

**SYSTEMIC CORRUPTION IN PUBLIC ENTERPRISES IN THE HARARE
METROPOLITAN AREA: A CASE STUDY**

By

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DECLARATION

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I declare that systemic corruption in public enterprises in the Harare metropolitan area: a case study is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

.....

SIGNATURE

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.....

DATE

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SUMMARY

The study sought to investigate the impact of systemic corruption in public enterprises in the Harare metropolitan area in Zimbabwe. This research study used a case and explanatory research designs as its major research approaches. The study was largely prompted by the high level of corruption in public enterprises as reported to the Anti - Corruption Commission and the media.

In this study, fourteen (14) directors and twenty six (26) public enterprise officials were used as research subjects. Questionnaires, interviews and documentary reviews were used as research instruments to collect information on the impact of systemic corruption in public enterprises in the Harare metropolitan area.

The study showed that low remuneration levels for both low and high level public enterprise officials, patronage appointment to higher level of management and the lack of political will to empower public enterprise officials on the evil of corruption were the causes of systemic corruption. Greed, the disintegration of work morality and ethics in the manner in which public affairs across public enterprises were being handled, were key causes of systemic corruption (see chapter 4 for details). The high level of secrecy in the management of public affairs, the lack of transparency, discipline, fairness, responsibility, equity and weak legal system on corruption were also noted to be corruption drivers. With regard the manifestation of corruption in public enterprises, it was established that systemic corruption occurred in the following forms: abuse of power, fraud, favouritism, embezzlement, weak control, extortion and ghosting.

The study also showed that systemic corruption created problems such as administrative inefficiency and parasitism, a social atmosphere of tension and dishonesty within public enterprises (see chapter 4 for details). Corruption reallocated resources to the rich and powerful public officials who were aligned to the ruling party or those in authority. The study also noted that public enterprises officials were using technical complexity in procedures and regulations to conceal under-dealings. It was

the findings of this study that rewarding for reasons not related to performance, dishonesty, over claiming expenses, falsification of reports/records and favouritism in public enterprises were high. The study also revealed that bid-rigging, shifting from core business, ghosting, and giving gratitude/gift to influence decision were some of the prevalent unethical activities in public enterprises.

Against this backdrop, it is recommended that the level of remuneration in public enterprises for public officials is improved so that the minimum grounds for corruption motives are reduced. When salaries are too low, officers are obviously forced to indulge in unethical activities which in turn affect the general public directly or indirectly. It is critical that all public enterprise officials undergo training in the dimension of corruption and corporate governance as a means of empowerment. Corrupt individuals and business organisations in the Harare metropolitan area should not be employed or engaged in public related work and that public affairs must be managed in a transparent and open manner although confidentiality must be observed. The study also recommends that the appointment of public enterprise officials must be based on competence, relevant educational qualifications and experience. Another recommendation is that all cases of corruption must be treated as high level criminal cases which attract longer and deterrent court judgments (see chapter four for details).

KEY TERMS

Corruption; systemic corruption; state public enterprise; anti-corruption; bureaucrats; corporate governance; ethics; public sector; metropolitan; public officer.

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CHAPTER 1

GENERAL INTRODUCTION

1.1 Introduction

The study focuses on the impact of systemic corruption in public enterprises in the Harare metropolitan area in Zimbabwe. The introductory chapter provides the background and rationale, the statement of the problem, research questions and clarification of concepts. Limitations of the study, the research scope and delimitations are set out briefly. The case study and explanatory research designs are adopted as the research approaches, thus the study is descriptive and explanatory in nature. The introductory chapter concludes with an overview of the chapters contained in the study and how the research unfolds.

1.2 Background and rationale

The impact of systemic corruption on economic development and the well-being of the public is no longer questioned. Corruption disproportionately impacts on the disadvantaged, hinders economic development, reduces social services, diverts investments in institutions critical to the existence of the nation (UNDP 2004:1). Moreover, it fosters an anti - democratic environment, characterized by uncertainty, unpredictability and declining moral values and disrespect for constitutional institutions and authority. Corruption, therefore, reflects a democracy and governance deficit – in other words, a weak governance system in a country (UNDP 2004: 1).

Corruption is primarily a result of poor governance, thus a solid framework of administrative strategies to manage society's needs is required across state public enterprises. When formal systems break down in governance, it becomes harder to implement and enforce laws and policies that ensure accountability and transparency (UNDP 2004:2) in the management of public activities.

Corruption, as an ever changing phenomenon, is not an obvious variable in any society because values and norms differ considerably from nation to nation, which also means that countries have varied beliefs and knowledge systems. Thus behaviour that could be regarded as deviant in some countries may be acceptable in other countries. For example, in the Asian countries giving gifts is acceptable to a certain degree but not acceptable in the western countries. Regardless of the varied values, norms and belief systems in developing countries including Zimbabwe, political office bearers and public officials ought to root their discharge of duties on the need to promote the general welfare of the public. They should not put their self interest first before satisfying the needs of the public (Bauer & Van Wyk 1999:56).

Incidences of corruption vary among countries in Africa, from rare, widespread (happening in many public institutions but has not reached systemic levels) to systemic. Systemic corruption is a situation where corruption is considered a way of life or a situation where corruption has been normalized or regularized with public accountability becoming an exception and not the rule. When corruption is rare, it can be easily detected and controlled. When corruption is happening in many institutions (widespread), it can also be manageable but in a situation where it is systemic, detection and control is minimal, incentives and unethical practices are put in place to perpetuate the system. Institutional rules and norms of behaviour are adopted towards the ultimate goal of predatory gain (Hope & Chikulo 2000:1).

Corruption, in the case of state public enterprises in the Harare metropolitan area, is now systemic in nature. The abnormal way of conducting business in state public enterprises is now normalised, and indeed something has gone wrong in the governance of these institutions. Public officials are up to personal enrichment. They are maximising their takings without regard to the impact corruption has on the well-being of the citizenry (Hope & Chikulo 2000:1 and Goredema 2000:2). The poor directing and control of public entities (weak corporate governance) is a source of corruption. Principally, corruption in public enterprises is a failure of governance and it results in unfair public resource manipulation (UNDP 2004:2). Public enterprises are

subject to manipulation in many ways, clear examples of resource manipulation in some public enterprises in the Harare metropolitan area are highlighted next.

In 2003, Zimbabwe School Examinations Council (ZIMSEC) senior management crafted a vehicle policy which saw seven senior managers acquiring a vehicle each every four years of their employment at zero book value. ZIMSEC officials also awarded business contracts to unqualified bidders and in most cases these unqualified bidders were companies/organisations of their friends and relatives (Shana 2006:1). In the same year, Zimbabwe United Passenger Company (ZUPCO) board of directors was involved in fraudulent dealings with a foreign company that supplied the enterprise with small passenger buses. These small buses were earmarked for servicing urban routes. The chairperson of the board, among others, received bribes in order to favour the company that supplied buses although they were not suitable for the required operations (Shana 2006:1).

The spate of corrupt activities continued in most public enterprises which saw National Oil Company of Zimbabwe (NOCZM), experiencing massive pillage by public officials including ministers in 2006. The organization's resources were used to enrich ministers and senior public officials. One example is the diverting of fuel products that include diesel, petrol and lubricants which were meant to benefit farmers and deserving public to the black-market (Shana 2006:1). The year 2006 also saw the Grain Marketing Board (GMB) senior officials using the organization's farming inputs meant to benefit the public for private gains. Officials converted several tonnes of fertilizer, maize seed and many other inputs to their own use. New farmers who were settled in farms during the land redistribution process from 2001 suffered a great deal which resulted in the underutilisation of farms due to shortage of inputs (Shana 2006:1).

On the same note, Air Zimbabwe (Airzim) bought unsuitable aircrafts which were meant to service domestic routes without proper evaluation, allegedly after senior officials had received bribes from a Dutch Aircraft Company to influence the decision

to purchase such aircrafts. The engines of these aircrafts were not designed to operate on high temperatures that are normally experienced in Zimbabwe (Shana 2006:1). The above described incidences are indications of systemic corruption in public enterprises in the Harare metropolitan area.

Corruption is endemic in all governments and is not restricted to a continent, regions and ethnic groups, it cuts across faiths, its impact is detrimental to the performance of the economy (Dike 2007:1-19). Corruption in state public enterprises, including those under study, occurs in the provision of services where officers are paid materially or monetary to influence decisions to approve or offer services to those in need.

According to Dike (2007:1-19), corruption is the violation of established rules for self – gains. It is the effort to secure wealth or power through illegitimate means at the public expense. Corruption in most state public enterprises in the Harare metropolitan area manifest itself in the form of bribery, embezzlement, fraud, extortion, abuse of power, conflict of interest, favouritism, ghosting, nepotism and graft (Shana 2006:1).

The South African Department of Public Service and Administration (2002:7) also states that corruption includes bribery, embezzlement, fraud, extortion, abuse of power, conflict of interest, favouritism, ghosting, nepotism and graft although countries may have different approaches to corruption.

Alatas (1990:1) defines corruption as the abuse of trust in the interest of private gains and divides it into seven types which are:

- autogenic corruption, which is self-generating and typically involves only the perpetrator,
- defensive corruption, which is corruption that involves situations where a person needing a critical service is compelled to bribe in order to prevent unpleasant results being inflated on one's interest,

- investive corruption, is corruption that entails the offering of goods or services without a direct link to any particular favour at the time but in anticipation of future situations when the favour may be required,
- extortive corruption, is corruption that entails the behaviour of a person demanding compensation in exchange for service,
- nepotistic corruption being corruption that refers to the preferential treatment of or unjustified appointment of friends or relations to public office in violation of the accepted guidelines,
- supportive corruption, is that corruption which usually does not involve money or immediate gains but involves actions taken to protect or strengthen the existing corruption, and,
- transactive corruption, is that corruption which refers to situations where the two parties are mutual and willing participants in the corrupt practice to the advantage of both parties.

Bracking (2007:5-6) explains that corruption can also be classified as petty or high level (grand). Petty corruption refers to small acts, or rent-taking actions by public officials. Bribery influencing and receiving gifts are sometimes seen as different forms of petty corruption. Grand corruption can also be referred to as high level corruption or endemic corruption. It is the misuse of public office, public resources or public responsibility for private, personal or group gains (Bracking 2007:5-6). Corruption in public enterprises, regardless of type, needs to be eliminated. The elimination or reduction of corruption improves state public enterprise service delivery and the well-being of the general public.

State public enterprises refer to all those public organisations with some form of independent control, although they may be required to comply with certain policy directives (Ströh, Brynard & Smith 1997:174). State public enterprises, as institutions established by certain acts or the stipulation of relevant legislation, imply that state accepts responsibility for activities of such institutions (Ströh *et al.* 1997:177).

State public enterprises are essential tools of control, economic planning and development. They are also a means of industrial power and influence, economic self-reliance, implementation of policy, safeguarding public interests, maintenance and enhancement of morality, thus their failure is not an option (Ströh *et al.* 1997:177).

The public, through the media and public debates, is now questioning the effectiveness of governance processes, especially, where executive directors are not different from boards of public enterprises. Boards of public enterprises refer to a group of professional individuals who are appointed by government to oversee the management of public enterprises. They are not involved in the day-to-day running of public enterprises, whereas executive directors refer to public officials that are responsible for the day-to-day management of public entities (Ströh *et al.* 1997:177). However, in the case of public enterprises in Zimbabwe, namely Zimbabwe School Examinations Council, Air Zimbabwe, Grain Marketing Board, National Oil Company of Zimbabwe, Zimbabwe Electricity Supply Authority and Zimbabwe United Passenger Company to name a few, executive directors are appointed as members of board of directors which give rise to possible conflict of interest.

Zimbabwean citizens and those who receive services from state public enterprises rightfully expect public enterprises, regardless of type, to act reasonably and in accordance with global acceptable corporate governance best practices and cultural backgrounds (Chikura 2000:6). It is the thinking of those served by state public enterprises at all levels of society that such institutions, as public enterprising organs of the society, will therefore be responsible to the general public and will conform to the standard expected of them in executing their mandate (Chikura 2004:6).

The disintegration of ethics in all areas of state public enterprises, in particular those enterprises in the Harare metropolitan area, have left the sector paralysed. The great feeling of mistrust by the public about the operation of state public enterprises in Harare could be an indicator that corruption should be minimized (Nyoni 2004:4). The Zimbabwe African National Union-Patriotic Front (ZANU-PF) ruling government

established the Anti-Corruption Commission in 1995, but is not effective in discharging its duties perhaps because of under funding and lack of personnel in corruption investigation. The eradication of corruption in public enterprises is critical for enterprise prosperity and development in any country (Matsheza & Kunaka 2001:19).

1.3 Statement of the problem and the research question

State public enterprises in the Harare metropolitan area are characterized by corrupt business conduct that include: fraud, graft, nepotism, bribery, abuse of power, ghosting, favouritism, bid rigging and embezzlement among other key indicators which comprise the lack of effective governance. These negative institutional unethical experiences have resulted in public officers failing to observe principles of effective governance, transparency, equity, accountability, responsibility, independence, fairness, discipline and respect. These practices have left the general public dumbfounded on the future of state public enterprises in the Harare metropolitan area.

By drawing upon relevant theories in literature that concern systemic corruption and experiential reality, the main research problem that is addressed by this study is, therefore:

What is the nature, manifestation and impact of systemic corruption in public enterprises in the Harare metropolitan area and how can systemic corruption in public enterprises in the Harare metropolitan area be minimised?

1.4 Research questions

Researchers rely on asking questions that may help to answer and provide possible solutions to the research problem being studied. The research questions addressed by this study are:

- What are the causes of systemic corruption in public enterprises in the Harare metropolitan area?

- How does systemic corruption manifest itself in public enterprises in the Harare metropolitan area?
- What are the effects of systemic corruption on the well-being of the public and service delivery in the Harare metropolitan area?
- How can systemic corruption in public enterprises in the Harare metropolitan area be eradicated?

1.5 Purpose of the study

The main purpose of this research study is to describe, explain and explore the causes, manifestation and the extent to which systemic corruption affects service delivery in public enterprises in the Harare metropolitan area with a view to identify strategies that can be recommended to curb it.

1.6 Terminology

Comprehensive conceptual clarifications of terms specific to the research appear in the appropriate chapters. However, in order to avoid misrepresentation and confusion in the interpretation of concepts, terms utilised throughout the study are concisely defined below.

1.6.1 Corruption

The concept corruption, as used in this study (working definition), means the dysfunctional psycho-emotional responses by individuals to changes in economic, political and social demands in the work environment. It is a condition governed by a specific set of beliefs, values and emotions that drives an official to be involved in unethical activities (Bere 2007:4). Corruption is, however, difficult to clarify as activities that could be unacceptable in some countries and cultures could be regarded as acceptable in other countries. In other words, it means there is no universal definition of corruption.

Holtzhausen (2007:24) citing Klitgaard, Maclean and Paris (1996:1) define corruption as the misuse of public office for personal gain. The office is a position of trust, where one receives authority in order to act on behalf of an institution, be it private, public or not for profit. Corruption means charging an illicit price for a service or using the power of office to further illicit aims. Corruption can entail act of omission or commission. It can involve legal activities or illegal ones. It can be internal or external to the organisation.

Corruption in state public enterprises is in the following forms of unethical practices although they are not exhaustive: fraud, graft, nepotism, favouritism, abuse of power, ghosting, conflict of interests, bid rigging, insider trading, embezzlement, bribery and extortion (Matsheza & Kunaka 2001:14). The idea of what can be called corruption in state public enterprises in the Harare metropolitan area is not different from what Bauer and Van Wyk (1999:56) noted in their studies, that corruption manifests itself as fraud, extortion, bid-rigging among others. Corruption is linked to poor corporate governance and as such, defining corporate governance is important.

1.6.2 Corporate governance

Corruption is principally an ethical issue thus it cannot be studied without taking note of corporate governance. Corporate governance in this research is equated to governance. It is described as the directing and controlling of public institutions at the highest level. It is a system by which state public enterprises are held to account and a tool for fighting corruption. Corporate governance is characterized by the following key pillars of effective governance: fairness, responsibility, accountability, transparency and independence (Chikura 2006:5).

According to Loubser (2001:24), corporate governance is the mindset of doing something right, not because somebody is watching but simply because it is the right thing to do, thus the failure to observe the principles of good corporate governance results in corruption. Governance is the use of political authority to manage resources

in state public enterprises for social and economic development. Good governance entails the efficient and effective discharge of duties between the rulers and the ruled. The lack of effective governance, therefore, means corruption rises because an ideal breeding ground for corruptible and unethical behaviour in public enterprises would have been created (Kpundeh 2000:206).

1.6.3 Service delivery

The term service delivery, as used in this study, refers to the provision of goods and services by state public enterprises. Examples of goods and services that are provided by state public enterprises to the public are public transport, public examination administration, fuel and food products, water and electricity (Goredema 2000:2).

1.6.4 State public enterprises

State public enterprises means Zimbabwe government owned enterprises which are those institutions created by an act of parliament after 1980. State public enterprises are state organs or tools of public administration. They are the instruments of public policy and are subordinate to parliament and the executive. State public enterprises are different from state departments manned by line ministry officials as they have independent management systems. They are headed by board of directors who are, however, accountable to parliament (Ströh *et al.* 1997:231).

1.6.5 Systemic corruption

Systemic corruption is a concept used to denote the level of corruption in a country. Corruption could be described as rare, wide spread and systemic, at each level, the intensity of corrupt activities is different. However, at systemic levels corrupt activities are now considered a way of life. In other words, the unethical activities have been

normalised or regularised with public accountability becoming an exception and not the rule (Ayittey as cited in Hope & Chikulo 2000:104).

1.6.6 Governance

Governance entails the efficient and effective reciprocity between the ruler and the ruled. It is a system of administration that is characterized by transparency, responsibility, accountability and openness in directing public institutions. It is governance that is aimed at satisfying people's needs (Kpundeh 2000:206). Holtzhausen (2007:25) citing Mbatha (2005:15) points out that governance refers to the function, action, process or qualities of government, it entails policies made and the effectiveness with which these policies are implemented.

1.6.7 Manager

The term manager, as used in this study, refers to an officer who is directly responsible for planning, organising, directing and controlling work activities in a public enterprise. He/she is responsible for ensuring that the organization's objectives are achieved.

1.6.8 Director

Director means an official of a state public enterprise who is responsible for the overall management of the enterprise activities.

1.7 Scope of the study

This study was restricted to selected public enterprises in the Harare metropolitan area, which were Zimbabwe School Examinations Council, Zimbabwe Steel Company, Grain Marketing Board, Zimbabwe United Passenger Company, Air Zimbabwe, Civil Aviation of Zimbabwe and National Oil Company of Zimbabwe covering a period from

2003 to 2009. The thrust of the study was on systemic corruption where public enterprise officials were asked for their knowledge of the impact of systemic corruption on service delivery and the well-being of the general public. The choice of directors and managers/offices as data sources was done in order to make the research manageable. Managers/officers and directors were considered to be key subjects of the study because of their work positions. Cases of corruption and poor governance in other countries, as presented in the literature reviewed were used as sources of information to discuss and analyse the effect of systemic corruption in public enterprises in the Harare metropolitan area.

1.8 Limitations

This study focused on systemic corruption in state public enterprises in the Harare metropolitan area in Zimbabwe, thus it excluded institutions in other cities such as Bulawayo, Mutare, Gweru, and Masvingo since it was a study of limited scope. What it meant was that the results of the study, although they could be generalized and used in most public enterprises, were mostly applicable to public enterprises in the Harare metropolitan area. The research study focused on the period from 2003 to 2009 which was a short period to cover all study areas that were important in coming up with strategies to eradicate corruption in state public enterprises in the Harare metropolitan area.

1.9 Data sources and methods of data collection

The explanatory research design and the case study methods, which fall under qualitative research approach, were used as specific tools in the collection of data in this study. The case study approach was favoured because of the need to make an in-depth investigation into the conduct of public enterprises in the Harare metropolitan area. Case studies constitute an in-depth investigation of interaction among factors influencing explanations or changes which are analyzed (Neuman 1997:29).

The study rested on a number of data sources such as: documentaries, research studies, articles, electronic and print media, books on corruption, legislative documents, questionnaires and interviews with directors and managers/officers of state public enterprises in the Harare metropolitan area where specific questions developed from the statement of the problem were asked. The data sources were selected using the theoretical or judgmental method of sampling as discussed in chapter 3 of this study. The judgmental or theoretical method was suitable since the study was qualitative in nature. Qualitative approach focuses on meaning, experience, and understanding of social reality. With this approach, subjects of the research study can be purposively selected and observed by the researcher (Borg & Gall 1989:385 - 387).

1.10 Methods of data analysis and interpretation

Data collected from the research subjects was presented in the form of text, tables, graphs and figures. The research questions, as outlined in the study, formed the foundation of presenting the research data. Authoritative sources of information, as noted in the literature reviewed, were used to describe, discuss and analyse the meaning of data presented.

1.11 Literature review/study

Literature on corruption and systemic corruption, corporate governance, ethics and anti-corruption strategies from both electronic and print media were reviewed. Literature on corruption, policy documents, research reports published and unpublished, journal articles, text books and legislative documents was strongly used to gain a better understanding of systemic corruption in public enterprises in the Harare metropolitan area in Zimbabwe. Literature study makes the researcher aware of what the current trends of thoughts are, as well as the focus of existing and acceptable thoughts regarding specific issues in a subject matter; in this case the subject is systemic corruption. Literature also helps the researcher in demarcating the

boundaries of his /her research study and probably identify a gap in what has been studied before and the current study. Literature review makes the researcher plan and execute a study in a more defined manner, and putting the researcher in touch with others working in the same field (Mouton 2001:87).

1.12 Overview of chapters

Chapter 1 of the dissertation provides a general introduction to the entire study. It includes the background to the study, an explanation of the research problem, research questions, and purpose of the study, terminology, the scope of the study, limitations, data sources and methods of data collection, methods of data analysis and literature information gathering.

Chapter 2 of the study provides a theoretical perspective of corruption, it describes and explains the meaning of corruption in detail. It also defines and explains the important of ethics in public enterprises. Systemic corruption and its causes, manifestation and effects are examined as well. Anti-corruption strategies, constitutional bodies created to fight corruption, corporate governance and business ethics are also highlighted in the chapter.

In Chapter 3 attention is given to the research design and methodology of the study. The research design and methodology details the research approaches, population under study, the sample and sampling procedure, research instruments and data collection methods used.

Chapter 4 focuses on data presentation, analysis and discussion. In this chapter, data collected on systemic corruption is presented for discussion, evaluation and analysis. Research objectives are used as a guide in evaluating the findings and drawing some conclusions.

Chapter 5 provides a synthesis of the study through a summary of the research objectives. Conclusions and proposals are made for possible future research arising from this dissertation of limited scope.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter of the study gives an overview of corruption perspectives; meaning of corruption and systemic corruption, manifestations of systemic corruption, causes of systemic corruption, effects of systemic corruption, and anti-corruption strategies from other researches in the field of corruption. Constitutional bodies as tools of control in public enterprises, ethics and corporate governance as other key concepts related to corruption and systemic corruption are also reviewed and evaluated in the light of the study.

2.2 Theoretical perspectives on corruption

Socio-economic conditions, the political institutional-infrastructure and cultural heritage influence the way corruption is understood, defined and possibly addressed in different countries (South African Department of Public Service and Administration 2002:3). The under listed perspectives in corruption are common, but, however, contribute to the difficulty in defining corruption (South African Department of Public Service and Administration 2002:3).

The moralist–normative perspective states that corruption is inherently bad. It is an approach anchored on morality and the *ubuntu* concepts thus any transaction between an official and the general public that disadvantages a third person will be deemed unacceptable. For example, when officials receive payments to facilitate a transaction in one's favour at the expense of others who also need service. The *ubuntu* concept is the essence of being human and being interconnected. It describes a person as an entity that is guided by the behaviour of the larger community (South African Department of Public Service and Administration 2002:3).

The functionalist perspective views corruption as ever present in a society and not always unwanted. The functionalist perspective is a perspective that believes in corruption as having both positive and negative effects on public service. However, the level of corrupt activities must be manageable (South African Department of Public Service and Administration 2002: 3).

The public office-legalist perspective suggests that legal institutions, independent from government, for example, anti-corruption agents such as Anti-Corruption Commissions or any legal institutions created by means of an act are required to combat corruption within state institutions. **The public interest institutionalist perspective** views institutions as those which shape individual corrupt behaviour. The public institutionalist perspective derives its interest from the fact that all public enterprises are established for the people, thus, what officials do should be a reflection of their characteristics. In fact, the veil of secrecy in the public service has to be removed. **The interest-maximizing perspective** (a market-centred approach) accuses officials of converting public resources into goods needed to initiate and maintain corrupt relations while **the political economy perspective** highlights that the state is the mechanism to accumulate wealth. According to the political economy theory, government institutions are the machinery of gaining access to wealth by public officials (South African Department of Public Service and Administration 2002:3).

2.3 The meaning of corruption

From the above varied perspectives, it would be prudent to define corruption regardless of type. The most common definition of corruption involves private gains via public authority, the abuse of public power for private benefit or profit (Bakamba 2009:3). This is the working definition that many world organizations use in discussing corruption, including the World Bank, the International Monetary Fund and Transparency International. It is also an attempt to define corruption universally and without regard to a specific culture although there is no universal definition of

corruption. Corruption is literally a transaction issue in that it occurs between persons who in most cases collude (Bakamba 2009:3).

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Corrupt transactions occur at the intersection of the public and private sectors, that is when public officials interact with private individuals in business transactions. It is a phenomenon that is multi-faceted, diverse, complex in terms of actors, initiators, profiteers, causes and effects. The term corruption, as conceived today, lacks universal definition. Its definition, therefore, differs from jurisdiction to jurisdiction and from one person or body of persons to another (Bakamba 2009:3).

The term corruption originates from a Latin verb *corruptus* which means to break, but as a concept, it is a form of behaviour which departs from ethics, morality, tradition, law and civic value. It is that behaviour of persons and their actions that is immoral, depraved or dishonest especially portrayed through the offering and taking of bribes. Corruption can, however, be defined as action in which two or more actors undertake an exchange relation by way of a successful transfer of material things or power (political or status) or promoting activities which sidesteps legality or morality or civility to regulate the relation. It is a social action that is aimed at the successful realisation of personally defined goals (Bakamba 2009:3).

The Parliamentary Centre (2000:29) defines corruption as the abuse of position for personal gain or for the benefit of an individual or group to whom one owes allegiance. Corruption is a two way process involving members of both public enterprises and receivers of service who engage in illegal, illegitimate and unethical actions that diminish a country's economic prospects, degrades its social and political standing. Dike (2007:1-19) defines corruption as the violation of established rules for self gains. It is an effort to secure wealth or power through illegitimate means at the expense of the public. Heidenheimer, Johnston and Levine (1993:9) define corruption in a broader sense and view corruption as the use of rewards to prevent the judgment of a person in a position of trust, bestowal of patronage by reason of prescriptive relationship rather than merit and the illegal appropriation of public resources for private use.

The Romanian National Anti-Corruption (2007:2) defines corruption as a systematic deviation from the principles of impartiality and equity that should be the basis of the functioning of public administration. The principles of impartiality and equity states that public assets should be universally, equitably and equally distributed. Substitution with practices that generate the allocation of resources to certain individuals or groups is unacceptable.

Alatas (1990:1) defines corruption as the abuse of trust in the interest of private gains and divides it into seven types: autogenic corruption; defensive corruption; investive corruption; extortive corruption; nepotistic corruption; supportive corruption and transactive corruption. Autogenic corruption is self-generating and typically involves only the individual public official who is the initiator of corrupt activities. Defensive corruption is corruption that involves situations where a person needing a critical service is compelled to bribe in order to prevent unpleasant results being inflated on one's interest (Alatas 1990:1). Investive corruption is corruption that entails the offer of goods or service without a direct link to any particular favour at the time but in anticipation of future situations when the favour may be required. Extortive corruption is corruption that entails the behaviour of a public official demanding compensation in exchange for service rendered to a transacting public (Alatas 1990:1).

According to Alatas (1990:1), nepotistic corruption is corruption that refers to the preferential treatment of or unjustified appointment of friends or relatives to public enterprises or public office in violation of the accepted guidelines in public service recruitment. Supportive corruption is that corruption which usually does not involve money or immediate gains but involves actions taken to protect or strengthen the existing corruption. Transactive corruption is corruption which refers to situations where the two parties are mutual and willing participants in the corrupt practice to the advantage of both parties (Alatas 1990:1).

Hope and Chikulo (2000:18) view corruption as the utilization of official positions/titles for personal gains privately, or on individual collective basis, at the expense of the public in violation of established rules and ethical considerations. The abuse of duty involves the direct and indirect participation in unethical activities by public officials regardless of rank. It may be viewed as any conduct or behaviour in relation to persons entrusted with responsibility in public/private office which violates their duties as public or respected officials, which is aimed at obtaining undue gratification of any kind for themselves or for others. In a simplistic sense, corruption may be seen as partisanship that challenges statesmanship. It is an act undertaken with the deliberate intent of deriving or extracting personal and/or private rewards against the interest of the public (Hope & Chikulo 2000: 18).

Bere (2007:14) defines corruption as a dysfunctional psycho-emotional response to changing financial, social and material circumstances. It is a psychological condition governed by a specific system of beliefs, values and emotions created by an individual's response to changing external, economic and social conditions. Kunaka, Mashumba and Matsheza (2002:31) view corruption in public enterprises as a post independent phenomenon where most African states moved away from bureaucratic administration that emphasizes good governance to one that focused on sovereignty of politics. The sovereignty of politics resulted in the emergence of politicised bureaucracy which began to engage in centralized economic decisions through different machinery that include public enterprises, which lack accountability and transparency among other things.

In the *Zambian Anti - Corruption Act (1996:22-26)* the word corrupt is defined as "... the soliciting, accepting, obtaining, giving, promising or offering of a gratification by way of a bribe or other personal temptation or inducement or the misuse or abuse of a public office for private advantage or benefit, and corruptly shall be construed accordingly." The *Zimbabwean Anti-Corruption Commission Act (2004:7-12)* does not clearly define corruption but states offences related to corruption as provided for by the *Criminal Law (Codification and Reform) Act 2004*. The offences are as follows: the

receiving of bribes, use of false documents, non-disclosure or concealment of transaction from one's principal, the deceitful non-disclosure of one's personal interest in a transaction, abuse of power or criminal abuse of duty, serious fraud and forgery. The Act also states ten other offences which can be investigated by the Commission. These offences are money laundering, the sale, removal or disposal outside Zimbabwe of any controlled product, unlawful possession of, or dealing in precious metals or precious stones, crimes involving dangerous drugs, offences relating to bank notes and exchange control act, theft of motor vehicles, theft or forgery of government documents and stock theft.

Understanding the concept corruption is important in creating strong legislative measures in the fight against corruption. While the Zimbabwean Anti-Corruption Commission Act attempts to define and state corrupt activities that may be prosecuted in the court of law in Zimbabwe, it does not include much other variations of corrupt acts, for example, nepotism, favouritism, graft, insider-trading, embezzlement, ghosting and bid-rigging. This means that such acts of corrupt activities cannot be prosecuted in the court of law under the Anti-Corruption Commission Act and the Criminal Law (Codification and Reform) Act which then is a loophole.

The Zimbabwean Prevention of Corruption Act (2004:7) states that corrupt practice includes any contravention of the sections of the Criminal Law (Codification and Reform) Act or any misappropriation or loss of property caused by theft, fraud or other unlawful means. It also states that any receipt of property in contravention of any law or as a result, whether direct or indirect, of the action of any person who has caused misappropriation or loss of property of the state, a statutory body or any other person is corruption.

Chibiya, Chiweshe and Mwanyisa (2008:37) state that corruption, as a problem, undermines development across countries, affects regional integration efforts and decreases economic growth hence the need to develop strategies which prevent those in authority from abusing their positions. Shana (2006:13) posits that corruption

in any country in the world is a product of the following factors: poor democratic governance models practiced in a nation, the lack of economic empowerment of citizens and poor access to economic resources. The questionable independence, professionalism, transparency and accountability of national integrity systems, the quality of service delivery of both the public and private enterprises, the weak moral and economic values of national society are also causes of corruption (Shana 2006:13).

State public enterprise corruption in the Harare metropolitan area can be linked to poor corporate governance in which bureaucrats and political leaders focus on self-enrichment and public ethics ambiguity (Goredema 2000:3). The informal rules now supersede formal ones, legal principles and procedures are ignored (Goredema 2000:3) hence the destruction of public enterprises. Maipose in Hope and Chikulo (2000:89) states that corruption is the private use and abuse of public resources by public servants that hinder economic development and institutional performance. It is not an issue confined to Africa alone but is an issue throughout the world which results from governance challenges or problems. Pauw, Woods, Van der Linde, Fourie and Visser (2002:331) view the sources of corruption as weak institutions of governance and poor regulatory regime that provide a scope for it and oversight institutions which are marginalised.

Systemic corruption is strongly anchored on morality and it raises the question of whether it is a universal concept or a concept applicable to individual societal values and norms (Kunaka & Matsheza 2002:11). Corruption is an act or state of being guilty for dishonest practices, a perversion of morality as well as integrity (Kunaka & Matsheza 2002:13). It is intrinsically linked to the concept ethics, thus it is critical to understand ethics in the context of corruption. Systemic corruption denotes corruption at systemic levels, at this level corrupt activities are now considered a way of life. In other words, the unethical activities have been normalised or regularised with public accountability becoming an exception and not the rule (Ayithey as cited in Hope &

Chikulo 2000:104). Systemic corruption applies to situations where corrupt activities are the norm (Kunaka & Mashumba 2002:22).

Systemic corruption thrives in an environment where ethical norms and values of a group are violated, its prevalence can safely be used as a measure of the extent to which ethical values in public enterprises have been eroded. The combat of systemic corruption requires strategies developed through self-regulatory systems which provide incentives for good ethical behaviour participation (Kunaka & Matsheza 2002:27). Systemic corruption, as a phenomenon being anchored on unacceptable ethics, is not separate from poor corporate governance systems hence the need to critically focus on the role of good governance in preventing systemic corruption.

Kunaka and Matsheza (2001:14) note that since systemic corruption is a value laden concept, it may be impossible to pose an exhaustive definition. They describe systemic corruption in public enterprises as the plundering of state resources, abuse of public office and property, money-laundering, patronage, embezzlement, accepting of gifts, rent seeking, soliciting for and accepting bribes, graft and ghosting.

In Zimbabwe's Harare metropolitan area, systemic corruption is now a way of life with most state public enterprise officials being the perpetrators of such activities, this, however, is an ethical dilemma. An ethical dilemma is a conflict between right and right, while moral temptation relates to conflict between wrong and right. Moral temptations are, for example, bribery and improper bidding practices. Ethical dilemmas are issues such as economic growth versus environmental protection, discipline versus compassion with employees and sociocultural norms versus professionalism. Such are conflicts between two or more right values and lie at the heart of ethical decision-making. It is, therefore, extremely important that public officials be clear about the content and purpose of their decisions (Holtzhausen 2007:110-11).

2.4 Ethics in public enterprises

Ethics is a system or set of moral principles and rules of conduct recognized in respect to a particular group or culture. Ethics are values that denote among other things trust, respect, responsibility, accountability, fairness, empathy/honest, good and bad, right and wrong among public officials (Kunaka & Matsheza 2002:16). Ethics can be one of two things, it can be something that one studies and thinks about, or it can be a code that one follows and lives by. Of course, in the real world, ethics is often both. Institutions usually try to live by an ethical code, while the people who set up a code of ethics often study and think of and reflect on it while they are doing so.

Gildenhuis (1991:8) points out that ethics and morality actually relate to how one judges the individual human behaviour or decisions as right or wrong, good or bad, acceptable or unacceptable. Sterling (1993:168) simply defines ethics as the systematic study of values whereas Andrews (2001:38) refers to ethics as the standards which guide the behaviour and action of personnel in all institutions regardless of type. Ethics may be referred to as moral laws and are critical in the eradication of corruption.

Pauw *et al.* (2002:327) emphasise the aspect that ethics concern people's ideals, their motives of choice, and their pattern of good and bad conduct. Ethics represents three varied concepts, the systematic thinking or reflection on morality, people morality and an agreed upon view of what is permissible for the practitioners or group of people. People or institutions have different living and working structures, beliefs, and as such their ways of doing things are different, however, they have acceptable behaviours, norms that guide their existence. They often reflect on their way of doing things and try to be guided by a defined code of conduct.

A breakdown of moral and ethics in public enterprises in the Harare metropolitan area has reached alarming levels, public enterprises are in an ethical and values turmoil. Fritzsche (1997:18-30) put forward the idea that business ethics involves rules, standards and moral principles as to what is right or wrong in specific situations. It comprises principles and standards that guide behaviour in the world of business. The lack of business ethics and good corporate governance gives rise to corruption, corporate scandals and poverty. It affects the efficiency of productivity in the economy by misallocation of resources and in such cases no one really benefits. In corrupt business environment, as is the case in public enterprises in Harare metropolitan area, benevolence, integrity, competency and openness are likely to be lacking (Fritzsche 1997:18-30).

According to Holtzhausen (2007:154-155), ethics are important in the administration of public activities, they serve as a cornerstone of transparent, accountable public administration hence the minimisation of corrupt behaviour. The management of public entities is not without ethical dilemmas (Holtzhausen 2007:154-159). Public officials meet several challenges including that of serving public interest hence the need of a strong ethical code of conduct which acts as a standard guide.

Holtzhausen (2007:154) states that consideration must be given to the existence of values and morals deemed by the public to be sound and desirable as well as providing the background for sound transparent administration. When corruption becomes rife, wide spread and a way of life in public enterprises, it becomes systemic and has a detrimental effect on the performance of the economy. It is caused by many factors as discussed below.

2.5 Systemic corruption in public enterprises

Systemic corruption in public enterprises in Harare metropolitan area is linked to the power that public officials have on managing public affairs. Officials in position of authority or influence yield more power due to patronage systems prevailing in

Zimbabwe today. Hope (2000:19) states that public official's business conduct is not subject to public scrutiny hence officers can conduct public affairs in the way that benefit/s themselves.

Systemic corruption arises when public officials have uncontrolled authority, little accountability and perverse incentives or when their accountability responds to informal rather than formal forms of regulations (UNDP 2004:2). The culture of governance in which political leaders and senior public officials set an example of self-enrichment or ambiguity over public ethics, is one major cause of corruption in public enterprises (Heymans & Lipietz 1999:9). In such a culture, the informal rules supersede formal ones and legal principles and procedures are surreptitiously stripped of their authority (Heymans & Lipietz 1999:9).

The relative secrecy which surrounds the conduct of work by public functionaries in public enterprises can be one of the causes of systemic corruption. Public involvement in decision-making in public enterprises is almost zero despite the fact that the public have a right to know all the activities in public entities. Public officials are vested with high levels of discretionary authority which is exercised in circumstances in which either close supervision is not possible or accountability is low (Goredema 2000:3). The inadequacies of strategic vision and the absence of clear rules, codes of ethics and poor working conditions characterized by few incentives or rewards for effective and efficient performance in public enterprises also promote systemic corruption (Goredema 2000:3).

The poor record of punishing corruption both by those in power and the judicial results in many other people emulating corrupt activities and the continued uncertainty about jobs and anxiety in many people about their well-being contribute immensely to the present escalation of corruption in public enterprises (Gire 2002:12). Shana (2006:3) notes that public enterprise accounting and professionalism are subordinate to party politics. It is inevitable that immoral, criminal and corrupt activities that serve political advantage are given immunity and impunity which result in corruption being justified

as a political strategy and patronage for political protection (Shana 2006:3). Shana (2006:3) further argues that scarcity of resources, unlimited political power and patronage in public enterprises is a recipe for corruption. Most Chief Executive Officers of public enterprises are appointed to such posts basing on political affiliation that result in faulty management.

Van der Waldt and Helmbold (1995:161-162) highlight that there are different opinions about the causes of and reasons for corruption including unethical behaviour by individuals or institutions in general. Some unethical behaviour linked to corruption is deficient controls and accountability, inadequate procedures, and deficient management systems.

2.6 Manifestation of systemic corruption in public enterprises

Systemic corruption in public enterprises manifest itself in many forms including the following:

- greed - this occurs when an official seeks private gains at the public expense. It is an obsession with material gains and is aimed at self-enrichment (Hilliard 1994:217),
- patronage - this entails the employment of relatives and friends on non-merit basis or on political affiliation that obviously impacts negatively on the performance of public enterprises (Bauer & Van Wyk 1999:56),
- nepotism - is the according of preferential treatment that discriminates against those who may qualify to gain from a transaction or decision by an official. It is undoubtedly a virus that corrodes public enterprises structures today. Nepotism, however, decreases the quality of service rendered by public enterprises (Bauer & Van Wyk 1999:56),
- bribery is another common manifestation of corruption in public enterprises, it is the inducement to secure the desired action from a public official or vice versa. It involves exchange agreements that are based on obligations to secure benefits or rewards between or among participants. Bribery involves the

promise, offering or giving of a benefit that improperly affects the actions or decisions of a public servant (Bauer & Van Wyk 1999:56).

Ghosting as a form of corrupt activity in public enterprises occurs when public officials receive payments for services not rendered among other things whilst bid rigging involves the rigging of bids on supply contracts. It entails the pre-determining of the bid winner. One example of bid-rigging is when officials lend equipment to accomplices who in turn lend the equipment back to public enterprises for a fee. Graft, as one variation of corruption in public enterprises, is the misappropriation of public resources, properties and opportunities for personal enrichment (Bauer & Van Wyk 1999:56),

Bauer and Van Wyk (1999:56) highlight five other forms of how systemic corruption manifest itself in public enterprises which are:

- embezzlement - which involves theft of resources by officers entrusted with authority and control of such resources,
- fraud - which involves actions or behaviours by public officers, other persons or entities that fool others into providing a benefit that would not normally accrue to the officer, other persons or entity,
- extortion - which is the coercing of a person or entity to provide a benefit to a public official, another person or entity in exchange for acting in a particular manner,
- abuse of power - which is the abuse of authority to improperly benefit another or entity, for example, during a tender process but before actual selection of a successful contractor, the officers in charge express their wish to see the contract awarded to a specific person or bidder, and,
- conflict of interest - which involves public officers acting or failing to act on a matter where officials have interest or other persons or entities that stand in a relationship with officials who have interests and insider trading/abuse of privileged information. This involves the use of privileged information and knowledge that official possesses as a result of his/her office to provide unfair

advantage to another person or entity to obtain a benefit or to accrue a benefit to himself/herself are other forms of manifestation of corruption.

When focusing on the operation of public enterprises in the Harare metropolitan area as far as systemic corruption is concerned, favouritism, insider-trading, abuse of power, bid-rigging, fraud, ghosting and embezzlement are the most common (Shana 2006:3). Corrupt activities, regardless of type or form, affect the well-being of the public and service delivery in many ways.

2.7 Effects/impact of systemic corruption in public enterprises

Hope and Chikulo (2000:23) state that corruption results in negative consequences of economic, political and administrative nature. It may increase the cost to organisations, stifle initiative and enterprise development thus slowing down investment and economic growth. Corruption results in political leaders developing repressive tactics through state instruments for law and order that may suppress public criticism of their behaviour. It may lead to violence and unnecessary regime change as was the case with military takeover in Sierra-Leone in 1992 and in Mali in 1991 among others (Hope & Chikulo 2000:23).

When political development and stability are undermined, long-term planning which is key to good governance that helps in the reduction of corruption would be lacking. The construction of democracy and democratic experiences become threatened as well (Hope 2000:23). The lack of strategic planning hinders administrative development and performance in public enterprises. It also affects professionalism which may lead to frustration of public officers, hence the brain drain and the plundering of public resources among others (Hope & Chikulo 2000:23).

Bertha, Osei-Hwede and Kwaku in Hope and Chikulo (2000:50-52) explain that corruption creates problems such as mismanagement and parasitism. It also leads to a differential delivery effect on goods and services. Corruption creates a social atmosphere of tension, dishonesty and weak law enforcement. It also has costs in terms of distribution of resources, it reallocates resources to the rich and powerful, especially those in government positions of authority.

Ayittey in Hope and Chikulo 2000:105) highlights that corruption has several deleterious (harmful) effects on economic development. It breeds inefficiency and waste, aggravates the budget deficit problems, drives away foreign investors, and leads to economic contraction and collapse at both micro level and macro level in a country.

The South African Department of Public Service and Administration (2002:6-7) identifies four possible impact and cost of corruption in a national environment of a particular state which are:

- micro-fiscal which includes loss of revenue from tax and customs levies and excessive expenditure as a result of corrupt loadings and fronting on state contracts,
- reduction in productive investment and growth - the costs of corruption are high for countries in great need of inflows of productive foreign capital. Widespread corruption provides a poor environment that does not attract foreign investment and those investors likely to make long-term contributions to development. Corruption attracts investors seeking to make quick profits through dubious ventures,
- costs to the public and the poor in particular - It costs the public and the poor through the diversion of resources from their intended purposes which distorts the management of public money and the provision of services,
- loss of confidence in public institutions - getting services from most public enterprises without paying for favours is almost impossible today as officials call for bribes among others in return for services offered.

Once services are bought and the public loses trust and confidence in what is done by public enterprises, it undermines the rule of law, respect of contracts and legitimacy of the state itself (South African Department of Public Service and Administration 2002:6-7).

Dininio and Kpundeh (1999:5) state that the undermining of good governance by subverting formal processes reduces accountability and representation in policy making and unequal provision of services. Corruption erodes the institutional capacity of state organizations as procedures are disregarded, resources are siphoned off, and officials are hired or promoted without regard to merit. Corruption, regardless of type, causes a reduction in the quality of goods and services available to the nation. It also affects investment, growth and government expenditure choices.

The UNDP (2004:9) clearly states that corruption does not promote economic development, instead it reduces social services, fosters an anti-democratic environment characterized by uncertainty, unpredictability and declining moral values and disrespect for constitutional institutions and authority. Corruption misallocates scarce resources, renders government regulations ineffective, breeds impunity and dilutes public integrity, decreases government revenue, thus strong anti-corruption strategies are required to sustain the management of public enterprises.

2.8 Anti-corruption strategies in public enterprises

Improving efficiency, accountability and transparency in the delivery and administration of public services often close the loopholes for corruption. State public enterprises, in the case of Harare metropolitan area, need to decrease opportunities for corruption through simplification of procedures and regulations. There is also a need to minimize discretionary powers of officials, demystify and de-personalize state public enterprises, promote meritocracy, improve public financial management, control for strong oversight and educating the future generation on principles of democratic governance. It is critical to instill a culture of positive engagement, respect and skills

for constructive and investigative debate on the quality of governance and its impact on people's lives (UNDP 2004: 9 -10).

Goredema (2000:6) highlights that some changes are required to eradicate corruption in public enterprises and these are: the need to change the culture of governance, the need for honesty and integrity in the discharge of public functions and the lifting of the veil of secrecy over the conduct of public affairs. The public demands a shift from the official obsession with secrecy to a system which is regulated by the constitutional rights to know. Another change suggested by Goredema (2000:6), is the rejuvenation of work ethics and the improvement of work conditions and avoiding greedy individuals who promote corruption. However, the improvement of working conditions depends on the improvement of economic performance which hinges on the political will to succeed.

The South African Department of Public Service and Administration (2002:12) details nine anti-corruption strategic considerations that can be adopted to combat corruption in any public system depending on the political situation of a country. These strategies are:

- review and consolidation of legislation framework,
- increased institutional capacity building,
- improved access to report wrong doing,
- protection of whistle blowers and witnesses,
- prohibition of corrupt individuals and businesses,
- improved management policies and practices,
- managing professional ethics,
- partnership with stakeholders,
- social analysis, and,
- research and policy advocacy, awareness, training and education.

The Romanian National Anti-Corruption (2005-7:6) suggests that increasing transparency and integrity on the administration of public enterprises, information campaigns and educative measures are key strategies in fighting corruption as well. The Romanian National Anti-Corruption (2005-7:6) also highlights that the efficiency of judiciary system, punishing on corruption and fighting corruption through strong administrative measures is unavoidable to improve public enterprise performance.

Shana (2006:8) is of the view that corruption can be reduced if the model of governance practiced in state public enterprises is improved. He argues that the restoration of a depoliticized professional and accountable public service, the decriminalisation and de-policisation of democratic expression and the vigorous non-selective investigation of, and prosecution of persons engaged in or suspected of engaging in corrupt activities are necessary for public enterprise productivity. The instituting of an independent and fearless Anti-Corruption Corruption among other agencies, the dealing with the political, economic and social crises as far as they relate to the performance of public enterprises are also methods to reduce corruption.

Auriacombe (2005:215) notes that encouraging whistleblowing and protection of whistleblowers is one interesting strategy to national and international policy makers engaged in developing and designing anti-corruption policy solutions. Whistleblowing is critical for greater accountability in the use of power both in the public and private sector hence the need for whistleblower legislation. The aim of whistleblowing legislation is to ensure that those who speak out in the public interest are protected. Holtzhausen (2007:5) states that whistleblowing is not about informing in a negative, anonymous sense but is a key strategy in promoting individual responsibility and organisational accountability.

Auriacombe (2005:224) citing Calland (2004) reports that in organisations where there are high levels of trust between employers and employees and where channels of communication are trustworthy and open, whistleblowing will not be something extraordinary. In such institutions a whistleblowing policy will cohere with other pieces

of an organisation's ethics and good corporate governance jigsaw. The fight against corruption may be improved by strengthening the functions of institutions established by means of an act as detailed below.

2.9 Constitutional bodies as means to control corruption in public enterprises

The following institutional mechanisms are used in promoting ethical behaviour among political office bearers and public office bearers. Such bodies are provided for by the Constitution of Zimbabwe namely the Ombudsman, the Comptroller and Auditor-General, the Anti-Corruption Commission, the Public Service Commission and State Procurement Board. These various bodies are elaborated on in the next section.

2.9.1 The Ombudsman

The Ombudsman was established according to Section 107 and 108 of the Zimbabwe Constitution of 1996. The Ombudsman investigates all unethical actions committed by any officer, person or authority in the public sector especially where there are allegations of injustice as a result of action taken by any officer, person or authority hence the means to control corrupt activities in another way.

2.9.2 Anti-Corruption Commission

The Anti-Corruption Commission was created in terms of Section 108a of the Zimbabwe Constitution of 1996. Its functions are to monitor and examine the practices, systems and procurement procedures of public and private institutions, to enlist and foster public support in combating corruption in society, to educate the public on the dangers of corruption in society, to instruct, advise and assist any officer, agency or institution in the elimination or minimisation of corruption. The commission also receives and investigates any complaints alleging any form of corruption; investigates any conduct of any person whom the Commission has reason to believe is connected with activities involving corruption. The Commission assists in the

formulation and development of practices, systems and procurement procedures of public and private institutions with a view to the elimination of corrupt practices. It also advises on ways of strengthening anti-corruption legislation and recommends to the Government that it ratifies and domesticates relevant international legal instruments aimed at combating corruption.

2.9.3 Comptroller and Auditor-General

The office of the Comptroller and Auditor-General was created in terms of Section 105 of the Zimbabwe Constitution of 1996. The functions of the Comptroller and Auditor-General are to examine and audit public accounts, make provision for the management and control of public moneys, state property, protect and make the necessary recovery thereof, regulate and control the expenditures of certain statutory bodies and statutory funds. The functions of the Comptroller and Auditor-General act as a pillar in the reduction of corruption in public enterprises.

2.9.4 Public Service Commission

The Constitution mandates the Public Service Commission to promote sound values and principles applicable to public administration. The Commission has working guidelines that are supposed to be followed by public officers. It has regulations in place that are aimed at preventing unethical business conduct by public officials in the discharge of their duties and their interaction with the private and not for profit organisations among others (Public Service Act 17 of 2002:10).

2.9.5 State Procurement Board

The State Procurement Board has the following functions which are important in controlling public enterprises conduct with regard to the procurement of goods and services. The board conducts procurement on behalf of procuring entities, where the procurement is of a class prescribed in procurement regulations; supervise

procurement proceedings conducted by procuring entities in order to ensure proper compliance with the requirements of the Act, initiate investigations in terms of its powers and take action pursuant thereon in terms of its powers. The board, however, has no legal powers to arrest but refer all acts of corrupt activities in public enterprises to the Police or Anti-Corruption Commission for investigations. The reduction of corruption in public enterprises requires that public officials have good knowledge of corporate governance/governance and ethics as discussed below.

2.10 Corporate governance as an issue related to corruption and business ethics

Kasambira and Nyamunda (2001:31) define corporate governance as “the act of governing by the board of directors and in this respect governance is concerned with the full and effective control of public enterprise on behalf of the stakeholders”. Chikura (2004:27) states that corporate governance is the system by which public organisations are directed or controlled and held to account. This means that corporate governance is the full and effective control of an organisation on behalf of the public (Kasambira & Nyamunda 2004:27).

In general terms, corporate governance has been accepted as one of the essential elements in underpinning and strengthening the foundation for sustained performance of public enterprises which assist in the reduction of corruption (Chikura 2004:27). Corporate governance has been regarded as a tool among other things, for fighting corruption, corporate scandals, poverty and agents problems in public enterprises. It hinges on four pillars of good corporate governance which are fairness, responsibility, accountability and transparency among others (Kasambira & Nyamunda 2001:31).

Loubser (2001:24) defines corporate governance as “the mindset of doing something, not because somebody is watching, but simply because it is the right thing to do.” Obviously this deposition promotes investments from the external environment. Corporate governance is essentially about leadership for efficiency in order for public

enterprises to compete effectively in the global economy, leadership for probity because today's public requires confidence and assurance that the management of public enterprises will behave honestly and with integrity in regard to their participation (Loubser 2001:24). Leadership with responsibility in governance is a key requirement as organizations are increasingly called upon to address legitimate social concerns relating to their activities. Leadership that is not transparent and accountable to the people may not be trusted and this will lead to the collapse of public enterprises and the ultimate demise of a country's economy (Loubser 2001:24).

Dyck (2001:120) defines the corporate governance system as a "complex set of socially defined constraints that affect expectations for how authority in organizations is exercised and how the system affects investors' willingness to make investments in public enterprises in exchange for promises". The King Commission Report on corporate governance for South Africa provides seven characteristics of good corporate governance as constituting: discipline, transparency, independence, accountability, responsibility, fairness and social responsibility which are critical to the operation of public enterprises in the Harare metropolitan area.

Farrar (2001:3) sees corporate governance as a system used to refer to control of organizations and a system of accountability by those in control and is capable of being subsumed under broader concepts of contractual and social governance. It refers to legislation impacting on corporations but increasingly has become more expansive and now incorporates practices and arrangements of *de facto* control of companies, including self-regulatory codes of practices and business ethics. In a wide sense, corporate governance encompasses the entire network of formal and informal relations involving the public sector and their consequences for society in general (Keasey, Thompson & Wright 1997:2).

Williamson (1996:567-591) supports the idea that corporate governance, whether in the public or private sector, requires the consideration of many variables. It is underpinned and influenced by social institutions driving it into a particular direction with certain explicit or implicit goals. Good corporate governance has become a national and international agenda issue, the absence of good governance has been perceived as a major cause of corruption and that good governance is imperative for successful organizational development across nations.

Basically, effective governance is predicated on full accountability to stakeholders in the exercise of mandated activities and functions by all concerned, whether they are central, local government or public enterprise officials. Good governance requires an informed, pluralistic and involved society with shared basic norms, standards and aspirations (Williamson 1996:567-591). As such, good corporate governance is clearly not without context; nor is it value-neutral. Characteristically, good corporate governance requires the equitable participation of all stakeholders in the design and formulation of policies in institutions that affect them (Williamson 1996:567-591).

The disclosure of information is key to interactions between public enterprises and the affected - the public (Williamson 1996:567-591). It is also a prerequisite for an objective, systematic and timely assessment of public or private governance and its stated outcomes. It is indispensable in all these regards, thus strict observance and enforcement of common norms and recognized benchmarks must be done (Williamson 1996:567-591). The Institute of Chartered Accountants of Zimbabwe (2005:6) states that board of directors in public enterprise organizations should provide full and relevant information on their business activities to ensure that stakeholders are fully informed about their activities as a measure of control.

2.11 Corporate governance as a boardroom issue

In light of view points discussed above, public enterprises, regardless of country, are virtual, collaborative and dynamic organizations which do business in a wider society,

this means the society must be informed of organization's activities without fail. It also entails that organizations have to operate with open minds, open regulation policies, and procedures to ensure good corporate governance among other things (Dyck 2001:59-84). Corporate governance can be described as effective governance if it is pre-defined, pre-determined, clearly articulated, consistent, transparent, responsible/accountable to the people, known and accepted by the people (Kunaka & Matsheza 2002:19).

Dyck (2001:59-84) further points out that effective governance in institutions improves information flows and avoids an adverse selection problem. It enables timely, accurate and credible information to flow to outsiders. Diversions are more difficult to hide, and resources are more likely to be matched with promising investment projects, something which is missing in public enterprises in the Harare metropolitan area.

Kasambira and Nyamuda (2001:220) posit that boards of directors in public enterprises have the responsibility for setting the basic policies and framework within which an organization operates, thus they must not be a rubber-stamping management. Directors, especially non-executive directors, should not allow themselves to be coerced or hoodwinked by management to make un-informed decisions. They have a responsibility to stand up and oppose wrong practices. Board of directors is the custodian of an organization's ethics and management is the implementer. Unfortunately there are many examples in public enterprises where unethical practices are common (Kasambira & Nyamuda 2001: 220).

As a matter of fact, board of directors' responsibilities, in relation to stakeholders, is to put in place control mechanisms to prevent collusion between employees and customers. Employees and customers engage in practices such as bribery, kickbacks, unauthorized credit notes, under-invoicing, under-recording of goods taken, and other such schemes that do not benefit the general public (Kasambira & Nyamuda 2001: 220).

The quality of corporate governance may not be independent of the quality of state governance because the state provides the backbone upon which board of directors can govern, and upon which the stakeholders can redirect the directors or monitor the monitor (Kasambira & Nyamunda 2001:220). In rendering service to the public, the conduct of public institution officials must always be in the public interest (Cheminais, Bayat, van der Walldt & Fox 1998: 98).

2.12 Conclusions

This chapter set out to describe and analyse corruption and systemic corruption from a theoretical perspective. The analyses included an in-depth examination of corruption perspectives, the meaning, causes, manifestation and effects of corruption/ systemic corruption in the literature to determine how corruption affects the performance of public enterprises (see section 2.2-2.7). It also focused on ethics and corporate governance. It became apparent that unethical behaviour and poor corporate governance affect the administration of public enterprises hence the increase in corruption regardless of type.

The chapter also explored anti-corruption strategies that can be used to curb systemic corruption. Some of the anticorruption strategies identified were the need to minimise discretionary powers of public enterprise officials, the demystification and de-personalisation of state public enterprises, the promotion of meritocracy and whistleblowing. The chapter indicated that corruption may be reduced by the establishment and improvement of the functions of law enforcement agents like the Anti-Corruption Commission, Ombudsman, Comptroller and Auditor General, Public Service Commission and State Procurement Board among others (see section 2.8 - 2.9 for details). The next chapter focuses on the study's research design and methodology.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter defines the research design, describes and explains qualitative and quantitative approaches. The chapter further outlines the case and the explanatory methods as specific systematic and orderly approaches taken towards the collection of data in public enterprises in the Harare metropolitan area. The reasons for the choice of the explanatory and the case study designs are also detailed. The research subjects, or the population of the study, the sampling and the sampling process, the research instruments, the data collection procedure and the data presentation and analysis procedure are discussed in this chapter as well.

3.2 Research design

Research design is a systematic strategy and plan for selecting, rationalizing, and organizing the sequence of procedures for collecting and handling the evidence on the basis of the research questions or the research problem which are to be answered or solved (Shumba 2004:4). Mouton (1996:107) defines a research design as a set of guidelines and instructions to be followed in addressing the research problem; it is the guide that enables the researcher to anticipate appropriate research decisions so as to maximize the validity of the eventual results. According to Wimmer and Dominick (2000:30), a research design is a plan, structure and strategy of investigating so conceived as to obtain answers to research questions or research problems. This plan is the complete scheme or programme of the research and it includes an outline which an investigator will carry out from writing the hypothesis or questions and their operational implications to the final analysis of data.

Jankowics (1995:69) simplifies this and notes that a research design or method is a systematic and orderly approach taken towards the collection of data so that information can be obtained from the data. Strauss and Corbin (1990:17) define a research design as a plan that provides an overall framework for collecting data. A research design outlines steps of the study and provides guidelines for systematic data gathering. Strauss and Corbin (1990:17) highlight that a research design is similar to an architectural blue print which plans on organizing and integrating results in a particular end product.

3.3 Qualitative and quantitative approaches

Mouton and Marais (1989:157) define qualitative research as the design in which the procedures are formalized and explicated in a not so strict manner, but in which the scope is less defined in nature and in which the researcher does his/her investigation in a more philosophical manner. In qualitative research, the point of departure is the study of the object within unique and meaningful human interactions, with the investigation executed in a natural set-up (Neser, Joubert & Sonnekus 1995: 53-54). The strengths of the qualitative research approach include the obtaining of a more realistic feel of the situation that cannot be experienced in a numerical data and statistical analysis used in quantitative researches. It offers flexible ways to perform data collection, subsequent analysis, interpretation of collected data and provide a holistic view of the phenomena under investigation (Matveey 2002:6).

According to Borg and Gall (1989:385-387) qualitative research has the following general characteristics: it involves a holistic investigation executed in a natural set-up, the researcher can adapt to a complex situation as it develops, and subjects are selected in a purposeful, rather than random manner. The researcher makes use of inductive data analysis and also focuses on social processes.

Collins, Duplooy, Grobbelaar, Puttergill, Blanche, Eeden, Rensburg and Gston (2000:134) highlight that qualitative research values richness of detail and depth of understanding. Thus the basic principle of qualitative research design is to set up situations through which one can become familiar with the subject one is studying as it occurs in a natural setting. Unlike quantitative research, qualitative research designs are more flexible and involve a closer relationship between the researcher and those researched. Also, the outcome focuses on understanding rather than on predicting general patterns of behaviour.

Qualitative research is a way of knowing and learning about different experiences from the perspective of the individual. It is unlike quantitative methods which assume that the truth is objective and can be empirically revealed, qualitative research follows a naturalistic paradigm based on the notion that reality is not determined but constructed by research participants (Polit 2001:12). Polit (2001:13) further states that researchers in the naturalistic tradition stress the inherent complexity of humans, the ability of humans to shape and create their own experiences and the idea that the truth is a composite of reality.

Holtzhausen (2007:15) explains that qualitative research displays a number of characteristics as follows: qualitative research is dedicated to viewing events, norms and values from the point of view of the subjects who are studied, researchers are able to give a detailed description of the social settings they explore. It also enables researchers to understand the subject's interpretation of what is going on, and researchers may focus on events and behaviour in the context in which they occur following a holistic approach. According to Geoffry, David and David (2005:17) qualitative research involves studies that do not attempt to quantify their results through statistical summary or analysis. Qualitative studies typically involve interviews and observations without formal measurement.

The quantitative approach, as used by researchers in social and natural sciences, is the approach that is more formalized in nature as well as explicitly controlled, with a more carefully defined scope (Mouton & Marais 1989:157). Quantitative research involves counting and measuring of events and performing the statistical analysis of a body of numerical data, the main concerns of the quantitative paradigm are that measurement is reliable, valid and generalization is possible (Matveey 2002:6).

The strengths of the quantitative method include the stating of the research problem in a very specific and set terms; the ability to arrive at more objective conclusions, the high levels of reliability of gathered data due to controlled observations among others and the elimination or minimizing of subjectivity of judgment (Matveey 2002:6). From the above description of the qualitative and quantitative approaches, it can be, however, concluded that the knowledge of both approaches could be beneficial in that triangulation could be done although this study used the qualitative approach.

The explanatory research design and the case study methods which fall under qualitative research approach were used as specific tools in the collection of data in this study. The case study approach was favoured because of the need to make an in-depth investigation into the conduct of public enterprises in the Harare metropolitan area. Case studies constitute an in-depth investigation of interaction among factors influencing explanations or changes which are analyzed (Neuman 1997:29). Seven public enterprises which are Zimbabwe School Examinations Council, Nation Oil Company of Zimbabwe, Grain Marketing Board, Zimbabwe United Passenger Company, Air Zimbabwe, Civil Aviation of Zimbabwe and Zimbabwe Electricity Supply Authority were the units of analysis in this study.

According to Babbie (2008:326) a case study involves an in-depth examination of a single instance of some social phenomenon and in this case, public enterprises in the Harare metropolitan area. The choice of a case study is based on the researcher's knowledge of the subject under study, existing theoretical knowledge on the subject matter and experience of the researcher (Collins *et al.* 2000:100). In a case study

research design, use is made of logical and or analytical induction - in other words, the researcher studies one case/event or specific number of cases/events regarding a specific subject and then analyses the information obtained in detail. Geoffrey, David and David (2005:148) citing Yin (1994) state that a case study design must have five components which are the research questions, its propositions, its unit(s) of analysis, determination of how the data are linked to the propositions and criteria to interpret the findings.

A case study approach focuses on the element that is typical, and rather unique. The subjects of a case study are selected with circumspection so that the unit that is studied is a typical one. With a case study approach, data may be collected by means of various techniques such as questionnaires, observation of physical characteristics, social qualities and data reported in specific documents (Collins *et al.* 2000:99). According to Mouton (2001:149) a case study research design is usually qualitative in nature and, its aim is to provide an in-depth description of a small number of cases. It is suitable for studying organizations/events over a period.

A case study enables one to use a theoretical or judgmental sampling in the sampling of cases. The strength of a case study research design is that it has high construct validity; one is able to have an in-depth insight of issues under investigation and the ability to establish rapport with research subjects (Mouton 2001:149). Yin (2003:2) also states that case studies arise out of the desire to understand complex social phenomena. It allows investigators to retain the holistic and meaningful characteristics of realistic-life events. Its unique strength is its ability to deal with a full variety of sources - interviews, documents and observations among others.

Case studies have served as a source of research ideas and hypothesis; they have helped to develop therapeutic techniques, have enabled scientists to study extremely rare and low base rate phenomena including rare disorders and one-time events. Case studies can describe and detail instances that contradict universally accepted beliefs and assumptions thereby serving to plant seeds of doubt and spur new

experimental research to invalidate the accepted beliefs (Geoffrey, David & David 2005 :149).

The use of an explanatory approach in addition to a case study approach was also favoured because of its strength. The explanatory approach draws benefits from both the exploratory and descriptive approaches, thus it helps in gaining insight into systemic corruption in public enterprises in the Harare metropolitan area and establishes why such a phenomenon occurs (Collins *et al.* 2000:95).

3.4 Subjects/Population

Seventy (70) public enterprises in the Harare metropolitan area in Zimbabwe formed the population of the study. Collins *et al.* (2000:47) define a population as the entire group of persons or set of objects and events the researcher wants to study; it contains all the variables the researcher wants. A population is sometimes referred to as target population or universe (Bless & Higson-Smith 1995:85, Brink 1996:132, De Vos 1998:190). It is essential that a researcher defines and describes a population carefully and that the researcher specifically stipulates the criteria to be included in the population. These criteria are sometimes referred to as eligibility criteria, inclusion criteria or distinguishing descriptors (Polit & Hungler 1993:173).

Another way of clearly defining a population is by giving what is called an operational definition of the population although the results may not be generalized to the broader explanation of systemic corruption in public enterprises (Polit & Hungler 1993:173). Technically, researchers seldom have access to the entire population, the population that the researcher has access to and actually studies usually differs from the entire population in one or more respects. The population that the researcher can reach is defined as the accessible population or study population where the researcher samples (Brink 1996:132). However, in order for the researcher to conduct a meaningful study of the population, sampling is necessary as detailed below.

3.5 Sample

A sample is part of a whole or subset of measurements drawn from the population (Collins *et al.* 2000:149). It is a selected group of elements from a defined population. It enables the researcher to understand the population he/she is interested in (Bless & Higson-Smith 1995:88, Brink 1996:133). The key concept in sampling is representativeness. The concept of representativeness is better explained by focusing on statistical inference (Mouton 1996:136). Representativeness is the underlying epistemic criteria of a valid and unbiased sample. Population properties that could influence the representativeness of a sample are demographic information such as educational levels and work experience among others. According to Wilson (1993:172) researchers use sampling because it is a feasible and logical way of making statements about a larger group plus it is suitable if one is studying subjects with similar characteristics.

Wegner (1993:171) states that sampling is the process of selecting a representative subset of observations from a population to determine the characteristics of the random variable under study. Collins *et al.* (2000:152) outlined two essentials of sampling to ensure that the sample that is drawn represents the population; two important factors have to be considered. The first factor is to examine how similar or dissimilar is the population, the more alike the elements of a population, the smaller the sample can be and still be representative. The second important factor is the degree of precision with which the population is specified. One is more confident that a sample is representative if one has carefully defined a population.

3.6 Sampling approaches

Sampling theory distinguishes between two basic sampling approaches: probability or random sampling and non-probability sampling (Babbie 2008:203). Sampling approaches are also referred to as sampling procedures, sampling methods or sampling plans (Collins *et al.* 2000:152). Probability sampling or random sampling

refers to a procedure whereby each person has an equal chance of being chosen in the sample. The most commonly used probability sampling methods are: simple sampling, systemic sampling, stratified sampling and cluster sampling. In non-probability sampling the most common methods used are; convenience or accidental sampling, quota sampling, purposive or judgmental sampling and snowball sampling.

This study, however, used the judgmental also known as purposive or the theoretical sampling method. Purposive, judgmental or theoretical sampling is based on the understanding that the researcher selects a sample that can be judged to be representative of the total population. It relies heavily on the subjective considerations of the researcher rather than scientific criteria but when used by an expert who knows the population being studied, it has some value (Bless & Higson-Smith 1995:95 and Gilbert 1993:74).

According to Bless and Higson-Smith (1995:95), Gilbert (1993:74) and Wimmer & Dominick (1991:66) participants chosen by purposive or judgmental sampling (theoretical sampling) are chosen because they possess the necessary characteristics or information the researcher wants and that the researcher has a good knowledge about the subjects. The judgment is made on the basis of available information or the researcher's knowledge about the population, this type of sampling relies on subjective considerations of the researcher (Bless & Higson-Smith 1995:95 and Gilbert 1993:74).

3.7 Sample size

The sample size refers to the number of elements in a sample. There are no hard and fast rules in determining sample sizes. Instead, the researcher must consider the research purpose, the design, and the size of the population (Collins *et al.* 2000:162). The question of sample size determination varies, thus different formulae exist, however, the guiding principles are that the larger the population the smaller the sampling ratio has to be. Populations under 1000 are regarded as smaller populations

and need a sampling ratio of approximately 30%. For a larger population of approximately 10000 a sampling ratio of 10% is needed to be equally accurate (Neuman 1997:222).

Brink (1996:143) states some of the important factors that have to be considered in choosing a sample size are: the accuracy needed, size of population, type of research subjects, nature of research design, methods of data analysis, heterogeneity, method of data collection, research hypothesis, financial resources and attrition rate.

In light of the above mentioned views on sampling approaches, sampling size and factors to be considered in choosing a sample, the researcher sampled the population using the purposive also known as judgmental sampling because of its advantages as outlined in the previous section. Following the detailed discussion of purposive sampling method stated above, seven state public enterprises in the Harare metropolitan area were selected as the units of analysis.

The thirty percent sample guiding principle (30%) by Neuman (1997:222) which states that populations under 1000 require a sampling ratio of approximately 30% to be accurate was used as a tool to draw the sample of this study. Within the seven public enterprises selected which are Zimbabwe School Examinations Council, National Oil Company of Zimbabwe, Grain Marketing Board, Zimbabwe United Passenger Company, Air Zimbabwe, Civil Aviation of Zimbabwe and Zimbabwe Electricity Supply Authority, fourteen (14) directors and twenty six (26) managers were deliberately selected as data sources. The qualifications, work experience and their knowledge of corruption trends in public enterprises were highly influential in selecting both the managers and directors as data sources.

3.8 Research instruments

Questionnaires, interviews and documentations, as research instruments, were used in this study. The use of these instruments enabled triangulation to be done so that the weaknesses of each instrument used could be overcome. Questionnaires are a way of getting data about people by asking them rather than observing and sampling their behaviour.

Researchers use questionnaires to convert into information data directly given by the subject by providing access to what is in the subject's mind, the instrument makes it possible to measure what a person knows (knowledge or information), and what a person likes or dislikes (Wegner 1993:56). This means a good questionnaire is a result of good questions formulated hence the argument by Wegner (1993:56) that a questionnaire is not a list of questions or a form to be filled in but is essentially a measurement tool, an instrument for the collection of certain kind of data (Tuckman 1994:40).

Questionnaires offer greater anonymity and respondents have a sense of privacy since they can be completed at home or work. Subjects can answer questions at their own pace and have the opportunity to look up facts or check past information. The absence of the researcher eliminates bias on the part of the respondent and is also inexpensive to administer, it saves time and facilitates the obtaining of honest and accurate responses where sensitive questions are asked. Besides the overwhelming advantages, using the questionnaire is not without shortcomings (Wegner 1993:56).

Wimmer and Dominick (2000:56) argue that a questionnaire is the slowest form of data collection. It may take up to a week or so to start receiving responses. Respondents may also consult others in completing the questionnaire. However, with regard to this study, the questionnaire was self-administered. The questionnaire was directly administered to sampled individuals. The researcher together with the research assistants made appointments to meet the subjects on agreed dates for

completing the questionnaire. In some instances, the questionnaire was administered as a group during one session and the subjects managed to complete the questionnaire simultaneously.

The completion of the questionnaire was also characterised by one-to-one interaction. The advantage of the group administration was that the researcher could verbally explain the purpose of the study and answer any questions related to the questionnaire although no follow-up questions could be made. This was to avoid directing respondents in answering questions. The use of interviews enabled the researcher to interact with respondents and obtain information directly, reasons were sought and clues followed with interviewees freely responding.

The advantages of interviews, according to Collins *et al.* (2000:181), are that they provide fresh information the researcher could not have predicted or anticipated. With interviews, unclear questions can be clarified and follow-up questions can be asked where responses are ambiguous or unclear. The use of interviews does not call for respondents to be literate. Non-verbal communication can be observed and noted and questions asked can be standardized. In addition to the questionnaire and interview instruments used, the study also used documentation such as scientific accredited articles and policy documents. The documentation method enabled the researcher to analyse written reports, policies and procedures of public enterprises so as to reflect on the concerns of the study.

3.9 Data collection and collection procedure

Collecting data in social science research requires knowledge of how questioning can be used to collect data – refer to section 3.8 which describes and details the instruments chosen to collect data in this study. However, data was collected as detailed below. A questionnaire, as a data collection tool, was distributed to the selected public enterprises in the study sample in the Harare metropolitan area. The questionnaire was hand delivered after making the necessary appointments with the

relevant subjects. Face-to-face interviews using open ended questions were carried out with all the fourteen directors (14) on agreed dates. Documentary reviews in systemic corruption, corporate governance and ethics were also consulted to compliment data from self-administered questionnaire and interviews.

3.10 Presentations and analysis procedure

Data analysis used descriptive and explanatory approaches. The descriptive approach used was aimed at giving an accurate profile of the research subjects, describing a process, mechanism or relationship that influence the operation of public enterprises including their behaviour as far as their conduct is concerned, giving a narrative picture of the effect of systemic corruption in public enterprise. Descriptive or factual knowledge, which includes data, facts and narratives, provides truthful descriptions of phenomena in the area of concern (Mouton 1996:102).

The explanatory approach was aimed at explaining why systemic corruption was common in public enterprises. Explanatory research is usually based on exploratory and /or descriptive research. By using explanatory approach, the researcher tries to identify the reasons why something happened (Collins *et al.* 2000:95). Explanatory statements suggest plausible explanations of why things are as they are, the causes of events or the causal mechanisms behind systemic corruption. Both approaches are critical in the analysis of typical data sets (Mouton 1996:102).

In the analysis of data sets, typical techniques included tabulations, and the use of statistical graphs (bar and pie charts) for more visual presentations (Mouton 2001:153). The computer software that was used in the study was excel and Microsoft Word which enabled the production of graphs among other things possible. Data presentation, analysis and discussion were arranged according to research study questions as outlined in the introductory chapter of the study.

3.11 Conclusions

This chapter described and analysed the research design and research approaches of the study. The analysis included an examination of the definition of research design in literature to get an insight on how an appropriate decision was to be made on the collection of relevant data to the study. It was concluded that a research design is an action plan which provides guidelines for systematic data collection. It also focused on scientific research approaches, namely the qualitative and the quantitative by providing theoretical definitions from various researchers. The advantages of each research approach were given. The explanatory and a case study research methods used in the study were explored in details as well. After an exploration of the research design and research approaches in the study, the population of the study was clearly defined and described, followed by the description of sampling approaches in order to come up with a sample which is representative.

The study also defined and described the research instruments used in the study. The research instruments were the questionnaires, interviews and documentations. The use of more than one instrument was to enable triangulation to be made. With regard to questionnaires, it was indicated that they enable one to measure what a person knows, likes and dislikes (see section 3.8). It was also indicated that interviews enable a researcher to interact with respondents and obtain information directly from the subjects. The advantage of using documentations, such as scientific accredited articles and policy documents, was explained as well. The study further outlined the data collection, presentation and analysis procedure (see section 3.9-3.10). The next chapter details data presentation, analysis and interpretation.

CHAPTER 4

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

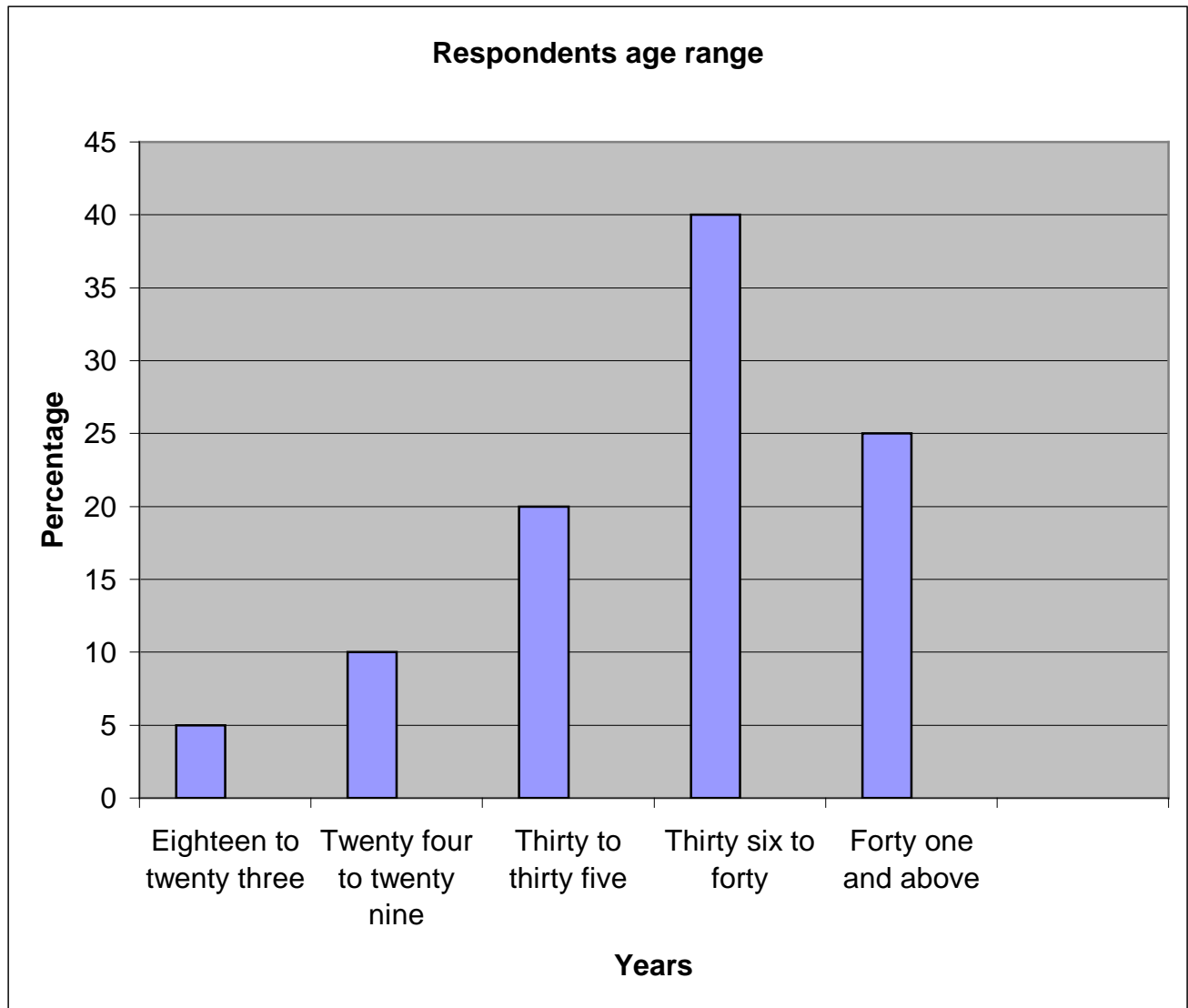
4.1 Introduction

In this chapter, characteristics of the subjects (demographic data), perceived causes of systemic corruption, manifestation of systemic corruption, effects of systemic corruption and strategies that could be used in the fight against systemic corruption in public enterprises in the Harare metropolitan area are discussed and evaluated in light with the findings of the study. The presentation, analysis and interpretation of data is of qualitative nature. Tables, verbal description and notes are used to make data analysis and interpretation more meaningful. Analysis and interpretations are supported by making reference to sources in the literature section as discussed in chapter 2 of the study. Generally, the presentation of data in any research study has to be systematic in order to communicate meaningful results. The analysis must show emerging patterns, identify similarities, differences and common trends, with interpretation clearly revealing the meaning of findings of the study.

4.2 Demographic data

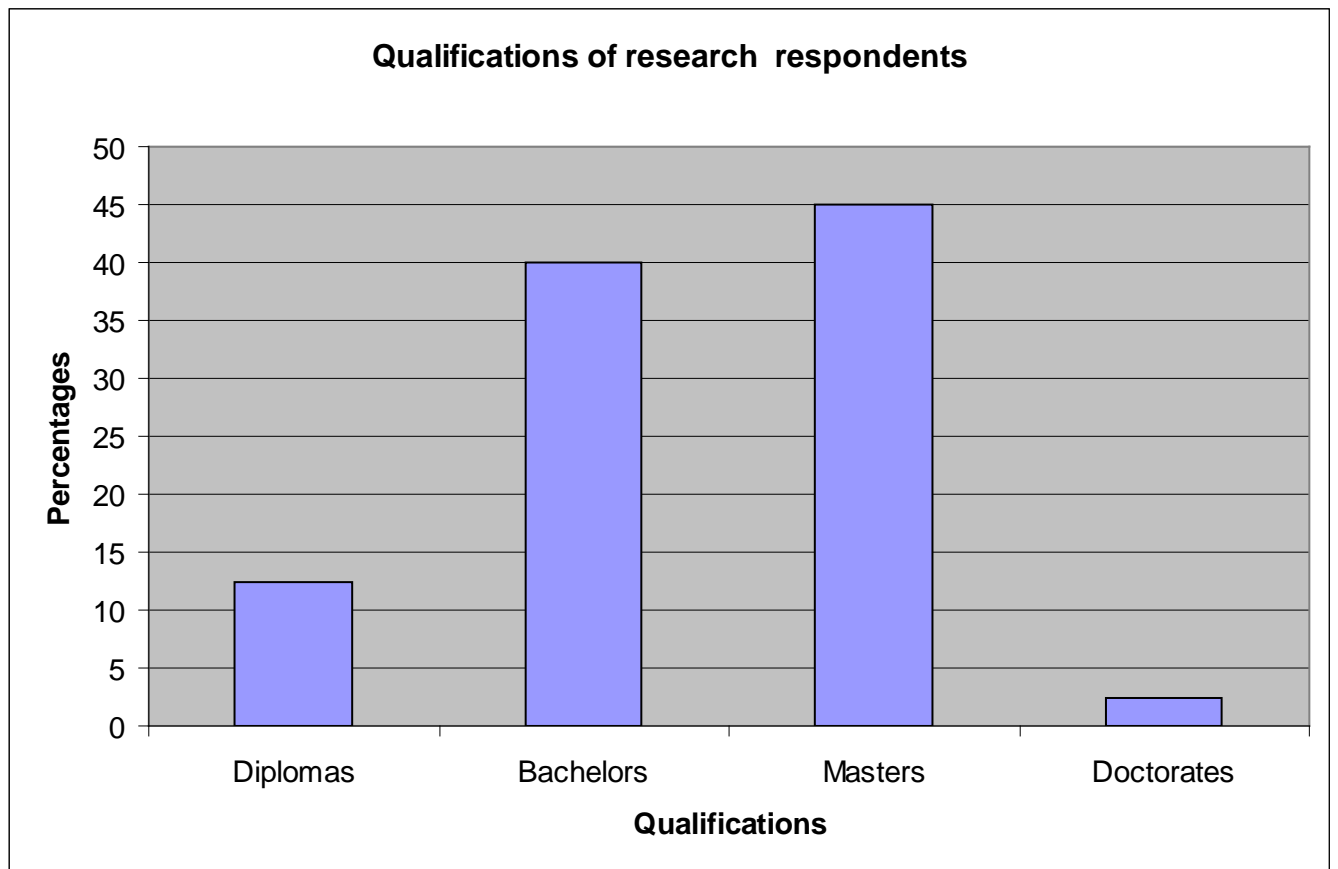
The research participants (subjects) used to gather information on the impact of systemic corruption comprised managers/officers and directors of public enterprises in the Harare metropolitan area. The participants' age range was between 18 and 41 years. Figure 1 below, details the research subjects' age range and their participation rate in graphic form.

Figure 1 Respondents' age range



Participants in the thirty six to forty (36-40) age group had the highest participation rate, the group ranked first at forty percent (40%), the forty one (41) and above age group formed twenty five percent (25%) of the participants in the study ranking second. The thirty to thirty five years (30-35) age group ranked third with twenty percent (20%), the twenty four to twenty nine (24-29) age group formed about ten percent (10%) ranking fourth with eighteen to twenty three (18-23) age group ranking fifth at five percent (5%). Figure 2 below details respondents' qualifications from Diploma to postgraduate degrees.

Figure 2 Qualifications of research respondents



In this study, forty five percent (45%) of the research subjects indicated that they had masters degrees in their areas of specialisation, with forty percent (40%) holding bachelors' degrees. However, there were twelve and half percent (12,5%) and two and half percent (2,5%) participants who held diplomas and doctorate degrees respectively. The age, qualification and experience (figure 1 and 2 above) of the participants in the study acted as a good base for getting authentic and reliable information about the impact of systemic corruption in public enterprises in the Harare metropolitan area.

4.3 Causes of systemic corruption in public enterprises in the Harare metropolitan area

The first research question of the study was aimed at identifying the causes of systemic corruption in state public enterprises in the Harare metropolitan area. Table 1 below, shows that most directors and managers (25%) perceived low remuneration to be the major challenging factor that caused systemic corruption among public officers. The least cause of systemic corruption was indicated to be poor leadership and greed (10%) respectively since improved procedures and regulations could be a substitute to poor management of any system.

Table 1 Causes of systemic corruption in state public enterprises in the Harare metropolitan area

Causes of systemic corruption	No respondents	Percentage (%)	Rank
Low remuneration levels	10	25	1
Appointment on patronage basis	6	15	2
Poor leadership	4	10	4
Weak corporate governance	6	15	2
Greed	4	10	4
Lack of political will	5	12.5	3
Dysfunctional economy	5	12.5	3
Total	40	100	

When ranked according to percentages as detailed in table 1, the results showed that low remuneration level was the major cause of corrupt behaviour among public officials. It ranked number one on twenty five percent (25%), followed by the appointment to public office on patronage at higher level of management which ranked second with fifteen percent (15%), whilst weak corporate governance - fifteen percent (15%) ranked second as well. The lack of political will and the dysfunctional economy formed twelve and half percent (12,5%), ranking third. Poor leadership and greed which were ten percent (10%) each ranked least at number four respectively. The identification of causes of systemic corruption in public enterprises as described above, however, required a qualitative analysis and discussion as detailed below – see section 4.4.

4.4 An analysis and discussion of the causes of systemic corruption in public enterprises in the Harare metropolitan area

An analysis of the findings of this study on the causes of systemic corruption in public enterprises, as discussed above, revealed that an evaluation of the causes of systemic corruption between the various years was necessary. The study identified that low remuneration, patronage appointment to positions of authority, poor leadership, greed and weak corporate governance were high between two thousand and three and two thousand and eight (2003-2008) in public enterprises in the Harare metropolitan area. Supporting evidence from both documentary analysis and information provided by the subjects used in this study indicated that the poor economic and political situation in Zimbabwe, in the same period, promoted much of the unethical practices to the disadvantage of the general public. The situation was, according to the subjects' perception, uncontrollable hence the rise in corrupt activities over the period - see table 1.

The research results on the causes of systemic corruption were consistent with earlier studies by (Goredema 2000:1-10, Nyamuda 2001:31 and Shana 2006:13) who reiterated that factors like poor salaries among officers, patronage appointments on senior level management positions, doubtful governance systems (poor corporate governance) and a declining economy were causes of systemic corruption in most public enterprises in African countries. Goredema (2000:1-10) further states that the declining moral values and the lack of ethical code of conduct in public enterprises promote corruption.

One hundred percent (100%) of the participants (subjects) as revealed through interviews in this study were of the view that unethical behaviour of officers in public enterprises promoted systemic corruption. The subjects also indicated that high levels of secrecy (deliberate non-dissemination of information to the public on how public enterprises conduct their work) with which public activities were being conducted results in corrupt activities. The reasons advanced by the subjects on the issue of high levels of secrecy were that any work done in the dark or within high levels of secrecy was prone to corruption since officials were likely to direct projects that benefited themselves instead of the general public. Interview results also revealed that questionable principles of good governance prevailing in public enterprises, for example, the lack of transparency, discipline, accountability, fairness, responsibility, equity and excessive power by public officials were causes of corruption.

The study also found that the lack of competence skills in combating corruption and good corporate governance helped in destroying the once vibrant and strong government owned enterprise to the detriment of the general public. Interview results explained above were consistent with Van der Waldt and Helmbold's (1995:161-162) findings that unethical behaviour, deficient control and accountability, inadequate procedures and deficient management created by high ranking officials promoted corruption and poor governance in public enterprises. The issue of unethical conduct on the part of senior officials was supported by Maipose in Hope and Chikulo (2000:89) who reiterate that corruption results from rotten public servants who create

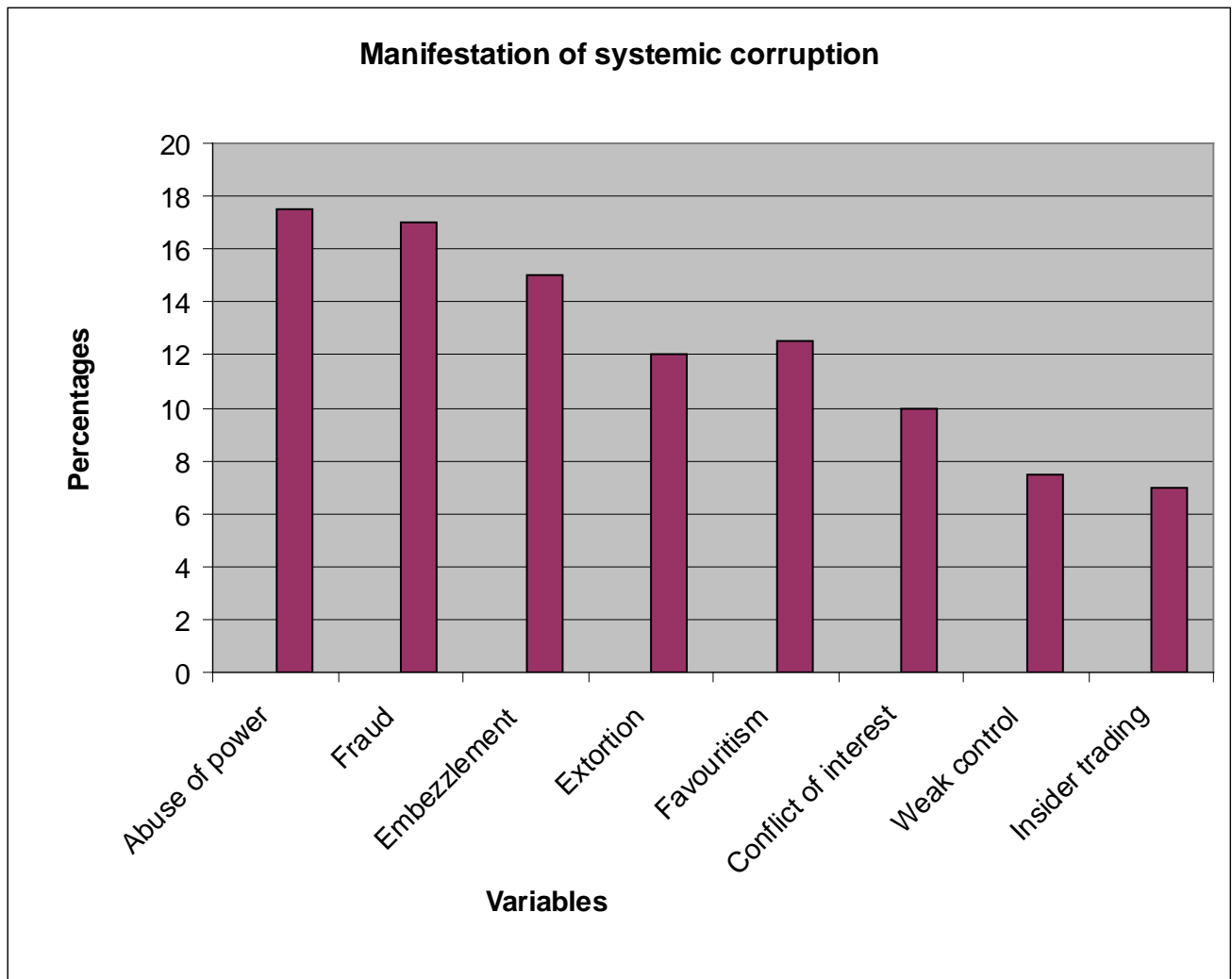
regulations and procedures that cover up for their dirty deals in the administration of public affairs.

Pauw *et al.* (2002:33) pose that weak corporate governance and poor regulatory regime in a country could be a source of corruption. This was, however, in line with the view of most research participants in this study. Possible explanations for this agreement on weak governance and poor regulatory regime, as causes of systemic corruption in public enterprises, could be that participants in this study were professional individuals mostly at senior level of management who had informed knowledge on corruption. Some public enterprise directors and managers/officers in this study indicated that political appointees were likely to be perpetrators of poor corporate governance and corruption which then result in disabling public enterprises in terms of good public service provision. While corruption was being caused by some factors outlined above, however, it manifests itself in many forms as discussed below.

4.5 Manifestation of systemic corruption in public enterprises in the Harare metropolitan area

The second research question of this study focused on the manifestation of corruption in state public enterprises in the Harare metropolitan area. Figure 3 shows that most managers and directors in public enterprises perceived the abuse of power (17,5%) as how corruption manifests itself. However, insider trading (abuse of privileged information) which is the use of privileged information and knowledge that an official possesses as a result of his/her office to provide unfair advantage to another person or entity to obtain a benefit or to accrue a benefit to himself/herself. It was rated the least, with seven percent (7%)-see figure 3 below.

Figure 3 Manifestation of systemic corruption variations in public enterprises in the Harare metropolitan area



Systemic corruption manifests itself in many forms including the forms presented in figure 3 above. The abuse of power ranked number one with seventeen and half percent (17,5%) of the respondents indicating that it was the major cause of poor service delivery in public enterprises. The subjects indicated that public officials were using their office powers to manipulate the use of public resources for their benefits among others. Fraud ranked number two with seventeen percent (17%) followed by embezzlement with fifteen and half percent (15,5%) ranking number three. Favouritism was ranked fourth at fifteen percent (15%), it was followed by extortion

which ranked number five at twelve and half percent (12,5%). Conflict of interest, as indicated in figure 3 was number six in ranking with twelve percent (12%), weak control mechanism ranked number seven with seven and half percent (7,5%). The least manifestation of corruption was noted to be insider trading which ranked number eight at seven percent (7%). The study also revealed, through interviews, that graft, ghosting, falsification of documents, payment for work not done, kickbacks, and bid rigging were also common in public enterprises in the Harare metropolitan area.

The results of the findings were in line with Hope and Chikulo (2000:8) who reiterated that corruption was the utilization of official positions or power for personal gains, privately or on individual collective basis at the expense of the public in violation of established rules and ethical considerations. The results were also in agreement with Bauer and van Wyk (1999:56) in their studies on manifestation of corruption which indicated that corruption manifests itself in the form of fraud, embezzlement, graft, ghosting, abuse of office, favouritism among others. The basis of this conceptual agreement of how corruption manifests itself by the research respondents and previous researchers in this study was a reflection of the similarities shared in the culture systems of most African countries. Systemic corruption affects public enterprises in many forms as detailed in the findings below. Section 4.6 below outlines an analysis of the manifestation of systemic corruption in public enterprises in the Harare metropolitan area.

4.6 An analysis and discussion of the manifestation of systemic corruption in public enterprises in the Harare metropolitan area

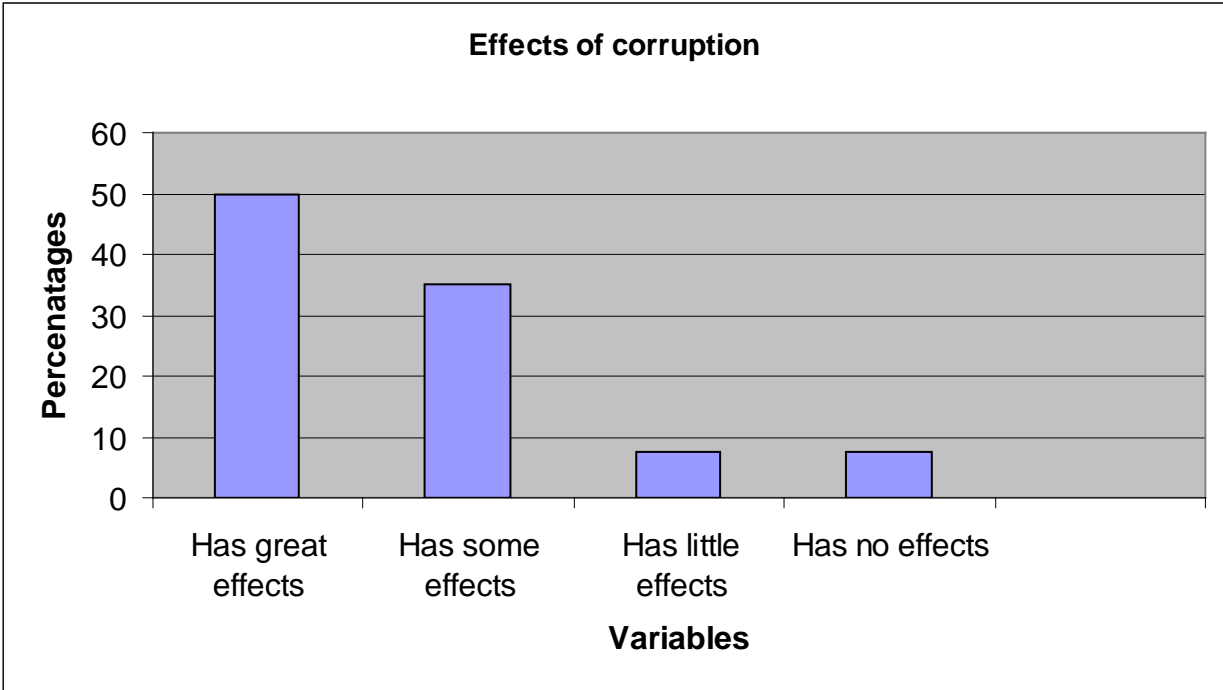
Abuse of office/power, ghosting, fraud, favouritism, the falsification of reports, embezzlement, over-invoicing, the awarding of tenders to undeserving suppliers, conflict of interest, insider trading, giving gifts to influence decisions and extortion were very common and relatively high in all public enterprises under study during the period 2003-2008. However, the adoption of the multi-currency system by the Zimbabwean economy in 2009 was viewed by the respondents as positive in that the

general public could finance their well-being without much dependence on public resources. The subjects also revealed that in 2009, the use of multi-currency enabled public officials to economically finance their well-being, thus the dependence on public resources was minimal. However, the manifestation of corrupt activities in public enterprises affected the well-being of the general public in many ways - see section 4.7 below for detailed discussion.

4.7 Effects of systemic corruption in public enterprises in the Harare metropolitan area

In this study, the third research question focused on the effects of systemic corruption on service delivery by public enterprises in the Harare metropolitan area. Figure 4 below indicates that directors and managers/officers perceive systemic corruption and weak corporate governance as the factors that mostly affected the performance of all public enterprises.

Figure 4 Effects of systemic corruption in public enterprises in the Harare metropolitan area



Fifty percent (50%) of managers and directors were of the view that corruption had great effect on the performance and service delivery of public enterprises. Thirty five percent (35%) of the managers and directors indicated that corruption had little effect, seven and half (7,5%) indicated that corruption had some effects with another seven and half percent (7,5%) indicating that corruption had no effect. Although seven and half percent (7,5%) of the respondents indicated that corruption had no effect. The greater percentage of respondents (92,5%) when combined, however, were of the view that corruption had negative impact on state public enterprise development which in turn slows down investment and affect service delivery.

Ninety percent (90%) of the interviewees pointed out that corruption creates problems such as the flight of skilled labour to other countries (brain drain) due to the employment of close associates and friends, administrative inefficiency and parasitism, a social atmosphere of tension, dishonesty in public enterprises. It was further indicated that corruption in public enterprises benefited public officials since they are in control of resources which enable them to make illegal transactions with those in the private sector to the disadvantage of the general public. Along the same lines, as suggested by most interviewees, Ayittey (2000:105) was of the same view that corruption breeds inefficiency, aggravates budget deficit problems, drives away investors that lead to economic deconstruction and collapse.

The South African Department of Public Service and Administration (2000:6) states that macro-fiscal, reduction in production, investment and growth, the loss of confidence in public enterprises are the costs that result from the effects of corruption which to some extent agrees with the views of the respondents in this study. Sixty percent (60%) of the respondents reflected, through interview discussions, that systemic corruption in public enterprises generated economic distortions by diverting public investments away from projects that benefit the public to projects where bribes and kickbacks were plentiful.

The respondents further revealed that public officials in public enterprises were complicating procedures and regulations regarding the provision of services in order to conceal under dealings. The assertion agrees with the Parliamentary Centre (2000:29) which states that officials in public enterprises engage in illegal, illegitimate and unethical actions that diminish a country's economic prospects and degrade its social and political standing. Table 2 below shows some common corrupt activities by public officials in state public enterprises between 2003 and 2009.

Table 2 Interview results on other variations of corrupt activities in public enterprises in the Harare metropolitan area

Variables	Frequency	Percentage	Rank
Giving gift or gratitude to influence decision	6	15	3
Rewarding for reasons not related to performance	9	22,5	1
Being dishonesty with customers/public	5	12.5	4
Over claiming expenses	8	20	2
Shifting from core business	3	7.5	5
Favouritism/nepotism	9	22,5	1
TOTAL	40	100%	

Interview results presented in table 2 above on other variations of corrupt activities in public enterprises between 2003 and 2009 reflected that rewarding for reasons not

related to performance (22,5%) and favouritism/nepotism (22,5%) ranked highest, both corrupt activities were hovering at twenty two and half percent respectively. The over claiming of expenses ranked number two with twenty percent (20%), the giving of gift to influence decision or to gain favour ranked number three with fifteen percent (15%). Dishonesty as one of the corrupt activities in public enterprises ranked fourth with twelve and half percent (12,5%), however, shifting from core business ranked number five with seven and half percent (7,5%). The results were a clear indication that corrupt activities in public enterprises in the Harare metropolitan area were rife. The occurrence of systemic corruption in public enterprises presented an unfavourable picture of the performance of public enterprises in the Harare metropolitan area in Zimbabwe. The performance could be leading to a halt if the current situation goes unchecked, thus the remoralisation of the economy was evident and as such, adequate measures to promote business ethics would be needed. Public officials are required to discharge their duties in the public interest so that corruption in public enterprises can be reduced (Cheminais *et al.* 1998:98).

4.8 An analysis and discussion of the effects of systemic corruption in public enterprises in the Harare metropolitan area

An analysis of information provided by the respondents through questionnaire and interviews in the study clearly revealed that corrupt activities were high between 2003 and 2009. The respondents attributed the sharp increase in unethical activities by public officers in public enterprises to the declining economy that Zimbabwe experienced during the same period. Public officers used every opportunity at hand to survive, they in fact used public machinery/ resources to sustain their lives much to the disadvantage of the general public. Corruption in public enterprises, according to interview results, affected public enterprise service delivery as embezzlement and fraudulent activities were on the increase. In general terms, a corrupt environment does not attract international investment hence the need to eradicate corruption (Hope & Chikulo 2000:67-69).

4.9 Strategies for implementation to eradicate systemic corruption in public enterprises in Harare metropolitan area

The fourth question of this study sought to solicit views of the subjects on strategies that can be implemented to eradicate corruption in public enterprises in the Harare metropolitan area. Strategies used in this study were based on the work of the South African Department of Public Service and Administration (2002:12-20), United Nations Development Programme and Organisation for Economic Cooperation and Development (1997:145) and the study on corruption by Kunaka and Matsheza (2002:20). The highest number of managers and directors (20%) indicated that the need to transform the culture of governance was of paramount importance in the administration of public enterprises. The least rated anti-corruption strategy was the improvement of management policies with a ten percent rating (10%). Table 3, below details suggested strategies that were presented by most research subjects.

Table 3 Perceived strategies that could be implemented to reduce systemic corruption in public enterprises in the Harare metropolitan area

Variable	Frequency	Percentage (%)
Review consolidation of legislative framework	6	15
Transforming the culture of governance	8	20
Prohibition of corrupt individuals and business	5	12.5
Improved management, policies and practices	4	10
Managing professional ethics	5	12.5
Lifting the secrecy of the conduct of public officials	6	15
Awareness, training and education	6	15
TOTAL	40	100

In table 3, public enterprise officials indicated that the review and consolidation of the legislative framework (15%), the transformation of the culture of governance in public enterprises (20%), awareness, training and education (15%) were unavoidable. Lifting the secrecy of conduct of public officials (15%), prohibition of corrupt individuals and businesses from being engaged in any government related work (12,5%), managing professional ethics (12,5%) and improving management policies and practices were some of the best strategies that were identified as instruments in the fight against systemic corruption. The results were consistent with the recommendation of the South African Department of Public Service and Administration (2002:6) which also seemed to agree with the National Anti-Corruption of Romania (2005) which highlights the need for increasing transparency and integrity in the public administration of public enterprises and the strengthening of institutional legislative measures.

Results from the analysis of documentary evidence in literature reviewed and ideas advanced by interviewees seemed to suggest that the let it be seen (avoidance of excessive secrecy in the conduct of public affairs by public officials) must be a pillar in promoting transparent administration of public enterprises. In public enterprises, the secrecy syndrome promoted the unethical business conduct by bureaucrats who sought to further their interest much to the disadvantage of the general public, a notion that was supported by Goredema (2000:2), who mentioned that government must create instruments that support clean and ethical governance systems in public enterprises.

Further information, collected through interviews and a questionnaire on strategic consideration on the reduction of systemic corruption in public enterprises indicated that there was need to review and consolidate legislative framework. There was also need to clearly spell out the variations of corrupt activities or forms in all legal instruments used by the Courts, Anti-Corruption Commission and the Police as law enforcement agents. The improvement of access to report wrong doing in public institutions, reporting of fault management policies and practices, training and awareness of the dangers of corruption, management of professional ethics and the

prohibition of corrupt individuals or businesses in conducting any business with public enterprises, were highlighted by the respondents as critical in corruption reduction.

4.10 Conclusions

This chapter set out to describe and explain demographic characteristics of the research subjects. The discussion centred on educational qualifications, age and work experience. It used both graphs and narration to explicitly explain characteristics of the demographic data (see section 4.2). It also outlined, discussed and evaluated the findings of the study on the causes, manifestation and effects of systemic corruption in the Harare metropolitan area. The findings were analysed in line with the findings of other researchers in the same field to note any agreements or disagreements (see section 4.3-4.8).

The chapter dealt with the views of the research subjects on anti-corruption strategies that were to be implemented in public enterprises to curb corruption in the Harare metropolitan area. The anti-corruption strategies highlighted to be important in the fight against both corruption and systemic corruption were indicated as the need to review and consolidate legislative framework governing law enforcements agents and the transformation of the culture of governance in public enterprises. The need to improve management practices, managing professional ethics, lifting the secrecy of the conduct of public officials, training and education were also pointed to be critical in curbing systemic corruption. The next chapter details the study summary, conclusions and recommendations.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The study set out to investigate the impact of systemic corruption in the Harare metropolitan area. The study explored relevant literature in corruption and systemic corruption in order to come up with informed scientific outcomes. A sample of public officials which comprised 40 managers/officers and directors from selected public enterprises in the Harare metropolitan area was used. The study used both the explanatory and a case study as research methods (see chapter three). The objective of the study was mainly to identify, describe and analyse systemic corruption in public enterprises in the Harare metropolitan area. It also explored the causes, manifestation, effects/impacts of systemic corruption and strategies that could be used to reduce systemic corruption in public enterprises.

In this chapter of the study, appropriate conclusions and recommendations were made following an exploration of the nature of systemic corruption, causes of corrupt activities, the manifestation and effects of systemic corruption in public enterprises in Harare metropolitan area. The following questions formed the core of the statement of the problem as discussed in chapter one (see section 1.2 in this study).

What is the nature, manifestation and impact of systemic corruption in public enterprises in the Harare metropolitan area and how can systemic corruption in public enterprises in the Harare metropolitan area be minimised?

To facilitate the research and investigate the problems identified in the study, four research questions were used to gather, discuss and analyse data in chapter four of the study:

- What were the causes and reasons for the occurrence of corrupt activities in public enterprises in the Harare metropolitan area?
- How did corruption manifest itself in public enterprises in the Harare metropolitan area?
- What were the effects of systemic corruption on service delivery and the well-being of the public in the Harare metropolitan area?
- How can systemic corruption in public enterprises in the Harare metropolitan area be eradicated?

Section 5.2 below presents some conclusions of the study, taking into account some findings of the study on the causes, manifestation and effects of systemic corruption.

5.2 Conclusions on the findings of the study

Information was gathered through both primary and secondary sources of data that addressed all the research questions. The first research question of this study focused on the identification and description of the causes / reasons for the occurrence of corrupt activities in public enterprises. The following questions were aimed at exploring the manifestation, impact of systemic corruption and how it could be reduced. Research questions detailed below guided this research study in coming up with useful conclusions.

5.2.1 What were the causes of systemic corruption in public enterprises in the Harare metropolitan area?

This question in chapter one aimed to identify and describe causes of corrupt activities by public officers in public enterprises between 2003 and 2009. Many factors, including the following were noted to be corrupt drivers in public enterprises: poor salaries of public officials, patronage appointments on senior level management positions, doubtful governance (poor corporate governance) systems and a declining economy. Poor leadership, weak corporate governance, greed and the lack of political will were

also highlighted to have contributed immensely to the increase in corrupt activities in the Harare metropolitan area (see section 4.3 for details).

The study also revealed that the high level of secrecy with which public activities were being conducted resulted in corrupt activities (see section 4.4 for details). The respondents were of the opinion that any work done in the dark or within high level of secrecy was prone to corruption since officials were likely to direct projects that benefited themselves instead of the general public. They also indicated that questionable principles of governance prevailing in public enterprises, for example, the lack of transparency, discipline, accountability, fairness, responsibility, equity and excessive power by public officials and weak legal system were also indicated to be corruption drivers. The study further revealed that the lack of competence skills in combating corruption and corporate governance helped in destroying the once vibrant and strong government owned enterprises to the detriment of the general public.

5.2.2 How did systemic corruption manifest itself in public enterprises in the Harare metropolitan area?

The second research question of this study focused on the manifestation of corruption in state public enterprises in the Harare metropolitan area. The study revealed (see section 4.5 for details) that the abuse of power in public enterprises ranked highest during the period 2003 to 2009. Public officials were indicated to be using office powers to manipulate the use of public resources directly or indirectly for their benefits. Fraud, embezzlement, extortion, favouritism, conflict of interest and insider trading were common between 2003 and 2009 in public enterprises. It was also the finding of this study that graft, ghosting, falsification of documents, payment for work not done, kickbacks, and bid-rigging were rife in public enterprises in the Harare metropolitan area in the same period stated above. Section 5.2.3 below, concludes on the effects of systemic corruption in public enterprises in the Harare metropolitan area.

5.2.3 What were the effects of systemic corruption on service delivery and public life in the Harare metropolitan area?

In this study, the third research question focused on the effects of systemic corruption in public enterprises in the Harare metropolitan area. Systemic corruption was indicated to be the most dangerous element that affected the performance of all public enterprises in the Harare metropolitan area from 2003 to 2009. It was clearly indicated that systemic corruption had negatively impacted on state public enterprise development which in turn slowed down investment and service delivery. It was the findings of this study that corruption creates problems such as administrative inefficiency and parasitism, a social atmosphere of tension, dishonesty in public enterprises (see section 4.7 for details).

It was further indicated that corruption in public enterprises benefited public officials since they are in control of resources which enable them to make illegal transactions with those in the private sector to the disadvantage of the general public. Corruption was also noted to be a source of inefficiency and causing budget deficit problems. It was also revealed that systemic corruption in public enterprises generated economic distortions by diverting public investments away from projects that benefit the public to projects where bribes and kickbacks were plentiful (see section 4.7 for details).

The respondents further revealed that public officials in public enterprises were complicating procedures and regulations regarding the provision of services in order to conceal under dealings. Rewarding for reasons not related to performance and favouritism/nepotism, over claiming of expenses, the giving of gifts to influence decision or to gain favour, dishonest and shifting from core business were some of the effects of corruption (see section 4.7 table 2 for details). The results were a clear indication that corrupt activities in public enterprises in the Harare metropolitan area were rife. The occurrence of systemic corruption in public enterprises presented an unfavourable picture of the performance of public enterprises in the Harare metropolitan area in Zimbabwe. The performance of public enterprises could be

leading to a halt if the current situation goes unchecked. Regardless of the effects of systemic corruption as concluded above, it was important to present conclusions on how systemic corruption could be eradicated.

5.2.4 How can systemic corruption in public enterprises in the Harare metropolitan area be eradicated?

The fourth research question as detailed in chapter four was aimed at identifying strategies which could be used to prevent or eradicate corrupt activities in public enterprises in the Harare metropolitan area. It was the findings of this study that the review and consolidation of the legislative framework was important in combating corruption in public enterprises and that the transforming of the culture of governance in public enterprises was unavoidable. Public officers need to be trained in managing public affairs since their activities affect the general public directly.

The study revealed, through interview results, that the prohibition of corrupt individuals and businesses (see section 4.9 table 3 for details) from being engaged in any government related work may assist in reducing corruption in public enterprises. The managing of professional ethics, the improvement of management policies and practices were some of the best strategies that were identified to be instrumental in the reduction of systemic corruption.

The need to increase transparency and integrity in the administration of public enterprises, information campaigns, and educative measures were identified as critical in the reduction of systemic corruption in public enterprises. Results from the analysis of documentary evidence in the literature reviewed and ideas advanced by interviewees highlighted that the “let it be seen” (avoidance of excessive secrecy in the conduct of public affairs by public officials) must be a pillar in promoting transparent administration of public enterprises. In public enterprises, the secrecy syndrome promoted unethical business conduct by bureaucrats who sought to further their interest much to the disadvantage of the general public (see section 4.9).

Further information collected through interviews and the questionnaire on strategic consideration for the reduction of corruption in public enterprises in the Harare metropolitan area indicated that there was need to clearly spell out the variation of corrupt activities or forms in all legal instruments used by the Courts, the Anti-Corruption Commission and the Zimbabwean Republic Police as law enforcement agents. The respondents also indicated that strong and deterrent court judgments must be awarded to all public officials who commit any form of corrupt activities (see section 4.9 of the study). The improvement of access to report wrong doing in public institutions, reporting of fault management policies and practices and whistleblowing were also noted to be critical in the fight against corruption.

5.3 Recommendations

In the light of the above conclusions, it is recommended that the level of remuneration in public enterprises for public officials is improved so that the minimum grounds for corruption motives are reduced. When salaries are too low, officers are obviously forced to indulge in unethical activities which in turn affect the general public directly or indirectly. The study recommends that all public officials undergo training in the dimension of corruption and negative impact of systemic corruption on the well-being of the public. If officers are trained or equipped with knowledge on how corruption can be reduced, public enterprise performance and integrity can be improved. Corrupt individuals and businesses pose a great challenge in the management of public enterprises, therefore, they must not be employed or engaged in any way in government related work at both local and national levels. This is achievable through vetting (screening) of individuals and businesses. Corrupt people and businesses work to the disadvantage of the public as they seek to enrich themselves.

It is also the recommendation of this study that the culture of public enterprise governance be transformed to reflect the changing needs of the public. All public activities/work should be accessed by any interested party (lifting of secrecy), although confidentiality should be observed. The level of secrecy in public enterprise, as it is

currently in Zimbabwe, promotes corrupt activities by public officials. If officers perform their duties under the public eye, they are likely to improve on how they handle public affairs. Whistleblowing, as a key strategy in minimising systemic corruption in public enterprises should be encouraged providing that whistleblowers will be protected from victimisation.

This study suggests that strong anti-corruption strategies in public enterprises based on the Zimbabwean experience are to be developed with the involvement of all interested parties - the general public, non-governmental organizations, minority parties, church institutions among others. The involvement of all interested parties ensures that acceptable and inclusive anti-corruption strategies are developed.

With regard to the appointment of executive officers, managers and operatives to posts in public enterprises, it is suggested that appointments must be based on competence and relevant educational qualification plus experience. Patronage appointment/s must therefore be avoided. A workforce with low level of competence in managing and handling public affairs offer a de-service to the nation as they fail to discharge their duties in the manner that is desirable.

The last suggested recommendation of this study is that all cases of corruption, regardless of form, must be treated as high level criminal cases thus attracting longer and deterrent court sentences. In fact, special courts that deal with corruption must be established, currently, most corrupt activities attract very low charges in the courts of law in Zimbabwe. Some corrupt activities are not even legislated against, thus those who commit such offences are left free as they cannot be prosecuted.

5.4 Further research study

This research study is not exhaustive thus it recommends further research on the impact of systemic corruption in both public and private sectors in Zimbabwe so to develop comprehensive anti-corruption strategies to fight systemic corruption.

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Appendix A questionnaire

Informed consent for participation in an academic research study

Title of the study

Systemic corruption in public enterprises in the Harare metropolitan area: a case study

Dear respondent

The questionnaire is designed to collect information on systemic corruption in public enterprises in the Harare metropolitan area in accordance with the requirement for the degree of Master of Public Administration at the University of South Africa.

Complete the form by either filling in blank spaces or putting a tick in the appropriate section. All information you give shall be treated in the strictest confidence.

Your inputs and insights are greatly acknowledged in anticipation.

Yours, faithfully

Taonashe Dube

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Section A: Demographic attributes

01) Gender profile

Male

Female

02) Age group profile

Between 18...23

Between 24...29

Between 30...35

Between 36...41

Older than 41

03) Educational profile

Diploma

Bachelor's degree

Master's degree

Doctorate

Other (Please specify).....

04) Length of employment in organisation

Between 1...5 years

Between 6...10 years

Between 11...15 years

More than 15 years

Section B: Knowledge questions

05) Corruption is a virus that has affected the delivery of services in most public enterprises. To what extent is your organization affected by this virus? (Tick one option)

- To a little extent
- To a very little extent
- To some extent
- To some great extent
- Not sure

06) How would you rank your knowledge of corruption and weak corporate governance in public enterprises with respect to polices/regulations/procedures? (Place a tick on your choice)

- Poor
- Good
- Very good
- Average
- Excellent

07) How would you characterise corruption trends (if any) in your organization? (Tick one answer)

- Very rare
- Rare
- Occasional
- Frequent
- Very frequent.

08) Indicate the major cause/s of corruption in public enterprises (Tick all factors that apply to your situation)

- Low remuneration level
- Poor leadership
- Loose rules/regulations/guidelines
- Too much discretion
- Too much secrecy/Political influence/greed/poverty/patronage

09) How would you rate the following factors which constitute unethical behaviour in public enterprises? (1 is the lowest rate, with 5 as the highest rate – tick your options)

	Rarely			More often	
Giving gifts or gratitude to influence decision	1	2	3	4	5
Rewarding for reasons other than work related performance	1	2	3	4	5
Being dishonest with customers	1	2	3	4	5
Falsifying reports or records	1	2	3	4	5
Over claiming expenses	1	2	3	4	5
Favouritism/nepotism	1	2	3	4	5
Bid-rigging	1	2	3	4	5
Graft	1	2	3	4	5
Ghosting	1	2	3	4	5
Fraud	1	2	3	4	5
Embezzlement	1	2	3	4	5
Abuse of office	1	2	3	4	5

10) Why are cases of corruption not detected in public enterprises? (Tick your choice)

- Known but ignored
- Nobody knows how to report
- Nobody can prove anything
- Acceptance of the practice
- Political influence
- Not sure

11) Indicate the impact of systemic corruption in your organisation? (Tick your choice or your choices)

- Brain drain
- Administrative inefficiency
- Social atmosphere of tension
- Dishonesty
- Weak law enforcement

12) Please indicate how important each of the following factors is in governance. (1 is the least important and 5 is the most important - tick your choice)

	Unimportant			Important	
Discipline	1	2	3	4	5
Transparency	1	2	3	4	5
Independence	1	2	3	4	5
Accountability	1	2	3	4	5
Fairness	1	2	3	4	5
Social Responsibility	1	2	3	4	5

13) Public enterprises are expected to uphold minimal ethical standards in the conduct of their business. To what extent do you agree to this?

- Strongly disagree
- Disagree
- Uncertain
- Agree
- Strongly agree

14) Please indicate how important each of the following strategies is in curbing systemic corruption. (1 is the least important and 5 is the most important – tick your choice)

Variable	Unimportant				Important
	1	2	3	4	5
Review and consolidation of legislative framework	1	2	3	4	5
Transformation of the culture of governance	1	2	3	4	5
Prohibition of corrupt individuals and businesses	1	2	3	4	5
Improved management policies and practices	1	2	3	4	5
Managing professional ethics	1	2	3	4	5
Lifting the secrecy of the conduct of public officials	1	2	3	4	5

15) What are your suggestions on how to reduce systemic corruption in public enterprises in the Harare metropolitan area?

.....
.....
.....
.....

THANK YOU FOR YOUR TIME AND EFFORT, YOUR PARTICIPATION WILL INFLUENCE THE OUTCOME OF THIS STUDY

Appendix B interview schedule

Informed consent for participation in an academic research study

Title of the study

Systemic corruption in public enterprises in the Harare metropolitan area: a case study

Dear interviewee

The interview is designed to collect information on systemic corruption in public enterprises in the Harare metropolitan area in accordance with the requirement for the degree of Master of Public Administration at the University of South Africa.

All information you give shall be treated in the strictest confidence.

Yours, faithfully

Taonashe Dube

Interview questions for public enterprise managers/officers and directors in the Harare metropolitan area

1. What do you think are the causes of systemic corruption in public enterprises in the Harare metropolitan area?
2. In what ways does systemic corruption manifest itself in the public enterprises in the Harare metropolitan area?
3. What are your views on the negative impact of systemic corruption in public enterprises in the Harare metropolitan area?
4. What strategies could be developed to eradicate systemic corruption and improve corporate governance in public enterprises in the Harare metropolitan area?

THANK YOU FOR YOUR TIME AND EFFORT, YOUR PARTICIPATION WILL INFLUENCE THE OUTCOME OF THIS STUDY