


**SUSTAINABLE DEVELOPMENT THROUGH CORPORATE GOVERNANCE: THE NUTS AND BOLTS FOR THE GRAIN MARKETING BOARD IN ZIMBABWE**

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ARTICLE INFO	ABSTRACT
<p><b>Article history:</b></p> <p>Received 20 February 2023</p> <p>Accepted 15 May 2023</p>	<p><b>Purpose:</b> This study sought to explore the practice of good corporate governance to promote the sustainable development of the Grain Marketing Board.</p>
<p><b>Keywords:</b></p> <p>Corporate Governance; Sustainable Development; Grain Marketing Board; Zimbabwe; Parastatal.</p>	<p><b>Theoretical framework:</b> The extent to which public entities such as parastatals uphold basic corporate governance tenets to ensure sustainable development is critical for economic growth, stability, and attraction of investment capital. Yet the Grain Marketing Board (GMB) in Zimbabwe appears to be grappling with a myriad of challenges affecting its performance, sustainable development and food security. The net effect of how it is run exposes it to administrative ills like theft, cronyism, manipulation, nepotism, corruption, and human capital abuse.</p>
	<p><b>Methodology:</b> A qualitative research method was used through document analysis and a literature survey. This included an analysis of policy documents, articles from newspapers, the internet, interviews, journal articles, expert reports, and GMB depot field visits.</p> <p><b>Findings:</b> It was revealed that excessive government interference militates against the GMB's profitable activities.</p> <p><b>Practical and social Implications:</b> The board is not wholly empowered owing to various competing organizational interests, for instance, the paucity of board autonomy, the inadequacy of board capacity development and training programs, corruption, and board remuneration among others.</p> <p><b>Originality:</b> The value of the study is to provide a raft of recommendations for policy and paradigm shift is provided to revamp the GMB to foster sustainable development.</p> <p>Doi: <a href="https://doi.org/10.26668/businessreview/2023.v8i5.1496">https://doi.org/10.26668/businessreview/2023.v8i5.1496</a></p>

**DESENVOLVIMENTO SUSTENTÁVEL POR MEIO DA GOVERNANÇA CORPORATIVA: O BÁSICO PARA O CONSELHO DE MARKETING DE GRÃOS NO ZIMBÁBUE**

**RESUMO**

**Objetivo:** Este estudo buscou explorar a prática da boa governança corporativa para promover o desenvolvimento sustentável da Diretoria de Comercialização de Grãos.

**Estrutura teórica:** A medida em que entidades públicas, como paraestatais, defendem princípios básicos de governança corporativa para garantir o desenvolvimento sustentável é fundamental para o crescimento econômico, estabilidade e atração de capital de investimento. No entanto, o Grain Marketing Board (GMB) no Zimbábue parece estar enfrentando uma miríade de desafios que afetam seu desempenho, desenvolvimento sustentável e segurança alimentar. O efeito líquido de como ele é administrado o expõe a males administrativos como roubo, clientelismo, manipulação, nepotismo, corrupção e abuso de capital humano.

**Metodologia:** Foi utilizado um método de pesquisa qualitativo por meio de análise documental e levantamento bibliográfico. Isso incluiu uma análise de documentos de política, artigos de jornais, internet, entrevistas, artigos de jornais, relatórios de especialistas e visitas de campo aos depósitos da GMB.

**Resultados:** Foi revelado que a interferência excessiva do governo milita contra as atividades lucrativas do GMB.

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**Implicações práticas e sociais:** O conselho não tem plenos poderes devido a vários interesses organizacionais concorrentes, por exemplo, a falta de autonomia do conselho, a inadequação do desenvolvimento da capacidade do conselho e dos programas de treinamento, corrupção e remuneração do conselho, entre outros.

**Originalidade:** o valor do estudo é fornecer uma série de recomendações para políticas e mudanças de paradigma para renovar o GMB para promover o desenvolvimento sustentável.

**Palavras-chave:** Governança Corporativa, Desenvolvimento Sustentável, Grain Marketing Board, Zimbábue, Paraestatal.

## DESARROLLO SOSTENIBLE A TRAVÉS DE LA GOBERNANZA CORPORATIVA: LOS ASPECTOS BÁSICOS DE LA JUNTA DE COMERCIALIZACIÓN DE CEREALES EN ZIMBABUE

### RESUMEN

**Propósito:** Este estudio buscó explorar la práctica del buen gobierno corporativo para promover el desarrollo sostenible de la Junta de Comercialización de Granos.

**Marco teórico:** La medida en que las entidades públicas, como las empresas paraestatales, respetan los principios básicos de gobierno corporativo para garantizar el desarrollo sostenible es fundamental para el crecimiento económico, la estabilidad y la atracción de capital de inversión. Sin embargo, la Junta de Comercialización de Cereales (GMB) de Zimbabwe parece estar lidiando con una miríada de desafíos que afectan su desempeño, desarrollo sostenible y seguridad alimentaria. El efecto neto de cómo se administra lo expone a males administrativos como robo, amiguismo, manipulación, nepotismo, corrupción y abuso del capital humano.

**Metodología:** Se utilizó un método de investigación cualitativo a través del análisis de documentos y una encuesta bibliográfica. Esto incluyó un análisis de documentos de políticas, artículos de periódicos, Internet, entrevistas, artículos de revistas, informes de expertos y visitas de campo al depósito de GMB.

**Hallazgos:** Se reveló que la interferencia excesiva del gobierno va en contra de las actividades lucrativas de GMB.

**Implicaciones prácticas y sociales:** La junta no está totalmente facultada debido a varios intereses organizacionales en competencia, por ejemplo, la escasez de autonomía de la junta, la insuficiencia de los programas de capacitación y desarrollo de capacidades de la junta, la corrupción y la remuneración de la junta, entre otros.

**Originalidad:** el valor del estudio es proporcionar una serie de recomendaciones para la política y el cambio de paradigma para renovar el GMB para fomentar el desarrollo sostenible.

**Palabras clave:** Gobierno Corporativo, Desarrollo Sostenible, Grain Marketing Board, Zimbabwe, Paraestatal.

### INTRODUCTION

Although good corporate governance has widely been identified with non-profit organizations and private enterprises it is as well essential for state-owned enterprises or public entities (AUC/OECD, 2019; Arries, 2014). This is particularly critical since public enterprises contribute significantly to the overall competitiveness and economic performance of a country (FAO/ECA/AUC, 2021; OECD, 2005). Bad corporate governance could result in a lack of transparency and accountability potentially causing major losses and business failures that compound the taxpayer's burden (Robinett, 2006). According to Azar and Grimminger (2011) and FAO/ECA/AUC (2021) in most cases, it is the board of directors, management, and government officials who are accountable and responsible for bad corporate governance and ineffective performance in public enterprises (Mwaura, 2007). It has been argued that good corporate governance is a prelude to sustainable development, the attraction of investment

capital, economic growth, and stability (Maani et al ,2023, Atacik & Jarvis, 2006). It is therefore imperative for the Grain Marketing Board (GMB) in Zimbabwe to embrace good corporate governance and ensure food security for the nation (OECD,2021).

Of late, food insecurity has been seen as the main challenge to advancement in the developing economies owing to climate change, scarcity of rainfall, biodiversity, and ecosystem degradation (AIAS,2006). This has been exacerbated by population increase and the concurrent demand and supply of food. To mitigate the impact of food insecurity, state-controlled grain boards have been established. For example, in Malawi the Agriculture Development and Marketing Corporation (ADMARC), the National Agriculture Marketing Board (NAMBOARD) in Zambia, in Canada the Dominion Marketing Board, in Kenya the National Cereals and Produce Board, and in Zimbabwe, the Grain Marketing Board all being state enterprises or parastatals whose responsibility is to market grain while promoting national food security (OECD/AUC/ATAF, 2021; AIAS,2006,).

The main objective of this study was to explore the fundamentals of good corporate governance for the sustainable development of the Grain Marketing Board in Zimbabwe.

## **BACKGROUND**

In 1980 when Zimbabwe attained its political independence the GMB increased its collection points coverage including depots across the country from three to thirty-seven by 1991(Matsive, 2012). It announced in advance producer pricing list and created farmer incentives, particularly for the communal and small-scale commercial farmers whose farm produce would be sold to the GMB. The GMB has always been promoting the storage of huge reserves of grain to prevent food insecurity. The Zimbabwean government also tightly controlled the basic commodities' prices and producer prices. The basic commodities included bread, flour, and mealie meal to bolster both economic and physical access to food. In terms of achieving national food security, this model was successful in regard to ensuring food security at the national level. However, the reality on the ground was indeed hunger stalking in some households amid plenty resulting from challenges related to distribution (Schillinger,2003). In the period 1985 to 1990, there was a decline in maize production at a large scale by not less than 40% may be owing to diversification and poor models of pricing (Sarris & Morrison, 2010). Food crops like maize and cash crops like beans and tobacco, only increased in 1992 when commercial farmers operating at a large scale seeded 78 000 hectares for maize only

compared to 125 000 hectares seeded in the previous year because of unfavourable policies of agriculture for an underperforming economy like Zimbabwe (Sarris & Morrison, 2010).

The government of Zimbabwe embraced the program of economic structural adjustment espoused by the Bretton Woods institutions back in 1991 which led to the abolition of agronomic subsidies and that of the GMB marketing monopoly of grains (Alamgir, 1998). This rendered irrelevant to the GMB given that they would be unable to compete economically with private traders of grain whose price offers were far much better with payment made via the Zimbabwe Agricultural Commodity Exchange (ZIMACE). As a result, the strategic grain reserve and national food security programs were affected. The GMB could no longer maintain effectively the much-needed grain reserves (Reliefweb, 2009). The strategy of pricing by the government to guarantee food security failed hence causing an increase in prices for maize meal and grain aggravating the status of food security for both the rural and urban poor.

Although liberalization paved way for some farmers to locate their full farming potential others lost out that potential completely (Unendoro, 2008). For example, the large-scale, commercial farming community gained more from horticultural and tobacco exports, whereas the small-scale farming community only gained from cash crops like cotton, paprika, and tobacco. While commercial farmers migrated from farming maize as a food crop to a commercial crop, there was a stagnation in food crop farming which negatively impacted on the national grain reserves creating food insecurity. The effects of such strategies on food security could not be discernible since the food supplies in the country were adequate, especially for cereals except wheat (NewsDay, 2011). In 2000 when the Fast Track Land Reform Programme (FTLRP) was implemented it laid bare Zimbabwe's food insecurity as the farming produce dwindled accompanied by a general price increase prodded by economic sanctions foisted by Britain and her allies (Nyoni, 2019). This had a debilitating effect on the GMB which had to ensure food security and adequate strategic national grain reserves. It is these issues among others that have made it compelling to conduct this study.

### **Research Problem**

The Grain Marketing Board has been mired with perennial governance challenges resulting in poor service delivery.

### **THEORETICAL FRAMEWORK**

As an analysis yardstick, Sen's entitlement theory propounded in 1976 stands to be the main framework on which this study was grounded. The proponent of entitlement theory

contested Malthus' view that famines occur due to a decline in the availability of food (Sen, 1981). According to Sen (1981), food insecurity is caused by the lack of entitlement and problems with distribution. First, the most important issue relates to how food is allocated and not the quantities of the food available (Sen, 1981). The argument is that hunger and starvation are characteristics of certain people that do not have plentiful to eat rather than the characteristics of the absence of plentiful to eat (Sen, 1981). It is believed that production in agriculture has been in tandem with the growth in population worldwide. This belief has been confirmed by GMB because it has been able to make food imports to promote food security. For Sen (1981) food insecurity continues just because the food that is produced is never shared equitably among countries. Entitlement in Sen's theory implies the power which a group or individual wields to access a decent meal, this translates to be the potential to command or order some food (Sen,1981). The people's entitlement includes available capital, their net income, and supplements which they get from their families, donors, or state aid. In the rural areas, most of the peasants tend to have their entitlements such as small plots from which they get food for subsistence or raise livestock for sale. Such entitlements are however not equal and fixed but they differ depending on a person's social status. Accordingly, if there is famine, the challenge of hunger and starvation is not spread evenly. People only get starved of food when their food entitlement falters such that they are incapacitated to access food not because it is not there but is available physically. These problems of entitlement become a reality in Zimbabwe if the peasants have no money for food and funds to get agricultural inputs. It is here where the GMB's role becomes very relevant in assisting farmers through the provisioning of agricultural inputs and food subsidies.

According to the theory of food availability decline (FAD) postulated by Thomas Malthus, the main cause of food insecurity and famines has often been a high population growth rate in comparison to the food production rate (Sachs, 2008). Contrary to the theory espoused by Malthus, the Boesrup theory argues that when confronted by food availability challenges people will always find ways to bypass the problem (Desiere & D'Haese,2015). Therefore, the Boesrup theory acknowledges that when the population grows it leads to food security due to the belief that the mother of invention is necessity (Darity,1980). Malthus appears to have only seen the growth of population as the sole reason for food insecurity. The theory fails to allow for other possible causes such as paucity of entitlements, problems of distribution, and the marketing board's ineptitude. Accordingly, both Boesrup and Malthus have not acknowledged the duty of state-controlled institutions in the promotion of food security.

## LITERATURE REVIEW

This section highlights a global view of marketing boards in general and Zimbabwe's Grain Marketing Board in particular.

### A Global View of Marketing Boards

In advanced economies, marketing boards are enterprises that are sponsored by the state and invested legally with a monopoly of powers to manage the marketing of agronomic produce (Stoneman & Thompson,2010). Some examples of boards are, the New Zealand Dairy Board, the New Zealand Meat Producers Board both established back in 1922, the Australia Wheat Board founded in 1939, and the Australia Queensland Sugar Board which came into effect in 1923 (Stoneman & Thompson,2010). In New Zealand and Australia, the marketing boards have employed the pricing model of home consumption and import protection schemes to promote producer price stability. Here the main idea of having marketing boards include the increasing or maintaining of producer prices for basic agronomic produces through restrictions of acreage, price discrimination, and indirect or direct saleable quantity limits (Barret & Mutambatsere,2008). Furthermore, they decriminalized the cartels of processed commodities, resulting in the organization of distributor and processor schemes. Therefore, in this case, marketing boards monopolized power and authority to control supplies, terms, and conditions of sale. In developed economies, marketing boards are inclined to provide subsidies to farmers without regard for consumers. This is demonstrated by the mandate of marketing boards to support above-average producer prices for the farmers by way of limited supplies (Jayne et al, 1999). These marketing boards have leaned towards generating dividend profits for the farm owners hence deviating from the idea to ensure food security.

Jayne et al (1999) observe that in emerging economies the grain marketing boards ordinarily manage the strategic reserves of food in cases of emergency. They also carry the responsibility for food importation in times of crisis in order to maintain food security for the nation (Jayne et al,1999). These boards tend to hold and manage a country's inter-annual and inter-seasonal grain storage (Jayne, et al,1999). In developing countries marketing boards through their governments normally fix producer prices for those commodities which are controlled. This is often in a pan-territorial and pan-seasonal pricing model whereby a particular price is determined for the entire season of marketing while sustaining facilities of storage and widespread networks of buying right through the regions of production. In Zambia, the Food Reserve Agency similar to Zimbabwe's Grain Marketing Board has been responsible solely for

the price setting of controlled goods to encourage economic and physical access by all categories of people (Barret & Mutambatsere, 2008). In Malawi, at one point the grain marketing institution, ADMARC, proclaimed a fixed maize price for sale at designated centres of distribution and also made known its intent to have maize imported from South Africa as it defended this price. Since the parastatal's selling price appeared significantly lower in comparison to the cost of maize importation, private players were not keen to import grain in that scenario. However, when imports made by the government arrived in Malawi albeit late, the demand was not met due to short supply. Consequently, the depots of ADMARC started experiencing stock-outs while prices went up. When it was evident that supplies from ADMARC were inadequate, the private players began to import, although most of the rural areas had already suffered shortages of grain and high prices at the beginning of 2002 (Barret & Mutambatsere, 2008). This is instructive for grain marketing boards to frequently assess the efficacy of promoting food security and develop food insecurity expedient measures. Jayne et al (1999) argue that boards that are controlled by the state, especially in developing countries have assisted some farmers with input supply credit facilities and policies of commodity pricing models thereby stimulating agriculture while enhancing food security. For instance, in Zimbabwe, the GMB as it is with NAMBOARD and ADMARC in Zambia and Malawi respectively provide inputs seasonally to peasant farmers including in some cases tillage facility. Thereafter, the GMB deducts money equivalent to the value of services rendered before disbursing payment for the farm products sold. Although this effort may be laudable, the Zimbabwean farmers have sometimes complained about the late delivery of such inputs, causing delayed planting.

### **Zimbabwe's Grain Marketing Board**

The GMB was established according to the Grain Marketing Board Act [Chapter 18:14] with the main purpose of buying grain and storing it, silo product manufacturing, strategic grain reserve, and input scheme management. The GMB came into being under the Maize Control Act of 1931 which was the Maize Control Board established as a reaction to the World Recession of 1930 addressing challenges of food insecurity. In 1951 it was rechristened the Grain Marketing Board following the addition of other crops to its mandate such as wheat and rice (Moyo,2004). The GMB's mandate is to guarantee food security for the country by way of marketing agricultural grain-related products especially staple food products like wheat and maize. As implied in its name the function of the GMB entails the systematic marketing of

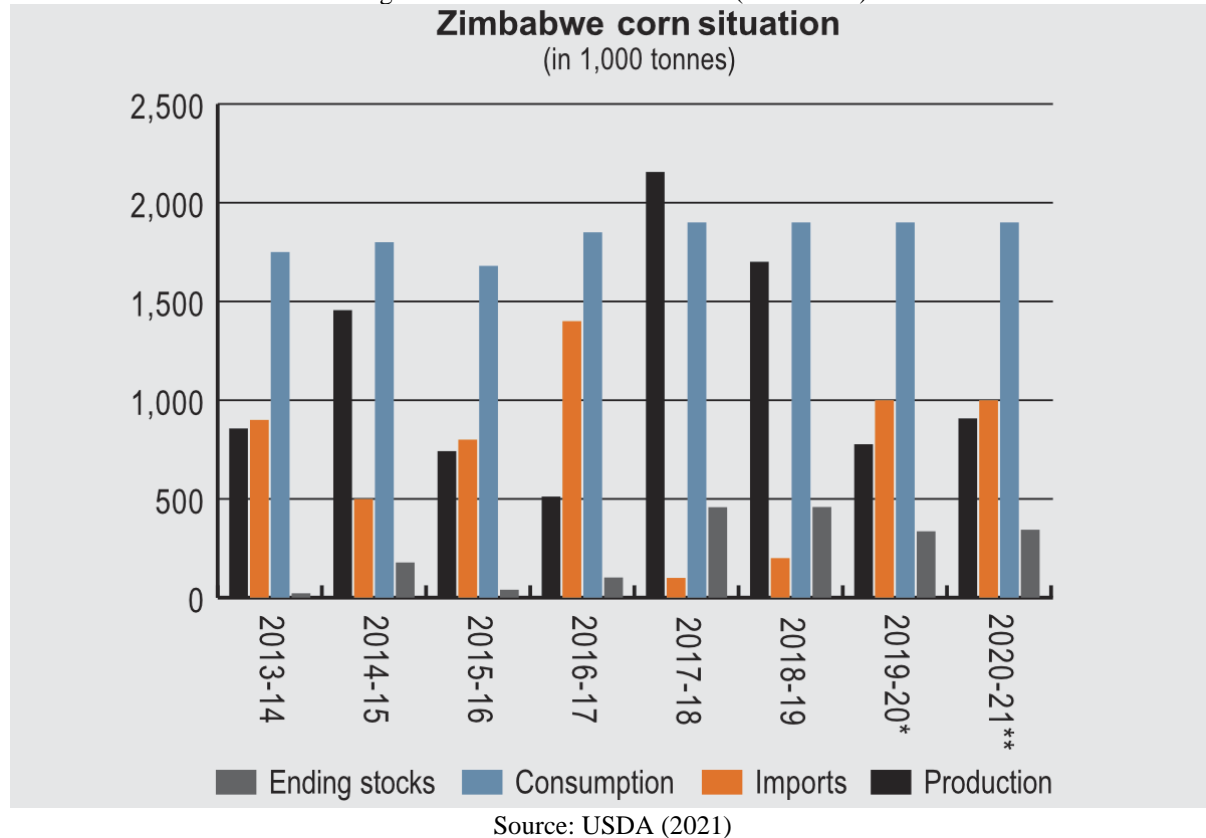
grains, beans, oilseeds as well as coffee in Zimbabwe, maintaining strategic grain reserves, implementing the input supply credit scheme for stimulating agriculture, handling grain, storing, processing, the buyer of last resort and marketing (Matsive,2012; Jayne,1988). The GMB has been seized with buying various crops and then selling them to the agro-processing domestic industry. It may also export the products to both international and regional markets if they are bounty and when in short supply imports them from international markets to ensure food security in the country (Jayne, Chisvo, Soroko, 2009).

However, the country remains confronted with the feeding challenges of its people due to a shortage of funds constraining its access to farming inputs or importing grain. In the 2022 year, the unfavourable weather conditions have negatively affected the grain yield aggravating the situation. The International Grains Council (IGC, 2020) observes that the production of corn in Zimbabwe was estimated to be 900,000 tonnes for the period 2020-21, moving higher from 800,000 recorded in the previous year. The total imports of grain were forecast at 900,000 tonnes for the period 2020-21, way above 800,000 recorded in the period 2019-20. Lydon (2020) notes that the Food and Agriculture Organization put the country's production of corn at about 908,000 tonnes, up by 16.9% compared to the level in the previous year. It has also pegged wheat at about 100,000 tonnes, up by 25%, with sorghum pegged at 104,000 tonnes, up by 150.6% compared to the previous year (FAO,2020). However, in 2020, FAO (2020) notes that while corn was up in terms of the 2019 level, it went down by a five-year average of 25%. This decline in productivity could be attributed as well to the low distribution of rainfall and a reflection of limited imported inputs for agriculture, amidst continued weakening currency and high rates of inflation (FAO,2020).

The USDA (2020) reported that the corn crop in Zimbabwe was projected in 2020-21 to be at 907,628 tonnes, in comparison to 776,635 tonnes in the previous year but the country even recorded yields below average. This was a result of an exceedingly difficult and sub-optimal climatic summertime crop season. The marketing year 2020-21 has been Zimbabwe's second successive year of recording a corn harvest of below-average raising serious concerns of food insecurity (FAO,2020). In view of this, it is estimated that the country will have to import in the period 2020-2 about 1 million tonnes of maize (USDA,2020). Figure 1 below summarises the country's maize situation in terms of consumption, ending stocks, production, and imports. It is clear from Figure 1 that consumption has exceeded production from the period 2018-19 up to now and this may not be sustainable causing fears of food insecurity.



Figure 1: Zimbabwe corn situation (2013-2021)



The gloomy trend of consumption versus production depicted in Figure 1 above coupled with the 2017 Auditor-General Report is worrisome. The GMB is reported to have made \$32 391 307 in losses (2016: \$42 227 009) with \$208 968 178 being accumulated losses as of March 31, 2017. Such conditions are an indication of existing food insecurity that could cast aspersions about the GMB's capacity to remain operational as a going concern.

The terms state-owned enterprise (SOE) and parastatal have been used interchangeably although there is a clear distinction between them. Unlike a state-owned entity, a parastatal stands as a body corporate and is a creation of a distinct Parliamentary Act that defines its functions, powers, and government relationships among others (Hadebe et al,2015). In Zimbabwe, common examples of parastatals are the GMB and the National Railways of Zimbabwe (NRZ). Common examples of state-owned enterprises include the Air Zimbabwe and the Cold Storage Commission (CSC) created and governed in terms of the Companies Act. But this institutional and legal framework creates a landscape that is difficult to navigate due to a host of legislation pieces that are often intersecting, contradictory, and laden with replicated provisions leading to confusion in application and interpretation (Hadebe et al,2015). In this lie, the roots of the plague of government responsibility in state-owned enterprises also to account for the extent of transparency and accountability challenges. Generally, a parastatal is

a wholly government-owned entity, possesses its own funds and personnel, and is driven by principles of business management. As opposed to parastatals, SOEs like the Air Zimbabwe, CSC, the Zimbabwe Electricity Supply Authority (ZESA), and the Zimbabwe United Passenger Company (ZUPCO) are integrated into the Companies Act where the state has 100% or less shareholding. This means that SOEs enjoy all the privileges and powers of a natural being but are subject to the provisos of the Companies Act (Hadebe et al,2015). The disparity between a state enterprise and a parastatal lies in that a parastatal is birthed out of a specific Act of Parliament to perform a socio-economic duty that benefits the public whereas an SOE is an entity owned by the government and is registered according to the Companies Act whose functions are conducted on a commercial basis like private entities (Hadebe et al,2015).

With the help of the government, the GMB has played a critical role in fostering national food security (Mazwi, Chemura, Mudimu & Chambati, 2019). The roles of the GMB involve maintaining strategic grain reserve, providing support services to farmers through the distribution of inputs, specialist services, providing storage, processing, and handling facilities for controlled goods, marketing controlled goods, promoting contract farming, extending milling and bakeries facilities according to the provisions of Part IV as enshrined in the Grain Marketing Act Chapter 18:141(Mazwi et al, 2019).

## **METHODOLOGY**

This study used a qualitative method through a document analysis and literature survey. Bryman and Bell (2015) contend that qualitative research ensures some grasping of social reality based on their natural locales. Discourse, as well as content analysis, were systematically employed in the data analysis.

## **MAIN FINDINGS AND DISCUSSION**

This study was stimulated by the appalling performance of Zimbabwe's state entities. Regardless of the presence of a thorough framework of corporate governance, public entities including the GMB continue struggling to deliver services. Findings from this study reveal that attempts to improve the effectiveness of the GMB and corporate governance have been affected adversely by several issues. There are six major findings of corporate governance for sustainable development that have been revealed in this study. First, the board appears not to be effusively empowered to execute its full responsibilities owing to excessive governmental interference, non-existent autonomy of the board, inadequate directors' development and

training, and the absence of a more comprehensive operational framework for the board. Consequently, the directors at the GMB lack the absolute commitment necessary to run the business affairs of this parastatal. Second, the legal framework that governs the board members' appointment may not be watertight negatively affecting board effectiveness. The major problem resides in that the legal framework describes the one who is tasked with the appointment of the board, being the parent minister after consulting the President. However, there exist no clear parameters on professional and academic requirements while the framework is silent on the specific procedures to be adhered to. If there are any criteria couched for dismissal and appointment of directors such criteria have never been made public and this provides the appointing authorities with an opportunity to manipulate the process for personal or political expediency.

Third, based on how irregular directors are appointed, it may unthinkable how the diversity of the board could be achieved at the GMB, particularly in terms of gender and expertise. The lack of requisite skills and expertise makes it cumbersome for boards of public entities to perform their duties effectively.

Fourth, the remuneration for directors' does not appear to be in keeping with the degree of accountability and conceivable reputational risks related to being a public entity board member. Therefore, the recruitment pool for choosing directors could be shrunken since very few competent people may be interested to be part of public entity directors such as the GMB choosing instead to focus on more lucrative ventures. Fifth, it could be more muddled than clear if ever there is any performance contracts implementation or a way of systematically evaluating the performance of the board. The parent Ministry of the GMB seems not to be monitoring and evaluating the corporate governance performance of boards on a regular basis. This tends to demotivate board members whether they are doing well or not. Sixth, corruption is one other challenge that seems to have had a debilitating effect on the effectiveness of the GMB board in Zimbabwe just like any other government entity. There has not been much political move toward eliminating corruption by the relevant authorities who concentrate more on the symptoms rather than the main causes of graft and malfeasance.

## **SUSTAINABLE DEVELOPMENT STRATEGIES**

The following could be useful to the GMB in Zimbabwe and other parastatals or state-owned enterprises desirous to improve their corporate governance for sustainable development.

### **Empowering Boards**

Though it may be understood that a modicum of intervention by the government is essential for successfully achieving public entity objectives, that intervention should be informed by public policy such that national and political interests do not conflict with business-related interests and compromise performance (Moyo, 2016). Therefore, to enhance board effectiveness, the Zimbabwean government ought to curtail its meddling or intrusion in the GMB operations. Any intervention should be restricted only to critical and strategic issues. The government may have to consider implementing performance contracts devoid of conflicting issues and ambiguities. The performance agreements should be clear on who should appraise the board's performance. Perhaps to reduce the undue influence from the government, the GMB key stakeholders should all undergo corporate governance training while being updated consistently on the latest issues of corporate governance developments (Maani et al, 2023).

### **Transparent Board Selection Systems**

One best and most effective way of curtailing political interference or government in the nomination of GMB board members would be to promote professionalism and independence by establishing a structured and unambiguously competence-based selection system. This will ensure that the final recruitment criterion is clear and transparent predicated on proven expertise and professionalism. The government of Zimbabwe may contemplate borrowing from the skill-based and structured nomination system used in Australia and also the handbook used in South Africa dealing explicitly with board appointments in public entities. An independent tribunal like a team of experts or parliamentary committee could be assigned the role of recruitment, selection, and appointment of board members in a transparent manner. It is suggested that the board members should never be fired by GMB's parent Minister before deliberations are made by a parliamentary committee on the extenuating circumstances for the mooted dismissal. Appropriate statutory and policy changes on board appointments for public entities will be required to circumvent situations where board members are unreasonably dismissed particularly following the appointment of a new minister as happened in other state entities in the past. While a structured system of nomination could depoliticize the process of nomination, no system is foolproof or impermeable and hence liable to subversion by those bent on candidate imposition.

### **Directors Induction**

The GMB may have to consider directing its efforts toward the professional development of individual board members through formal comprehensive induction and training to promote competence in corporate governance among others. Adequate resources need to be mobilized towards training and programs to enhance good corporate governance directors.

### **Board Remuneration**

The recruitment of qualified board members who are non-executive entails a lot more than merely providing a nominal fee but also realistic compensation that is consistent with the expertise skills, and duties of the board. The remuneration of the board has to be adequate to retain and attract a high quality of people, who are loyal and committed to the cause of the GMB. Therefore, board remuneration has to be a preserve of an autonomous committee of remuneration that will set and review remuneration periodically informed by the parastatal's financial status, economic environment, directors' performance, and international best practices among others. An example can be drawn from the Australian Remuneration Tribunal.

### **Board Evaluation Tools**

Executing a successful and strong board and system of director evaluation is vital to make sure that the GMB board averts organizational collapse and evaluates the subsisting mix of skills and competencies. The performance of the GMB should not be confined to achievements based on dividends and profits but also on providing high-quality services and goods, and social and economic development. The GMB should consider introducing robust and reliable feedback systems and board evaluations sooner than later. To be efficient and effective the process of evaluation needs to be performed at the individual director and board levels, linked to the directors' appointment criteria and benchmarked in accordance with international standards. The parent Ministry and members of parliament ought to be trained continuously and empowered to monitor the performance of GMB according to government expectations.

### **Enforcement Mechanisms**

First, the parent Ministry ought to be furnished with adequate financial and capable human resources so that the system of monitoring becomes effective. Second, it will be

imperative that all the GMB audit observations reported by the Comptroller and Auditor General relating to performance need to be complied with. However strict requirements are not likely to achieve full compliance with principles of corporate governance because there exists more to good corporate governance rather than regulations and laws. Board members should be given incentives in committing themselves to good corporate governance. These incentives may include rewards for good corporate governance best implementers and board members' incentive contracts. Besides, whistleblowing, shaming, and naming of defaulters may be useful in motivating compliance.

## CONCLUSION

This study contributes to the limited scholarly literature on marketing boards' corporate governance. While Zimbabwe has developed a credible framework of corporate governance to improve the sustainable development and boards' effectiveness it has encouraged the public entities to meet affordable and efficient goals of service delivery. Nevertheless, the framework appears not to have fully helped the boards such as the GMB to execute their mandate effectively and ensure food security. The legal framework that governs the board members' appointment may not be incontrovertible and this negatively affects board effectiveness. The GMB appears not to be fulsomely empowered to execute its full responsibilities because of factors such as; excessive governmental interference, non-existent autonomy of the board, inadequate directors' development and training, and the absence of a more comprehensive operational framework for the board. The remuneration for directors' does not appear to be consistent with the extent of accountability and possible reputational risks associated with being a public entity board member. The GMB needs to scale up its efforts of promoting good corporate governance for sustainable development by empowering board members, performance contracts, establishing transparent board selection systems, induction programs for directors, an independent committee responsible for board remuneration, effective board evaluation tools, and incentivizing corporate governance enforcement mechanisms among others. It is hoped that this study could help other scholars investigate further some other intricacies faced by boards of public entities in discharging their duties effectively. The study could also be useful to policymakers in developing rules and regulations that could improve the state-owned enterprise and parastatals in terms of performance and sustainable development through good corporate governance. Board of directors together with their advice-givers may also benefit from this study in developing and maintaining effective boards.

Further research could be done to establish the effect of excessive political involvement in the board operations of state-owned enterprises and parastatals.

### IMPLICATIONS OF THIS STUDY

This study sought to contribute to the continuing dialogue, policy, and public discourse on good corporate governance, transparency, and accountability of parastatals and state-owned enterprises. This study builds on earlier studies by academics, the OECD, Food and Agriculture Organisation among others. The findings and sustainable development strategies proposed are essential and practical for assisting both practitioners and policymakers in revamping grain marketing boards through the lens of integrity, accountability, and transparency for sustainability.

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