliza 2017). Bendickson, *et al.* (2016) in support of the view asserted that during emerging free enterprise systems, the management and owners of enterprises must clearly identify and clarify the relationship they have amongst themselves.

For this reason, Matsiliza (2017) believes that it is the responsibility and duty of principal and agents to keep up to date global market trends and local factors which have the potential of impacting technical expansion of various markets. When there is some sort of expansion on the global market, the agency theory becomes relevant and useful as these market changes force collaborations within SOEs and their agents which in some senses require additional capital to make ends meet and have meaningful contribution to the national economy and labour market (Matsiliza 2017).

According to Madhani (2017) agency theory was established by Jensen and Meckling in response to Alchian and Demsetz's (1972) economic theory. Researchers in a variety of disciplines, including accounting, economics, marketing, organizational behaviour, political science, and sociology, have employed agency theory. Agency theory is founded on the idea that there is a fundamental conflict between the interests of a firm's owners and management, and it aims to align those interests. As it adopts a very negative viewpoint on human behavior and assumes that managers are "ever ready to defraud the principals or owners unless continually restrained in some way," agency theory functions as a "Theory X" perspective on motivation (Madhani 2017).

The relevance of the agency theory is that the theory is of the opinion that conflict of interest emerges when there is a clear separation of powers and ownership from the management point of view. Having a separation amongst shareholders and management in institutions somehow leads to owner control being diluted, creating vulnerability in control of shareholders which consequently gives executives superior authority, and the agency theory sees this as the promotion of self-serving interest executives. In an instance where there is divergence of interest among shareholders and directors, the board serves as an instrument to protect the interest of shareholders (Chigudu 2020).

The agency theory provides a distinct insight and understanding in the study of corporate governance for a sustainable socio-economic development (Matsiliza 2017). In the wake of 21st century, the theory of agency evolved to have been a leader of theory of conception in the context of corporate governance. This theory somehow interprets corporate governance in a form of perspectives which see the agency as a problem. Agency theory views corporate governance practices as a root of agency problem, it therefore interprets governance relationship as some sort of contractual arrangement amongst directors and shareholders (Chigudu 2020).

2.2.2 Institutional Theory and its relevance

At the core of analysis of organizational design and director's conduct, the theory of institutions always prioritizes the institutions over the directors. The institutional theorists advocate those principals and agent of state institutions should possess industry skills together with clear and broader understanding of the internal structure of institutions and models of systematization which will subsequently assist their institutional and strategic objectives (Berthed 2016). In cases where institutional objectives experience some sort of challenges through the external forces, adjustment in the institutional structure is therefore, required and recommended in keeping track of the end goal of the institution (Mbambo 2017).

The institutional theory is concerned with the institutional environment which involves different models of institutions that represent the dynamic values and philosophies in different society backgrounds (Mbambo 2017). With special attention to some of the versatile options which can be used by organizations, the external establishment has proven to have shown a noteworthy impact. Therefore, the institutional theory advocates that the examination of institutions weighed more than the institution itself.

Mohamed (2017) believes that the institutional theory has different dimension apart from other theories wherein he stated the rational perspective of the theory which views institutions as instruments of understanding the purpose they were created for. With that being said, this then means that well established and properly governed institutions are likely to have effective and efficient solutions to the predetermined problems. In some instances, institutionalization depends entirely on actions which are taken by different actors identified as habitual action considered empirically developed behaviours by a group of actors established to solve recurring problems (Mohamed 2017).

The theory of institutionalism advances the importance of entrenched historical organizational status and established forcible pressure on organizations. Mohamed (2017) stated that theorists of institutionalism believe in ethical behaviour in such a way that they advocate for ethical codes as they suggest that ethical codes involve top management support, ethical leadership, and cultural change operating policies.

The institutional theory of institution puts institutions at the gist of the statement of results from examination of institution' design and conduct. Institutions, implicit as taken-for-accepted putting regard in as true, rules, and average, shape the invention and extension of organizational forms, design facial characteristics, and practices. Complying accompanying standardized prescriptions are t considered a resource for the acquisition of legality, decrease changeableness, and in increasing intelligibility of organization's conduct and special interest or pursuit (Berthed 2016).

2.3 UNDERSTANDING THE CONCEPT OF GOVERNANCE

The concept of governance has recently become popular and forms part of many studies, research papers, and recommendations in a wide range of academic and corporate subjects at various levels of the society. In a more relevant and direct understanding for the study. The combination of structures, processes, and traditions is referred to as governance, and it determines how authority is exercised, decisions are made, and citizens and other stakeholders can voice their opinions (Asaduzzaman & Virtanen 2016).

A complex attempt is made to arrive at a common understanding of the term. Anyone could contribute to a discussion of such a word only if they understood the context in which it is used. Therefore, a greater perception of the meaning of governance as used in this discussion is crucial. Putting it simply and broadly, governance is the activity of ordering bodies, communities, or societies by a public authority with the overarching objectives of maintaining law and order, defending bodies, communities, or societies against external attack, and advancing the welfare of the group. Within this context, governance entails the establishment of state-owned institutions and structures that would empower the latter to serve the people successfully according to its mandate. A government representing the people can provide collectively to a community service that individuals do not have the capability to provide on their own (Edoum 2015).

Many states and SOEs in Africa are struggling with ensuring good governance, because of this challenge, the African economic development sees the concept of governance as a major barrier in their socio-economic development. During the era of 1970s, many African states and economies were reported to be subjected to a range of difficulties in their effort to achieve good governance as they were going through the phases of a huge blow of government transitions and economic setback as they have just gained their independence from their respective colonisers. During this period, poor governance and lack of transformative leadership became the main concern in the socio-economic development of African states (Fosu 2018). In the year 1981, the Berg Report, commissioned by the Bretton Woods Institute (BWI) noted that poor governance poses' threat in the wide economy of African states as it was seen as the highly responsible factor for poor state of governance and lack of socio-economic development in Africa (Fosu 2018).

In its study, the African Economic Research Consortium (AERC) has advocated for the important role that governance plays in the African economic growth. The AERC believes that the implementation and success of growth projects carries the potential of placing governance at the core of developing the Sub-Saharan Africa (SSA). The project found that poor governance and lack of leadership result to growth-inhibiting policy syndrome-free regimes. In a recent study, Fosu (2018), added that the concept of governance has for quite some time been highlighted as a more prominent basis for achieving the envisaged economic success in developing an African state.

Mbaku (2020) stresses that in the quest to win economic development, good governance can no longer be limited and subjected to addressing a country's corruption turmoil, but rather to achieve socio-economic development goals, stability, security, and inclusive growth. However, several African states have shifted their focus on developing economic policy reforms,

principles, and the codes of good governance to clearly address poor governance challenges in their states. Organisation for Economic Co-operation and Development (2018) believes that the political and the economic arena are taking the centre stage in the economic growth of developing countries as they play a vital part in building and diminishing public confidence in government. With the concern of complex policy dilemma, it is vital to ensure that there is a cross-cutting and multifaceted response to address a longer-term structural challenge.

The success of good governance cannot be viewed and seen as the goal, but rather seen as the means to an end. In this sense, OECD (2019) noted that good governance is somehow referred to the rules, processes, and institutions that are strategically put in position to achieve a more and participatory societies with accountable governments, stable and prosperous states. Good governance supports a paradigm from a traditional and siloed policy making procedure to generate integrated approaches that balance the short- and long-term interests in the quest of sustainable development.

Good governance is the vehicle that plays a crucial role in most developing countries' efforts to alleviate poverty and promote equitable growth. While on the other hand, the United Nations Department of Economic and Social Affairs (2016), stated that national governance is the application of economic, diplomatic, and executive authority to oversee the affairs of the nation at all levels possible. Fosu (2018), and UNDESA (2016) believe that, for a state to experience good governance, the state and its government must constitute operative government establishments, transformative leadership, answerability in the administration of communal affairs, the respect for social rights, and involvement of all citizens in the decision making of matters affecting their daily lives.

2.3.1 Corporate Governance practices in State-Owned Enterprises

In a compact and well adopted description, the term corporate governance has been difficult to define. In different viewpoints, corporate governance has been examined from public through private corporations, for this reason, it has been difficult and confusing as it has various characteristics matching public and private corporations and differ in implementation. The corporate governance term has been approached from either internal and external points of view by various scholars and corporate or business experts. In the South African point of view, in both public and private sector corporate governance was strongly pioneered by the King Codes on Corporate Governance which is published and distributed by the Institute of Directors (IoD) (2009).

Naidoo (2016) outlines that the concept of corporate governance should not be taken lightly, with that being considered, Naidoo (2016) further stated that for developing states to achieve

good corporate governance in all levels of the government, the government must uphold and have visible ethical standards such as responsibility, accountability, fairness, and transparency. However, if in anyway an institution fails to achieve and uphold these principles, it is referred to as corporate governance failure. Corporate governance term bears and acquires an excessive deal of consideration at the all-encompassing level, particularly following in position or time economic critical situation fashionable some area away from city have made public the friendship between the asperity of specific crises and the having to do with money and economic position of firms (Hernandez & Cruz, 2018).

Naidoo (2016) outlines that the concept of good corporate governance cannot be taken lightly, with that being considered, Naidoo (2016) stated that to achieve good corporate governance, it must be characterized by ethical standards such as responsibility, accountability, fairness, and transparency. If, however, an institution fails to adhere to and achieve these standards in their daily activities, it is therefore referred to as governance failure. The publication of King Codes by the IoD plays a vital role for the advancement of excellent corporate governance within the South Africa's SOEs such as Eskom, SABC, and the SAA. On the other hand, the PFMA (1999) in relation to other related protocols on SOEs corporate governance published by the DPE also plays its role to influence, promote, and regulate corporate governance within the SA's public sector.

The concept of corporate governance is an approach which institutions are administered by BoDs and their relations to various stakeholders and participants in ensuring the performance and management of the institution to achieve its respective objectives (Lazenby 2014). Therefore, ideologies of corporate governance may depend on and be influenced by the size and structure of the organization. Organizations are more likely to enhance and achieve effective corporate governance, assure well-governed institutions, and increase share prices as they increase shareholder trust if they appropriately implement the corporate governance philosophy in their administration and daily activities.

Matsiliza (2017) states that the concept of governance focusses on the advancement of balancing the social and economic goals between set individual and communal goals in an agency. The King I report recommends that the BoD upholds to reasonable and recommended standard of conduct according to the size and structure of the institution listed in the Johannesburg Stock Exchange (JSE). Matsiliza (2017) also believes that as far as SOEs are concerned, different countries and different SOEs have different views and models. With a clear understanding that SOEs differ from country to country, size, model, BoD, and objectives. Globally, corporate governance principles and codes have adopted different views which state that SOEs consider the path of partially state owned and non-state ownership.

Matsiliza (2017) further concludes that according to King IV Reports, SOEs are widely anticipated to observe and adhere to the PFMA, 1999 (Act 1 of 1999) and, the *Companies Act*, 2008 (Act 71 of 2008).

2.3.2 Government and Governance

Despite having similar goal-oriented intentions, the terms government and governance are not interchangeable. The term "government" refers to the creation, execution, and implementation of activities backed by the common goals of citizens and organizations, who may or may not have formal authority or policing power. In contrast, the term "governance" refers to the creation, execution, and implementation of activities backed by the common goals of citizens and organizations (Asaduzzaman & Virtanen 2016). In the quest of dealing with the public affairs and its challenges, the term government and governance has two visibly parallel meaning; this can be seen when it comes to the control systems and public policy-making procedures. However, Rahman (2016) outlines that the choices of the government and what the government decides to do over the other is what is viewed as governance. Whereas the dominant directive responsibility of the state in the distribution of public goods and services which include but not limited to, traditional leadership perspectives and historic administrative functions is the government.

Historically, the term governance has gained momentum and separated itself from the wing of government; it has thus emerged as the most interactive and symbolic relationship in the creation of partnership within institutions and stakeholders. By so doing, during the process of problem-solving, governance is grounded as the most relevant and flexible collective action to bring out conducive solution and fair action (Rahman, 2016). State-Owned Entities continue to be significant pillars for various African countries and South Africa is also one of those countries. This therefore makes the engagement of corporate governance principles and practices critical for African countries. It has also been critical that the government together with responsible SOE be accountable in transformative agenda for South Africa to properly lay down good governance and democratic principles (Chigudu, 2020).

When everything has all been said and done, roles cleared and allocated, the point of governance setup system must possess responsiveness to the different obligations of individuals, associations, and the society (Kanyane & Sausi 2015). At all times the government and its surrounding daily functions such as administration must always be present as according to Laking (2002) as cited by Mbambo (2017), the government is deemed incompetent and unfilled shell in the absence of administrative functions. In view where the administrative duties are concerned, it is believed that proper administrative functions ensure legitimacy and administrative plans of the government by means of improving the capacity

and related measures the rule of law, commitment, ethics, accountability, and public cooperation.

Good government administration, according to Pretorius (2015) is that it has clear control and management of the society by means of establishing organised systems between the state, institutions, and common society affiliations. Good governance and administration recommend that the government must be open and transparent in directing public issues, in this regard there must be public participation, responsible government and impartial public service. For the direction of open arrangement, good state administration should address its limitation for the public society in the general area for powerful and proficient guidelines (Mbambo, 2017).

Verdeyen and Buggernhout (2003) in Mbambo (2017) stresses that states utilize the administrative functions as a way of ensuring that there is smooth and compelling administrative transmission within the governmental institutions. With consideration to the above view, corporate administration evolves as a model standard wherein the superior framework of the basic leadership processes and instruments of control are in line with SOEs functionalities.

2.3.3 The Role of Governance in Public Management

There is a fundamental aspect of governance within public administration in the socio-economic and political spheres. In the study of Nkuna and Tsheola (2015), they observed that there is an intrinsic intertwined role of governance and body of public administration in relation to the planning of development and management in the contemporary society. Asaduzzaman and Virtanen (2016), governance refers to a country's political system and how it interacts with public administration and the law, as well as how people are ruled and how state matters are managed and regulated.

According to Kanyane and Sausi (2015), governance is the framework and procedure used by institutions at all levels to identify the participants in decision-making and implementation processes as well as those who will be held accountable and responsible for the results of the decisions that are put into action. Subramanian (2015), on the other hand believes that the government ought to set an example for good corporate governance as an owner in SOEs.

. Governance emphasises cooperation amongst various role players and ensures that everyone plays their role for better public management.

The government has a point of realigning and managing affairs amongst the government and its citizenry with the view of enhancing legitimacy of public management. With that being said,

domination must be operationalised in such a way that it recognises distinct societal activities. Considering SOEs comparative methodology must be appropriate to accommodate corporate administration to realign and oversee associations concerning shareholding service, boards, and official administration of SOEs.

2.3.4 The significance of corporate governance in State-Owned Enterprises

Corporate governance plays a vital role in the day-to-day management of SOEs. South Africa's formative way was picked in thought of assorted methodologies roused by motivations and non-impetuses monetary models expected to help the business certainty for the economy to develop. In the post-politically sanctioned racial segregation time continuing from 1994, the public authority believed that deciding to keep away from seizure of property, while looking for development, could prompt extension of social administrations and formation of open positions (Matsiliza, 2017).

The government pursued the more respectable option and zeroed in on the large-scale monetary arrangements, with the expectation that higher development would expand preparation of both homegrown and unfamiliar capital, just as utilising that capital even more productively. Additionally, government expected to raise the exhibition of the public sector to advance investment market and private corporations in the public authority's policies and employ the marriage of accommodation. It is important to direct the administration of SOE by method of corporate checking and decision-making, to capacitate and empower SOEs to contribute to government strategic objectives (Matsiliza, 2017).

Exploration on SOEs has tracked down a positive connection between corporate administration and execution of SOEs. Strangely, most examinations on SOEs demonstrate that the qualities of the governing body are critical in anticipating SOE execution.

State-Owned Enterprises bear provide significantly to business-related happening and to the growth of key hard work. State-Owned Entities provide foundation, generated power, and other essential public merchandise and help. With the growth of SOEs, the government bears involved with itself will make more forceful the effectiveness of SOEs. Privatizations has existed as the main agent for increasing SOE effectiveness all the while between 1980s and 1990s (Heo, 2018).

2.3.5 The Elements of good Governance

Under this heading, several elements in relation to good governance are discussed with extension to the South African context, its compliance and the requirements. This section will also point out the importance of each element of good governance which determines the

standard of people's lives in a country. Hereunder are some of the elements of good governance in which SOE's must possess.

2.3.5.1 Public Participation

Public participation is regarded as the process of involving civil society groups and individuals by the government to influence and impact policy making decisions (Harmse, 2014). Citizens uses the public participation mechanism as a tool to exercise their constitutional rights to influence government decisions and demand services from public entities. The mechanism of public participation is also put into use by legislative bodies (Sefora, 2017) to invite the input and suggestions from the public, interest groups and stakeholders.

In a democratic like the Republic of South Africa, public consultation is vital in terms of ensuring good governance within SOEs which according to Makgamatha and Moikanyane (2018), promotes active citizenship and ensure participatory democracy by means of engaging the public in the discussions of policy formulation that directly affects the citizens daily life. This process affords citizens with an opportunity to address their concerns and views with regard to social issues such as lack of water, inadequate electricity supply, and poor public infrastructure. Hyder, Zaidi, and Mustafa, (2019) added that citizen engagement in policy making decisions gives the government better view of the situation on the ground as well as acquiring information first hand and resources to make inclusive decision.

Therefore, public participation promotes good governance, i.e, transparency, accountability, rule of law and responsiveness of the government towards people's interests. The notion of public participation is considered a crucial process for good governance and gaining public support for the decisions of the government and to provide the community with satisfactory service delivery.

2.3.5.2 Accountability

Government decision-makers, the private sector, and other civil society organizations all share responsibility for acting responsibly toward the public. This protects the state's, private sector, and civil society efforts to concentrate on successful outcomes, monitor, and report successful performance. The three pillars of accountability—financial accountability, political accountability, and administrative accountability—are in line with the components of good governance. Just as it is in many other spheres of business and cultural life, accountability is a critical component of successful governance. The shareholders, stakeholders, vendors, employees, and members of the general public are among the groups and people to whom the board of directors must answer for the decisions they make (Donohue 2022).

2.3.5.3 Transparency

In order to increase the responsibility of SOE boards and management and to give the state the power to act as an educated owner, transparency regarding the financial and non-financial performance of SOEs is essential. The SOE Guidelines are based on the idea that in order to ensure that the state applies its authority in the interests of the public, SOEs should be as transparent toward the general public as publicly traded firms are required to be (OECD 2021). Through reporting procedures and feedback, the transparency aspect promotes openness within the public sector and guarantees that democratic processes are followed. True transparency is thought to be built on openness and a clear flow of information, which calls for making procedures and information available to all parties involved and ensuring that there is enough genuine information to enable improved understanding and oversight.

Corruption has a negative influence on the livelihoods of disadvantaged communities in the majority of developing countries. In some instances, officials seek bribes from the impoverished, who frequently find themselves unable to make ends meet while officials prey on their desperation. The implementation of development programs aimed at achieving basic needs, such as access to water, sanitation, health care, education, and programs to reduce poverty, is thought to be ultimately destroyed by corruption, which is believed to affect poor people's income levels in addition to their ability to access these services.

Transparency and openness to shareholders and stakeholders are prerequisites for good corporate governance. It is not acceptable to inflate or embellish financial records. Shareholders and stakeholders should receive reporting that is easy for them to read and interpret (Donohue 2022). The distribution of authority that leads to power-hungry authorities creates a space for the allocation and management of programs that places corrupt behaviour at the top of the list, endangering socioeconomic growth and programs to reduce poverty in the Republic of South Africa. The National Anti-Corruption Forum cited the Promotion of Access to Information Act as a key tool in the fight against corruption and in guaranteeing the growth of efficient transparent governance systems in terms of protecting the identity of state witnesses and maintaining whistle-blowers anonymity.

2.3.5.4 The rule of law

In accordance with the rule of law, boards should collaborate and make decisions in a fair and impartial manner. In certain situations, boards may be required to seek outside advice, direction, or experience from outside, third-party specialists. Boards must conduct themselves with the utmost integrity, honesty, and ethics when making decisions on their own or in

collaboration with outside parties (Donohue 2022). Good governance makes sure that SOEs follow the rules of just legal frameworks, which should also be impartially enforced. This also establishes a provision for safeguarding the idea of human rights in a democracy, notably the rights of minorities. The judiciary is encouraged to work impartially and incorruptibly by the law enforcement's independence.

2.3.5.5 Effective and Efficient Government

The development of governmental institutions results in outcomes that are intended to suit the requirements of the general public while assuring efficient and effective use of the resources at hand. Government and governance become ineffective and as a result the absence of good governance led by the lack of transformational leadership leads to collapse of institutions, under the South African circumstances, this is viewed as one of the poor examples in a real-time transformation. Good government with good governance is considered as something that possesses the quality of commitment which provides significant benefits for the entire community.

2.4 LEGISLATIVE FRAMEWORK ON GOVERNANCE

The legal framework aims at enhancing corporate administration while ensuring morals and honour amongst the public sectors. The most critical legislation is the king codes of good corporate management and king reports on good corporate governance for the South African public sector. Legislative framework in South African SOEs is pioneered and safe guarded by the PFMA (1 of 1999) which is expected to be an anchor of obligation and sound management of the revenue, use, supplies, and the responsibilities of open parts firms. Mbambo (2017) pointed that the PFMA has purposes for its establishment which are as follows:

- Control financial supervision in the national sphere and provincial administration.
- Safeguard all available revenue, expenditure, assets, and liabilities of governments and ensure that they are managed efficiently and effectively.
- make provision for the obligations of persons assigned with financial administration in those legislatures.
- Accommodate concerns associated with the PFMA; and
- Guarantee transparency, accountability, and sound administration of the income, consumption, resources, and liabilities of the institutions to which the PFMA applies.

In this instance, the World Bank (2014) also shares the same view as it maintains that a distinctly broad and overhaul legislative framework is of paramount importance for SOE's to communicate strategic prospects to the shareholders, the boards, and all other role players. Currently, Companies Act, 2008 (Act 71 of 2008) regulate management of SOEs. As advocated by Department of Public Enterprises (2002), state companies are anticipated to employ the Protocol on Corporate Governance in the Public Sector.

According to Thabane and Snyman-Van Deventer (2018) Eskom situation is like that of SAA, founding legislation of Eskom is the Eskom Conversion Act, 2001 (Act 13 of 2001) which is seen as not clearly elaborated. Eskom Conversion Act states its objective as the public company from the statutory body, which means it is now called Eskom Holdings. Corporate governance principles are applicable to Eskom; however, they are not necessarily found within the founding legislation of Eskom but in the South African Companies Act, PFMA, King III as well as the Protocol on Corporate Governance in the Public Sector respectively (Thabane & Snyman-Van Deventer, 2018).

2.4.1 Constitution of the Republic of South Africa, 1996

In the recent past years, South Africa has endeavoured an attempt to change the SOE scene wherein Chabane (2010) outlines that the then President of the Republic of South Africa, Honourable Jacob Zuma has publicly announced the details of the plan for the Presidential Review Committee on the establishment of SOEs to survey the part of public entities. In disregard to these elements with crucial drivers of the official part of the state economy, financial development is a critical component of ensuring that various social products are being ventured in a satisfactory manner to every corner of South Africa. Under given circumstances, SOEs are given an obligation to undertake their responsibilities successfully to possibly achieve financial mandate under the command of the state.

Through its Constitution, the Republic of South Africa strives to encourage its citizens from all walks of life to live by and abide by the constitution in all their official duties. When implementing some specific laws and regulations, the sacred objective which is referred to as consistency is highly addressed. The Constitution aims at destroying the outstanding apparatus which has to do with political sanctions of racial discrimination with the hope of changing the various districts of the society, spanning from the instruction to express human experience through medicinal services to equitable framework. Within the Constitution, there are notable key characteristics and service standards aiming at offering endorsement for the approach of governmental policy regarding minority in the society, monetary strengthening, and ecological strategy. The guidelines and qualities highly affect the authorizations and technical strategies influencing the SOEs.

2.4.2 King Codes and Reports

The King Codes and Reports is highly recommended within the private sector as one of the pioneers of good leadership principles for board of directors and top-level management of listed companies, banking sector, SOE, and non-profit organizations. These codes and reports not only focus on the monetary and the regulation aspects of the institutions, but they also advocate for an inclusive approach which covers all partners, shareholders, including those of the SOE. Mbambo (2017) is of the opinion that codes are crucial and that their primary objective is to oversee the execution of corporate affairs and propose persistent standards which SOEs must adhere to. Although the codes may not be directly addressed to SOE, they are by nature in a favourable position to improve corporate administration and transparent associations in South Africa.

The South African public sector recognises the King Code on Governance as one of the crucial key policy documents in relation to the advancement of corporate governance within various SOEs and the entire public sector. King IV states the codes and principles together with acceptable norms that are not entirely grounded on the legislation. The King IV further pertains to all the registered companies regardless of their arrangement of integration and whether formed under the public, private, or non-profit sector. These moralities are designed within the origin that they should always be observed and that companies would have good corporate governance practices.

The King Code and Reports broadens its scope of good corporate governance in South Africa where it revolves its fundamental questions in and around sustainability, leadership, and corporate citizenship. The key values given distinction are as follows:

- The notion of quality corporate governance is attached to effective and transformative leadership, leaders should be able to develop and define strategies, direct the enterprise, and create value propositions and ethics that will have an impact on the practices and behavioural conduct for sustainability performance.
- Sustainability has proved to be the key to achieve ethical and fiscal imperative, it is regarded as one of the highly recognized critical sources when talking about the risks of the corporate business. There is a close interrelation between the society, nature, and the business which ought to be understood by those in the decision-making position. It is also believed that there should be slight modification in the technique in which corporations and directors execute their duties and conduct themselves.
- The shift to achieve sustainability has been identified within three pieces which are innovation, collaboration, and fairness. Implementation of fairness within enterprises is

vital in the sense that social injustice can be untenable, and alliance is frequently required to experience a huge-scale transformation.

It is suggested that public enterprises should be open and transparent about their principles and practices which they chose to use or not to use. The degree of transparency will be a gesture to allow stakeholders to express their views on the current practices and challenges that the board adapts to within the governance environment and relevant entity, as necessary. The King IV somehow tends to differ as it acknowledges that there are various categories of SOEs, therefore, the King Codes is not a one size fits all kind of standards and principle given that SOEs motivates the reason why they should be exempted from the standards enshrined by the King Codes and Principles.

2.4.3 Public Finance Management Act 1999 (Act 1 of 1999)

The Public Finance Management Act, 1999 (Act 1 of 1999) has proved to be the most important legislation in promotion of ethical financial management for public enterprises as a way of maximising provision of services through effective and resourceful use of limited material. Safeguarding of the national resources is entirely the responsibility of SOEs management together with public officials, this means that to achieve proper management, there must be transparency and accountability as a crucial component in achieving acceptable quality corporate governance. In addition, corporate governance is coupled with but not limited to the core components notable as openness, accountability, efficiency, and effective supervision of financials.

Section 49 of the PFMA deals directly with corporate governance matters, it addresses the responsibility of the BoDs of SOEs wherein Section 50 is for the provision of the functions of the board of SOEs. Given the sections, SOE boards must always act with utmost care with an objective to warrant a realistic safety of resources and record keeping of their respective SOEs. This necessitates the notion that the BoDs must conduct themselves with high standards of truthfulness and trustworthiness within the activities of the enterprise while taking into consideration the best interest at heart for the SOE in the quest of their duties.

Furthermore, Section 51 focusses in its emphasis on the general purposes of the board wherein the prominent role is that the BoDs should strive to safeguard effectiveness, efficiency and transparency within the finance and risk management controls. By so doing, obligation of the board is to warrant that there is a classification of inside assessment which is strictly controlled by the directive of the audit committee. According to Treasury Regulations of 2011, audit committee must be formed by means of elections from the BoDs and should be

comprised of the majority of non-executive directors, in terms of Section 77 of the PFMA, the audit committee should comprise of the minimum of three individuals.

2.4.4 Companies Act 2008 (Act 71 of 2008)

The Republic of South Africa enacted the Companies Act, 2008 (Act 71 of 2008) effective from April 2011, this was because of various factors which plays part in hindering the Act into effect. The Department of Trade and Industry (DTI) (2010) stated that Companies Act has been aligned and modernized within the international best practices. For the Companies Act to be effective and bring desired outcome, it is related to similar South African regulation such as the Promotion of Access to Information Act (PAIA) and Electronic Communications and Transactions Act (ECTA).

The Companies Act encourages the highest values of corporate governance supported by the provision of Section 66(1) (2) which states that SOEs must have an independent Board of Directors which must exercise the authority and power invested in it to perform any functions of SOEs, except if there is a provision made by Companies Act or the Memorandum of Incorporation (MOI) which inhibits the board to act so. Moreover, Section 72(4) is in conjunction with Regulation 43 which makes the provision of the board of SOEs to create a Social and Ethics Committee (SEC).

In the quest to ensure extreme values of corporate governance, Section 76 of the Companies Act sets out the acceptable standards in which directors' behavioural conducts ought to be. Furthermore, it stated that such behaviour of directors ought to be in line with the communal law of the country to behave in good reliance and according to the determination considering the superlative interest of the enterprise, care, and due diligence.

According to Section 94(5) the many prescribed requirements which are necessary to ensure that committees, which encompasses individuals with satisfactory and appropriate knowledge and industry skill are satisfied by the members. Section 94(7) set aside the duties carried by the audit committee which include the responsibility to recommend the external auditor, prescribe levies and the terms and conditions of employment and guarantee that the auditor's employment conforms with the requirements set in Companies Act and any other relevant legislation.

Afore-mentioned requirements specify the statutory requirements for good corporate governance by South African enterprises. In addition, the provision advocated for the interpretation that Companies Act upholds the uppermost values of corporate governance.

2.5 INSTITUTIONAL FRAMEWORK AND REGULATORY FRAMEWORK

In their initial inception, SOE's were formed to play a vital socio-economic role which will help in reducing poverty and inequality. However, the World Bank (2014) argues that evidence from the 1970's and 1980's from various developing nations expresses that on average, SOE's performed poorly in relation to private entities, typically as a results of numerous policy guidelines and goals which include the complicated bureaucratic red tapes which prove to be complicated and difficult to reconcile and overcome. In this sense, *Constitution of the Republic of South Africa*, 1996, noted down the basic standards and ideologies leading public administration. Because public administration must be administrated by these autonomous values, the public sector challenge is to implement these ethics framework effectively.

Although the board recommends an individual to take over the position of the CEO, the central government tends to be the final decision maker as the primary investor and shareholder of the SOE. Essentials of the institution may unavoidably occupy the centre stage in execution among the board and the state as the shareholder in circumstances where the board holds no *bona fide* expert over the CEO who may be accountable for his/her associations. As fairly noted by Rossouw (2005), political associations may in most cases interfere and exhort the board together with senior management appointments as they usually lead to political interference which brings a negative image to the institution.

2.5.1 Eskom Regulatory Framework

Eskom as the power utility supplier, is controlled by the National Energy Regulator of South Africa (NERSA) which is in line with Electricity Regulation Act, 2006 (Act 4 of 2006). According to Fourie (2014), the regulator has vital powers and responsibilities to oversee as key monitoring, these are:

- The responsibility to issue licenses for operating, generating, distributing, as well as transmission facilities.
- Ensure that imports, exports, and electricity trades are well regulated.
- Determine and approve the prices and tariffs as well as the conditions in which electricity may be sold.

There are seven key functions of Eskom which are identified by the Electricity Regulation Act, 2006 (Act 4 of 2006), these functions are to provide:

1) Orderly development and processes of electricity infrastructure for the supply of electricity in South Africa, these must be coupled with sustainability, efficiency, and effectiveness.

- 2) industry's long-term sustainability.
- 3) Industry investment through skills development.
- 4) Wide and broad inclusive access to electricity.
- 5) Assorted energy sources and energy competence.
- 6) Customer choice with affordability.
- 7) Fairness and balance between client's interests and end user interests, license holders, the public, and investors.

2.6 MANAGEMENT AND GOVERNANCE CHALLENGES

Management and governance challenges associated with stable close governance are usually entrenched in a country-explicit national corporate system which in most cases is inclined to political, social, and legal micro establishments. Countries in the SADC region are involved in corporate sectors which are largely composed of resource-based activities, small-medium private companies, and SOEs. However, there are regional differences in the importance and contribution of SOEs to socioeconomic activities. In a modern democratic Africa, most of the countries and their central governments are faced with similar internal management and governance challenges within their SOEs. For African countries to best address these challenges, the issue of accountability and transparency must take centre stage and make key principles to fight corruption, political interference, and achieve good governance.

In the past decade, the world bank conducted a study which its data suggested that the combination of SOE income has accounted for around twenty percent of the entire non-agricultural commercial activities in most of the emerging nations with low GDP income. In the majority of developing nations, SOEs have demonstrated to be the means of delivering fundamental services and a sector of the economy that the state must protect in order to increase socioeconomic wellbeing. Idowu (2020) is of the opinion that the government through its management directs the matters of the state by setting the leap for the expansion of the economy and the society. In terms of good governance, the African continent still has a long way to go as there are many internal and external factors impeding the success of good governance, even after many years of independence and decolonization, Africa still lacks human and capital development which is of great concern in the quest of achieving proper SOE management and good governance.

Governance challenges which are putting a strain on African development include, but not limited to exploitation, democratic erosion, uncertainty, electoral violence, manipulation, as

well as state institutions capture. The management challenges and governance failure in Africa is linked to the succession of encounters which remain to torment the region, infrastructure deterioration, dilapidated schools, hospitals, educational challenges, and the ever-increasing delinquency and crime rates (Idowu, 2020). African region is one continent that is highly blessed with natural resources and a population with industrious people which is surprising how they are still languishing behind in developmental challenges, poverty, hunger, and debt of most of the population.

2.6.1. Eskom

Eskom is regarded as the largest electricity supply and producer in Southern Africa which makes the power sector a monopoly in the Republic of South Africa. In estimation, Eskom produces 95% of the electricity supply to South African businesses, industries and households with an estimated supply of 45% to Africa's electricity. Therefore, Eskom is regarded as one of the top twenty electricity producers globally (Fourie 2014).

Eskom's main function is to generate and supply electricity; this involves distribution and transmission of electricity to commercial and residential users, mines, and industrial sectors (Fourie, 2014). It offers societal and commercial benefits throughout its beneficiaries by means of creating employment to over 46 000 people, skills development, training facilities, and academic learning programs (Eskom, 2011).

2.6.2 Eskom leadership

Eskom leadership has not been stable for quite some time and has experienced dramatic changes in a short period of time. This has been viewed by Fin24 (2019) as a revolving door as a result of having 10 CEOs in a period of 10 years. Having unstable leadership may influence investors decisions in a negative way, most investors believe in doing business with the person not necessarily the company, resulting in investors hesitating to do business and invest where the leadership is constantly changing without knowing who is next. Fin24 further stated that during 2018/2019 financial year, Eskom recorded a net loss of R20.7 billion.

This existing indication of uncertainty and weak government exposes vulnerability of the entity in question. Leadership inconstancy appears to linger subsequently perceiving current occurrence in Eskom, containing the association that CEO Matshela Koko's stepdaughter apparently profited from contracts which adds up to R1 billion from state entity (Mbambo, 2017). Colin Cruywagen from the DPE stated that Minister Brown bears likely Eskom clear demand in what way or manner to handle the assertion placing blame against allure acting CEO (Business Day 2017).

An accountable board of directors who watch out for the interests of the investors is the product of competent corporate governance practices. One of the most fundamental internal corporate governance tools that shareholders utilize to oversee management is the board of directors (Madhani 2017). Except where the Companies Act or the MOI specifically specifies otherwise, the board of directors is granted the power under the Companies Act to manage the company's operations and affairs. The board has the authority to assign duties to particular directors, committees, management, and staff. Madhani (2017) further added that the board of directors is the principal tool used by shareholders to oversee managers because it is responsible for the recruiting, assessing, rewarding, and ongoing supervision of management.

The board takes action through board resolutions, and decisions are reached by a majority vote. Each director typically has one vote, though this can change under the MOI. The board of directors may establish as many committees as it sees fit and delegate any of its powers to them, but it will ultimately be responsible for their actions and decisions. Within the bounds of its prescribed and delegated authority, the management team carries out board decisions. The board of directors, sometimes known as the board, is widely regarded as the foundation of corporate governance. One of the most significant internal corporate governance tools used by shareholders to oversee management is the board. The roles and responsibilities of the board are varied, including those related to control, strategy, service or resource provision, and advice and counsel (Madhani 2017).

2.6.3 Performance Challenges

Mbambo (2017) believe that there is a well-documented organizational transgression over the way in which the SOEs in South Africa are being controlled and managed. He further stated that these transgressions can be seen as symptomatic of vital lack of transformational leadership in a time where the country is going through economic downturn. Therefore, lack of proper governance strategy and transformational leadership somehow leads to forfeiture of income and disappearance of confidence of investor on the general economic condition of the country and the public sector.

2.6.3.1 Deficient Board of Directors

The ability to behave with strict professionalism in a way that prevents the institution from becoming politicized is a requirement for membership on the boards of SOEs (Madhani 2017). Good governance structure must be constituted by an effective board of directors because without a secure board management within institutions, conflict of interests may arise and the absence of standard board evaluation. The absence of adherence to fiduciary obligations

detaches the organisation from the means of undertaking sporadic participation over the top simultaneous board arrangements (Mbambo, 2017).

2.6.3.2 Appointment on Merit

It is of vital importance for SOEs to attract and retain most talented and skilful labour force within their radar as well as the BoDs and management positions. SOEs as the vehicle of social development has the responsibility to attract investors and boost citizen confidence, this then emphasises the importance of recruiting and appointing executives based on excellence rather than personal connections and political views. In the quest of public sector reform, it is important to ensure that face of the public sector and SOEs are appointed based on industry experience and relevant skills and qualifications this will ensure efficiency in functioning and maximum productivity (Balbuena, 2014).

2.6.3.3 Inadequate Reporting System

Openness, accountability, and transparency revolving SOE structure must be proper coupled with adequate reporting and a trusted system for reporting and monitoring management. Institutions with inadequate reporting system tend to fail in the sense that they fail to expose loopholes where SOEs maybe over and underfinanced (Balbuena 2014).

2.6.3.4 Poor Investment Decisions

Balbuena (2014) also noted the issue of making poor investment decision as one of the signs that show that there is leadership challenge in the institution. It is said that good leadership qualities mean that a leader will be able to make sound investment decisions. It is therefore highly recommended that when tariffs are kept low, the structures of the tariffs may as time goes on need to be revised so as to prevent the full cost of recovery by SOEs, in this sense, the reimbursement may be essential for non-commercial services.

2.7 The role of State-Owned Enterprises on National Economy

The South African government has various SOEs under its belt which plays a vital role in the SA local economy. SOEs have been a significant vehicle since 1994 for the achievement of wide socio-economic advancement and poverty reduction. SOEs are important for addressing the gap in the market failure as well as delivering key infrastructure services which promote economic growth while at the same time ensuring equity by means of providing access to quality social services to all citizens (Kikeri, 2018). In 2014, the state established the Presidential Review Commission (PRC) to oversee the performance of SOEs and address if SOEs are effectively catching up to the progressive state agenda appropriately (Heo, 2018).

There is a significant contribution that SOEs make in cooperation with the advanced and emerging countries. The World Bank (2014) reported that around twenty percent of universal investment and five percent of employment in 2006 was as a result of SOEs contribution. However, in less developed countries the importance of SOEs is greater than that of well-developed countries. Due to their founding principles, SOEs play a crucial role in providing basic public services like electricity and water. Most provinces have undertaken various developmental and transformation policies, strategies, and programs in an effort to promote development and guarantee economic equality. The PRC review that the government together with various SOEs are very well aware of their position in the development of socio-economic activities and the national economic status. However, financial and resource constraints are somehow and impediment to achieve desired results.

SOEs are assets that are administered through national government for the best interest of all citizens. A cornerstone of significant public governance and a precondition for establishing trust in governments and markets is ensuring that these assets deliver value for society and are managed professionally and transparently. Ensuring that SOEs are working effectively can be crucial for the socio-economic progress and expansion to ensure that SOEs function effectively and on an equal footing with private enterprises. When SOEs are mismanaged, public resources are mismanaged, resources are misdirected away from productive activity, and development is hampered. When they are, however, managed in a transparent and effective manner what will happen is that the citizens are well taken care of and that their needs are prioritised, service rendered timeously, and the institutions thrives and become financially sustainable.

2.8 PRINCIPLES OF GOOD GOVERNANCE

According to Kikeri (2018), principles of good governance in the public sector was initially considered only to SOE's which were under the Department of Public Enterprises in the Treasury, Simpson (2014) wherein governance viewed as a mechanism in which public corporations get to be directed and managed with an objective of holding them liable and improve positive outcome. Principles of corporate governance are arguably founded on a system of ethics which has shared values and norms are referred to as the mechanisms through which corporations and their executives are governed.

2.8.1 Equitable treatment of Shareholders

This principle advocates that shareholder receive equivalent treatment and access to corporate information and enjoy their rights and equitable treatment. Transparency is also recommended, clear and active communication channel with equal consultation to owners and

inspires involvement by the minority (Thomas, 2012). Thomas (2012) also notes that unbiased behaviour of shareholders ought to focus mainly on the promotion of shareholders contribution in key decisions and their comfort of raising queries, perpetuation of their right to information that could encourage their decision-making process. Stop

2.8.2 The Role of Stakeholders

As identified as a group upon which corporations depend on for their continued survival, SOE's should recognise stakeholders as a broader group bearing interest of the success of the organisation and holding a sincere concern in the corporate. In addition, owners, stakeholders, workforces, and clients are collectively categorised as stockholders (Thomas, 2012). The King IV Report (2016) is of the opinion that it is of vital importance to ensure that there is an independent affiliation among the establishment and its associations, and that the association's capability to produce value for itself varies on the capacity to generate values for its stakeholders.

2.8.3 Corporate Governance Framework

Because SOE's are viewed as an integral part of the society, they hold within themselves the communal citizenship position which converses human rights, duties, and accountabilities on the organisation concerning the humanity and the natural environments on which humanity depends (King IV Report 2016). Therefore, to monitor the effectiveness of governance framework, systems should be developed that would guarantee the effective governance. Furthermore, good corporate governance is the key to public company's development, and somehow makes good business sense.

2.8.4 Disclosure and Transparency

According to Donohue (2022), transparency and openness to shareholders and stakeholders are prerequisites for good corporate governance. It is not acceptable to inflate or embellish financial records. Shareholders and stakeholders should receive reporting that is easy for them to read and interpret. Transparency calls for notifying stakeholders of vital organizational contacts as well as of those who, if necessary, may respond to inquiries and provide explanations for reports. Corporations should include enough details in their reports to give readers a thorough understanding of the problems.

Citizens should be able to access and understand the processes and procedures used to make decisions, particularly if they will directly be impacted by them. The media is usually used to translate this information into an accessible and understandable format.

2.8.5 Responsibility of the Board of Directors

Delegating duties to management and monitoring those duties to make sure management is not straying from putting the board's recommendations and strategies into action is a crucial component of the board's function (Madhani 2017). The board's control position means that it has a responsibility to observe and oversee the company's operations, both ongoing and preventative, including top management, business decisions, and firm strategies. The "agency theory" explains how a board plays this role. Since it is the responsibility of management, the strategic role of the board does not imply that it participates in strategy formation. The board's strategic function is assisting and guiding management in achieving the mission and goals of the company by providing advice, improving, and enhancing the conversation on strategic topics, particularly the strategic problem-solving and decision-making (Madhani 2017).

2.9 ETHICS IN CORPORATE GOVERNANCE

The issue of ethics has recently gained a vital recognition in SOEs wherein Schoeman (2014), believes that the issue of ethics must try to include all matters that are deemed relevant by virtue of being a regulatory tool in the progression tactics in organizational responsibility and straightforwardness. In most cases, morals are seen when we interact with others and compelling the quest for self-intrigue.

For practical purposes, ethical behaviour is about providing reasonable justification for the choices we make and how we behave when it affects the next person, and validation for our admiration and disapproval of other people's conduct. In the African context, in almost each principle of corporate governance, the demand for actively and effectively managing ethical performance of employees of institutions is highly emphasized. Codes and principles of good governances strive to ensure and emphasizes the ethical nature of corporate governance. Governance is rather founded on several cardinal values which is why ethical values and principles have special emphasis in the governance domain of public and private sector. Rossouw (2005) believes that the list of values that should constitute good governance should comprise of but not restricted to, answerability, openness, responsibility, and integrity. While moral issues are thought to be the same as ethical issues, moral principles and great value are viewed as ideas that are fairly utilized regularly as equivalent phrases conveying similar notions.

Business ethics dimensions vary from organisation to organisation, this then depends mostly on the social and economic standing which surrounds the organisation in question. Prevalence of this view somehow depends on the duties in which the organisation is expected to fulfil

within the society. Subsequently, the key elements behind business ethics constitute of the importance of profit motivation, property management and the limited liability of corporations.

Business ethics pioneers argue that frequently, the constrains of ethical conduct tend to be unnecessary and harmful. They stated that it sometimes slows down the progress of the business through its red tape which restrict the advancement of the corporation (McKay, Nitsch & Peters, 2015). This followed by the notion that the society at large is the one that tends to experience more suffering as a result, health system, water and electricity supply is not stable and reliable. Looking at the view that the above view may seem extreme, corporate literature is of the view that this may not be the case, in another view, the international study conducted in 2011 finds that thirty percent to eighty percent of well-established and listed corporations believe in the notion that corporations carry the obligation to do by the community it serves in comparison to earning more money for the owners (McKay, Nitsch & Peters, 2015).

2.10 CHAPTER SUMMARY

The above chapter presented historical setting of governance, the legislative framework, and the functional structure of corporate governance within the SOEs. In the South African context, the role of governance is very much still in the foundation phase and that the government still has a lot of work to achieve the goal of good corporate governance within its various SOEs. This chapter review and studied previous writing by means of describing an investigational perception of the trials which SOEs are facing in the absence of good governance. The empirical evidence shows that South Africa and other African countries are experiencing governance challenges and that their respective governments' have a lot of work to do in terms of building ethical and transparent institutions which will bring about confidence within the community and restore good communal provision of services.

From the above discussion, South Africa is facing governance challenges and that there are a lot of political interference allegations within Eskom as a major state institution. The commission of enquiry into state capture is one of the initiatives the Republic of South Africa government has started as a way of addressing and dealing with people who are involved with wrong doings within the public sector. One of the major lessons from this chapter is the all-inclusive attempt in addressing political interference and effort to instil good corporate governance within the public sector which will in future restore the public confidence within the public sector and ensure proper provision of service.

This study expounds the implications of political interference and poor governance on the South African SOEs. The problem is that most of the BoDs are constituted by the politically aligned individuals who spend most of their office time paying dues to their political allies and

benefiting the politicians which put a strain on service delivery and socio-economic development. The following chapter discusses the study methodology that was used in this study.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

Chapter three is the presentation of the research design and research methodology that the investigator followed when conducting the study. The chapter also presents research paradigm where pragmatic research was used. The study area, population of the study, sampling method and sampling size, data collection, pilot study, and data analysis as well as ethical considerations are outlined in this chapter.

3.2 RESEARCH PARADIGM

Denzin and Lincoln (2000), who according to Kivunja and Kuyini (2017), are considered the fathers of qualitative research, define paradigms similarly as human creations that deal with basic principles or ultimate that reveal the researcher's perspective and help create the meaning that is encoded in the data. Thus, paradigms are crucial because they offer ideas and rules that guide what should be investigated, how it should be studied, and how the findings of the study should be understood by academics in a certain field. There are various factors which must be taken into consideration when dealing with research paradigm; these factors are vital in giving clear explanation and qualifying the nature and mechanisms associated with the challenges of governance, political interference, and influences within SOE's (Vannuci, 2015).

Thus, a paradigm is a set of assumptions about how some issues arise and a set of agreements about how to study those challenges, which may also be characterized as a set of assumptions that direct human behaviour (Kivunja & Kuyini 2017). Positivism, interpretivism, critical theory, chaos theory, postmodernism, complexity science, and the feminist paradigms are the few research paradigms within the subject of public administration from which a researcher within the public administration discipline might choose from. Therefore, for the relevancy of the study, the interpretive paradigm approach is used to better comprehend the phenomena of the role of governance within SOEs and its challenges.

3.2.1 Interpretive Paradigm

Rehman and Alharthi (2016) are of the view that interpretivism paradigm was developed as a response to the over-dominance of positivism paradigm approach. Hammersley (2013) is of the view that interpretivist approach is initially developed from the circumstance that

procedures used in the understanding of the knowledge associated to humans and social sciences cannot be the same as its approach in physical sciences since people interpret their own domain, and they act based on such understanding while the world does not.

This method attempts to "get into the heads of the subjects being studied," so to speak, and to comprehend and interpret what the subject is thinking or the interpretation the subject is making of the context. Every effort is made to comprehend the topic of the observation from their point of view rather than the observer's point of view. Understanding the individual and how they interpret the environment around them is of utmost importance. In light of this, the central assumption of the Interpretivist paradigm is that reality is socially produced (Kivunja & Kuyini 2017). On the other hand, Hammersley (2013) supported the above statement by saying that since there is more than one interpretation that can be developed among human relations, interpretivists researchers should then understand multiple conducts of viewing and undergoing the world trends over diverse backgrounds and philosophies, by so doing, researchers circumvent prejudice in perusing proceedings and people's behaviour with their own interpretations.

Kivunja and Kuyini (2017) This method attempts to "get into the heads of the subjects being studied," so to speak, and to comprehend and interpret what the subject is thinking or the interpretation the subject is making of the context. They further added that every effort is made to comprehend the topic of the observation from their point of view rather than the observer's point of view. Understanding the individual and how they interpret the environment around them is of utmost importance. In light of this, the central assumption of the Interpretivist paradigm is that reality is socially produced. Rehman and Alharthi (2016) are of the view that interpretivists researchers believe that there are socially built multiple realities, and that reality and truth aren't always discovered, however created.

Grix (2004) in Rehman and Alharthi (2016) is of the opinion that researchers are not detached from the subject they are researching, and that they are inextricably part of the social reality being researched. In this case, Rehman and Alharthi (2016) further added that when dealing with a different well-argued interpretation about a single phenomenon, a single interpretation can often be considered as the correct one over the other. However, the existence of different knowledge and interpretation can also be considered as acceptable by means of acknowledging the fact that different scholars have different perspectives regardless of the same matter at hand.

3.3 RESEARCH DESIGN

According to Gray (2009), study design typically tries to illustrate the main objective of the research and matters being focused, procedures to be employed for information gathering, methodologies for choosing experiments as well as how data will be examined. In other words, research design is primarily a plan for the compilation, measurement, and the assessment of records. The research design desired for this study is an attempt to understand the role of governance with the South Africa's SOE's.

The primary aim of the study is to understand the subject being explored, Gray (2009) stated out three main purposes of a research which are to gratify the investigator's interest and desire for improved understanding, to assess the probability of undertaking an additional widespread investigation and advance the approaches to be employed in any succeeding investigation.

Eskom as the SOE is the subject of this study which resulted in a narrative nature of the current study. For this reason, the mixed method design has been selected. This is because the mixed method design employs the qualities of both quantitative and qualitative research designs. Therefore, research design is regarded as the blueprint utilised to carry out the study in a way that exposes control over factors that could possibly infer with validity of research findings. The rationale for using the mixed method design was focusing on getting the insight and understanding of the role of governance within Eskom and what current leaders perceive to be challenges hampering the economic sustainability of Eskom.

According to Zwane (2011), mixed method research design can also be understood for its usefulness in the inductive application when the researcher interprets and analyse data. The mixed method research design requires the researcher to structure questions for participants to answer, it is necessary to expand on those questions through follow-up questions to elicit more information. The advantages of using the mixed method research design are that it gives more room for the researcher to interact with participants and get the information directly from them. However, data collection instrument such as interviews normally present much reliable information because of its inductive nature of getting the information from respondents.

3.4 RESEARCH METHODS

Several methods of research can be used to collect data in and across research studies, these can be classified as qualitative, quantitative and the mixed-methods research. Kumar (2014) postulates that, the manner in which an explicit technique is employed for information gathering determines the categorization of a survey to a significant degree. This difference is primarily determined by the boundaries and complexities enforced on the viewpoint

emphasizing the investigation, liberty and flexibility in the structure and method in acquiring information, the complexity and independence to the researcher in attempting to attain answers to the study questions. This study focused and made use of the mixed research method wherein the quantitative method was utilized in the explanation of information collected through questionnaires whereas the qualitative technique was very much useful during the course of interpreting the data collected through face-to-face interview.

3.4.1 Mixed-Method Research

The mixed-method approach uses both qualitative and quantitative resources, as well as primary and secondary resources, in a collaborative manner. In this regard, quantitative methods are used when the purpose of the research is to arrive at a universal statement and when the research seeks to assign figures for observations. However, Ivankova *et al* in De Vos *et al* (2011) define mixed research methods as a technique for accumulating, evaluating, and combining together qualitative and quantitative information at a certain point of the investigation procedure within a particular investigation to completely comprehend the research problem.

According to De Vos *et al* (2011) some mixed method methodologists consider the mixed method research as a different methodology which bears own philosophical assumptions and deliberations. The qualities of the approaches are collaborated together in order to come up with a more convincing findings of the research problem identified. The mixed method research is therefore described as one of the research methods which make use of the combination of the two research methods and their techniques in a single research study. Authors who focused on the mixed method research stated that the mixed method research is a process wherein the researcher collects data of both numeric and text in a quest to investigate the research questions; mixing procedures of data interpretation and findings are integrated within the mixed method research study (De Vos *et al* 2011). This study made use of the mixed method research as a way of better understanding the research questions which could not be clearly understood and answered had the investigator used a single research method.

3.4.2 Qualitative Research Method

Gray (2009) states that qualitative research method is used by researchers who wish to gain intense, deep and holistic view of the matter being investigated which often involves the interaction of everyday lives of individuals and organizations. Mouton (2015) on the hand suggested that the researcher undertaking the qualitative study is usually exposed to a wealth of descriptive information which can be accumulated through observations, in-depth interviews

with participants and data analysis. This method is also influenced by the type of research paradigm which the research adopted. Therefore, it should also be taken into consideration that strategies in which the qualitative study adopts can sometimes turn out to be highly flexible and overwhelming which can make it complex to manage (Gray 2009).

The qualitative research method clarifies the mental process underlying behaviours and clearer interpretation of connotations people attribute to social experiences which also include observations, interviews, questionnaires and focus groups. Charmaz (1995) cited by Gray (2009) is of the view that qualitative research method can be seen as too contextual which means that it needs a real-life situation which usually consumes a lot of time as it takes relatively a long time to collect qualitative data. Although the qualitative research method usually needs a lot of time and attention to interpret, it can clearly give clear understanding and knowledge of the events which clarify how they happened and why they did the way they did.

Qualitative research in most cases make use of the inductive reasoning which puts it in a favourable position to bring about valuable and concrete information to draw a more appropriate findings and recommendations. In an effort to engage and interview all the potential participants in the study, made use of the interviews as qualitative data collection method under qualitative research method.

3.4.3 Quantitative Research Method

Babbie (2010) believes that quantifying data puts the observation of the topic in question in a more explicit way. This also makes it easier to aggregate, compare and summarise the collected information. This further opens the possibility of analysing the statistics which usually ranges from average simplicity to a more complex formulas and mathematical methods. Furthermore, Babbie (2010) added that quantitative research method comes with the advantages that the numerical data has over the textual data which is often considered as a different quality. Mouton (2015) on the other hand said that researcher undertaking a quantitative study analyse the collected data by means of looking at the element's isolation, later in combination with the other elements. For this reason, research questionnaires were used as a data gathering technique under the quantitative research technique.

3.5 POPULATION OF THE STUDY

It is frequently inappropriate or impractical to enroll the full target population in academic research investigations. Instead, to include in their study, researchers will draw a sample from the relevant population. In these circumstances, the research study's goal is to

extrapolate study results from the sample to the relevant population (Majid 2018). Theoretically, the inhabitants embrace all the given components that make up the researcher's component of assessment. Therefore, to best investigate any population, one must gather together information from every component within it, in-depth research should be conducted on a small, defined, and accessible population. In population made up of individuals, additional defining characteristics might as well include age, gender, race, class, or marital status. Because of the complexity of this study, participants in this study will consist of three categories, namely, senior management, middle management, entry level employees of Eskom.

3.6 SAMPLING

According to Majid (2018), sampling refers to the process of choosing a statistically representative sample of people from the target population. Because the community of interest typically consists of too many people for any research endeavor to involve as participants, sampling is a crucial tool for research investigations. A good sample is one that statistically represents the target population and is sizable enough to provide an answer to the research issue. Whereas Bryman, Bell, Hirschsohn, Dos Santos, Du Toit, Masenge, Van Aardt and Wagner (2014) mention that sampling is a small segment of the defined population identified to represent a large group in each research study, the selection process may then be based on probability and non-probability approach. They further added that the probability sampling is the procedure of using the random selection with the idea that each unit of the sampled population gets a fair chance of being selected, non-probability on the other hand is a method which does not use the random selection method. In other words, probability sampling means that some parts of the population are presented with more chance of being selected than others. Therefore, this research employs the non- probability sampling technique to ensure that every unit of the sample gets presented with equal chance of selection.

3.6.1 Sampling Method

This study made use of used both snowball and purposive sampling which are non-probability sampling techniques. The researcher anticipated using these methods because not everyone had the opportunity of participating in the study. The participants of the study were selected using purposive and snowball sampling according to the categories defined above, these include, Eskom employees, public sector employees (SOE employees), private/corporate. This is because they are the ones who have an insight on the causes of political interference and the role which good governance plays in bringing about quality services.

The purposive sampling method is defined by Gray (2009) as a technique wherein the researcher purposefully selects participants against one or more available subjects as a way of giving what is believed as a more representative sample, this approach is highly effective in achieving a true cross-section of the population. Babbie and Mouton (2012) stated that in some cases, it is only appropriate that the researcher selects the population based on the knowledge and experience of the population, its elements and the ground of research objectives, most particularly on the researcher's judgment and the main purpose of the study.

Snowball sampling according to Gray (2009) is the technique wherein the investigator classifies a small number of subjects who in turn find others in the population. According to Babbie and Mouton (2012) this procedure is applied by accumulating information on representatives of the target population group and asking those individuals to provide some information needed to locate other members of the targeted population. Because the issue of politics and political influence in SOE's is a very sensitive issue, it will be difficult to find members who will be eager to take part in the research. Therefore, the purposive and snowball sampling methods enabled the researcher to identify potentially relevant participants wherein the researcher had to ask the selected participants to identify and introduce the researcher to others with similar characteristics where necessary.

3.6.1.1 Purposive/ Non-Probability Sampling

Considering the purposive/non-probability sampling to the participant selection at random, which is also referred to as purposive sampling, the former entails the choice of specified research units based on a defined goal. The purposive/non-probability sampling is a sample which is based mostly on the population knowledge, elements and the nature of the purposes of the current research study. De Vos et al (2011) argue that purposive sampling is about making a critical assessment which concerns the characteristics and the attributes of the identified population as well as selecting the sample. This sampling method is also about the deliberate selection of a particular group of population to constitute a sample which may represent larger population group.

In this method, the researcher decides to select the sample purposefully and make classification based on the understanding and experience of the sampled population. The sample population of the research was selected purposefully within relation of the aspirations and purposes of the research, which was to determine the role of governance within South Africa's SOEs. As highly noted by Welman, Kruger and Mitchell (2005) when researchers choose purposive sampling, they should base it within their own knowledge and preceding study discoveries so as to purposely attain a unit of examination in such a way that sample attained may be observed as being demonstrative of the applicable population. This study

made use of the purposive/non-probability sampling as it was deemed relevant as it puts the researcher in a favourable position to have an insight of the research participants.

3.6.2 Sampling Size

The target area of this study is State-Owned Enterprises with Eskom as a point of reference wherein sampling size of fifty (50) participants was targeted as the research focusses on the Eskom employees ranging from senior managers, middle level managers, entry level employees and technicians.

3.7 DATA COLLECTION

Because of the fact that mixed-method research uses both qualitative and quantitative methods interchangeably, there are several data collection techniques which this study made use of. Therefore, the research made use of questionnaires and face-to-face interviews as a technique of data collection.

3.7.1 Questionnaire

Questionnaire is defined as an instrument made up of questions designed to collect information and/or information from the participants in a research study, it is a form which consists of the series of questions with an objective of collecting data (Babbie, 2010). A questionnaire must be proven to be effective, reliable, consistent and valid for the objective in which it is intended to be used, avoid leading and double-barrelled questions with implied assumptions. In other words, questionnaire can also be defined as a document that contains interrogations and other forms of substances intended to ask questions appropriately in order to collect information for proper analysis (Babbie, 2007).

On the other hand, questionnaire is defined by Bryman (2012) as a document containing a set of questions which are intended to administer and find relevant research information and knowledge from participants, on the other hand Gray (2009) view questionnaire as a research tool which is often used as one of the most effective tools for academic study data collection technique, in most cases for structured and semi-structured interviews. As a means of ensuring that accurate and reliable data are collected for analysis, questionnaires will be close ended wherein participants will be given options to choose from in the questionnaire.

For the relevance of the research, the study made use of self-administered questionnaires for individual participants of the study. The researcher handed over the questionnaires to the study participants, the participants then completed the questionnaires on their own, although the researcher was available for any assistance if queries were to surface. The study

questionnaire was divided into two sections: Section A, consisted of the biographical information about the respondents and Section B, consisted of the content material information of the research. All questions of the questionnaire had been made from closed-ended questions that had been made clear and straight-forward as a means of minimising misunderstandings from the research participants. All the statements in the questionnaire had been made brief and precise, the questionnaire had been delivered physically and online through email due to Covid-19/lockdown restrictions for the respondents complete and collected within 5 days when completed by the respondents.

3.7.2 Face-to-Face Interviews

These are described as interviews which are structured and conducted by the researcher with the use of standardised interview protocol in order to record the responses given by the respondents. Face to face interview is the most common technique for data collection, which is utilised under the qualitative research method. The main purpose of face-to-face interview technique is to explore deeply the views, motivations, experiences, and beliefs of individuals on a given matter to acquire knowledge and understanding. Structured, semi-structured and open-ended interviews were used in this study to collect more and diverse data as possible. Gray (2009) notes that since interviews involve face-to-face contact, the most essential administrative aspects are the arrangement of meetings with participants and refining the probabilities of participants to turn up for the scheduled meetings.

Open-ended interview technique was chosen because it allows the participants an opportunity to contemplate critically and recommend solution and have their own views and inputs on the matter being investigated but focused on the theme of the study to better achieve intended purpose of the research. Leedy and Ormord (2014) view face-to-face interviews as having the separate benefit of granting the investigator an opportunity to create a link with possible respondents and eventually advance their interest and collaboration. Main advantage in this instance is that the respondents will have an opportunity to openly express what they think, believe, feel, and recommends.

3.8 DATA ANALYSIS

Babbie (2010) data analysis is the process in which statistics and logical techniques are systematically applied with the quest to describe, illustrate, recap, and evaluate the collected data. The main purpose of analysis of data in this study is to interpret the collected data with the sole aim of drawing up a conclusion which gives a reflection on the curiosity, thoughts, and theories which initially gave birth to the study. Monette, Sullivan and De Jong (2008) analysis of data can be described as the procedure in which information and observations are

placed in a numerical manner with an objective of deriving a meaning. Furthermore, data analysis entails the procedure of classifying, gathering, and summarising the information in order to describe a relevant theme. This study made use of two data analysis approaches for its relevance, these are descriptive statistics wherein the method of IBM SPSS Statistics version 28.0 was used and the thematic analysis which used narrative analysis method.

Gray (2009) asserted that the descriptive analysis focusses on the formation of a summary of an illustration, or a sample concerned in relations to significant variables being studied. In turn this may involve presentation of data in a graphical format or the use of descriptive statistics. Data collected during this study through research questionnaires was systematically organised into an understandable and easy to read format by means of computerised program. White (2005) argued that the descriptive analysis method is considered in the process of analysing quantitative figures. For relevance of this research, process of analysing data collected by means of questionnaires was done through a computer software programme by IBM: SPSS version 25. In this process, information was collected, examined, and interpreted to construct a hypothetical framework to form a basis of understanding for the role of governance within SOEs. The graphical and tabular form explanation was given which was followed by explanation.

3.8.1 Thematic analysis

Nowell, Norris, White, and Moules (2017) argued that the thematic theory has been widely used in the qualitative research studies. The thematic analysis has been popular in the qualitative research studies and should be considered the fundamental basis of conducting qualitative research. Thematic analysis is, therefore, a technique utilised to examine data, identify, organise, describe as well as reporting the themes which were identified in a given set of data. This method is widely used to bring about trustworthy, and insight of the data collected. This study used the narrative analysis under thematic analysis to analyse qualitative data collected through interviews.

3.8.1.1 Narrative analysis

Narrative analysis focusses mainly on the stories which are told by participants during the research study when collecting data. Aspect of these stories according to Grbich (2007) are seen in some cases as a complete entity in its-self having the opening, middle, and the conclusion. It has been further stated by Grbich (2007) that an underlying presumption presumes that most of our interactions are full of stories which are often a true revelation of our daily life experiences and interpretations. The provoking narrative which are gained

through various personal experiences are sometimes seen as a natural procedure in terms of communication as compared to face-to-face interviews.

- **Phase 1: Planning of recording data**

Phase one focuses on the part of recording information collected throughout the study, this phase is carried out in a systematic and adequate manner which considers participant's views and facilitate the analysis procedure before actual collection of data.

- **Phase 2: Data collection and preliminary analysis**

The researcher records data after survey which classifies; accordingly, qualitative approach data analysis involves a two-way approach, where the first approach involves analysing data while it is being collected on site, and the second approach comprises analysing information outside of the data collection site.

- **Phase 3: Managing and organising data**

As a first step in the analysis process, the investigator organizes the collected data in file folders to analyse them well and in an orderly manner. The data was then managed, organized and stored in file folders. In this phase, the data is simply organized in the form of file folders.

- **Phase 4: Reading and writing memo**

The researcher reads the collected information and verifies that the data is organized and groups the information. Rereading the data helps the researcher becomes conversant with the data and comprehends the patterns, by going over the data repeatedly, it helps the researcher understands people's opinions, events and meanings.

- **Phase 5: Generating Categories: Themes and Patterns**

This is the procedure by which regularities are found within the population nominated for the research. In this process, the researcher looks for participants with some sort of intrinsic conjunction together with external divergence. In this phase, the data is divided into a minor, controllable topic to transcribe in the concluding narrative. Analytical procedure of this kind requires the researcher to have an intensive consideration to information and frankness to the delicate aspects of societal life.

- **Phase 6: Coding of data**

For data collected to be coded, it must be presented in an analytical format. Therefore, the investigator must assign coding themes to the groupings and then systematically code the

passageways in the information. The researcher must carefully choose the form that will be utilised for data coding. The investigator applies coding scheme to the categories and subjects, carefully marking the data accordingly. In this case, the codes took various forms, such as abbreviations, painted dots, and figures.

- **Phase 7: Testing emergent understanding**

When classes and topics are established, and coding is well advanced, the investigator commences by assessing the credibility of their emergent thoughtful and explores it over sufficient information. Portion of this sentence is assessing the information for its relevance and significance. This involves an exploration over the information where the investigator questions understanding, looks for negative paradigms, and inserts them into larger constructions if compulsory.

- **Phase 8: Searching for alternative explanation**

There are continuously alternative explanations; the investigator must discover it, recognise it, define it, and then establish why the description presented is the most credible of all. The investigator determines classes and forms in the information, including edges that crucially question seemingly obvious forms. The researcher must look at other credible clarifications for these figures and the connections between them.

- **Phase 9: Writing the report**

Final phase of the report is where the researcher presents information which is found within the form of text, tabular form, and illustration. Hypotheses or statements strive to outline the relations which exist amongst the classes of data and ultimately represent the information acquired. In this research, the investigator examines the information using the following steps: preparing and recording information, interpreting and inscription of notes, displaying and visualizing. The investigator collects information and records all the evidence provided by the participants. After gathering the information, the investigator reads any evidence collected from the participants to verify that the information is organized and then groups all the material together.

3.9 ETHICAL CONSIDERATIONS

De Vos *et al* (2011) believe that academic research should have a basis of mutual trust, coupled by acceptance, promises and the individual will to accept the conventions and expectations which may arise between all relevant parties involved in a research study. Gravetter and Farzano (2003) cited in De Vos *et al* (2011) further suggest that investigators are presented with two basic categories of ethical accountability, the first one is to be

accountable to participants, these can be both human and non-human participants, the second one is considered as the responsibility to be accountable to discipline of science by means of being accurate and honest when reporting findings of the study. Ethics further implies that preferences which hold influence of human behaviour and relations should conform to the acceptable code of practice, rules of conduct, and the responsibility of the researcher together with the standards of conduct of the concerned profession. This study adheres to the below ethical and standard principles of behaviour which are in line with the university's ethics requirements.

3.9.1 Permission to Conduct Study

Regarding ethical considerations, prior to conducting the study, the investigator obtained the ethical consent letter from the institution, which was signed by the supervisor to affirm the conditions to conduct the research. The researcher also sought permission from the institution wherein the research was conducted. Eskom was consulted because the study was conducted within its boundaries. Therefore, the permission from the institution (University of Venda) and Eskom as the means to grant consent to proceed with the research is then be included in this research as annexures. The above-mentioned institutions then had the responsibility to grant the researcher approval to proceed with the research in various targeted locations. The acquired letters then served as a sign of permission letter granted by the authorities to undertake research.

3.9.2 Informed Consent

It is deemed unethical to conduct a research study without the knowledge, willingness, and consent of the subject you are researching. This includes the fact that subject being investigated should not be forced to participate in anyway whatsoever in a study (Kumar 2014). Informed consent is viewed as a manner in which subjects are made fairly aware of the type of information and data the researcher is looking for, this may also include the reason why the researcher is looking for that information, the purpose it will serve, and exactly how the subjects are expected to participate in the investigation which also includes how the investigation will affect them directly and/or indirectly. The consent from the participants should also be voluntarily without any form of pressure with the freedom of pulling out from the study at any given time without fear (Kumar 2014).

The current research study made use of verbal and written consent to the participants prior to agreeing to participate and give information to the researcher, wherein participants also gave their consent in writing before any form of participation in the study is initiated. Patton in De

Vos et al (2011) emphasised that before and during engagements, the participants should be made entirely aware of the importance of information they are providing and made aware of the reasons behind the research. Furthermore, they added that participants should be legally and psychologically competent to be allowed to participate and give consent as they should be aware that they are at liberty to withdraw from the research at any given time. Taking part in the study should thus be out of voluntary basis and that participants should not feel coerced into taking part in any way.

In a situation wherein participants take part in a research study without their given consent, their self-determination right is somehow impaired which is the responsibility of the researcher to ensure that such situations are avoided at all costs. When the researcher overlooked this part, it jeopardises the value of the research and limits the broadness of the knowledge and information, thus it is the responsibility of the researcher to protect the participants. With reference to the above statement, the investigator will provide a written consent to those who will be willing to participate in the research, and further give verbal emphasis prior to the commencement of the participation to the study.

3.9.3 Protection from Harm

In the quest of conducting scientific research, it must be acknowledged that subjects can experience physical and psychological damage. It is, therefore, the responsibility of the researcher to look out for the subject dangers and guard against them. In some instances, participants are asked to reveal some of the personal information and confidential at some point, which makes them to feel uncomfortable at some point (Babbie, Mouton, Vorster and Prozesky 2014). However, respondents ought to be carefully updated in advance about the possible influence of the study. This then implies that the researcher has moral responsibility to defend subjects within all imaginable realistic restrictions from any form of physical distress that may emerge from the study project. Such material thus offers the participants opportunity to retract from the study if they wish.

For this reason, the researcher ensured that all participants were duly protected from any kind of harm and distress. Confidentiality was ensured as a measure of safeguarding participants identities and also as a measure to guarantee that their participation would never come back to haunt them in any way, professionally, socially or family wise. It is thus the responsibility of the researcher to minimise the risks and ensure that the harm and discomfort which may arise as a result of their participation in the study is not in any way greater than the ones they experience in their daily life. By so doing, if the way information is pursued creates unease or harassment, prevention steps will have to be taken immediately.

3.9.4 Right to Privacy

Privacy is the means of keeping some information to oneself and have the luxury of not sharing it with others as it is not intended to be shared or known by others (De Vos et al 2011). Right to privacy is a common right which every individual has the luxury to enjoy, it is also an individual right to decide when and to whom and to what extent they want to reveal the information. Every person has the ability to exercise their right to privacy, and it is up to them to decide whether or not to participate in a particular study and under what conditions.

The researcher during this study ensured that the privacy of all the participants were respected and kept safe, all the participants were made aware of their right to privacy beforehand and that they were at liberty of withholding information which they deemed appropriate not to disclose. Ensuring that participants information is safeguarded is of vital importance in a research study as it creates mutual relationship, trust and respect between the researcher and the participant. Personal information of participants was kept private to ensure the safety and confidentiality of the participants, only the researcher and the supervisor had access to the information of the participants which were treated with utmost confidentiality.

3.9.5 Anonymity and Confidentiality

Participants can only be said to be anonymous when they cannot be identified or matched with a response, anonymity and confidentiality implies that not only can you identify a participants against a response, but only the researcher and possibly few members of the research team have the liberty of knowing the identity of the participant, however they should make a commitment to be professional and keep confidential information confidential (Babbie et al 2014). Participants enjoy the luxury of determining the time, extent, and general circumstances under which private information may be shared with others or withheld, this study made a commitment to inform participants of the right to remain anonymous. In an attempt to ensure anonymity and confidentiality, the questionnaire and interview questions did not request the respondents to reveal their identity, only age, race and ethnicity will be required.

3.9.6 Publication of Findings

Scientific investigation and the findings have a common purpose of making an impact in its respective discipline with the view of being valid scientific research. De Vos *et al* (2011) state that the researcher is ethically obliged to ensure that the scientific investigation holds accurate proceeds and that the findings are not deceiving, most especially to participants. By so doing, participants may be informed about findings and publication of this study where necessary

without offering too many details than necessary which may jeopardise the study and impair the principle of confidentiality.

3.10 SUMMARY

The above chapter indicates the process and way the investigation took place, how it was conducted as well as the techniques which were used collect data and the research design. Several methods and techniques were used in the quest of conducting this investigation. Methodology of research is regarded as a tool which is used to carry out an inquiry which is designed to gather information from different respective sources. The researcher has his preferences on the type of data collection methods, the chapter also outlines the ethical considerations of the scientific research which needed utmost attention during the process of data collection processes. Therefore, study approach assists researcher in guiding him on how to go about collecting valuable and valid information to validate the research as to meet the academic requirements and standards. Stop

CHAPTER 4

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1 INTRODUCTION

This chapter presents, analyses, and interprets the collected data. These included data collected through questionnaires and face-to-face interviews. The total sample size was fifty (50) and from this total, forty (40) answered the questionnaires and ten (10) responded to face-to-face interview questions. This chapter comprises two sections which present the assessment of data collected by means of questionnaires and face-to-face interviews. In this sense, information gathered over questionnaires will be presented and calculated in a tabular form which will clearly show the frequencies and percentages that will be explained thereafter. Therefore, information gathered over questionnaires was presented, examined and translated using the Statistical product and Service Solutions (SPSS) version 28.0. Information collected over interviews was displayed in a thematic-narrative format and accompanied by a concise explanation of findings.

4.2 PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA COLLECTED THROUGH QUESTIONNAIRE.

In this part of the research, the investigator aims to bring about, interpret, and examine information which was gathered through the research questionnaires. The questionnaires which were distributed were constituted of two sections namely, the biographical details and the role, importance and challenges of governance facing Eskom as one of the largest and strategic South African SOEs. Both sections present the participants' views on the role of governance within Eskom.

4.2.1 Section A: Biographical details of respondents

This is the section where the investigator seeks to present the biographical details of the participants who participated in the research. The biographical details are vital to determine the type of participants' gender, age, educational background, and the position of employment. The biographical information is also important because it best helps the researcher in terms of how participants of different background view the importance of governance, its role and how various SOEs are being governed. However, it should be noted that participants should meet certain stipulated requirements so that they do not compromise the validity of the research. The analysis and interpretation are stated as follows:

Table 4.1 Gender of respondents

Item no.	Gender	Frequency	Percentage
1.	Male	17	43%
2.	Female	23	57%
	Total	40	100%

Table 4.1 introduces biographical details of the participants in terms of gender wherein it shows that 17 (43%) were males and 23 (53%) were females. The study used non-probability sampling wherein 50 questionnaires were distributed to participants. 40 participants managed to fill out the questionnaires and submit back to the investigator, meaning that the study achieved 90% of the targeted number of participants. In this regard, male participants completed 17 questionnaires and females managed to complete 23 questionnaires. The pattern of represents that there was no gender discrimination in terms of distribution of questionnaires and that all gender were fairly represented and given equal opportunities to participate in the study. However, the difference shows that females were more responsive as compared to their males' counterparts, but with a small percentage. It can be noted that the government through its SOEs is on the right direction when it comes to addressing the imbalances of the past in terms of women empowerment.

Table 4.2 Age of respondents

Item no	Age of respondents	Frequency	Percentage
1.	Less than 20 years	00	00%
2.	21 – 30 years	10	25%
3.	31 – 40 years	15	37.5%
4.	41 – 50 years	06	15%
5.	51 – 60 years	04	10%
6.	61 years and old	05	12.5%
	Total	40	100%

The above table is a presentation of biographical information of participants in relations to age, most participants who participated in the research were of the ages between 31 to 40 years with 15 respondents representing 37.5% of the participants who participated in the study. There were 10 respondents (25%) between 21 to 30 years, similar to that was ages between 41 and 50 years with 6 respondents (15%). The ages between 51 and 60 years were represented by 5 respondents (12.5%) while 61 years and above was represented by 7% of

the respondents. This also shows that Eskom has a representative demographic within its employ, it also shows that almost all the age groups are fairly represented.

Table 4.3 Level of position

Item no	Position	Frequency	Percentage
1.	Entry level	12	30%
2.	Middle management	08	20%
3.	Senior management	05	12.5%
4.	Technician	15	37.5%
	Total	40	100%

The study was comprised of four sets of participants in terms of the level of status they carry within Eskom. The majority of participants who took part in this research were employed within the technical area with 15 respondents representing 37.5%, followed by the entry level with 12 respondents representing 30% of the respondents. The middle level management was represented by 20% and the senior management with 5 respondents representing 12.5% of the respondents.

The rationale and selection of participants was chosen to have a fair balance and representation for data collection to have a fair sense to those who are at senior management and those at entry level as well as non-managerial positions such as technicians. The difference in number of respondents was as a result of a number of available personnel, in essence, technicians and entry level personnel are high in numbers as compared to senior management personnel.

Table 4.4 Educational qualification of respondents

Item no	Qualification	Frequency	Percentage
1.	Primary	00	00%
2.	Secondary	10	25%
3.	Tertiary	25	62.5%
4.	Other	05	12.5%
	Total	40	100%

Table 4.4 is a presentation of the biographical information in terms of educational qualifications of participants. The educational background of the participants was categorized from primary education to tertiary education and other which represents post graduate qualifications.

Majority of the respondents (25) hold tertiary qualifications which makes up 62.5% and 10 (25%) representing secondary qualifications and 5 (12.5%) of the respondents with other qualifications.

From the above data, it is visible that most of the employees have tertiary qualifications which can be deduced that the organization requires one to have a relevant qualification to be able to hold a position which puts the organization in a favourable position to succeed as most of its employees have relevant qualifications. The respondents with secondary education mentioned that they were doing their learnership which is a requirement to earn a diploma; this also tells that the organization has space for youth development and its community. It is also believed that gathering academic research data from educated participants helps the researcher to draw a sensible conclusion which carries more weight as educated people are able to give sensible and reasonable information which the researcher can work with.

Table 4.5 Tribe of respondents

Item no	Tribe	Frequency	Percentage
1.	Venda	15	37.5%
2.	Tsonga	10	25%
3.	Pedi	07	17.5%
4.	White	00	00%
5.	Other	08	20%
	Total	40	100%

The above table provides the tribes of languages of respondents based in the Limpopo province which was the study's setting. Therefore, the study was dominated by Venda speaking and Tsonga speaking participants. In this regard, the majority of respondents were Tshivenda speaking with 15 (37.5%), followed by Xitsonga speaking with 10 (25%), Sepedi speaking were represented by 7 (17.5%), White with 00 (0%) and 08 (20%) representing other. The study was dominated by Tshivenda and Xitsonga speaking because it was conducted in the Limpopo province wherein the population is dominated by Tshivenda and Xitsonga speaking tribes.

4.2.2 Section B: The role and importance of governance within SOEs

The following section is divided into four themes namely, the role and importance of good governance within SOEs, solutions to address political interference and good governance, relationship between communities and SOEs, and lastly the strategies that can be used to promote good governance within SOEs. Each category consists of five questions in which

respondents must indicate by means of choosing between strongly agree, agree, not sure, disagree and strongly disagree. This section is a representation of data collected through questionnaires.

4.2.2.1 The role and importance of good governance within SOEs

This theme is the presentation of data with relation to the role and importance of governance within SOEs, the data collected are used to see how good governance plays its role in the rebuilding of collapsing and financially troubled SOEs and instills investor confidence and citizen support. This theme, therefore, carries sub themes that assists in collecting the information that will help the researcher to be able to draw meaningful conclusion and recommendations that will be centered on the data and information collected across the sub themes. Therefore, data collected under this theme and its sub themes is represented in a tabular form below and accompanied by a short analysis and interpretation.

Table 4.6 Good governance promotes social and economic development of the communities.

Item no		Frequency	Percentage
1.	Strongly agree	13	32.5%
2.	Agree	20	50%
3.	Not sure	07	17.5%
4.	Disagree	00	00%
5.	Strongly disagree	00	00%
	Total	40	100%

Regarding the above statement in table 4.6, 20 (50%) of the respondents agree while 13 (32.5%) strongly agree with the statement. However, 07 (17.5%) stated not sure about the statement. Most participants agree with the statement, by so doing, it shows that if Eskom can improve the strategic governance, it is likely to bring about development in terms of socio-economic activities. Therefore, Eskom must consider consultation with relevant stakeholders to improve its strategy and good governance which will ultimately bring development to the various SOEs and community.

By so doing, it's also crucial for Eskom to implement the principles of good governance and also makes it a point that every official becomes aware of these principles and that they adhere to them so as to improve good governance and prioritize the basic needs of the community from the top. From the answers given by participants, it is believed that quality governance can indeed bring about socio-economic developments to the communities which will uplift the

local economy and boost employment opportunities. As a way of bringing about socio-economic development, Eskom can do that by means of ensuring quality and reliable electricity to the community which will ultimately pave a way for businesses to thrive.

Table 4.7 Good governance prioritizes basic needs of the community.

Item no		Frequency	Percentage
1.	Strongly agree	15	37.5%
2.	Agree	10	25%
3.	Not sure	07	17.5%
4.	Disagree	05	12.5%
5.	Strongly disagree	03	7.5%
	Total	40	100%

Table 4.7 indicates that 15 (37.5%) of the respondents which represents the majority strongly agree that when there is good governance, the basic needs of the community are prioritized. On the other hand, 10 (25%) agree with the statement that good governance values and considers the basic needs of the community, while 7 (17.5%) stated that they were not sure with the statement. By so doing, 3 (7.5%) strongly disagree whereas 5 (12.5%) disagree.

Most participants agree with the statement. However, there is still work to be done towards improving the status quo as there are still people who do not see the view that good governance prioritizes the basic needs of the community. This may be caused by a lack of good governance in various SOEs as other part of the community feels that good governance is not prioritized, and their needs are not highly considered. Those who are in power must ensure that Eskom brings value to the communities and that they must be accessible to all citizens as a way of ensuring that needs of the community are prioritized and that they are open for suggestions. Those that disagree state that they have an issue with endless load shedding; they further stated that if good governance means prioritizing the community, they were not going to be experiencing load shedding which highly disrupts their daily live and growing their businesses.

Table 4.8 Public officials use public resources for private gain due to absence of good governance.

Item no		Frequency	Percentage
1.	Strongly agree	16	40%
2.	Agree	12	30%
3.	Not sure	03	7.5%
4.	Disagree	01	2.5%
5.	Strongly disagree	08	20%
	Total	40	100%

Table 4.8 shows that most of the participants representing 16 (40%) strongly agree that public officials use public resources for their own private gain due to the absence of good governance. Other respondents representing 12 (30%) also agree that lack of good governance leads to the misuse of public resources. While 1 (2.5%) of the respondents disagree with the statement, and 3 (7.5%) said they were not sure, and 8 respondents who constitute 20% strongly disagree that public officials use public resources for private gain due to lack of good governance.

From the above table, it can be deduced that public officials do not only misuse the public resources because of the absence of good governance, but also because of the kind of officials they are. However, Eskom should improve the reporting system to safeguard its resources and ensure that public officials no longer misuse the public resources. Besides any given reason why people misuse organization resources, it still the responsibility of the government and affected organization to come up with strategies to recover stolen or misused funds in order to sustain the affected organization. There must be strategies in position to make certain that officials do not misuse the resources as it takes time and more resources to recover stolen ones.

Table 4.9 Good governance improves and maintain the well-being of the community.

Item no		Frequency	Percentage
1.	Strongly agree	17	42.5%
2.	Agree	10	25%
3.	Not sure	03	7.5%
4.	Disagree	04	10%
5.	Strongly disagree	06	15%
	Total	40	100%

Respondents Under table 4.9 making up 17 which constitutes 42.5% of participants strongly agree with the statement that good governance improves and maintains the well-being of the community. By so doing, 10 (25%) also agree with the statement, while 3 (7.5%) said that they were not sure about the statement. Whereas 6 (15%) strongly disagree, while 4 (10%) of the respondents disagree. However, it is still the duty of the national government alongside the board of directors to ensure quality of governance within various SOEs which will help improve and maintain the well-being of the community as well as ensuring that basic services are delivered timeously.

However, as much as not everybody can be for the government, the government has the mandate to serve every citizen of the country. The government must always strive to ensure that SOEs are sustainable and that they improve the wellbeing of the respective communities that they serve, for example, ensuring that they provide equal opportunities in terms of employment and ensure that there is good governance which looks out to maintain the well-being of the citizens and deliver basic services timeously. Good governance at Eskom also means that it ensures quality and reliable power supply to the public.

4.2.2.2 The solutions to address political interference and good governance.

This theme seeks to understand and find the solutions and strategies which can be used to address political interference and good governance within the public sector. This theme will help various SOEs and their BoDs to understand the root of political interference and address the solution to good governance while making sure that political interference is addressed within various SOEs. This theme also contains sub themes that seek to gather information on

how the respondents understand the issue of political interference and how it can be addressed to reduce its prevalence and improve the state of good governance within SOEs.

Table 4.10 There is openness and transparency in the governance of SOEs.

Item no		Frequency	Percentage
1.	Strongly agree	05	12.5%
2.	Agree	04	10%
3.	Not sure	08	20%
4.	Disagree	08	20%
5.	Strongly disagree	15	37.5%
	Total	40	100%

Table 4.10 shows that 15 (37.5%) of the participants strongly disagree that there is openness and transparency in the governance of SOEs, 8 (20%) disagree with the statement. Another 8 (20%) respondents stated that they were not sure if openness and transparency exists in the SOEs governance. Only 5 (12.5%) strongly agree that there is openness while 4 (10%) agree. When analysing the collected data, it shows that Eskom has a long mountain to climb in terms of ensuring openness and transparency within its activities. Many people still believe that Eskom's activities are being done behind closed doors and that the public deserves to be enlightened about those activities. Therefore, it can be suggested that the government has continuous communication which will ensure that SOEs projects are communicated to the public so that they know about ongoing activities within various SOEs, this might also help in ensuring integrity and accountability from officials as the community watchdogs will be aware of SOEs activities to make follow ups and criticise where necessary.

Table 4.11 Qualifications, industry experience and capabilities are highly considered when appointing SOE executives.

Item no		Frequency	Percentage
1.	Strongly agree	08	20%
2.	Agree	06	15%
3.	Not sure	03	7.5%
4.	Disagree	09	22.5%
5.	Strongly disagree	14	35%
	Total	40	100%

Table 4.11 shows 14 (35%) participants indicating that they strongly disagree with the statement that says that qualifications and industry experience are highly considered when appointing SOE executives. Other respondents making up 9 (22.5%) also disagree and 3 (7.5%) said that they were not sure whether qualifications and experience were considered or not. On the other hand, 8 (20%) strongly agree and stating that qualifications and industry experience are considered when appointing SOEs executive and 6 (15%) also agree. This then means that the appointment of SOEs senior managers must be transparent, and that qualifications and industry experience must be highly considered when appointing SOE executives. Ensuring that SOE executives hold relevant qualifications and experience also puts the organization in a favourable position to succeed and also attracts investors' confidence and citizen support as they can trust that the management are capable of driving the organization to a better future.

Table 4.12 SOEs are independent from the political arena to conduct their own affairs.

Item no		Frequency	Percentage
1.	Strongly agree	12	30%
2.	Agree	08	20%
3.	Not sure	06	15%
4.	Disagree	04	10%
5.	Strongly disagree	10	25%
	Total	40	100%

Table 4.12 indicates that 12 (30%) participants strongly agree that SOEs are independent from the political arena and that they conduct their own affairs. On the other hand, 8 (20%) also agree that SOEs are independent. While 6 (15%) stated that they were not sure if SOEs are independent or not. By so doing, 4 (10%) disagree with the statement while 10 (25%) strongly disagree with the statement by saying that SOEs are not independent from the political arena. With reference to the above data, the government together with SOEs must make it a point that they ensure the SOEs' independence and eradicate political interference in the daily activities of the SOEs. However, to ensure that Eskom is duly independent from politics, there will be a need for political reform as the SOEs are part of chapter 9 institutions which are political in nature and connected to the political arena through their reporting structure to the parliament. The government must be able to separate its ownership from management and let the management be independent by ensuring that they do not have political interest and not a member of any political party.

As much as Eskom is independent from politics and political interference, policy framework reform still needs to be addressed because Eskom is still in the center of politics because it is owned by the government which is controlled by politicians. The government together with Eskom must separate ownership from management and let the management do their duties without any ownership (government) involvement to ensure independence.

Table 4.13 There is clear legislative framework on how to deal with political interference within SOEs.

Item no		Frequency	Percentage
1.	Strongly agree	17	42.5%
2.	Agree	06	15%
3.	Not sure	02	5%
4.	Disagree	02	5%
5.	Strongly disagree	13	32.5%
	Total	40	100%

It is indicated on table 4.13 above that 13 (32.5%) state that they strongly disagree with the statement that there is clear legislative framework on how to deal with political interference. While 2 (5%) disagree and another 2 (5%) stating that they were not sure. On the other hand, 17 (42.5%) strongly agree and 6 (15%) agree that there is a clear legislative framework in place to deal with political interference. It is the duty of the state to make sure that this legislative framework is made public and ensure that whoever contravenes this framework is held liable for his/her actions. Eskom must also make it a point that its internal legislative framework is always up to date and that everyone that is employed in the organization is fairly aware of its existence and what it stands for.

4.2.2.3 Relationship between communities and SOEs.

This theme focusses on the relationship between the community and the SOE. It is envisaged that for the SOEs to be successful, they should have a good relationship with the communities to gain their support and instill confidence. It would be difficult for SOEs to deliver satisfactory services if the relationship between the service provider and the beneficiary is compromised. The data collected through this theme is shown in a tabular form below accompanied by examination and explanation.

Table 4.14 SOEs deliver their intended services to the community's satisfaction.

Item no		Frequency	Percentage
1.	Strongly agree	16	40%
2.	Agree	11	27.5%
3.	Not sure	04	10%
4.	Disagree	03	7.5%
5.	Strongly disagree	06	15%
	Total	40	100%

Table 4.14 presents 16 (40%) participants who strongly admit that SOEs always deliver their intended services to the community's satisfaction. While 11 (27.5%) agree and 4 (10%) indicated that they were not sure. On the other hand, 3 (7.5%) disagree with the statement whereas 6 (15%) indicated that they strongly disagree. It is the duty of the SOE to ensure that they deliver their intended services to the community's satisfaction timeously and the state must give full support and conducive strategies and environment for SOEs to excel. Although not everyone will be satisfied with the delivered services, the services rendered must be of quality and acceptable standards and ensure that every corner of the intended beneficiaries are well covered. Most respondents stated that presently, Eskom has not been delivering quality services and that its services have not been satisfactory as it was initially intended. The majority of respondents were mostly concerned about the issue of load shedding as they stated that it poses threat to their daily lives schedule and economic development.

Table 4.15 There is transparency and explicit public engagement procedures.

Item no		Frequency	Percentage
1.	Strongly agree	13	32.5%
2.	Agree	09	22.5%
3.	Not sure	07	17.5%
4.	Disagree	03	7.5%
5.	Strongly disagree	08	20%
	Total	40	100%

Table 4.15 indicated that 8 (20%) strongly disagree with the statement and 3 (7.5%) disagree, whereas 13 (32.5%) strongly agree while 9 (22.5%) also agree and 7 (17.5%) indicated that they were not sure. The SOEs must make it a point that there is transparency and explicit public engagement procedures and that everything that they do be made public to ensure accountability and transparency, but they must make sure that they do not compromise their integrity and confidential information. Although the majority believe that Eskom is transparent, the number of those who disagree is still a concern and that Eskom still has a mandate to be transparent as the public institution as well as making sure that there are procedures for public participation in place.

Table 4.16 There is public participation regarding SOEs activities and governance matters.

Item no		Frequency	Percentage
1.	Strongly agree	04	10%
2.	Agree	05	12.5%
3.	Not sure	10	25%
4.	Disagree	07	17.5%
5.	Strongly disagree	14	35%
	Total	40	100%

Table 4.16 indicates that 14 (35%) strongly disagree that there is public participation regarding SOEs activities and governance matters, and 7 (17.5%) also disagree. However, 10 (25%) stated that they were not sure, whereas 4 (10%) strongly agree and 5 (12.5%) agree that there is public participation regarding SOEs governance. Public participation strategies must be improved and communicated to the public so that they be aware on how to get their voice heard when it comes to SOEs activities. Eskom bears the responsibility to ensure that there are good public relations and that the community is well informed on how they can get involved whenever they are needed and that it makes them feel as part of organizational success. Public participation promotes sustainable governance and relationships with inclusive decision-making processes which seek to involve all the affected parties in the matter.

Table 4.17 There is clear structures and legislative framework for community participation.

Item no		Frequency	Percentage
1.	Strongly agree	06	15%
2.	Agree	04	10%
3.	Not sure	03	7.5%
4.	Disagree	10	25%
5.	Strongly disagree	17	42.5%
	Total	40	100%

Table 4.17 shows that 17 (42.5%) participants strongly disagree that there is clear structures and legislative framework for community participation while 10 (25%) disagree. On the other hand, 3 (7.5%) indicated that they were not sure, while 6 (15%) strongly agree and 4 (10%) agree that there is a structure and legislation for community participation. Looking at the above data, SOEs still need to improve the communication strategy and channel to make the public aware of the structure and legislation in relation to community participation. As a government owned entities and the fact that it's a democratic South Africa, the public has a right to be communicated the structures and legislations in relation to the participation channel and the ongoing activities of the SOE.

Table 4.18 Revenue and taxes income are used to render services to the communities.

Item no		Frequency	Percentage
1.	Strongly agree	12	30%
2.	Agree	08	20%
3.	Not sure	07	17.5%
4.	Disagree	06	15%
5.	Strongly disagree	07	17.5%
	Total	40	100%

Table 4.18 shows that 12 (30%) strongly agree that the states' revenue and taxes are used to render and improve services to the communities wherein 8 (20%) of the respondents also agree. On the other hand, 7 (17.5%) indicated that they were not sure whether the revenue and taxes are reinvested into bringing satisfactory service to the community. However, 6 (15%) disagree whereas 7 (17.5%) strongly disagree that revenue and taxes are used to render services to the community. The state needs to improve the strategy and system it uses to distribute the funds to the various SOEs and prioritizes those that have urgent and basic projects. The government should be open and transparent on how the revenue and tax collected are being distributed and utilised, government holds the responsibility to safeguard the state's resources and ensure equal distribution. However, Eskom still holds the mandate to ensure that the allocated funds are utilised and distributed evenly according to priorities and that all funds can be accounted for.

4.2.2.4 The strategies that can be used to promote good governance within SOEs.

This theme looks at the strategies that the state together with SOEs boards can use to promote good governance within various SOEs. This section will assist to gather information on how the public view the governance of SOEs and assist the SOE BoDs to identify the points where they might be failing and where they need to improve and prioritize; this theme seeks to come up with some solutions on how to address such issues. The data collected are therefore presented.

Table 4.19 The governance of Eskom is open and transparent.

Item no		Frequency	Percentage
1.	Strongly agree	08	20%
2.	Agree	06	15%
3.	Not sure	07	17.5%
4.	Disagree	10	25%
5.	Strongly disagree	09	22.5%
	Total	40	100%

About the openness and transparency in Eskom's governance, 10 (25%) respondents disagree that there is openness and transparency in Eskom's governance. On the other hand, 8 (20%) strongly agree, while 6 (15%) agree and 7 (17.5%) stated not sure. However, 9

(22.5%) indicated that they strongly disagree. Therefore, it is the duty of the organization to make sure that there is openness and transparency within its activities; this helps gaining the public confidence and attracts investors in the country provided there is openness and transparency. In simple terms, being open and transparent means that it is easy for the public to gain the information about SOEs activities, their plans for the community and the way they conduct their affairs. This also includes available information about ongoing projects as well as how the public can do business with SOEs in terms of tendering.

Table 4.20 Efficiency and accountability from public officials are improved.

Item no		Frequency	Percentage
1.	Strongly agree	10	25%
2.	Agree	09	22.5%
3.	Not sure	04	10%
4.	Disagree	09	22.5%
5.	Strongly disagree	08	20%
	Total	40	100%

Table 4.20 indicates that 9 (22.5%) agree that efficiency and accountability has improved amongst public officials, 10 (25%) strongly agree. Other respondents 4 (10%) indicated that they were not sure if there was an improvement or not. On the other hand, 8 (20%) strongly disagree and 9 (22.5%) disagree that there is improvement in efficiency and accountability. Most of the participants agree that there is improvement in efficiency and accountability of public officials, however, the number of respondents who disagree is still a concern and that the board together with the state must make sure that there is efficiency and accountability within the public sector. SOEs must strive to guarantee that they hold officials accountable for their actions, not being accountable for your actions can mean that whatever you do in your line of work which may lead to a loss means that it cannot be regained, and you will not be punished for your actions. By so doing, SOEs should also make certain that there are procedures in place to ensure that officials are held accountable and that they are effective in their line of work.

Table 4.21 There is equity between low and high class.

Item no		Frequency	Percentage
1.	Strongly agree	10	25%
2.	Agree	07	17.5%
3.	Not sure	03	7.5%
4.	Disagree	03	7.5%
5.	Strongly disagree	17	42.5%
	Total	40	100%

Table 4.21 indicated that 17 (42.5%) participants indicated that they strongly disagree with the statement that says that there is equity between low and high class. On the other hand, 3 (7.5%) disagree and 3 (7.5%) stated that they are not sure if there is equity between low and high class, whereas 7 (17.5%) agree and 10 (25%) strongly agree. It is the government's duty to ensure that there is equity between the low and the high class in the rendering of services within SOEs. Given the economic gap among the low and the high class in the Republic of South Africa, there should not be a gap of service delivery as citizens are deemed equal, by so doing Eskom should ensure fair and equal distribution of clean and quality electricity.

Table 4.22 Decision-making processes are open and fair to all citizens.

Item no		Frequency	Percentage
1.	Strongly agree	08	20%
2.	Agree	07	17.5%
3.	Not sure	05	12.5%
4.	Disagree	09	22.5%
5.	Strongly disagree	11	27.5%
	Total	40	100%

Table 4.22 stated that 11 (27.5%) participants disagree strongly that the decision-making procedure is open and fair to the public. However, 9 (22.5%) also disagree while 5 (12.5%)

indicate that they were not sure whether the decision-making process is open and fair or not. On the other hand, 8 (20%) strongly agree while 7 (17.5%) agree with the statement. Many of the participants indicate that the decision-making procedure of SOEs is not open and fair to the public, by so doing, the Eskom needs to ensure the public that their opinions are important and valid by implementing public participation strategies. They must create a platform which will be accessible to the majority of the public and engage where necessary.

Table 4.23 The rules of law are ensured within SOEs.

Item no		Frequency	Percentage
1.	Strongly agree	10	25%
2.	Agree	09	22.5%
3.	Not sure	06	15%
4.	Disagree	07	17.5%
5.	Strongly disagree	08	20%
	Total	40	100%

Table 4.23 outlines that 10 (25%) participants agree strongly that the rules of law are ensured within the SOEs, whereas 9 (22.5%) agree while 6 (15%) indicated that they were not sure if the rule of law is ensured within SOEs. whereas 8 (20%) disagree strongly while 7 (17.5%) disagree that the rules of law are ensured within SOEs. In this sense, Eskom and the board must make it a point that the rule of law is ensured within the organization. By so doing, they must also ensure that the executive management unethical conduct cannot go unnoticed and unpunished so as to ensure that there are laws in place designed to safeguard precious resources and the image of Eskom and the entire public sector in general. The Zondo Commission of Inquiry (ZCI) is an example that the national government as the owner of SOEs is trying by all means to ensure the rule of law within SOEs and make it a point that those who are implicated are brought to books.

4.3 ANALYSIS OF DATA COLLECTED THROUGH INTERVIEWS.

This section is the analysis of information on the data compiled over interview schedule on the governance of the South African SOEs. The study targeted 50 respondents of which 40 responded to the questionnaire and 10 answered the interview questions. The interview focused on the role of good governance within various SOEs with Eskom as a case study. The interview questions were motivated by the qualitative research study which the researcher

undertook as it provides detailed information on the study. The interview questions were open-ended which means that the participants were not restricted in their responses and that they could express themselves freely and that they could also give all the information on a particular matter which is of concern and related to the study. The respondents were interviewed independently and not as a group.

4.3.1 Question 1: What is the role and importance of good governance within SOEs?

Respondent one: *The governance role is to ensure that services are well supplied to society on behalf of the government to protect citizen's social economic rights. However, it is the responsibility of Eskom to ensure that services are being rendered to the community as well as ensuring that their governance structure is effective.*

Respondent two: *Good governance promotes socio-economic development of the communities and good governance improves and maintains the well-being of the community. In this sense, Eskom needs to make it a point that they promote socio-economic activities by means of providing electricity as a basic need which the community needs to live a better life.*

Respondent three: *The role and importance of governance is to attract international investments and improves the quality of life which subsequently leads to economic growth and improves public confidence. This then means that if Eskom ensures that they deliver quality services and prove to have quality governance within the organization, it can attract investors who will be willing and able to provide financial resources so that Eskom can sustain itself and avoid government bailouts.*

Respondent four: *Good governance within SOEs promotes public confidence and improve service delivery.*

Respondent five: *To safeguard the government's and SOEs resources and ensure equal distribution of resources.*

Respondent six: *Creates jobs, ensure reliability of service delivery, good leadership roles and the protection of employees' interests.*

Respondent seven: *It is important in safeguarding the SOEs resources and making sure that services are supplied timeously to the community.*

Respondent eight: *Corporate governance is crucial since it creates a structure of guidelines and practices that establish how the SOEs aligns its importance of all its shareholders. Quality corporate governance leads to principled business procedures, which subsequently leads to financial feasibility and less political interference.*

Respondent nine: *It is to make sure that there is good governance that promotes social and economic development of the communities.*

Respondent ten: *To ensure functionality and sustainability of the organization as well as ensuring that executives are held accountable for their decisions.*

Respondent 1, 4, 6 and 7 indicated that the role and importance of good governance within SOEs is to bring about continuous and satisfying service delivery. On the other hand, respondent 2 stated that in case where SOEs are led with good leadership and proper governance, they are most likely to promote socio-economic development. Respondents 3 and 5 believe the role of good governance is to safeguard equal distribution of resources, attract investors and boost community confidence in the SOEs which may ultimately lead to economic growth and the improvement of quality of life. Respondent 8 believes that quality corporate governance produces a practice of rules and procedures that can determine how SOEs can align its interest for the benefits of its stakeholders. Respondent 9 stated that the role and the importance of good governance is to ensure that there is good governance that promotes socio-economic development within the communities whereas respondent ten says the role of government is important to certify that there is sustainability and functionality within various SOEs. The state has a mandate to ensure that there is governance within the public sector to ensure that the public sector uphold to its standard and satisfactory service delivery.

With reference to the above responses, it can be deduced that governance performs an essential role in ensuring that the citizens' interests are safeguarded and that SOEs are being sustainable. Most of the respondents believe and understand that quality governance plays a huge role in service delivery and socio-economic development. It is thus believed that good governance role is to ensure that the organization is sustainable and is able to render quality services timeously without being biased and equally serve various communities regardless of their status.

4.3.2 Question 2: As the community, are you allowed to participate in matters relating to the governance and decision-making process within SOEs?

Respondent one: *No, we are not given a platform to participate.*

Respondent two: *No, there is no public participation relating to decision-making processes within SOEs.*

Respondent three: *Yes, but the accessibility to participate in governance and decision-making processes is limited.*

Respondent four: *There is not adequate participation from the community in matters relating to governance and decision-making processes.*

Respondent five: *Not sure, have not heard of such participation and no idea how it works. Measures might be there in paper, but the reality proves otherwise.*

Respondent six: *No, community participation is mostly handled by community leaders.*

Respondent seven: *Not directly, but through lobbying and bargaining groups, that's how we exercise the platform of public participation in SOEs decision making processes.*

Respondent eight: *No, the community is not allowed or is not involved in the governance and decision-making processes within the SOEs.*

Respondent nine: Yes.

Respondent ten: *There are no direct public participation that I know of.*

Respondent 1, 2 and 6 indicated that there is no direct way for public participation in the decision-making activities within SOEs and that there is no platform for their input to be heard and considered as the public. Respondent 3 indicated that they are allowed to participate but that the accessibility to participate is very much limited on the public. While respondent 5 indicates that they have not heard of such platform, respondent 4 and 7 stated that there is a lack of communication in this regard and that the only way they know how is through lobbying and bargaining. Respondents 8 and 9 also state that there is no community involvement in SOEs affairs. Respondent ten also stated that there are no direct public participation structures. This then proves that the government must improve its communication strategy and process of public participation within SOEs.

As a democratic country, the public has a right to participate in the SOE activities, however, most of the respondents show that they are not aware of the platforms wherein they can participate in the activities of SOEs, by so doing, it is also the responsibilities of the citizens to equip themselves with that knowledge and SOE to ensure they are accessible.

Public participation opens the door to promote sustainable relationship and ensure inclusive decision-making by means of considering the needs and interests of the community at large, including those of the organization in question. It is also believed that public participation somehow portrays a crucial part in developing public trust within public officers and the entity which ultimately enhances the excellence of policy making and the decision-making processes. Ensuring public's involvement in the planning and service delivery also close the gap in the quest to achieve various objectives such as socio-economic development in terms

of community members sharing their skills, knowledge and experience they encounter as inhabitants and beneficiaries of SOEs.

4.3.3 Question 3: What can be the solution to improve good governance within SOEs?

Respondent one: *In order to improve SOEs business model and procedures must be reformed to allow citizen engagement in decision-making while excluding any political interaction.*

Respondent two: *Qualifications, industry experience and capable skills must be highly considered when appointing SOE executives. There must be openness and transparency in the governance of SOEs.*

Respondent three: *To suspend and fire the corrupt officials will be the solution and ultimately bring the service delivery to the areas of demand.*

Respondent four: *Transparency, accountability, competency, and proper managerial skills and personnel within SOEs.*

Respondent five: *Transparency, accountability and transformative leadership can help achieve good governance within SOEs.*

Respondent six: *Allocation of funds to prioritized projects, improved background checks to strengthen the legal system.*

Respondent seven: *Appointing managers through merit, implementing a system of holding managers accountable for their actions, openness and transparency.*

Respondent eight: *Develop corporate governance frameworks aimed at strengthening good governance. Equip SOE boards, together with state candidate and individual associates, prepare government officials of state ownership entities and line ministries. Design and implement SOEs director training and certification towards management and governance.*

Respondent nine: *By means of making sure that there is clear legislative framework on how to deal with political interference within SOEs.*

Respondent ten: *Transparency, accountability and safeguarding that executive are well equipped with relevant experience and qualifications.*

Respondents 1 and 6 believe that for SOEs to improve, there must be a business model reform which will allow citizen engagement and exclude political interaction which will ultimately prioritize the allocation of funds to relevant projects and department. Respondent 2 and 7 on the other hand indicated that the qualifications and industry experience of candidates must be prioritized when recruiting and appointing SOEs leaders and managers, this then means that

managers should be appointed based on merit rather than political affiliations. By so doing, SOEs leaders must have limited political affiliations and interests. Respondent 3,4 and 5 indicated that transparency, accountability and competency should be highly considered to improve SOEs governance as well as dismissing those that are found guilty of wrongdoing whereas respondent ten states that transparency, accountability and relevant experience and industry qualifications can somehow be the solution to improve good governance.

Majority of respondents shows that they were more concerned with the suitability of top officials occupying the office, they believe that having the more qualified personnel will improve the good governance and bring about quality services. Policy reform was also a concern as some respondents mentioned that they would like to see a change in how things are done in the public sector, they stated that transparency and accountability can be the solution to improving good governance. The Eskom Integrated Report (2021) indicates that the organization has assigned accountability measures through delegation of authority and framework which guides officials' activities and ensures that every decision is accounted for. Through its report, Eskom has reported that it has conducted over 383 lifestyle audits amongst its executives wherein 34 suspicious cases were sent to the Special Investigating Unit (SIU) for further investigation and 8 were brought back to Eskom for disciplinary action in which 1 led to resignation. This then shows that Eskom does not take the issue of good governance lightly and that it is committed to restore the dignity of the enterprise and bring about quality service and good governance.

4.3.4 Question 4: What are the mechanisms which the government can employ to avoid political interference within the governance of SOEs?

Respondent one: *Hire decision-makers with backgrounds or experts in economics, business, accounting, and law on two-year contracts to prevent corruption and further exploitation of the SOE company with each providing a yearly report.*

Respondent two: *Efficiency and accountability from public officials must be monitored. Decision-making processes must be open and fair to all citizens.*

Respondent three: *The promotion of transparent public-private processes and continuous engagement with private organizations.*

Respondent four: *Legislative frameworks, appointment of non-political individuals, improved security systems to protect high government officials.*

Respondent five: *Clear form of principles, ethical codes and independence of the board.*

Respondent six: *Continuous engagement with stakeholders and the involvement of consultation with legal experts.*

Respondent seven: *Ensure that the board is independent, having an annual reporting system about the activities and progress of the institution.*

Respondent eight: *Allow SOEs to be governed by the independent boards that will only account to the Public Enterprise or the Deputy President.*

Respondent nine: *Implementing a strict disciplinary hearing for those who are found to be on the wrongdoing and unethical behaviors.*

Respondent ten: *Ensure that executives have relevant experience with industry qualifications and ensure that they are not affiliated with political parties.*

Respondent 1 stated that SOEs managers must have relevant expertise in economics and business management related field, implement performance-based contracts to prevent corruption and further exploitation. Respondents 2 and 7 indicate that SOEs board must be efficient and independent from political pressure and space. While respondent 3 and 4 state that the government must promote transparent public service with public-private processes with annual reporting system which will outline the activities and progress of the institutions. Respondents 5 and 6 state that there must be a clear form of governance principles and continuous engagement with stakeholders whereas respondent 8 and 9 suggested that there must be strict disciplinary measures and that executives must have relevant experience and industry qualifications. The government must therefore improve the legislative framework in relation to SOEs and implement a strategy which will allow them to appoint non-political individuals.

Having top management individuals who do not have political affiliations and connections can be a good start. Majority of respondents stated that SOEs need to have a political framework which can be used to separate SOEs from the political arena and ensure that officials don't feel the pressure to attend to political and politicians' interests but those of the SOE and the citizens. However, Eskom has mechanisms in place through the Audit and Risk Committee (ARC), the mandate of the committee is to ensure that all the activities of Eskom are overseen and question all the suspicious and wrongdoing activities which might put the image of Eskom in jeopardy. Eskom must also give some assurance to the stakeholders and the community that they care and are aware of their concerns by means of appointing executives according to merit not by favorable.

4.3.5 Question 5: What are the causes of political interference and how it affects good governance and service delivery within SOEs?

Respondent one: *Most political parties intervene in order to gain more power and public trust. SOEs are not hesitant to act on political opinion because they frequently forget that they are a business not a political business causing them to make decisions influenced by political parties.*

Respondent two: *interference is caused by conflict of interest and also everyone wants to exercise his/her powers within the SOEs without considering that it will be the communities that will suffer by their consequences.*

Respondent three: *unfair procedure and processes of government projects, greediness of financial from the project coordinators.*

Respondent four: *Political interference poses influence on individual capacity and the ability to perform certain duties which may results in political favors and political gains.*

Respondent five: *Corruption and political connections, once the management becomes corrupt and govern to please their political connections, service delivery tends to get affected negatively.*

Respondent six: *Lack of transparency.*

Respondent seven: *Appointing board members and managers with high political interests, affects good governance by means of managers fulfilling political agendas before SOEs and community's interests.*

Respondent eight: *Corruption, greediness, and the need of power. Political interference also causes a delay in the service delivery and consequently impose a negative influence on the governance of any SOE leading to a compromised quality of service or product offered.*

Respondent nine: *In most cases, it is caused by official not getting enough compensation according to their expectations.*

Respondent ten: *Power hungry politicians causes political interference and that it affects governance by means of corruption and delays service delivery as a result of lack of accountability.*

Respondent 1, reported that, most of the political parties which intervene on day-to-day management of SOEs do so because they want to gain public interest and trust, respondent 2 added that interference is usually caused by conflict of interest and that every political party wants to exercise their powers within SOEs without considering the public interests.

Respondents 5, 6, and 7 indicate that corruption and political connections perform a massive part in the SOEs bad governance which negatively affects service delivery. Respondent 3 and 4 show concern of unfair procedures and processes of SOE projects and that political interference poses threat to individual capacity and ability to perform at their best. Respondents 8,9 and 10 on the other hand state that political interference and corruption is the result of greediness, lack of sympathy, not enough compensation and power-hungry politicians.

Lack of transparency also hinders the development and consistency of SOEs and the fact that board members and managers are appointed with regard to their connectedness rather than the ability to deliver results. Majority of the respondents believe that political interference is as the results of appointing executives who are affiliated with politicians in power as well those who have political connections somehow. Having political interference can also be caused by the connection between the political arena and the SOE, most politicians use SOE as the weapon to fight political battles which puts the SOE in a vulnerable position for political interference. SOEs must be separated from the political arena by means of policy reform and revisit the framework to ensure that executives do not have any political affiliations and that they duly qualify to occupy those positions.

4.3.6 Question 6: how does political interference affects the management of the day-to-day activities within SOEs?

Respondent one: *SOEs fail to implement new ideas and strategies that will benefit communities because they are focused on improvised strategies and ideas brought by politicians who are usually unaware of daily operations of the SOEs.*

Respondent two: *The management no longer prioritize the promotion of social and economic development of communities.*

Respondent three: *It affects the public trust and results in reduced community participation in government programs. There is no good governance to improve and maintain the well-being of the community.*

Respondent four: *The involvement of different political agendas results in a corrupt state whereby state resources are not properly managed and distributed.*

Respondent five: *Managers and board members govern the institution at the interest of their political affiliations and not that of the SOE and the public.*

Respondent six: *Leads to improper resource management of SOEs which impacts the management of service distribution.*

Respondent seven: *Most of the managers business decisions are clouded by political affiliations and that they cater first for their political alias before community interests.*

Respondent eight: *It affects the management badly because, the management is unable to carry out their fiduciary duties as they are supposed to, this can be because of fear that is instill and stirred by powerful politicians.*

Respondent nine: *Political interference affects service delivery and that it prioritizes the needs of politicians at the expense of the community's needs.*

Respondent ten: *By means of delays in public service delivery and failing to prioritize the most vital issues affecting the communities.*

Respondent 1 states that the impact of political interference is that SOEs fail to implement new strategies and ideas while respondent 2 states that the management no longer prioritize the promotion of socio-economic development. Whereas 3,4 and 5 were concerned that political interference affects public trust and result in reduced public trust, political agendas shift the state resources to a point where they are not well managed and distributed, the interest of the public are not considered enough to be prioritized. Respondent 6 and 7 on the other hand states that political interference in daily administration leads to improper resource managing and that manager business decisions are clouded by political affiliation and politician interests. Respondent 8, 9 and 10 on the other hand states that political interference distracts the management to carry out their mandatory duties, affects quality service delivery and ultimately delay service delivery.

Political interference poses danger to the smooth management and sustainability of the organization and that this results in corrupt activities which distract the daily operations of the organization. Majority of the respondents were concerned about quality service delivery as the result of political interference. Eskom needs to ensure that they have appropriate policy frameworks in place for consequence management in terms of addressing the political interference within its management. Political interference also causes SOEs inability to execute their duties and deliver quality services.

4.4 Internal Challenges

The foundation and the degree of governance challenges in well-developed countries and developing countries differ; the governance solutions aiming at minimizing the expenses of governance associated losses also differ. The solutions to good management and governance require e an optimum combination of internal and external instruments of addressing such challenges (Zattoni & Judge, 2014). Well established economies and emerging economies somehow possess equivalent sentiments when it comes to the fluctuations in commercial

environment, social, governmental, and legal institutions as they carry a profound influence on the progression of firm-level governance instruments and their effectiveness.

Eskom as one of the South African SOEs is also facing distinct corporate governance and leadership challenges. According to Corrigan (2014), the South African corporate governance challenges include the politicization of board appointments, maladministration, and continuous under performance which strongly impacts on SOEs contribution towards public service performance and economic growth. This section will provide the five critical governance challenges surrounding African countries.

4.4.1 Corruption

In almost every aspect and facet within the African continent, we are most likely to come across a little trace of corruption and maladministration, by so doing, many scholars believe corruption remains the highest threat in the achievement of good governance and effective institutions as well as socio-economic development in Africa (Idowu 2020). Links and Haimbodi (2011) admitted that corruption involves the behaviour by which officials occupying the public office, whether as a politician or civil servant inappropriately and illegitimately enhance themselves and/or those around them by misusing the public power entrusted to them.

In the South African context, the establishment of basic amenities such as public health, water supply, transport, and electricity are provided through various strategic SOEs. Unfortunately, a record number of the South African SOEs have been subjected to state capture, poor governance, and corruption. As a consequence, the South African Gross Domestic Product (GDP) has at present been pegged below 2%, which is not favourable for the country's justifiable progress (Madumi 2018).

Since the attainment of African independence from their respective colonizers, the continent has been far behind in terms of infrastructure development, humanitarian with a high rate of unemployment and poverty which Idowu (2020) asserted as nothing but uncultivated deviation of communal resources by those who have been entrusted with the duty to administer and bring about good leadership within their respective institutions and build accountable governance with integrity. On the other hand, links and Haimbodi (2011) are of the opinion that in economic theory, there is a morality that refers to the practice that single party takes a risk and decisions for which when it fails and backfires, the next party takes the blame.

In most parts of Africa, shifting the blame has become a greatest challenge and the characteristic of the public sector in and around SOEs. It is believed that many governments in Africa are continuously using taxpayer's money to bail out SOEs because of not showing profit and maladministration. SOEs are overwhelmed by fruitless expenditure and bad

decisions making together with weak management and poor planning (Links & Haimbodi 2011). Like the South African situation, Namibia is one of the exemplary countries which is also being hit by maladministration and moral hazard within its public sector and SOEs. Links and Haimbodi (2011) added that parastatals such as the Namibian Broadcasting Corporations, Air Namibia, Transnib Holdings, National Petroleum Corporation of Namibia, just to name a few have all fallen a victim to normal hazard. This is because of incompetent BoD who have steered public institutions to unlikely recoverable losses which the state was left with no choice but to pick up and take responsibilities.

Like any other African country, the reality of Namibian SOEs together with public officials' employment processes and that of senior management positions are politicized and that appointments are not being decided on merit but rather on popularity. The situation is thus political, in most cases, personal affiliations and connections have proved to have trumped industry experience, skills and expertise in as far as the appointment of SOEs directors and CEOs is concerned. The threat of corruption in the African region has overtaken and dominated most of the state institutions, it has thus made it difficult to interact within any public space without having to get subjected to some sort of bribe. Politicians who happen to have the upper hand and get into public office usually steal from the public to enrich themselves and sometimes deposit the money into offshore accounts (Idowu, 2020).

4.4.2 Leadership Challenges

Whenever the discussion between government and governance comes to the fore, the concept of leadership cannot be left out. Somewhat along the way, leadership and good governance are intertwined. In most cases, good leaders who happen to have great leadership skills should possess a reasonable trait of personality, self-control, intelligence, and great vision. In a country where its leadership happens to lack one of the above attributes, its governance is most likely to be subjected to governance challenges wherein its public institutions are most likely to fail (Idowu 2020). In this instance, being a leader of a country requires valuable skills which will enable the leader to influence public servants together with civilians that the country can be successful and achieve good governance.

In a time where the African continent is hit hard by the leadership challenges and governance failure, a good leader is perceived as a servant who is always ready and willing to serve the people of his/her nation selflessly which means that being preoccupied with tasks of building the nation assigned to him/her to deliver as expected.

In the 21st century years, African states need transformational leaders with great vision and foresights who will be able to execute visions for the greater good of their citizens and inspire their subordinates. By so doing, great and visionary leaders manifests wisdom by ensuring

that those around them are inspired and that they can learn from them to be the better leaders themselves (Folarin 2013). African countries need leaders who can extraordinarily perform to bring about great results with eagerness to find solutions which can resolve problems facing the humankind.

According to Folarin (2013), most of the politicians occupying leadership positions in Africa have a consumer perspective whereas Africa needs a leader who is production driven to be able to bring meaningful changes and fortune enjoyed by the western countries. Even after decades of gaining independence, the prospect of leaders in Africa continues to face serious capability questions for their leadership positions based on their visible state poor performance. In a broad extent, leaders from Africa seem to show an absence of decisive and charismatic leadership which is highly crucial to steer good governance, socio-economic recovery, and radical development which seems to have overwhelmed the continent within its SOEs and the public sector.

4.4.3 Insecurities

For quite some time, the government and governance of African states have been faced with public insecurities as a major challenge. According to Idowu (2020) it has been reported that African states have been investing more funds and time addressing the issue of insecurities which it is believed that it should have been spent on the socio-economic development. With special attention on the critical sectors for better development and good governance, sectors like health, education, and infrastructure development deserve much better attention in terms of investments which is somehow vice versa as Africa invests more on the security issues.

African countries are in a real need of the deployment of huge and expensive resources to address the security issues to achieve the set goals of political and socio-economic development. The sense of insecurity poses' negative impacts on the governance of public institutions wherein it is linked with the governance failure. In cases where states are failing to provide basic needs for their citizens such employment opportunities, quality education, and healthcare facilities, the citizens tend to threaten state security by blaming poverty, neglect and marginalisation which manifest governance failure (Idowu, 2020).

The African continent is also dominated by various sorts of crimes and provides a home to some terrorists' groups, for instances, the Boko Haram, Islamic state of West Africa (ISWA), Al Qaeda, Abductions, and farmer's hatred and violence. The visibility of governance failure subsequently makes it easy for terrorists to recruit members as they use state's failure to provide for its citizenry as a weakness. Looking at the dominating and impoverished families and a skyrocketing number of children out of school due to different reasons, terrorists find it easy to recruit young people and resources against the state that has failed them. The

oppressive and greedy manner of leaders in Africa has somehow led to some sort of conflict coupled by ethnic crises on the region (Idowu, 2020). Also, threatening of removing the government in South Africa through mobilisation, looting, vandalising and violence in the country proves insecurities and lack of good governance.

4.4.4 State Capture of Relevant Institutions

The strategic capture of relevant institutions has been the pressing issue taking the forefront in various African states governance failure. SOE were designed and established with the purpose of bringing about critical services with other institutions implemented to work as regulators of the government, i.e., Courts. Various leaders in Africa continue to coerce, oppress, and misuse these establishments which ultimately forces the government to implement progress motivated and open-minded ideas and policies (Idowu, 2020).

The South African SOEs are faced with various corporate governance challenges which are unique in comparison with other African states. This does not spare the politicisation of the appointments of board members, maladministration as well as the pandemic of underperforming personnel within the public sector (Corrigan, 2014). These challenges somehow contribute highly in a negative way towards the performance of the public sector which ultimately paints the government as lacking values and discipline. In the presence of good management and leadership, even the lowest economies are able to grow and strive because of the influence of the leader. Currently, South African SOEs are subjected to public scrutiny because of the inability to sustain their finances and uphold their public service delivery mandate (Chigudu, 2020).

The general civil society together with media have the responsibility in their hands to safeguard and put pressure on the government by means of fuelling criticisms on the government policies which they don't agree with and anti-people and anti-development however, in the contemporary Africa, most of the people in power to influence the public and government to make sensible decisions and policies have been pocketed and that leaders are influential in such a way that they make it difficult for the general public to correct their wrong. The leaders systematically position the institution in such a way that private interests find a way to significantly influence the government's decision-making procedures for their advantage (Idowu, 2020).

4.4.5 Democratic Erosion

The African continent is dominated mostly by democratic states, but however, Idowu (2020) believes that most of the African leaders are in reality practising autocratic leadership while hiding behind the notion of democratic government. For a longest time, the African continent has been denied the opportunity to experience proper and good governance because of the

double action perception of the African leadership and management style of state enterprises. Separation of powers, and constitutionalism has proved to have been visible gross abuse by those in power and the leadership as they seem to have found a loophole in the rule of law. In most parts of the continent, the law has been seen to have been established for the underprivileged and the commoners while the privileged officials and highly powerful individuals remain on the glance over the rule of law and in most cases go scout free. In almost every country in Africa, office-bearers are seen violating court instructions and going in contradiction of the law every opportunity they are presented with (Idowu 2020).

4.5 SUMMARY

This chapter offered the analysis, and interpretation of information collected through questionnaires and interviews. This analysis was based on the questionnaires and interviews completed by research participants and the participants were made of Eskom employees chosen using the non-probability sampling. The participants were made of entry level employees, middle management, senior management and technicians. The information collected through questionnaires were analysed and stated across a tabular form whereas data collected through interviews was analyzed using the thematic narrative data analysis. Chapter four split into two sections wherein the section one presents the data collected through questionnaires and the second section which presents and interprets data collected through interview.

The information accumulated indicates that there is a lack of good governance within various public enterprises in South Africa and that most of the SOEs are the victims of political interference and corruption. The study also revealed lack of transparency, accountability, public involvement in the governance of SOEs, as a results, public service delivery is found to have been hindered as there is clear evidence of poor governance and corruption.

This section also revealed that lack of good governance leads to poor service delivery and that Eskom is the victim of poor governance and that there is not enough transparency within the executive activities and decision making which affects the livelihood of the community. Lack of good governance within Eskom is understood to have been instigated by political interference, corruption and the lack of relevant experience for executives. In the past few years, Eskom has been experiencing financial problems which led to the entity pleading to the national government for bail out and ultimately led to countless load shedding as a result of failure to maintain some substations which led to some substations being overburden and needs some rest in which the solution was load shedding.

CHAPTER 5

FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

5.1 INTRODUCTION

Academic investigation studies should include findings since they are crucial in demonstrating that the research goal and objectives were met. In South Africa, there are several types of SOEs, all of which have an imperative part to play in the state's economic and social development, social justice, and poverty reduction. They were founded with the goal of bettering the lives of citizens, building infrastructure, strengthening, and enhancing the country's socioeconomic situation.

As the majority shareholder, the government plays a crucial role in ensuring that state-owned firms fulfill their primary commitments and provide high-quality services, facilities, and platforms to address the country's economic and social concerns. Furthermore, the government must set regulations that allow state-owned firms and the government as a whole to function correctly and produce favourable investment results.

Eskom is one of the country's largest strategic public enterprises. This research explains the background of SOEs and their strategic role in guaranteeing the distribution of high-end quality services to all South Africans. As many governments seek accountability and good governance to enhance citizens' lives, the perception of quality corporate governance is at the forefront of Africa's key priorities. On the other side, corporate governance, is still a work in progress with numerous flaws that demand the full attention of the government. Consequently, the study's discoveries, recommendations, and conclusions are described below.

5.2 DISCUSSIONS

The multiple issues faced by SOEs, most notably Eskom, are mostly the result of both external and internal factors, according to this study, which focused on the internal governance and management role of South African SOEs. The most concerning internal element is a lack of excellent transformational leadership, as well as a lack of accountability and ethical misbehaviour. Administrative and management issues demand special attention, as they appear to be a major internal problem in several SOEs.

External causes, on the other hand, can be related to complex legislation, politicized executive appointments, and state involvement. The state being the owner of SOEs, board of directors, senior executives, political intervention, and the legislative framework governing SOEs will all be covered in this section.

5.2.1 State as the owner of Public Enterprises

The government created the public enterprises as legal entities and are registered under the Companies Act 2008 (Act 71 of 2008) with the aim of engaging in commercial activities on while representing the state. The state created these enterprises bearing the primary goal of providing affordable service, e quality and reliable products timeously to all citizens of the country with the aim of improving their lives for the better. In other words, State-Owned Enterprises (SOEs) are government-controlled businesses that are meant to engage in specific profitable activities so that they can sustain themselves and not financially depend on the government. They may be entirely or partly owned by the government.

Being the owner and largest shareholder of SOEs, the government has the authority and responsibility to make it a point that they achieve their standards, purposes and that they are effective, efficient, and accountable. The state must appoint an independent task force to oversee the ethical conduct of SOE executives, management, and leadership; in doing so, the SOEs must be given powers and independence to operate outside of the state and politics while remaining under the control of the state as the owner and shareholder.

However, in order for the state and SOEs to achieve its goals and provide residents with sufficient services, growth, and value, the state designs and creates a strong purpose and mission adapted to the unique SOE and linked to the intended outcomes and societal goals. To possibly attain these goals, timely communication between the owner being the state, the board of directors, and managers are required. In essence, active ownership and management requires individuals in those roles, such as the board of directors and leadership, to meet the '4 Cs' standard, which PWC (2015) defines as clarity, capacity, capability, and commitment to integrity. Furthermore, the current state of affairs.

It is also believed that when SOE fails, it is the state that fails. By so doing, it is still within state's power to ensure that Eskom succeeds in its quest of providing quality and reliable electricity. During the 2016 'State of the Nation Address' (SONA) as reported by Fin24 (2016), the then President Honourable Jacob Zuma announced that South Africa will never experience load shedding again as he stated that the country has in its position a large reserve of surplus energy to sell. However, in 2021 Eskom again announced that the country will be going to stage 4 of load shedding the reason being that the power utility could not keep up with the demand. President Honourable Cyril Ramaphosa then announced that the government has a plan in place to assist the power utility to curb load shedding and ensure energy security as reported by Daily Maverick (2021). These announcements prove that the state is the owner of these enterprises and whenever things go wrong, the public will turn to the state and not the Eskom, therefore the state needs to play its role accordingly.

5.2.2 The Board of Directors

In terms of achieving corporate governance, the board holds a critical and important role in the management and implementation of corporate governance. The board of directors' role and significance should not be underestimated, as its presence can ensure the success and financial well-being of Eskom. In most situations, the responsibilities of overseeing and ensuring that company's management processes, objectives, and vision, as well as the principal interests of the owners and stakeholders is well under the board.

In recent years, it has been discovered that the Eskom board of directors has been adversely impacted by sovereignty, which has a detrimental impact on its efficiency and effectiveness as an autonomous institution due to its vitality and corporate governance. To maintain efficiency, the study found that the board of directors, together with managers' capacity to evaluate questionable agreements from afar and across the management, should be reinforced.

Ultimately, Eskom resulted in acting out of the political interests instead of the interest of the company and the targeted beneficiaries. Eskom is in a challenging position to enforce accountability and ethical behaviour due to the political influence of top executives and other prominent positions. The board of directors' appointments, which appear to lack industry experience and unrelated qualifications, appear to jeopardize the board's and the institution's credibility.

According to the State of Capture Public Protector's Report No: 6 of 2016/17, the Eskom board's actions appear to be purely for the advantage of Tegeta in granting contracts to them and so funding the purchase of low-quality coal and is thus in serious breach of the PFMA. Eskom's board looks to have been appointed inappropriately and in violation of the King report on good corporate governance. The Minister of Public Enterprise, as a government shareholder, appears to have taken no action to avert these potential conflicts.

Eskom's corporate governance was identified as having weak connections after a thorough examination of the company's many elements. Eskom's board of directors was discovered to be made up of a limited number of persons, including unethical individuals who are almost always eager to engage in unethical and fraudulent operations. This appears to be the beginning point for Eskom's failure to attain excellent corporate governance in some cases. To guarantee that suitable corporate governance principles and norms are in place, Eskom's existing policy of checks and balances to support and sustain strong corporate governance must be made functional and effective. Eskom's board of directors has been identified to be surrounded by bad leadership and a lack of accountable and responsible leadership that does not appear to care about the company's financial sustainability or integrity.

This claim is supported by Eskom's Financial Report (2019), which found that Eskom's financial situation is not looking good for a company of its size and nature, as it appears to have deteriorated in recent years under the same board's leadership, albeit slightly, which is highly unacceptable for a company like Eskom. Given that most financial metrics are worse in 2019 than in 2018, the company's financial performance demonstrates a pattern of poor financial control. In large organizations, signs of effective leadership are viewed as a critical aspect in reducing unnecessary spending and maintaining proper financial control. As a result, establishing appropriate governance frameworks within SOEs is critical and effective.

According to Garth Theunissen of Business Day on Thursday, November 4, 2021, Eskom has launched a lawsuit against Deloitte for R207 million in order to recoup fees from exaggerated consultations to the international accounting and auditing corporation, which Eskom claims were the consequence of 'pure corruption.' Deloitte was able to avoid a court battle by paying Eskom R150 million in March 2020, but on November 2, 2021, Eskom stated that it has selected Deloitte as its external auditor to replace Grant Thornton, whose contract was set to expire at the end of November 2021. This action was labelled as pure corruption from the part of Eskom board, management and that of Deloitte in which the Deloitte Africa CEO states that he was not aware that the process was flawed. It is also believed that both parties could've acted better, most especially Eskom whose interest is for the public.

5.2.3 Top Executive Management

Over the last few years, Eskom's senior executives and management have spent most of their time cultivating personal and political relationships before investing and putting more effort into the company's growth. It should be stressed, however, that corporate governance systems should not be utilized just to avoid unethical management behaviour; instead, ethical codes of conduct should be established to deal with top executives' and management's ethical wrongdoing. The Zondo Commission of Inquiry into State Capture, which found that Eskom had inappropriate coal contracts with suppliers claimed to have had personal links with the officials.

Eskom's net worth fell by R20.7 billion after tax in earnings in 2018 because of management's deficiency of commitment, on the other hand, depreciation and salaries totalled R2.3 billion (Eskom Financial Report, 2019). The study revealed that Eskom's senior management has suffered as a result of lack of integrity and political relationships in recent years, as has the establishment of the Zondo Commission of Inquiry, due to the paper trail of public officials' arrests and allegations, as well as government bailouts.

5.2.4 Political Interference

Personal political relationships between top management, government officials, and politicians at Eskom were proved to be superficial. This finding implies that most of Eskom's appropriate measures and processes are being overlooked, and that the board's independence and integrity are being jeopardized, as politicians spend most of their time and effort nurturing political desires, resulting in corporate governance being abandoned and left hanging.

The separation of powers appears to have been ignored in this case, with shareholders ministers intervening in the company's internal processes. Thabane and Snyman-Van de Venter (2018) present an interpretation of the concept of power in which they argue that political meddling completely undermines the principle of separation of authorities since the board's power is undermined.

5.2.5 Legislative Framework

Taking into consideration the necessity for clear legislation and regulations, Eskom has previously been presented with many, complex legislation and regulations, as well as various reporting and accountability obligations. Eskom's regulatory structure has been criticized for being ineffective. It has also been pointed out that Eskom's corporate governance complications are the product of a multitude of legislations; Eskom has a large number of mandates, and some of the Acts overlap, making it difficult for Eskom to carry out its mandate in good faith and standing.

As a result, the board and senior executive management attempt to navigate a complex external environment, which causes worries among internal leadership and cultural dynamics rife with political involvement in the name of intervention. In the public sector, SOEs are supposed to provide vital services by adhering to a long-standing history of good governance. However, the state's failure to strengthen and execute effective resolutions in the search to overcome the inefficiencies of complicated legislations will only exacerbate the issue within SOEs.

5.3 MAJOR FINDINGS OF THE STUDY

This segment is where the investigator provides the study's main discoveries, which were obtained from the study's objectives and identified from the start. The study's four objectives benchmarked the achievement of the study's core goal, which was to identify the obstacles that South African SOEs and the public sector face in implementing good corporate governance. The research objectives were:

- To investigate the role and importance of governance within SOEs.

- To analyse the effects on the role in which governance fulfils in the public sector.
- To review and analyse corporate governance so that matters related to political interference and the managerial leadership are explained.
- To propose mechanisms for the betterment and application of good governance.

5.3.1 The role and importance of governance within State-Owned Enterprises

The initial objective of this research was to investigate about the role and importance of governance within SOEs by means of looking on the status of Eskom governance as it has been experiencing financial problems which led to nationwide load shedding. The study has revealed that:

- In terms of achieving good governance within SOEs, the Republic of South Africa still has a long way to go. According to the findings, in order for a country to attain strong corporate governance, there must be a clear encouragement of socio-economic growth in local communities. This appears to be lacking in South Africa, with Eskom as a strategic SOE dealing with a lack of strong governance.
- Due to the absence of competent and accountable leadership, Eskom is in financial distress and underperforming by failing to provide quality and reliable services (electricity) to the public, as the country has been subjected to countless load shedding, which has harmed business development and the local economy. In most cases, load shedding imposes a negative impact on black and poor people communities living in rural parts and townships, according to a University of Johannesburg (UJ) report titled 'The UJ report energy racism.' The report also stated that rural areas and townships experience longer power outages than urban areas, disrupting poor people's livelihoods.
- Because of the lack of good leadership, electricity has proved to have been expensive for people earning under minimum wage and that National Energy Regulator of South Africa (NERSA) finds it difficult to regulate the fair and affordable electricity prices and ultimately find the stability among affordability of the buyer and financial sustainability of Eskom.
- SOEs are intended to supply the general population with affordable fundamental needs, which necessitates an equitable distribution of the state's resources. According to the findings, South African SOEs do not fully prioritize fundamental requirements as the ultimate service. For the South African government to provide fundamental necessities, it must establish adequate governance structures and ensure that SOE boards and management have complete independence from political intervention and state engagement in their everyday operations. Although the government claims to emphasize basic necessities service delivery, there is still more work to be done in terms of providing

competent leadership within Eskom that would strengthen governance and promote ethical behavior.

- The study also reveals that governance's responsibility is to protect state resources as well as to offer proper and timely services. Maladministration and incorrect distribution of resources and funds are found to be prevalent where there is absence of good governance. The study also reveals that, even if officials have a habit of squandering the organization's resources for their own personal advantage, it cannot be wholly blamed on a lack of governance, but rather on the character of the individual. According to the report, South Africa has excellent governance principles on paper, but they need to be properly implemented and led by a leader who is willing and has appropriate experience running such an institution.
- According to the study, good governance increases and maintains community well-being through providing adequate and satisfactory services. Although not everyone may feel involved and satisfied with the services provided, Eskom appears to be doing an excellent job of providing electricity to the most remote areas. Load shedding, on the other hand, remains to be a cause of concern in various sections of the country. According to Eskom, load shedding is caused by poor coal quality and lack of power station maintenance. However, the study established that these issues could have been avoided if those who source coals conduct quality checks without fear or favour, and proper maintenance is implemented throughout power stations to ensure that power stations function properly.

To summarize, corporate governance should not be confined to compliance alone; it should also be connected to the performance of the board of directors and the institution's senior executive management. Despite the existence of a public sector performance management system, multiple laws, wide board corporate mandates, and management are occasionally unable to account for the consequences of their decisions.

In this case, the respondents believe that, while the government is doing its best to provide quality services and ensure that Eskom operates efficiently and remains financially stable, more work needs to be done in the recruitment process to ensure that Eskom management is appointed on merit rather than political connections.

5.3.2 The solutions to address political interference and good governance.

South Africa, like most African countries, is a victim of a lack of moral standards in the public sector, with public officials' violations of code of ethics increasing at an alarming rate, and unethical behaviour becoming frequent and out of control. The study found that:

- South Africa needs proper policy reform in the area of SOE governance. In the case of Eskom, the investigation indicated that the state has to clarify its position on the subject of

political involvement and imposes disciplinary penalties against anyone found to be participating in it.

- Eskom's and the board's operations relating to the institution's leadership and governance must be open and transparent. The majority of the activities are not effectively disseminated to the community, according to the report. As a shareholder in Eskom, the government must establish effective communication channels to keep public informed about Eskom's activities and operations.
- According to the report, qualifications and relevant industry experience are critical when hiring a candidate to run an institution like Eskom. However, the study finds that, in the recent past, Eskom's leaders (CEOs) were not fully equipped with relevant industry experience and qualifications, raising concerns about executive appointments based on political connections, which can lead to political interference and jeopardize good governance.
- The analysis discovered that, despite the fact that SOEs are meant to be politically autonomous, Eskom has not been completely free of political influence. It came to public prominence throughout the tenure of former President Jacob Zuma, when the President was seen assisting executive hires at Eskom and other SOEs (Hofstadter 2018).
- Despite the fact that South Africa has robust legislation in place to deal with ethical misconduct, the study found that Eskom has an extensive road to go in improving its disciplinary mechanisms for ethical misconduct and political involvement. When SOE fails, the study concluded that we cannot place all of the blame on the legislation; we must also consider the personal characteristics and behavioural history of those found guilty of wrongdoing. This should serve as a wake-up call for SOEs to do extensive background checks on top applicants for leadership positions at their various institutions, saving them time and money from having to engage in disciplinary hearings akin to the ongoing Zondo Commission.

In this regard, Kanyane and Sousi (2015) believe South African public sector suffers from a lack of good governance, which is exacerbated by political interference, which is fuelled by a lack of accountability from top officials, a lack of transparency, incompetence of top executives, and questionable qualifications of officials, as well as an increase in official corruption allegations.

5.3.3 The relationship between Communities and State-Owned Enterprises.

For the better chances of ensuring success, it is crucial for SOEs to maintain a good working affiliation with the community they serve. This objective aimed at understanding the relation that Eskom has with the community and how it can improve where it is lacking behind. The findings in this objective are as follows:

- While the study found that most SOEs have a shaky relationship with the community, it also found that Eskom has a steady relationship with the community in terms of query response and problem-solving turnaround time. It has been shown that, despite Eskom's higher-level management problems, the local offices are operating as if there are no management problems at Eskom. This demonstrates that the role of governance at the local level is intact and considers public expectations.
- The study also discovered that there is no public engagement in the governance of SOEs, implying that there is no platform for the community to contribute to the management and governance of SOEs. Eskom is totally administered by the board, which is accountable to parliament. The board has more power over how Eskom is run and has decision-making authority.

5.3.4 The strategies to promote good governance within State-Owned Enterprises

This objective aimed at investigating the strategies that the government has in place as a mechanism to encourage good governance within SOEs. Under this objective, the findings are as follows:

- According to the research, South African SOEs lag behind in terms of openness and transparency. The majority of the actions carried out by these SOEs take place behind closed doors, leaving the public in the dark.
- Eskom's top management has a problem with not being accountable for their actions, which causes the organization to be inefficient.
- According to the report, the South African government needs to update its policies on governance and how things ought to be done in the employment of SOE executives and members of the board.
- The state can minimize conflicts of interest by creating an independence policy with two components: organizational independence of the SOE and individual independence of the personnel.
- Effective control and reporting are required to maintain and operationalize ownership plans.
- In SOEs, corporate governance aims to improve their efficacy and efficiency, hence creating value, while remaining compliant to the rule of law and regulations.
- In comparison to state-run administrative enterprises, SOEs are legitimized by enhanced efficacy, efficiency, innovation, and customer orientation.
- A SOE's legitimacy stems from its ability to provide public goods or merit-based goods. They gain legitimacy as government-owned businesses as a result of this.

5.4 CONTRIBUTION OF THE STUDY

The results and findings of this research unpacked a variety of theoretical, legal, and practical significance. Each significance seeks to contribute to the overall goal of supporting all parts of SOE strategic and operational demands. The study used two theories at the theoretical level, namely agency theory and institutional theory. Taking their contribution into account, the complexity of SOEs' environment suggests there is still a lot of effort needed to improve SOEs' knowledge and functionality.

The study focused on numerous policies and procedures at the political level that has a direct or indirect impact on Eskom's service performance. Similarly, the political side, which includes the board and management, should be exercised. In some cases, the influence has been shown to support the study's contribution, which is expected to enhance knowledge of existing policies, governance structures, and management knowledge.

5.4.1 Theoretical Significance

A complex institutional environment, together with a series of rules and guidelines intended at unification of the interests of shareholders and beneficiaries, supports the doctrine of power, possession, and controller of South African SOEs. This research focused on the role of governance, which has a broad theoretical significance and makes a significant contribution to our knowledge of the role and vital importance of corporate governance in SOEs.

The study discovered that the implementation of good governance and preserving high ethical standards are the utmost substantial difficulties threatening the South African public sector. The study investigated two theoretical frameworks in this regard: agency theory and institutional theory. In terms of relevance, agency theory revealed to be the most outstanding theory and best suited to reflect the framework.

The study engaged agency theory as is deemed relevant in this investigation because it demonstrates that risk reduction methods arising from the division of powers were involved. The guardian of the SOEs, sometimes known as the owner, is the state's citizen's representative; in any event, the state appoints the line ministers, who are responsible for providing policy guidelines and direct supervision. The South African government employs a dual governance model in which the SOEs are shared between two ministers (Minister of Public Enterprises who is responsible of all the public entities, and minister of energy and mineral resources who looks over energy and mineral sources). According to the OECD (2005), Mexico, Italy, Greece, and New Zealand are among the countries that use two ministers to share responsibility for SOEs.

The South African ministry in the Public Enterprises Department (DPE) drafts various policies and procedures in the name of good governance for the SOEs and directly oversees the supervision of large and strategic SOEs. It should also be remembered that the South African Treasury has a supervisory responsibility over the SOEs (World Bank 2014). The concept of agency theory, which is in line with the separation of powers, states that the institutional arrangements between the principal and the agent must be appropriately handled and looked after in a transparent manner. The agency hypothesis assumes that when an agent works without stringent oversight and reporting, and is not subject to the rule of law, he or she is acting illegally.

The guide and history of the agency theory are profoundly founded in economic theory, as evidenced by laws and the political context in South Africa, which reflects the economic theory's stance on risk reduction and management. The state, being the shareholder, is nearly prepared to accept the risks; nevertheless, it lacks the essential and qualified skills, as well as the period, to succeed the institutions. As a consequence, the state enters an agreement with the agent, who is the manager in charge of administering the institution on behalf of the principal, who is the shareholder, and the owner shareholders in order to maximise their return on investment.

5.4.2 Achievement of the Objectives

This section explains how the study went about achieving its aims, as well as how the study went about navigating through its objectives. The study's aims and objectives, which were established at the outset, were met satisfactorily. The role and importance of governance inside SOEs are examined in this paper using Eskom as a case study. The study used research questionnaires and individual interviews to gather quantitative and qualitative data and information to examine the governance and management systems inside SOEs.

The different obstacles and internal management problems of SOEs were discovered in this study. A prominent key difficulty acknowledged in the investigation was the absence of accountability, transparency, and imprecise openness. Various obstacles have been recognized, as well as potentially successful solutions to solve and improve initiatives and programs aimed at increasing public engagement.

Objective 1: Evaluates and investigates role and importance of governance within State-Owned Enterprises.

The role and importance of governance inside South African SOEs were evaluated and examined using Eskom as a case study in this study. The majority of South African SOEs face internal management issues in terms of accountability, ethical behaviour, good leadership,

and governance, according to the report. The conclusion of the study discloses that a lack of accountability and transparency leads to poor board governance and inefficiencies.

The study also found that public institutions suffer from the power deficiency syndrome, which means that politicians want to control the administration of businesses for their own personal gain before looking out for the country's best interests. According to Hofstadter (2018), politicians and board of directors work together to appoint executives and management of SOEs with the goal of putting their own personal interests ahead of those of the SOEs and its beneficiaries. Politicians and executives often carry out legal actions using the power placed before them to steer the control of the institution and decisions to their favor which according to Guslan (2018) is what is referred to as maladministration.

Objective 2: To analyse the effects on the role in which governance fulfils in the public sector.

The discoveries of this study propose that the role and importance of governance in the public sector is critical and must be always maintained in order for SOEs to succeed. Good governance is critical since it decides whether institutions succeed or fail. According to the report, a lack of effective governance and commitment to governance principles can lead to a loss of investor trust and community support. The study also discovered that a lack of effective governance is caused by a lack of transformational leadership, which creates loopholes for unethical behaviour and a lack of accountability.

It was also disclosed that numerous SOEs have fallen into financial difficulty and need financial help as an effect of nonexistence of effective accountability frameworks and transparent governance, which may be considered as the result of poor governance. The study also found that proper governance is important for maintaining public institutions' integrity, gaining public trust and investor confidence, and preventing public institutions from financial crises, mismanagement, and vulnerability to state capture. Through this objective, the study reveals that the public sector needs proper policy reform to ensure that legislative frameworks are adhered to without compromise.

Objective 3: To propose mechanisms for the betterment and application of good governance.

The goal of the study was to come up with plausible ideas and solutions for improving and implementing adequate governance procedures. As a result of this study's findings, unethical behaviour is linked to a lack of adequate application of good governance concepts. According to the agency theory, the manager may be unable to give his or her all in managing the institute because he or she is aware that his or her salary is insufficient in comparison to what the institution receives. The study also discovered that a lack of rigorous disciplinary action can

lead to some persistent moral wrongdoing, which will be difficult to remedy because of unwittingly spreading to subordinates.

However, given the nonexistence of good governance, the methods of guaranteeing effective authority and principled behaviour in the public sector, performance management systems, and openness and accountability appear to be a missing problem. It is consequently the state's and policymakers' responsibility to certify that instruments are available to address the burning concerns of unethical behaviour and unaccountable decisions, which frequently lead to waste of state resources. Therefore, it is advisable for the state as the proprietor of SOEs and the board ensure that the management and executives of Eskom are not politically active or connected but business savvy. In order to achieve good governance, the executive should prioritize what's best for the institution and ensure that the decision they make are sustainable and that they make good business sense.

Objective 4: Review and analyse corporate governance so that matters related to political interference and the managerial leadership are explained.

The South African government has previously failed to isolate the public sector, particularly SOEs, from the political arena. The majority of high-ranking politicians tend to use the public sector to campaign and wield power by intervening in the daily operations and appointments of executives. State should clearly indicate through parliament that the issue of political interference is being addressed with the utmost urgency and priority, and that severe measures must be taken to deal with politicians who interfere with the day-to-day management of SOEs without following proper procedures and communication channels.

The South African government should adopt policy measures geared to address political meddling inside the various SOEs and guarantee that those who are implicated are brought to justice in order to promote transparency and effectiveness of accountable governance. Policy reform should also address accountability in such a way that it allows for effective governance and accountability in order to protect the state's resources. However, the state should also allow independence of the board, this means the state must not get to complicate the daily business of the enterprise but oversee the overall projects undertaken to ensure that there is accountability and that executives are being responsible in their respective roles.

5.4.3 Regulatory and Policy Significance

This study investigated institutional arrangements that holds an influence on corporate governance practices; as a consequence, the results of this research can assist both regulators and SOEs in better understanding the primary role and importance of good corporate governance within their respective institutions' arrangements. The National Energy

Regulator of South Africa (NERSA) and the Independent Communication Authority of South Africa (ICASA) both have regulatory roles that are political in character. For example, the regulator is essentially the ruler, and the government's behaviour is primarily political. The NERSA and ICASA operations are totally derived from the republic's constitution in a constitutional democratic democracy like South Africa.

The regulators' rules must be interpreted in accordance with the stated ideals of social justice and equality. Because regulators are also utilised as a political instrument by the government, they must work with extreme caution, independence, and high ethical standards. South Africa has a political environment by nature, which requires regulators to be independent of political interests and separate themselves from political and personal favours bestowed by government officials. Given their political backgrounds and the importance of their jobs, regulators and policymakers should keep a safe distance from politics to provide fair, unbiased, and impartial services.

5.5. RECOMMENDATIONS OF THE STUDY

The study's recommendations are drawn from the results of thematic discussions and research questions. Following this model, this research extends the recommendations given below.

- Being an active owner, the state should familiarize itself with and adopt the best principles of corporate governance as achieved by corporate businesses and establish a clear legislative policy on ownership that clarifies that SOE governance is carried out in an open and transparent manner with the highest standard of accountability and professionalism, resulting in effective and efficient governance, the OECD (2005) recommends those practices. This means that state ownership objectives, involvement in SOE corporate governance, and how the state will use its ownership and shareholding power should all be clearly defined in the legislative policy on ownership.
- As the majority stakeholder, the government should stay out of the daily business management of SOEs. As a result, the government must allow the BoDs to function and utilise their authority while still respecting their independence. Furthermore, the government should give boards of directors the authority and autonomy to carry out their responsibilities, as well as strengthen board structure, to guarantee the necessary abilities to achieve their goals.
- As a shareholder, state needs to ensure that the members of the board of directors possess a high level of integrity, expertise, competence, accountability, fairness, and transparency.

- To guarantee qualifications and eligibility of board members for their positions, the nomination process should be fair and transparent, based on merit, and always function in the best interests of the SOE.

Avoiding local and global criticism by having fair and transparent nomination processes and appointing board members with competency and relevant industry expertise. As a result, the state, as a shareholder, can attract local and international investors while also winning citizen trust and support.

- The state must also do everything possible to ensure the board's independence and to shield board members from political influence and meddling.
- The state must also work together in consultation with the institution and establish an internal research and development unit which should be responsible for overseeing what to expect in the coming future, provide suggestions and preparations strategies on how the institution can face and overcome the challenges.

To do this, the state must ensure that board member nominations are free of political ties and increase background checks to ensure that board members are objective and committed to the SOE's best interests.

- It is recommended that the boards and ministers in charge of overseeing SOEs always assume full responsibility for their actions and be held accountable by parliament for any failings.
- The Eskom board should also be constituted by members not only endorsed by their business antics, but also the knowledge of the power utility which can improve the functionality and sustainability of Eskom as a company.

The state, as the sole shareholder of SOEs, must put in place procedures to hold management, the board of directors, and ministers accountable for failing to enforce good governance principles and failing to enhance and maintain fundamental service delivery standards. Discipline mechanisms must be in place to deal with any type of wrongdoing or unaccountable decisions.

- It is suggested that the state recognizes the need to modify the present legislative framework to provide SOEs more autonomy to empower them to accomplish their aspirations and mandates.
- Establish some measures which will be aimed at taking some powers and abilities for a concerned minister to make some decisions which may limit the loopholes for political interferences.

It allows for more flexibility on the part of SOEs to operate for the most excellent interests of the SOE and the public by reorganizing existing legislative frameworks. Because there will be less red tape to deal with and less political and state engagement, this also reduces state and political meddling. The redesigned legislation will ensure that the board's ability to make timeless, smart, and commercial choices is not hampered by unnecessary constraints.

The ability to act independently and impartially, as well as having the institution's best interests at heart, should be a mandatory requirement for the board of directors of SOEs.

- Before beginning their office tenure, board members and top executives must be able to honestly reveal their political interests and affiliations.
- Leadership and executive management roles must be filled on the basis of merit, performance, and appropriate industry experience, with strict adherence to the essential procedures to find the best applicant for the job. Qualifications, competencies, and checks & balances must all be thoroughly examined in this situation.
- Establish a Human Resource Committee to oversee public hearings for all the prospective nominations for the position of the board, CEO, financial, and procurement officer. The committee will vet the candidates for their professionalism, reputation and whether they are eligible to occupy the position in the public sector.
- Directors of SOEs must maintain constant vigilance over the ongoing development of corporate strategy, policies, processes, and good governance inside their organizations (King Codes report 2009).
- In order to assure effectiveness, competitiveness, and responsiveness of the economic infrastructure, directors should make it their responsibility to see that innovative institutional adjustment approaches are developed and prioritized for national growth.
- Consider effective strategies to improve the institution's openness and answerability.
- Ensure that the regulation of law is clear and effective in dealing with officials' unethical behaviour.
- Avoid taking on unsustainable debts and cut back on unnecessary spending.
- Consider consulting with important stakeholders to strengthen their strategy and governance, which will help the various SOEs and communities develop.
- Management, including an SOE's organs, need to be held personally accountable for their acts.
- SOE executives and managers require professional, ethical, and efficient guidelines.

5.6 SUGGESTIONS FOR FURTHER STUDIES

While the study seems to have accomplished its intentions, there is still some loopholes and other areas which the study could not cover due to the advancement of the topic. For this reason, it can be suggested that further investigations and research be done within the topic of the role of governance. However, the study can suggest the focus on the following topics, how to deal with political interference within SOEs, how to progress quality governance in the public sector, minimize corrupt activities and maladministration, ensure impartiality of the board of directors as well as ensuring that there is accountability and disciplinary measures for unethical conducts of the officials.

5.7 CONCLUSIONS

Chapter five brings the investigation to the end by bringing together the findings and recommendations related to the problem statement's rationale. It is essential to note that the researcher had challenges obtaining the questionnaires as well as obtaining ethical clearance from the university's research department because it took longer than expected, approximately five months and three months, respectively, to obtain all the completed questionnaires, some of which were incomplete because some respondents expressed fear of victimization. However, the study meets its quota because the researcher received forty questionnaires out of fifty and ten face-to-face interviews, making the study data useful for generalization and drawing conclusions and findings. The data collection process for this study was additionally hampered by government national lockdown laws since the study was undertaken during the Covid-19 pandemic. This made it difficult to contact participants and perform actual face-to-face interviews; nonetheless, the researcher conducted the interviews and collected data using internet platforms, which was also effective but came at an additional cost.

During the investigations, the element that a few participants were unable to complete the questionnaires was acknowledged as a constraint, as did the delay in receiving ethical approval from the university research division. However, the investigation sample was able to reach 80 percent of the planned number of respondents because to the researcher's patience and frequent follow-up with respondents. The goal of this study was to explore the function of governance and the issues of corporate governance in South African SOEs, with reference to Eskom. The influence of political meddling in the operation of SOEs was also investigated.

The importance of corporate governance within SOEs and the public sector, government and governance, as well as the critical role players who must play their part in ensuring respectable corporate governance within SOEs, the theoretical background governing SOEs, the role of

the board, and the legislative framework were all discussed in this dissertation. This dissertation also provided an outline of the major concerns influencing the governance of South African SOEs, such as lack of transformational leadership, democratic erosion, corruption, state control of relevant institutions, and political meddling, to name a few. The study also looked at Eskom's role as an electricity producer and supplier, as well as the legal framework that governs Eskom and SOEs, such as the Electricity Act 2006 (4 of 2006). The Electricity Act of 2006 was put in place with the idea of making it possible to permits various private licenses to enter the transmission and distribution line which made it possible for the private sector to provide and trade electricity, which also ensure that there is non-discriminatory open access to electricity network.

This dissertation emphasized the significance of following business policies. The study also found that proper application of governance principles cannot be dismissed or overlooked as a significant contributor to the growth of socio-economic efficiency. In a nutshell, it may be concluded that excellent governance is critical to the institution's accomplishment, and that integrity is critical in the progress of good corporate governance. When looking at the outcomes of this study, one can infer that effective corporate governance standards and adherence within South African SOEs are critical for the success and improved performance of the SOEs and the public sector as a whole.

Proper application of the moralities of quality corporate governance must be highly taken into consideration and seen as an ongoing process requiring fundamental attention and work together with commitment for it to deliver satisfactorily results and long-term strategic achievement. In this dissertation, it was also deduced that the state's shareholders have a critical mandate to maintain their focus on the long-term strategies of the enterprises to ensure that there are creations of proper policies to address the ownership and guide on the manner in which most SOEs are managed in an ethical and transparent manner.

Therefore, the study's chapter were outlined as follows:

- Chapter 1 introduces the problem statement, historical background and origin of SOEs and their tactical significance in enhancing the national development agenda. This chapter exemplifies the research's overall goal, which was to study the issues of corporate governance that South African SOEs, particularly Eskom, faces on a daily basis. State-Owned Enterprises were chosen for research for the reason that their strategic importance to the nation's economic and social progress. Despite the fact that these SOEs serve a critical strategic role, research indicates that governance and management remain a significant difficulty. As a result, the public is sceptical of these companies' financial viability, as well as their governance and management methods.
- Chapter 2 provides a literature perspective on corporate governance within the SOEs and the public sphere. The ownership and management of SOEs described in this chapter.

Ownership and management of SOEs are influenced by law and regulation, and the quality and speed of decision-making is determined by their policies and procedures. If ownership and management are separated in any organization, even an SOE, conflicts of interest will always arise, no matter how it is constituted. The use of rules and regulations to reconcile prospective differences of interest between shareholders and management in order to minimise the fundamental consequences related with the separation of ownership and management control has been recommended as a risk-mitigation method. The study discovered that the application and interpretation of participation rules was complex and dynamic; stakeholder board arrangements were weak; and shareholders, boards of directors, and management had weak institutional arrangements based on extensive legislation and regulation affecting SOEs.

Furthermore, the analysis discovered that while corporate governance is not a new phenomenon, international organizations like the Organization for Economic Cooperation and Development (OECD) later created regulations of excellent and acceptable practices, and the concept of corporate governance grew more widespread. South Africa has implemented King Reports to encourage excellent corporate governance in line with international trends. Despite these developments, SOE governance and management remain complicated due to a variety of laws and policies intended at balancing the interests of shareholders and stakeholders. Even though the study believes SOEs have more sophisticated governance arrangements and ownership and control procedures than private firms, the report says that highlighting the private sector's corporate governance standards would be helpful.

Because of the complication of the SOE environment, no separate theory can adequately describe the issues of corporate governance. Despite this, agency theory tries to clarify the difficulties connected with the division of ownership and control, as well as the institutional theories highlighted in the study. Despite the government's establishment of a reporting and answerability framework for SOEs, businesses found it challenging to function due to fragmented ownership, often contradicting reporting requirements, and citizens who are unfamiliar with contractual concerns. The politicization of the appointment process exposed flaws in the board of directors' and SOE management's control systems. The Board's independence and credibility have been harmed as a result of the political selection process' unforeseen repercussions.

The agency theory provides a valuable context for understanding the necessity for institutionalized management control in the way of laws and regulations, taking into account the fundamental tensions or unsuitable value methods amongst shareholders and management. Its philosophical direction, on the other hand, is limited. It describes how the agent's attitude is influenced by psychological and societal factors. It is stated that agents are not simply motivated by greedy economic and physical goals, as agency theory suggests.

Evidence shows that executives (agents) care about the company's success and, as a result, strive altruism and perseverance. The challenge is finding a balance between control and leadership development.

- Chapter 3 focused on the application of study methods and design and the justification of paradigm orientation. respondents in this research supply information from a range of perspectives, which are mirrored in their own personal experiences, using research questionnaires and interviews. Research questionnaires and interviews were provided to research participants for their perspective on the function of governance inside SOEs to answer the concerns with regards to Eskom as one of the strategic SOEs, corporate governance, and its challenges within the public sector. Closed-ended questionnaires were used to collect data and information on certain themes related to corporate governance and SOE management. Researcher collects and review the opinions of participants in the form of specific topics such as the legal framework, the position of the board of directors and supervision in formulating the strategy, performance monitoring, and the role of the board of directors and management in formulating the strategy by including closed-ended questionnaires.
- Chapter 4 outlines the facts and information gathered from participants and respondents via research questionnaires and interviews. The conceptual framework guides the data presentation and discussion, while the sub-themes provide support. These topics include the function and relevance of good governance within Eskom, methods to address political interference and good governance, the interaction between communities and SOEs, good governance policies, and the extent of political intervention within Eskom.
- Chapter 5 reflects the research's goal and how the research questions are addressed. Each chapter's objectives, how they connect to the study question and conceptual framework are also given in a summary. Each topic's insights provide a better grasp of the SOE environment's complexity. The impact of compliance in the setting of complex legislation and regulation, for example, is highlighted by the topic of legislation and regulation. The board-management interface theme expresses similar sentiments, highlighting concerns such as huge tasks, many reports and accountability, political interference, the rise of a new culture, and a lack of confidence amongst executive and the board.

Many components of this study are combined at the conclusion to better understand the reasons for the issues that SOE corporate governance faces. Each chapter's discussion and activities aid a valuable knowledge and concepts of the study objective, methodologies, data analysis and explanation, and the foundation for forming conclusions.

As stated in the conclusion, while the state as the shareholder has policies in place to protect the interests of SOEs from outside forces and political interferences, it is commendable that it implements strict measures for all to see and ensures transparency and accountability to those who may be found to be in violation of those policies. It is also suggested that the state, as the shareholder, allows the board of directors to operate autonomously with little or no political intervention. Eskom as the state-owned enterprise is required by policies and procedures and is anticipated to align with the National Development Plan (NDP) developmental objectives. Meaning that Eskom is mandated and expected to have an impact to the country's economic development by providing world-class power supplies, technologies, job creation, and skills development.

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ANNEXURE A: RESEARCH PROPOSAL APPROVAL BY UHDC

UNIVERSITY OF VENDA

OFFICE OF THE DVC: RESEARCH AND POSTGRADUATE STUDIES

TO : MR/MS T. DZAGA
FACULTY OF MANAGEMENT, COMMERCE AND LAW

FROM: PROF. N.N FEZA
DVC: RESEARCH AND POSTGRADUATE STUDIES

DATE : 17 MAY 2022

DECISIONS TAKEN BY UHDC OF 17TH MAY 2022

Application for approval of Masters Proposal Report in the Faculty of Management, Commerce and Law: T. Dzaga (14011182)

Topic: "The Role of Governance within South Africa's State-Owned Enterprises: A Case Study of Eskom."

Supervisor	UNIVEN	Dr. M.M Nekhavhambe
Co-supervisor	UNIVEN	Ms. S.J Sethu

UHDC approved Masters proposal



PROF. N.N. FEZA
DVC: RESEARCH AND POSTGRADUATE STUDIES

ANNEXURE B: RESEARCH ETHICS CERTIFICATE

ETHICS APPROVAL CERTIFICATE

RESEARCH AND INNOVATION
OFFICE OF THE DIRECTOR

NAME OF RESEARCHER/INVESTIGATOR:

Mr T Dzaga

STUDENT NO:

14011182

PROJECT TITLE: The Role of Governance within South Africa's State-Owned Enterprises: A Case Study of Eskom.

ETHICAL CLEARANCE NO: FMCL/21/PDN/09/1803

SUPERVISORS/ CO-RESEARCHERS/ CO-INVESTIGATORS

NAME	INSTITUTION & DEPARTMENT	ROLE
Dr MM Nekhavhambe	University of Venda	Supervisor
Ms J Sethu	University of Venda	Co-Supervisor
Mr T Dzaga	University of Venda	Investigator – Student

Type: **Masters Research**

Risk: **Straightforward research without ethical problems (Category 1)**

Approval Period: **March 2022 – March 2024**

The Research Ethics Social Sciences Committee (RESSC) hereby approves your project as indicated above.

General Conditions

While this ethics approval is subject to all declarations, undertakings and agreements incorporated and signed in the application form, please note the following.

- The project leader (principal investigator) must report in the prescribed format to the REC:
 - Annually (or as otherwise requested) on the progress of the project, and upon completion of the project
 - Within 48hrs in case of any adverse event (or any matter that interrupts sound ethical principles) during the course of the project.
 - Annually a number of projects may be randomly selected for an external audit.
- The approval applies strictly to the protocol as stipulated in the application form. Would any changes to the protocol be deemed necessary during the course of the project, the project leader must apply for approval of these changes at the REC. Would there be deviation from the project protocol without the necessary approval of such changes, the ethics approval is immediately and automatically forfeited.
- The date of approval indicates the first date that the project may be started. Would the project have to continue after the expiry date; a new application must be made to the REC and new approval received before or on the expiry date.
- In the interest of ethical responsibility, the REC retains the right to:
 - Request access to any information or data at any time during the course or after completion of the project,
 - To ask further questions; Seek additional information; Require further modification or monitor the conduct of your research or the informed consent process.
 - withdraw or postpone approval if:
 - Any unethical principles or practices of the project are revealed or suspected,
 - It becomes apparent that any relevant information was withheld from the REC or that information has been false or misrepresented.
 - The required annual report and reporting of adverse events was not done timely and accurately,
 - New institutional rules, national legislation or international conventions deem it necessary

ISSUED BY:

UNIVERSITY OF VENDA, RESEARCH ETHICS COMMITTEE

Date Considered: March 2022

Name of the RESSC Chairperson of the Committee: Prof TS Mashau

Signature




ANNEXURE C: PERMISSION TO COLLECT DATA



DEPARTMENT OF PUBLIC AND DEVELOPMENT ADMINISTRATION
SCHOOL OF MANAGEMENT SCIENCES
UNIVERSITY OF VENDA
Private Bag X5050
THOHOYANDOU
0950

Date:
07 January 2021

Enquiries:
Ntshavheni Nenguda
Tel +27 15 962 7880

Dear Sir/Madam

TO WHOM IT MAY CONCERN

We acknowledge receipt of your letter dated 02 December 2020 with regards of your research studies for Master of Administration (MADMINI).

This is to confirm that ESKOM is allowing you to collect the data regarding the studies based on the questionnaire submitted.

Yours faithfully



Ntshavheni Nenguda
CUSTOMER RELATION MANAGER – VHEMBE

Limpopo Operating Unit
Group Customer Services
66 Hans van Rensburg Street Polokwane 0700
Private Bag x 9477 Polokwane 0700 SA
Tel +27 15 299 0020 Fax +27 86 539 4359 www.eskom.co.za
Eskom Holdings SOC Ltd Reg No 2002/015527/30

ANNEXURE D: INFORMED CONSENT CONSENT FORM

I, hereby agree to participate in the research study, titled “**THE ROLE OF GOVERNANCE WITHIN SOUTH AFRICA’S STATE-OWNED ENTERPRISES: A CASE STUDY OF ESKOM**”. By signing this consent form, you are indicating that you understand the information provided to you by the researcher regarding the research study, your question about the research has been answered to your satisfaction, and you voluntarily to participate in this study.

- The study aims at investigating the role and the importance of governance within SOE’s.
- Identifying the constitutional and legislative framework underpinning good governance.
- The information provided by the respondents will be solely used for the purpose of this study respectively.
- All questionnaire and interview data will be handled with confidentiality.
- Participants can refuse to answer certain questions if they feel uncomfortable during the process of data collection.

I understand that the information I give may not be used for any other purpose except to help the researcher to meet the academic expectations. For more information, respondents can contact Dr M. M Nekhavambe my supervisor at 072 993 4665 and also at mutshutshu.nekhavambe@univen.ac.za

.....
SIGNATURE

.....
DATE

ANNEXURE E: LETTER TO RESPONDENTS

A LETTER TO RESPONDENTS

Enquiries : Mr T Dzaga P.O. Box 3885
Cell : (076)-218-4589 Thohoyandou
Email : dzaga.tsireledzo@gmail.com 0950

25 November 2020

Dear Sir/Madam

I am a registered student at the University of Venda doing Master of Administration (MSMMA). My research topic is "*THE ROLE OF GOVERNANCE WITHIN SOUTH AFRICA'S STATE-OWNED ENTERPRISES: A CASE STUDY OF ESKOM.*".

I would be most grateful and glad if you could help me with this part of my research project by completing the inventory. I therefore assure you that the information that I will get from you will be kept confidential and will be used for educational purposes only.

In anticipation, please accept my sincere appreciation for your willingness to assist me on my research project.

Yours sincerely

Mr. T. Dzaga


DZAGA TSIRELEDZO

STUDENT NUMBER: 14011182

ANNEXURE F: RESEARCH INSTRUMENT- QUESTIONNAIRE

THE ROLE OF GOVERNANCE WITHIN SOUTH AFRICA'S STATE-OWNED ENTERPRISES: A CASE STUDY OF ESKOM – QUESTIONNAIRE

The purpose of this study is to investigate the role of governance within SOE's and legislative frameworks advocating for good governance within various SOE's, particularly Eskom. This is an opportunity for you to reflect on your perceptions about the strategies, constitutional and legislative frameworks of enhancing good governance. For each of the following statements place an X in the box that applies to you.

SECTION A: BIOGRAPHICAL DETAILS

1. Gender

Male	
Female	

2. Age

Less than -20 years	
21-30 years	
31-40 years	
41-50 years	
51-60 years	
60 years and older	

3. Level of position

Senior level management	
Middle level management	
Entry level management	
Technician	

4. Educational qualifications of respondents

Primary	
Secondary	
Diploma	
Degree	
Others	

5. Tribes

Venda	
Tsonga	
Pedi	
White	
Zulu	
Other	

6. Citizenship

South African	
Non-South African	

SECTION B: THE ROLE AND THE IMPORTANCE OF GOVERNANCE WITHIN SOE'S

Item No.1	The role and importance of good governance within SOE's	Strong Agree	Agree	Not sure	Disagree	Strongly Disagree
1.	Good governance promotes social and economic development of the communities.					
2.	Good governance prioritises basic needs of the community.					
3.	Public officials use public resources for private gain due to absence of good governance.					
4.	Good governance improves and maintain the well-being of the community.					

Item No.3	The solutions to address political interference and good governance	Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
1.	There is openness and transparency in the governance of SOE's.					
2.	Qualifications, industry experience and capabilities are highly considered when appointing SOE executives.					
3.	SOE's are independent from the political arena to conduct their own affairs.					

4.	There is clear legislative framework on how to deal with political interference within SOE's.					
----	---	--	--	--	--	--

Item No. 4	Relationship between communities and SOE's.	Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
1.	SOEs deliver their intended services to the community's satisfaction.					
2.	There is transparency and explicit public engagement procedures.					
3.	There is public participation regarding SOE's governance.					
4.	There is clear structures and legislative framework for community participation.					
5.	Revenue and taxes income are used to render services to the communities.					

Item No: 5	The strategies that can be used to promote good governance within SOE's.	Strongly	Agree	Not sure	Disagree	Strongly Disagree
1.	The governance of Eskom is open and transparent?					
2.	Efficiency and accountability from public officials are improved.					
3.	There is equity between low and high class.					

4.	Decision-making processes are open and fair to all citizens					
5.	The rule of law is ensured					

Item No. 6	The level of political interference within Eskom	Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
1.	Officials with high authority do much corruption within Eskom					
2.	Anti-corruptions measures are used to reduce cases of corruption.					
3.	Government do have some mechanism to fight political interference within Eskom.					
4.	Measures and disciplinary actions are taken against officials involved in maladministration.					
5.	Maladministration and political interference are caused by officials not getting enough payments.					

Thank you very much for your time and participation.

Annexure G: Research Instrument- Interview Schedule

The purpose of this study is to investigate the role of governance within SOE's and legislative frameworks advocating for good governance within various SOE's, particularly Eskom. This is an opportunity for you to reflect on your perceptions about the strategies, constitutional and legislative frameworks of enhancing good governance. There is no right or wrong answer.

What is the role and importance of good governance within SOE's?

As the community, are you allowed to participate in matters relating to the governance and decision-making process within SOE's?

What can be the solutions to improve good governance within SOE's?

--

What are the mechanisms which the government can employ to avoid political interference within the governance of SOE's?

What are the causes of political interference and how it affects good governance and service delivery within SOE's?

How does political interference affect the management of the day-to-day activities within SOE's?

Thank you very much for your time and participation.

Annexure I: Editorial Letter

Editorial letter

This serves to confirm that I, Dr T.E Sikitime, attached to University of Venda, Department of English, Media Studies and Linguistics have proofread a dissertation titled: **THE ROLE OF GOVERNANCE WITHIN SOUTH AFRICA'S STATE-OWNED ENTERPRISES: A CASE STUDY OF ESKOM**

BY

DZAGA TSIRELEDZO

Student Number

14011182

Editorial work focused mainly on technical precision and common errors relating to syntax, diction, word order and formulation of ideas. Corrections and suggestions were made for the student to effect before submission.

Signature



Date 02/08/2022

Ext: 015 962 8288

Email: Emmanuel.sikitime@univen.ac.za

BA (ed), BA (Hons) English, Univen, BA Communication Science UNISA, MA (SLS) Stellenbosch University, PhD Univen

Annexure J: Turnitin Report

Digital Receipt

This receipt acknowledges that **Turnitin** received your paper. Below you will find the receipt information regarding your submission.

The first page of your submissions is displayed below.

Submission author:	Tsireledzo Dzaga
Assignment title:	Research Projects
Submission title:	The role of Governance within South Africa's State-Owned E...
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