AN INVESTIGATION ON THE IMPACT OF ETHICAL LEADERSHIP ON CORPORATE PERFORMANCE OF ZIMBABWEAN PARASTATALS

MEMORY MUNYOKOVERI (R1712232)

A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE MASTER OF BUSINESS ADMINISTRATION DEGREE 2020

GRADUATE SCHOOL OF MANAGEMENT
FACULTY OF COMMERCE
UNIVERSITY OF ZIMBABWE

MARCH 2020

SUPERVISED BY: MRS TSIKIRAYI

GSM MBA DISSERTATION

DISSERTATION TITLE	
THE IMPACT OF ETHICAL LEADERSHIP ON CORPORATE PERFORMANCE OF ZIMBABWEAN PARASTATALS	
DISSERTATION METHODOLOGY (please tick one)	

QUANTITATIVE	X	QUALITATIVE		MIXED METHODS	

INTAKE (YEAR AND MONTH)	
Registration No.:	**STUDENT NAME:**
R1712232	MEMORY MUNYOKOVERI
DISSERTATION SUBMISSION DEADLINE	**SUBMISSION DATE**
6 MARCH 2020	6 MARCH 2020

This statement should be completed and signed by the student producing the dissertation.

Declaration and Statement of Authorship:
1. I hold a copy of this dissertation, which can be produced if the original is lost/damaged.
2. This work may be reproduced, communicated, compared and archived for the purpose of detecting plagiarism.
3. I give permission for a copy of my marked work to be retained by the Graduate School of Management for review and comparison, including review by external examiners.

I understand that:

4. Plagiarism is the presentation of the work, idea or creation of another person as though it is your own. It is considered cheating and is a very serious academic offence that may lead up to expulsion from the program. Plagiarised material can be drawn from, and presented in, written, graphic and visual form, including electronic data, and oral presentations. Plagiarism occurs when the origin of the material used is not appropriately cited.
5. Enabling plagiarism is the act of assisting or allowing another person to plagiarise or to copy your work.

Last Name	First Name	Signature
MEMORY	MUNYOKOVERI	

DECLARATION

STUDENT DECLARATION

I, **MEMORY MUNYOKOVERI, R1712232**, do hereby declare that this dissertation is the result of my own investigation and research, except to the extent indicated in the Acknowledgements, References and by comments included in the body of the report, and that it has not been submitted in part or in full for any other degree to any other university.

_____   _____

Student signature   **Date**

SUPERVISOR DECLARATION

I, **MRS. C. TSIKIRAYI,** confirm that the work reported in this dissertation was carried out by the candidate under my supervision as the University of Zimbabwe Supervisor. This dissertation has been submitted for review with my approval.

Signature …………………..……………………………. Date …05/03/2020

DEDICATION

This dissertation is dedicated to my family for being patient with me during the time of my studies. I hope this inspires you to go beyond this level and attain PhDs in your lives.

ACKNOWLEDGEMENTS

I would like to acknowledge those that have made this dissertation possible. First of all, my supervisor Mrs Tsikirayi, for taking me on as her graduates student, her supportive role during this undertaking, feedback and advice she provided along the way. Additionally, I would like to thank Tawanda Zimhamba for his tutoring sessions and teaching me that statistics can be your friend. I would also like to extend my gratitude to GSM for their guidance and support through dissertation clinics. Last but not least, many thanks to the management of various parastatals that have assisted me to collect my data and all those who filled in the questionnaires.

ABSTRACT

This study investigated the impact of ethical leadership on corporate performance of Zimbabwean parastatals. Data was obtained from parastatals within and close to the central business district (CBD). Responses of 200 questionnaires were analysed. The results found that the practice of ethical leadership positively influenced the corporate performance of the parastatals. Furthermore, a conditional indirect effect was found in which the frequency of leader–follower interaction positively moderated the indirect effect of ethical leadership on work performance via perceived salience of the ethics code. Specifically, the strength of the indirect effect increased as the frequency of leader–follower interaction increased. The theoretical and practical implications of the results are offered and limitations with suggestions for future study are discussed.

Key words: ethical leadership, code of ethics, corporate performance, parastatals, state enterprises

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

ABBREVIATIONS AND ACRONYMS

SOE:	State Owned Enterprise
ANOVA:	Analysis of Variance
CEO:	Chief Executive Officer
KPI:	Key Performance Indicator
SPSS:	Statistical Package for Social Scientists
ZBC:	Zimbabwe Broadcasting Corporation
ZESA:	Zimbabwe Electricity Supply Authority
ZIMRA:	Zimbabwe Revenue Authority
ZISCO:	Zimbabwe Iron and Steel Company
ZTA:	Zimbabwe Tourism Authority
CAAZ:	Civil Aviation Authority of Zimbabwe
CSC:	Cold Storage Commission
GDP:	Gross Domestic Product
GMB:	Grain Marketing Board
NRZ:	National Railways of Zimbabwe
NSSA:	National Social Security Authority
OECD:	Organisation for Economic Co-operation and Development
SEPs:	State Enterprises and Parastatals
SERA:	State Enterprises Restructuring Agency
ZUPCO:	Zimbabwe United Passenger Company

CHAPTER ONE:

INTRODUCTION AND STUDY BACKGROUND

1.0   Introduction

The prevailing business environment has seen many firms re-evaluating their strategic acumen by developing a direction that incorporates the foundations of ethical leadership for the purposes of efficiency and sustainability. Executives in large organizations define ethical leadership as "simply a matter of leaders having good character and the right values or being a person of strong character" (Freeman and Stewart, 2006, p.2). In addition, "Respect, service, justice, honesty, and building community are the principles that provide a foundation for ethical leadership," (Northouse, 2016). It is that kind of leadership where leaders have strong personal character, have passion to do right, consider stakeholders' interest and are role models of organisational value.   The postulation of ethical leadership is not only confined to literature but rather in today's business, it is indispensable and a tool to reach the summit of success. It is that kind of leadership which drives for better organisational performance and sustained competitive advantage. Several scandals involving corporate and public sector leaders over the past decade have increased interest in studying ethical leadership (Brown and Trevino, 2006)

One of the most important roles which government has played all over the world is to protect and cater for the well-being of its people by controlling the economy and providing public service. Governments have formed parastatals or state owned enterprises to control various economic disciplines in the production and distribution of goods and services. The level of commitment varies from one economy to the other. The reason for the formation of parastatals is for government to regulate the market and to ensure strategic services are available at affordable prices to citizens. On this account, the parastatals have their tariffs regulated by the government. In Zimbabwe this is resulting in many of them operating at a loss.

Northouse (2013) brings out the five main principles of an ethical leader as, respect for others, serve others, just, honesty and building communities. Leaders in the public sector inspire their followers to engage in what is right, good and just. This approach helps in elevating the moral awareness of the followers leading to a highly motivated workforce, high

rate of job satisfaction, self-actualization and increased effectiveness in service delivery. In light of this, Giessner and Quaquebeke (2010) point out that through ethical leadership business and activities in the public sector have succeeded in investing into more expanding and hybrid public policy initiatives allowing a high production index.

State-owned enterprises, also called parastatals are vital for the development of the country in the various economic sectors (Chavhunduka *et al.,* 2015). They are critical in the provision of public and social infrastructure services essential to humanity such as food, water, electricity and health to mention just a few. The mandate of parastatals requires the leaders in such institutions, be it ministers, the board, CEO or directors to fully engage in the principles of ethical leadership so as to ensure continuity and fulfilment of all the stakeholders expectations. They are arms of the government that are used to drive development agendas in all the arenas of life. Thornton (2009) notes, "Now in the global marketplace, with fierce competition for business and resources, the scope of problems that can occur in leadership ethics has expanded exponentially. As a result of the increasing scope of concerns within today's organizations, it is noted that one of the greatest needs is a charismatic ethical leader (Mackie *et al,* 2006).

Corporate performance comprises the actual output of an organisation as measured against its intended outputs (or goals and objectives). According to Richard (2009), it has three basic outcomes which are: -
(a) Financial performance (profits, return on assets, return on investment, among others);
(b) Product market performance (sales and market share); and
(c) Shareholder return (total shareholder return, economic value added, among others). Performance of parastatals can be done by measuring the attainment of its goals, its contribution to the nation, its staff and human component. Zimbabwe has experienced poor performance of state-owned enterprises in the period between 1990 and 2015 (Sikwila, Chavhunduka & Ndoda, 2015). In summary, ethical leadership stirs up trust from stakeholders thus improving performance, access to capital markets, marketability of goods, accountability as well as accountability.

1.1 Background
According to a report by Price Waterhouse Coopers (2015) in the United States, State Owned Enterprises (SOEs) are an influential and growing force globally, and are formed to create

value to the society. Despite reports that some parastatals are doing well in the developed countries, the 2008 Annual Report by the Ethics Resource Centre in North America, conducted a national survey in the United States and found that 57 percent of government employees reported that they had witnessed a violation of ethical standards, policies, or law in their workplace. In line with this claim, Green and Odom (2003) noted that the lack of ethical leadership in Enron caused harm to thousands of employees, invoked greater government regulation, and crippled consumer confidence of the financial industry

In Africa, unethical business practices are reportedly on the rise (OECD Report, 1998). There have been reported cases of maladministration of public funds, corruption and unethical leadership practices. Leadership crisis has been an issue of concern for decades in Nigeria, Ghana, Malawi, Zambia, Kenya, Central African Republic and Liberia. Mbah (2013), points out that this would seem to indicate that leadership in Africa is to blame for the underdevelopment of Africa. He has termed this crisis "failure of African leadership." In South Africa, a number of scandals have been unearthed such as the Nkandlagate where President Zuma upgraded his private homestead in Nkandla using resources worth 25 million Euro of tax payer's money (News 24, 2014). Another case is that of the Oilgate scandal. According to Legal Brief (2005) a controversial African National Congress (ANC) sponsor, Sandi Majali threatened to expose how R 11millon of public money ended up in the coffers of the ANC ahead of the 2004 elections and the role maneuvered by state oil company, PetroSA in the transaction.

In Zimbabwe, there are currently a total of 179 state enterprises and parastatals which include banks, academic institutions, and funds administrators, according to the auditor general's report. State Enterprises Restructuring Agency (SERA) was established in 1999 to see to the smooth running of these parastatals. It defined Parastatals as those entities that are governed by individual Acts of Parliament and state enterprises as those that are established under the Companies Act. The Acts that have formed the parastatals are administered by the sector and ministers are responsible for supervising them. A board is appointed, as well as the CEO, to manage and monitor performance of the organisations.

Much has been revealed in the newspapers in 2019 about the unethical leadership practices in Zimbabwe where looting of state-owned enterprises is so high that it poses danger to national survival. Zimbabwe's economic history entails parastatals such as Cold Storage Commission (CSC), National Railways of Zimbabwe (NRZ), Zimbabwe Broadcasting

Corporation (ZBC), Grain Marketing Board (GMB), Zimglass, ZISCO steel, Zimasco, Zimbabwe United Passengers Company (ZUPCO), Air Zimbabwe, Chemplex Corporation, Allied Timbers and Willowvale Mazda Motor Industries (WMMI) which collapsed over time due to poor corporate governance and mismanagement (Bhoroma, 2018)

These parastatals have left a trail of scandal after scandal of unethical leadership back dating to the 80's. To mention a few starting with the Paweni Scandal in 1982 at GMB where there was looting of maize. In 1987, Zisco steel's blast furnace scandals erupted and it involved gross abuse of resources by government officials and company executives. Willowgate scandal in 1989 revealed illegal resale of automobile purchases by various government officials and company executives. The NOCZIM scandal which also hit the headlines involved officials of the National Oil Company who diverted Z$238 million of subsidised fuel from NOCZIM for resale by privately-owned underground companies.

Recently an ex-minister who was in charge of NSSA, a parastatal that administers the national pension fund was making poor investments into banks that would later liquidate and some of the money for her personal use. Mupfumira faced a slew of criminal abuse of public office charges involving US$95 million of National Social Security Authority (NSSA) funds (Moyo, 2019). Zimra Board members, were said to have awarded themselves hefty salaries which amounted to $292 582.00, representing a 9 percent rise from the prior year (Moyo, 2018).

Even though Parastatals are supposed to be self-sustaining, most of them are heavily relying on funding from the Government. There is great concern that most state enterprises are not adhering to the Corporate Governance Framework and code of ethics (The Zimbabwean, 2014). There are a number of institutions which monitor the performance of parastatals. These institutions include: Line Ministries, Ministry of Finance and Economic Development (MoFED), Office of the President and Cabinet (OPC), State Enterprises and Parastatals Restructuring Agency (SERA), Parliament, Auditor General, Performance Management Committee and Auditors/ Performance Review Consultancy and Cabinet Committee on State Enterprises and Parastatals Development (CCSEP).

The Zimbabwean Government introduced the Corporate Governance Framework for State Enterprises and Parastatals on 27 November 2010, after realising that unethical behaviours and corruption were rampant (http:// www.zimbabwesituation.org/). Zimbabwe as a country does not have a general code of ethics for parastatals, but through the Corporate Governance

Framework for State Enterprises and Parastatals, all parastatals are required to have an ethical framework which entails a code of conduct and ethical framework which is disseminated and understood by all employees.

In April 2015 a National Code on Corporate Governance (ZimCode) was launched as a response to the numerous unethical leadership and governance issues that unearthed from various key and prime parastatals for the past decades. This was an endeavour by the country to enforce the code of ethics in the companies. Parastatals have their own code of ethical principles which guide their day to day operations. The code was crafted by the Quality Corporate Governance Centre (Pvt) Ltd, the Institute of Directors Zimbabwe (IoDZ) and the Standards Association of Zimbabwe (SAZ). It regulates, supplements and enhances the Corporate Governance Framework for State Owned Enterprises and Parastatals which was launched in November 2010. The ZimCode Trust established in 2017 to ensure the Zimcode is continuously observed, practiced and guided by sound principles of ethical leadership.

Zimbabwe is a member of the Organisation for Economic Co-operation and Development (OECD).This is an international organisation that works to build better policies that foster prosperity, equality, opportunity and well-being for all. The organisation presents general principles around which businesses are expected to operate to assure proper governance. One of its principles is that it is not enough for a company to merely be profitable, but it also needs to demonstrate sound ethical behaviour and demonstrate good corporate citizenship through environmental awareness.

This study aims to investigate the impact of ethical leadership on the corporate performance of Zimbabwean parastatals. The research seeks to examine if parastatals are adhering to the principles of ethical leadership as well as evaluating their performance. It also intends to provide information and findings that can assist to improve leadership, demonstrate transparency and accountability as central to good corporate performance which entails provision of competitive products and services. To expose more on this endemic problem in this sector the author has carried literature review

1.2 Problem statement

The performance of parastatals has been poor, and this has largely compromised service delivery. They are expected to be making huge profits as they have government support and have the markets to themselves without competition. Instead the discussion in the

background shows parastatals are creating an unethical climate in the economy, thereby neglecting the core values. The leaders only care about themselves and neglect the future of the stakeholders and business. The after effects of such unethical practices and leadership always give a negative picture on the corporate image, customer loyalty, personal reputation and corporate profitability, resulting in a dismal corporate performance and suffering of the population.

The office of Auditor General had published a report for 2018 with shocking performance of twenty three parastatals that have low grades for public financial management processes. Such parastatals include ZESA Holdings and its subsidiaries, GMB, NRZ, Air Zimbabwe (Private) Limited, ZIMPARKS, ZIPAM, ZIMPOST, Allied Timbers and NUST among others.

Zimbabwe Electrification Transmission and Distribution Company (ZETDC) has not taken delivery of transformers nine years after making a payment of USD4.9 million to Pito Investments. The same contractor was also paid in advance an amount of USD561 935.00 by the Zimbabwe Power Company (ZPC) in 2016 and has not delivered. In addition, ZPC also paid ZAR 196 064 in 2016 to York International for gas that has not been received. Grain Marketing Board (GMB) also made an advance payment for maize worth $1 014 163 in 2016, and to date this has not been delivered. NSSA invested significant amounts in troubled banks. Despite acquiring a printing press in 2016, ZIMSEC was still outsourcing printing services for examination papers and in 2017, the Council incurred a total of USD 2 170 113 for the printing of June and November examination paper.

Accountability issues continued to affect Air Zimbabwe (Private) Limited. The Company could not provide supporting documentation for operating expenses amounting to $13,705,014 and petty cash expenditure amounting to $654 587. The Airline also had an unexplained suspense balance of $27,965,576. The company has not accounted for all aircrafts. There were unsupported payables balances of at least $26 million and unexplained variances of $87 million from amounts confirmed by suppliers. No minutes of board and management meetings were available for 2018. Cash withdrawals amounting to $173 162 could not be traced to the books of accounts. A number of assets including motor vehicles could not be located at Elvington mine.

Allied Timbers operated eight bank accounts that were not registered in its name. Genesis (Private) Limited was established without the approval from the parent ministry. MMCZ could not avail geological maps of areas covering its mining claims. Audits also revealed

entities that were paying unauthorized remuneration and allowances to employees and board members. Most public entities were not settling their statutory obligations. This resulted in most of them owing huge amounts of money to the relevant institutions. Of particular concern was Print flow (Pvt) Ltd and Zimbabwe Institute of Public Administration and Management which owed $2 422 252 and $997 530 respectively as at December 31, 2018. Print Flow (Pvt) Ltd was not adhering to health and safety standards such that its employees did not have protective clothing such as safety shoes, helmets, work suits and gloves. National Handling Services (NHS) was not remitting pension contributions and had an outstanding liability of $2 138 144. In addition NHS could not account for unbanked amounts totalling $49 290. The Pig Industry Board lost funds for the second consecutive year due to lax controls over cash.

The report also revealed weak internal controls over cash and banking. NOIC Feruka depot was using the assistant depot manager`s personal bank account for administering cash transactions for the company. The same was obtained for ZINARA which was disbursing cash to provinces through employees` personal bank accounts. Lack of due diligence when procuring goods and services has resulted in cases of payments being made without subsequent delivery of goods and services. CAAZ paid $419 677 in 2015 for the supply of furniture, however, furniture worth $391 063 had not been delivered.

With such a report it leaves one highly determined to unearth and explore the practise of ethical leadership practices in Zimbabwean parastatals.

1.3 Research aims and objectives

The main objective of the study is to investigate the impact of ethical leadership practises on corporate performance of Zimbabwean parastatals.

The main objective of the study has been addressed through the following specific sub objectives:

1) To ascertain the extent to which strategic level ethical leadership affects corporate performance;

2) To examine the influence of operational level ethical leadership on corporate performance parastatals;

3) To assess the impact of tactical level ethical leadership on corporate performance.

4) To assess adherence to codes of ethical leadership principles by Zimbabwean parastatals.

1.4 Research Questions

The main research question of the study is:

To what extent do ethical leadership practices impact on corporate performance of parastatals in Zimbabwe?

The main research question will be addressed through the following sub questions;

1) How does strategic level ethical leadership affect corporate performance?

2) What is effect of operational level ethical leadership on corporate performance of parastatals?

3) What is the impact of tactical level ethical leadership on corporate performance?

4) What is the level of adherence to codes of ethical leadership principles by Zimbabwean parastatals?

1.5 Research Hypothesis

The research is testing the following hypothesis:

H1: Tactical level ethical leadership practices have a positive impact on their corporate performance

H2: Operational level ethical leadership practices have a positive impact on their corporate performance

H3: Strategic level ethical leadership practices have a positive impact on their corporate performance

1.6 Scope of research

The research focuses on state enterprises and parastatals domiciled in the metropolitan city of Harare and link this with their corporate performance. The target population consists of senior executives, chief executive officers, managing directors and middle management and lower management.

1.7 Significance of research

According to the Global Competitiveness Report published by the World Economic Forum in 2019, Zimbabwe scored 42.61 out of 100 on the Competitiveness Index. Parastatals are facing a crisis of confidence in the leadership and legitimacy of public sector management.

This is posing a problem with serious consequences on the Public Service as it results in a loss of respect for the institutions and a lack of ethical and law enforcement. This therefore calls for the need to investigate why parastatals are flouting the code of principles that govern their conduct of operation and suggest ways of combatting such infringements. Although various researches have been carried out in relation to ethics, significantly less attention has been paid to ethical leadership and how it impacts on corporate performance in the context of Zimbabwe

The following stakeholders will benefit from the study;

1.71. Parastatals and State Owned enterprises

• The research will help management of various parastatals to come up with better and effective strategies with regards to enforcement and adherence of code of ethics and conduct thereby improving corporate performance. This will be achieved through an in-depth assessment of the organisation's ethical leadership practices, which will help to identify and address any problems of shortfalls within the organisation's management and employees

• The research will establish effective business ethics and practices which will motivate employees to increase corporate performance of parastatals, thus improving the output and GDP in the country. This will help remove systems that are causing flouting of ethical leadership practices

• The study is significant to the human capital talent, as it assists on the best way to train and promote ethical leadership practices within various parastatals.

• It is significant to the employees as it will assist to provide a platform to air out their sentiments and highlight on areas that they feel should be improved.

1.7.2 Clients

• The research will help clients of various parastatals to have confidence in highly professional and ethical employees who regard highly justice, transparency respect for others and build communities.

1.7.3 The Researcher

• The researcher will improve her statistical knowledge and research skills.

1.7.4 The Academic Board

• The researcher will provide valuable information and knowledge to the field of ethical leadership and its influence on corporate performance, particularly to State Owned Enterprises.

1.7.5 To the Government

• The study will also benefit the Government through providing information on the impact of practising ethical leadership to corporate performance of parastatals. This will enable formulation of effective policies, rules, regulating frameworks regarding business ethics

1.8   STRUCTURE OF THE STUDY

The study is structured as follows:

Chapter (1) one provides the introduction and background of the study on ethical leadership principles, origins of parastatals and definition of corporate performance. It also highlights a brief view on the performance of parastatals. It then identifies the research problem, state the research aim and objectives. The research hypothesis is given, as well as the scope of research and significance of the study.

Chapter (2) two examines literature on ethical leadership including, definition, guiding principles, and theories. Literature on ethical leadership in parastatals and in general was reviewed with the view to identify the gap and adopt a conceptual framework for analysing ethical leadership in state enterprises in Zimbabwe. The chapter reviews literature on measurement of performance of parastatals.

Chapter (3) three, describes the methodology used in the study, including research design, sampling, data collection and data analysis techniques.

Chapter (4) four, carries out data analysis and presents the findings of the study. The hypotheses are also proved or disproved

 Chapter (5) five, contains the conclusions of the study and proffers recommendations. The chapter also presents the limitations of the study and identifies areas for future research.

1.9   Summary

Chapter 1 has looked at the background to practices of ethical leadership in parastatals, including its various definitions. A brief analysis of the history of parastatals in Zimbabwe was also covered. The problem to be addressed by the research has been defined, the research objectives and the research questions outlined. The next chapter will review the literature of ethical leadership and characterize the theoretical model which will form the hypotheses for the research.

CHAPTER TWO

LITERATURE REVIEW

2.0   Introduction

This chapter carries out a review of literature of ethical leadership and corporate performance including definitions, theories, models, principles and best practices, with the view to provide a conceptual framework underpinning the practice of ethical leadership in Zimbabwean parastatals. It deals mainly on analysing and discussing work already done by other scholars in the field of leadership and corporate performance. Varied literary sources are analysed to give a better understanding and appreciation of the integral part of ethical leadership. An examination of literature will demonstrate the intellectual and logical context of ethics used as a core in decision making by leaders. Ethics and leadership theories are well explained, and frameworks used to measure corporate performance are explained in this chapter. Empirical studies have assisted greatly in revealing the underlying views on ethical leadership in parastatals as well as the conceptual framework adopted.

Literature review is intended to help the researcher shape the discussion and to provide a rundown on the concept of ethical leadership with references to its applicability, appropriateness and effectiveness to the corporate performance of parastatals. In this chapter literature pertaining to the challenges faced by state enterprises is also incorporated. It focuses on the challenges faced by parastatals. The major purpose is to have a background of ethical leadership and understand the values that it brings along whenever it is practised. This chapter also aims to show the gaps in the literature as well use up to date literature to enlighten more on the investigation being carried out in parastatals.

2.1 Parastatals

State Enterprises and Parastatals (SEPs) are business enterprises where the government or state has significant control through full, majority, or significant minority ownership (Gahadzikwa, 2015). They have public policy objectives (for instance a state railway company may aim to make transportation more accessible). According to the ADBI Institute policy brief (2017), State Owned Enterprises (SOEs) are classified as those enterprises in which the state exerts significant control through a significant minority ownership.

2.1.1 Structure of Parastatals in Zimbabwe

In Zimbabwe, there are currently a total of 179 State Enterprises and Parastatals which include banks, academic institutions, and funds administrators. According to the auditor general's report. State Enterprises Restructuring Agency (SERA) was established in 1999 to see the smooth running of SEPs. It defined Parastatals as those entities that are governed by individual Acts of Parliament and state enterprises as those that are established under the Companies Act. Public Entities Corporate Governance Act Chapter 10.31 is an Act which provides the foundation on which parastatals and state enterprises are based. The act also provides a uniform mechanism for regulating the conditions of service of members of public entities and senior employees. It sets a number of principles and that of promoting and maintaining high standards of professional ethics being the major one. Acts also foster a code of ethics for every parastatal which outlines the mission, values and the manner in which employees should discharge their duties and resolve any arising problems. Various statutes also describe benefits, operations and administration of various parastatals and state enterprises.

2.2 Leadership

Leadership is defined as the art of persuading the followers, who intend to pursue things, activities and goals formulated by the leaders. Leadership is a kind of power where one person has the ability to influence or change the values, beliefs, behaviour and attitudes of another person (Ganta, and Manukonda, 2014). The subject of leadership calls on emotive discussions due to the different views on what constitutes its meaning. According to Bolden (2004), leadership has been of interest for several centuries from the early Greek theorists such as Socrates to the plethora of contemporary management and leadership experts. Ashridge and IBLF (2012) adduce that the need for effective leadership has become a conspicuous rhetoric in the changing global business environment. Leaders vary depending on the individual leadership style that emerges from personality characteristics. Some leaders, mainly charismatic and transformational, have power and authority, through which they involve the employees. On the other hand, there are other leaders, who utilise the positional, and legitimate power. Leaders are characterised by different values, norms, attitudes, beliefs, procedures, conduct, behaviours and practices and that to a certain extent depends upon the organisational, professional or institutional culture (Mihelic *et al* 2010). The next section reviews theories and models of effective leadership.

2.2.0 Influence of Leading on Organisational Performance

Samaitan (2014) posits that leadership has remained as the focus of consideration for over two decades, habitually because of its nature of interdependence with organisational performance. However, leadership stimulates eagerness and commitment, thus encouraging performance. Various styles of leadership impacts performance since it cannot be attained in the absence of a leadership that is dynamic and can adjust to the variations and challenges of the environment. Since it is the responsibility of leaders to get staff to complete tasks via the synchronised efforts of others, it is presumed therefore that leadership skills and strategies often transform the subordinates' performance. Ojokuku *et al*. (2012) found out that leadership styles are key determinants of the achievements or failure of any organisation and leadership is very essential for any organisation and its significance cannot be underestimated.

Mills (2005) insists that minus leadership, organizations move too sluggishly, stagnate, and miss their way. Today's corporate leaders face the undertaking of developing and enunciating what the firm is planning to achieve and setting in place applicable and satisfactory procedures in order to guarantee sustainability of the company's objectives and fulfilment of its vision and mission (Calder, 2008). Without leadership individuals frequently fall into quarrels and conflicts, because of the different views towards various solutions to problems. In recent leadership theories, five leadership styles have been presented, including charismatic leadership, visionary leadership, transactional leadership, cultural-based leadership, and transformational leadership. There are also four types of leadership styles which have been most globally acknowledged and used. The leadership styles which centre around Mc Gregor's Theory 'X and Y' assumptions are democratic, dictatorial, laissez faire, and autocratic leadership styles. Democratic leaders are those persons who consult, take into account the opinions, suggestions and views of others into their decision while the dictatorial leaders are those who make decisions alone without any consultation. Ojokuku et al (2012) assert that leadership is a dire management skill, relating to the capability to inspire people who work to a common goal.

Leadership essentially aids followers or users to meet their objectives as they work in the business setting; it plays a vivid role in ensuring its users and followers are sensitive and adaptive to new and better practices and changes in the environment (Ghafoor *et al*., 2011). Muithrei (2012) studied on tertiary institutions in Kenya and recognized effective leadership and employee job satisfaction as the major factors viewed for fundamental organisational

achievement. Leadership is among the important determinant forces for enhancing organizational performance. Leaders, as the crucial decision-makers, regulate the attainment, deployment, and development of a firm's resources, and the exchange of these resources into valuable services (DePree, 2011). Kim and Brymer (2011) state that the achievement or failure of any organisation depends on its leadership. Leaders who educate their staff with a fixed sense of trend and purpose often have additional content and dedicated work groups. The most prosperous leaders are always emphasizing where the firm is heading and the important ladders that lead to success.

A leader should always aim to, not only support the organizational related tasks but also develop others. Effective leaders are delighted by the accomplishment of others. Leaders who are concerned with matters and concerns of their colleagues in the work group have workforces with better employee satisfaction and commitment (DePree, 2011).

2.2.1 Theories of leadership
Before assessing the theories and models of effective leadership, it is imperative to bring up that there is no one best theory, theories are all situational.

2.2.2 The Trait Theory of Leadership

The earliest endeavour at conceptualizing leadership authority was the identification of inborn qualities that separated leaders from non- leaders (Galton and Eysenck, 1869). This was the start of the trait theory of leadership (Derue, et al, 2011). The theory takes a leader focused point of view on leadership and depends on the possibility that specific personality traits or attributes are essential for leadership effectiveness (Northouse, 2013). It recommends that these qualities or identity attributes separated leaders from followers.

Limitations of the theory are that, the theory did not take into account the impact of a situation on leadership effectiveness (Northouse, 2013; Yukl, 2013); was too simplistic (Conger and Kanungo, 1998); the list of leadership traits are endless (Zaccaro, 2007); traits do not consistently predict leadership and are unable to explain the differences between leaders and non-leaders (Rost, 1991).

2.2.3 The Skills-Based Theory of Leadership
Questions about the usefulness of the trait theory in developing effective leaders led to the initial work on the identification of those learnable skills that are needed for effective leadership (Katz, 1955; Northouse, 2013). The idea is that the identification of these learnable

skills will be helpful in the training and development of effective leaders. Moreover, effective leadership is about the successful application of leadership skills (Coe and Sukhodoyeva, *et al* 2005). Essentially, leadership could no longer be perceived as inheritable traits but about skills that people can learn and practise (Northouse, 2013). The pioneering work of Robert Katz in 1955 which defined leadership effectiveness around three skills namely technical, human and conceptual skills was the beginning of the skills-based theory of leadership (Northouse, 2013).

Katz (1955), posits that technical skills as the understanding of, and proficiency in, a specific kind of activity, particularly one involving methods, processes, procedures and techniques. Human skills are the "ability to work effectively as a group member and to build cooperative effort within the team" (Katz, 1955:-p35). It is essentially the ability to work with people (Northouse, 2013). Conceptual skills is "the ability to see the enterprise as a whole; it includes recognizing how the various functions of the organization depend on one another, and how changes in any one part affect all the others" (Katz 1955, p. 35). This could be seen as strategic leadership skills. It is important to state that depending on the level of the leader in the organisation some skills are more significant than others (Katz, 1955). It is, however, important for leaders to have all three skills (Northouse, 2013).

2.2.4 The Behaviours and Styles Theories of Leadership

Also, following some of the criticisms of the trait theory of leadership, leadership researchers shifted attention to studying the behaviour and styles of leaders as a way of understanding and modelling effective leadership (Yukl, 2013). These researchers leveraged on the earlier studies of leadership behaviour at the Universities of Ohio State and Michigan, which had identified two main factors that influenced leadership behaviours namely: concern for task or task behaviour and concern for people or relationship behaviour (Day and Antonakis, 2012; Northouse, 2013).

Subsequent to the identification of the two main leadership behaviours at the Universities of Ohio State and Michigan, Blake and Mouton (1964; 1985), developed a 2X2 grid showing various combinations of task and relationship behaviours.   The behavioural theory of leadership has also been criticised for not giving adequate consideration to the impact of situational circumstances and followers on leadership effectiveness (Bertocci, 2009; Northouse, 2013).

However, some researchers have called for the integration of the trait and behavioural theories of leadership into one theory of leadership (Derue, et al, 2011). These researchers believe that such integration will provide a better explanation of leadership effectiveness than either theory.

2.2.5 Contingency and Situational Theories of Leadership

Following the criticisms of traits and behaviour theories of leadership, researchers began to give attention to the impact of situations and environment to leadership styles (Bertocci, 2009; Yukl, 2013). This led to the development of the situational and contingent theories of leadership. Situational theories of leadership attempt to explain the reason why the traits or behaviours required for effective leadership vary in different situations (Yukl, 2013). These theories argue that there is no one best approach to leadership and that leadership style should be adapted to suit the situation and circumstance.

Some of the key models include the Tannenbaum and Schmidt (1958) leadership model; the Hersey and Blanchard situational leadership theory (Hersey and Blanchard, 1977; Hersey, Blanchard, and Johnson, 2008); the Path Goal theory of leadership (House,1971; House & Mitchell,1974)which was   later reformulated by House(1996); and Fielder's (1967) contingency theory of leadership effectiveness.

Each of these models has also received its share of criticisms. For instance, the path goal theory was criticised for over reliance on the expectancy theory (Yukl, 2013); the Hersey and Blanchard model was perceived as more or less, an adaptation of the Blake & Mouton leadership grid, although the authors   had refuted this criticism (Hersey and Blanchard, 1982). Other criticisms of the contingency theories generally, include overemphasis on behaviour meta-categories (Yukl, 2013); that it lacked clarity and not a theory (Schoonhoven, 1981); and is unable to fully explain why some individuals using some leadership styles are more effective under certain circumstances than in others (Northouse, 2013).

2.3 Ethical Leadership

The study of leadership ethics dates back to Plato (427-347 B. C.) and Aristotle (384 322B. C.) who were attributed to the development of ethical theory (Northouse, 2007). Ethics is a philosophical term originating from Greek word "ethos" meaning custom or character. It is concerned with describing and prescribing moral requirements and behaviours, which suggests that there are acceptable and unacceptable ways of behaving that serve as a function of philosophical principles (Minkes *et al*, 1999). Ethical behaviour is defined as that which is

morally accepted as "good" and "right" as opposed to "bad" or "wrong" in a given situation (Sims, 2012). Usually, there is a tendency to imagine that the two terms ethics and morals mean the same thing and that they can be used interchangeably, this is not so.

Sandel (2009) posits three common historical approaches to ethical leadership. The first approach being, the leader maximizing the welfare of followers as defined by Utilitarianism Theory. The second approach, a leader protects freedom of individuals, which is noted in Libertarianism Theory. The third approach states that a leader promotes the right thing to do, regardless of consequence, as seen in Kant's Ethical Theory.

Aronson (2009) defines ethics as the study of standards for determining what behaviour is good and bad or right and wrong; he posits that morality is fundamentally concerned with the effects of actions on other people. Ethics is the code of values and moral principles that guide individual or group behaviour with respect to what is right or wrong. Ethical behaviour is both legally and morally acceptable to the larger community (Trevino, 1986). Ethical dilemmas though, are present in uncertain situations, in which different interests, values, beliefs pertaining to multiple stakeholders are in conflict.

Narrowly, in an organizational context, ethics can be viewed as a frank conversation about those values and issues most important to stakeholders and to business. In a way, it is a continuous discovery and reaffirmation and evaluation of own values and principles (Freeman and Stewart, 2006). Ethical behaviour, in organisational context, has been most frequently described in terms of ethical standards of senior leaders (CEOs) and the culture to which they substantially contribute (De George, 1986). Ethics is therefore concerned with describing and prescribing moral requirements and behaviour. Ethics is the code of values and moral principles that guides the individual or group behaviour as morally appropriate or inappropriate.

Ethical leadership is a concept that appears to be uncertain and includes various components. Instead of perceiving ethical leadership as preventing people from carrying out inappropriate acts, authors suggest that one should view it as enabling people to do the right thing. An ethical leader is a person living up to the principles of conduct that are crucial for him. To be an ethical leader, one needs to observe a more universal standard of moral behaviour. It is beginning to receive consideration and is gaining prominence in the present existence (Mihelic *et al*, 2010).

Ethical leadership is pronounced by some as visible and invisible. It is seen visibly in the way leaders work and treat subordinates through their actions and behaviour in public (Community Toolbox, 2015). Invisible aspects of ethical leadership emanate from the leader's character, for example the way he makes decisions, in his mentality, from his values and principles, and in his resoluteness in making ethical decisions in difficult situations. The ethics in ethical leaders is consistent at all costs, not just when they are under observation and this consistency over time proves that ethics are an integral part of their intellectual and philosophical framework.

2.3.0 Principles of Ethical Leadership

The principles of ethical leadership have been stated as follows:

Leader Human Orientation

Leader humane orientation in an organisation is where a leader creates a working environment that shows care and support to their subordinates, as well as subordinates to their leaders. All the employees are treated with dignity and respect and are viewed as ends not as means. Such humane treatment is likely to nurture positive psychological conditions among employees, which enhances their engagement and commitment at work (Barricketal, 2015; Kahn 1992). According to social exchange theory, subordinates are motivated to reciprocate favourable organizational treatment with attitudes and behaviours that in turn benefit the organization (Eisenberger *et al*. 1986).

Respect for Others

Leaders who respect others also make provision of independence and not impose any severe restraints. They communicate with other individuals, with a sense of their categorical worth and valuable individual differences. Respect includes giving credibility to others' ideas and making use of them in an operative manner. This means that a leader listens carefully to the opposing points of view. It means treating subordinates in ways that approve their beliefs, approaches, norms and values.

 Ethical Leaders Serve Others - A number of ethical theories note a concern for the interests of others, this is known as ethical altruism. Leaders who serve others are altruistic; they place their follower's welfare principally in their plans. In the workplace, altruistic service behaviour can be detected in activities such as, guiding, mentoring, empowerment behaviours, team building, and citizenship behaviours. Ethical leaders have a major

responsibility to attend to others, be of service to them, and make decisions relating to them that are beneficial and not impose any detrimental effects upon their welfare.

Leader Justice Orientation- It asserts that when group members perceive a high level of justice in their workplace, they experience strong collective identity, which boosts the commitment and performance of their duties (Tyler and Bladder 2003). Ethical leaders are concerned about the issues of equality, fairness and justice. They make it a priority to treat their subordinates in an equal manner. As a rule, no one should receive special treatment or special consideration, except when his or her particular situation demands it. When individuals are treated in a different way, the grounds for different treatment must be clear and reasonable, and based on ethical values.

Ethical Leaders are Honest – Honesty is regarded as one of the most imperative traits that all individuals should possess, irrespective of their background and category. In order to be successful in their performance, in the achievement of goals and objectives, honesty, truthfulness and righteousness are regarded imperative. Honesty always enables the individuals to form proper connections and relationships with others and pursue goals and objectives in an appropriate manner.

Ethical Leaders Build Community - Leadership is a process, whereby a person influences a group of individuals to achieve common objectives. A common objective requires that the leaders and the followers agree and work collaboratively with each other. Leaders need to take into account their own and followers' purposes while working towards goals that are suitable to both. An ethical leader takes into consideration, everyone's viewpoints and interests, he shows care towards others and, in this way, contributes in the building of an effective community.

2.3.1 Theories of Ethics

According to Northouse (2007) and Ciulla (2004), ethical theories offer a set of beliefs that assist leaders in making decisions about how to act and how to be morally deliver their duties. There are two kinds of ethical theories, namely, those about conduct and character. Theories which deal with conduct (teleological approach) give emphasis on the consequences of leader behaviour. They are based on one's position to predict the consequences of an action. The choice that results in the greatest welfare to most of the people is the one that is

ethically correct. The deontological approach is when rules govern leader behaviour. People should cohere with their obligations and duties engaged in decision making as this is considered ethically right. In addition are the virtue based theories which focus on the character of leaders and they accentuate personal attributes such as courage, honesty, fairness, and fidelity. A person is judged by their character rather than by an activity that may divert from their normal behaviour.

(Bandura, 1986) sheds more light on the social learning theory which demystifies ethical leadership. It dwells on the history and outcomes of ethical leadership. According to the social learning theory, leaders are recognised as ethical leaders by their followers if they are attractive and credible role models. This results in some individual characteristics and situational influences of leaders being related to followers' perceptions. It is based on the idea that individuals learn by following and emulating the attitudes, values and behaviours of attractive and credible leaders (Bandura, 1986). Many people look outside to other individuals for ethical guidance (Kohlberg, 1969).

Ethical leaders are sources of guidance because they are credible as role models and this draws the attention of followers. Additionally, they are trustworthy and put into practice what they say. As Bandura (1986) noted, if leaders fail to practice what they preach, why should followers do so? Subordinates look up to their superiors for leadership and in the parastatals, these leaders are political elites, this makes the role very critical. Workers in subordinate positions resort to corrupt tendencies in most cases after noticing such signals from their superiors (Andrew, 1989; Brown and Trevino, 2009). Kanungo (2001) argues that organisational leaders have been given the power and authority to influence and control their subordinates in a way that aligns skills, competencies and abilities, to the strategic goal and mission of the organisation.

2.3.2 Leadership in parastatals

According to Gill (2011), elected politicians use the public services as an instrument with which to pursue their visions and missions and, expect public sector managers to communicate and sell their vision to all employees at all levels. This is making it a huge challenge for managers in parastatals or state owned enterprises since they are required and expected to champion a vision and mission that exists at odds with that of their own.

In trying to comply with the expectations of politicians, managers of parastatals face ethical dilemmas in discharging their leadership role. They end up bowing down to the needs of

politician bosses thus defying the principles of ethical leadership. According to Carsten and Uhl-Bien (2013), the role played by followers in organizational setups in response to unethical requests by a leader is an important area that has been identified. In such situations, followers must decide, either to stand up to the unethical request (for instance by proposing alternative courses of action or challenging the leader's directive) or they can comply with the leader's request, hence leaving them an accomplice of unethical behaviour. Ethical followership requires that followers wear the cloak of authenticity, disengage themselves from the romance of leadership (Hino and Aoki, 2013), and perfom their duties in a manner that does not invite censorship as they are also workers who are accountable to the public that they serve.

2.3.3 The 4V model of Ethical Leadership
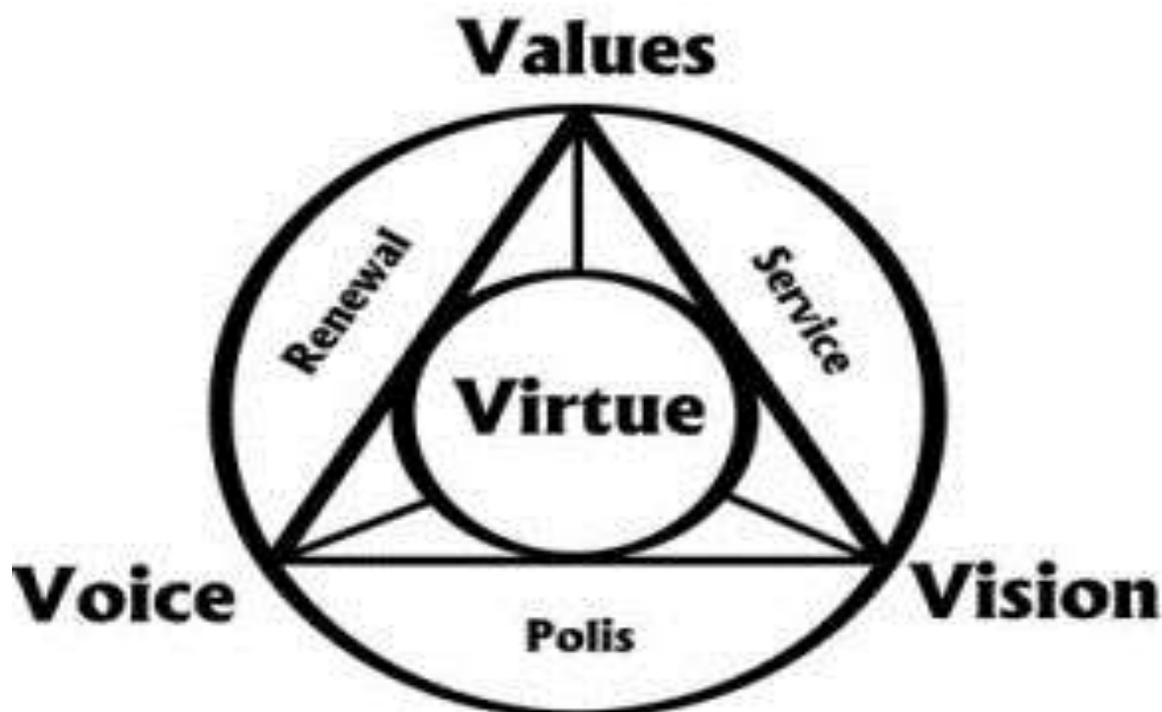
(Source: Centre for Ethical Leadership, 2014)

The 4-V Model of Ethical Leadership is a framework that aligns beliefs and values (internal factors) with behaviours and actions (external factors). It embraces four aspects that is values, vision, voice and virtue. The model was propounded by Dr. Bill Grace for the purpose of achieving the common good. The purpose of leadership is to construct a future that is

visionary, inclusive and enhances the organisation and its staff, to attain their desires, dreams and potentials. (Desmond, 2014)

To instigate ethical leadership, one should begin by understanding their individual core values. Secondly, the vision is the ability to create action within a frame. Voice should be incorporated so as to communicate the vision to others in order to allow them to take action proactively. Lastly, virtue should be understood and advocated in order to nurture virtue practicing healthy behaviours and try to do the right thing (Mind Tools, 2014).

Included in this model are 3 additional key factors to ethical leadership, namely, service, polis and renewal. Service is needed to link to the values of vision. From the values, the vision will be disclosed through the service. Polis is organisational politics and it indicates what organisations have to deal with when the vision is communicated to the society. Renewal is the act of innovation. Although the voice is expressed in various ways, ethical leaders have to contemplate whether their actions are in line with values and vision

2.4 Corporate performance

In order to meet the expectations of different stakeholders, senior managers continuously strive to improve the performance of their organisations. An organization is considered to be effective if it strikes a balance between the needs of stakeholders (owners, employees, customers, community). It is believed that a company's success is due to organizational performance, employee job satisfaction and employee affective commitment (Bass, *et al* 2006; Drucker, 2007).

Generally, organisational improvement processes follow a continuous circle of three major processes, namely corporate planning, strategy implementation (execution) and performance measurement or evaluation (David, 2005). Corporate performance is measured to assess whether or not the goals and objectives that were set in the planning phase have been achieved in the implementation phase. A suitable feedback control system enables managers to use the information provided by performance measurement systems to plan further actions to ensure the continuous improvement of the organisation.

2.1.2 Performance of parastatals in Zimbabwe

In the 1990s, state enterprises and parastatals in Zimbabwe contributed for over 40% of the country's Gross Domestic Product (GDP). Currently, the sector's contribution to the GDP has

been declining gradually due to a myriad of factors such as undeveloped infrastructure and the shortage of key technologies (Ministry of Finance, Mid Term Fiscal Policy, 2015).

Most of Zimbabwean Parastatals are underperforming and that's the main driver of economic problems which the country is facing right now. According to OAG report, (2018), there is gross mismanagement and abuse of funds by these entities resulting in poor corporate performance. Most governance issues are centred on absence of good stewardship over public resources. The Auditor General in the same report commended that State Enterprises and Parastatals should embrace provisions of the new Public Entities Corporate Governance Act [Chapter 10:31] and the national code of conduct into their existing structures and processes to ensure ethical conduct, transparency and accountability.

Dore et al. (2008) noted that for the past years, parastatals in Zimbabwe have suffered huge losses. Lack of profitability by these organisations has resulted in their low capacity to sustain their operations financially. Parastatals are usually an uneconomical way of doing business as they are characterised by heavy losses, budgetary burdens, poor services, mismanagement and political interference (Akpan, 2002).

2.4.0 Frameworks used to evaluate corporate performance

2.4.1 Balance Score Card (BSC)
The Balanced Scorecard model was developed to overcome some of the limitations of financial measurement systems, which are prone to abuse by executive managers. Apart from combining both financial and non-financial measures, the Balanced Scorecard model is conceptualised on the maxim of the maximisation of shareholder's value (Kaplan and Norton, 1992). The Balanced Scorecard model is governed by the set prescriptions and procedures that an organisation has to follow in order to "maximise" a shareholder's wealth. Kaplan *et al* (2010) add that the balanced scorecard provides a framework of integrating the organisation`s objective of maximising the shareholders' gains through the four perspectives. These four measurement tools include, financial perspective, customer perspective, internal business processes and organisational learning and growth perspectives (CIMA, 2005). Zimra being one of the parastatals, adopted partially the BSC. The organisation still measures its performance based on traditional financial-based performance measurements. Low taxpayer compliance is a reflection of poor services delivery. Rumours of corruption and lack of transparency in the use of money or revenue collected exhibits the need to evaluate corporate performance.

2.4.2 Integrated Results-Based Management (IRBM)

IRBM is Integrated Results-Based Management, a contemporary strategic performance management system that is being increasingly adopted by development partners and developing countries (Munhenga, 2018). The IRBM system has also become more popular among the private sector, civil society organizations, and even individual organizations. It is a proven integrated system that enables strategic performance management at all levels and systematically links the overall strategic plan with the budgetary and personnel performance systems, and then systematically puts in place the requisite monitoring and evaluation support systems to improve the decision-making process at all levels and eventually improves evidence-based decisions.

The Integrated Results-Based Management (IRBM) System is an enhanced version of the original Results-Based Management (RBM) system that has been practised by many advanced countries over the years. While the RBM system focuses on the individual and is excellent as a performance management tool at the organizational level, the IRBM is an indispensable tool, both at the organizational level as well as on a whole-of-government level. The IRBM has a strong focus on integration and unlike traditional performance management systems like, the RBM, TQM, MBO, BSC and other similar approaches. It has a dedicated results-based development approach, with special attention to horizontal and vertical integration issues.

Government of Zimbabwe has commenced on State Enterprises and Parastatals reforms after noting a significant decline of the sector's contribution to Gross Domestic Product (GDP) from above 40% to less than 16% in 2013 (http://www.zim.gov.zw). Zimbabwe's development trajectory is guided by the blue print known as the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset): 2013-2018. This blue print is underpinned by the Integrated Results Based Management (IRBM) system. The Integrated Results Based Management is a tool that is being used by the Government to reform and modernize the entire public sector (Central Government, Parastatals and State Enterprises, as well as Local Authorities). The successful implementation of the policy is anticipated to bring transparency and accountability, as well as enhance productivity.

2.5 Conceptual Framework and Literature Synthesis

Independent variable		Mediating Variables 1) Organizational values 2) Culture 3) Resources 4) Learning and development	Dependant variable
Strategic level Ethical practices			CORPORATE PERFOMANCE 1).financial perspective 2).Customer perspective 3).operational perspective 4).Sustainability/innovation perspective
Tactical level Ethical practices			
Operational level Ethical practices		Moderating Variables 1) Political 2) Economic 3) Social 4) Technological 5) Legal	

The conceptual model pays particular attention to ethical leadership being the cornerstone in operational, tactical and strategic leaders. This study seeks to investigate the impact of ethical leadership on corporate performance. The practice of ethical leadership at all levels means the application of ethical leadership principles at all levels of management ascending from employees, managers, directors, CEO, board and the minister under which the parastatal fall. Strategic level looks into the role of the minister, board and directors in terms of how they are applying the principles of ethical leadership in their duties and responsibilities. Tactical level ethical practices give much attention to middle management and their application of ethical leadership principles as they carry out their mandates in their various portfolios of the public sector. Operational level considers the practice of the principles of ethical leadership by all low-level employees and their supervisors with the aim to improve performance of their parastatal.

The practice of ethical leadership is the independent variable which is mediated by values, culture, resources and learning and developmental environment of the parastatal. Mediating variables are internal factors which the parastatals can change or mould to ensure they achieve a sustainable and positive performance. Moderating variables that affect most parastatals in Zimbabwe are political, economic, social, technological and legal factors. To enrich the study, a balanced scorecard perspective is taken into account on corporate performance with, view to financial, customer, operational and sustainability key performance indicators (KPIs) as dependent variables.

Brown and Trevino (2006) are among the top authors who focused on the topic of ethical leadership and discovered that these leaders incorporate moral principles in their beliefs, values, and behaviours which, in turn, increases follower loyalty, trust and effort. Alshammari *et al*., (2014) in their survey found out found out that there is a positive relationship between ethical leadership and employee effort which is anchored with honesty, integrity, fairness in decisions and distributions of rewards. The behaviour of an ethical leader is distinct as it shows great support kindness, compassion and is highly concerned with the needs and feelings of others as compared to other types of leadership. A relationship results between ethical leadership and increased employee effort, which in turn, leads to a favourable outcome when it comes to corporate performance of an organisation.

On another note, corporate performance depends on how an ethical leader balances competing objectives (Quinn, 1998; Yukl, 2010). Ethical leadership may have negative effects on organisational performance, for example, some decisions are made to reduce costs and increase profits. Recently, the Ministry of Labour sent civil servants for early retirement to reduce number of employees. In such a tough economy of Zimbabwe, this has been viewed as being inhumane, while on the other hand, it was done to reduce costs and increase efficiency. There is need for ethical leaders to also engage in task-oriented behaviours such as, ensuring clear roles, efficient use of resources, coordination and challenging goals. These create an environment that promotes a favourable corporate performance.

2.6 Chapter Summary

The chapter looked at Parastatals performance in Zimbabwe and abroad. Structure of the Zimbabwean Parastatals was also reviewed as well as its performance. In order to unpack ethical leadership, the researcher started off with leadership theories as well as its influence on corporate performance. Some of the most crucial leadership theories discussed were the contingency and situational theories. Corporate performance and its measurements were also reviewed where Balanced score card and IRBM frameworks have been explained. The next chapter focuses on research methodology and data collection.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The previous chapter explored literature on leadership in general, as well as ethical leadership in state owned enterprises in Zimbabwe. Literature on corporate performance was also reviewed. The literature search was to form the basis for the empirical study that ensued. This chapter highlights the research methodology that was used in the study. "Because the issues relating to leadership cut across all types of human activity and thought, true understanding of such a complex phenomenon of leadership in the public sector requires a broadly conceived approach." J.T. Wren (1995). This section unfolds and examines the research process, philosophy, design and methodology used to explore into an investigation on the impact of ethical leadership on corporate performance of parastatals in Zimbabwe. An overview is given on research design, population and sample size, sampling techniques, data collection and data analysis that were used in the research.

3.1   Research Philosophy:

There are two main contrasting research philosophies namely; positivism and interpretivism. The   positivism paradigm which is under objectivism epistemology is a research   philosophy where the researcher makes detached interpretations about data collected in a value free manner (Saunders *et al* ,2003). Westhuizen and Abrahams (2002) posit that positivism presents the researcher as a separate object and autonomous expert who acts on the respondent. This points to the fact why many view the philosophy as an objective and external approach to research. The researcher is neither affected nor affects the subject of research as one is independent, (Saunders *et al* 2003). Under this paradigm causalities and fundamental laws are searched. There is a relationship between independent variable and one or more dependent variables which will be unearthed by causal inferences as a result of experimental designs. In addition, this relationship is determined by way of how researchers maximise the influence of the independent variable on the dependent variable and events of this phase, (Cohen *et al*, 2011). In this regard, understanding of phenomena must be measured and supported by evidence (Hammersley, 2013). Under positivism, there is

hypotheses formulation and testing. The most suitable research methods are where concepts have to be operationalized.

Dudovskiy (2015) states interpretivism philosophy as an approach to science where the world is perceived to be socially constructed and subjective. It goes further to note that human interest drives science and the observer is also considered as part of the object of observation. People interact with the surroundings and try to bring out meaning through their interpretation of events therefore generalizability is not of crucial importance. Small samples are used in data collection, but the totality of each individual case is summed up and ideas are developed by induction from the data.

The researcher in this study has taken the positivism philosophy into consideration where detached interpretations are being made on data collected in a value free manner using a questionnaire

3.2 Research Approach

Deductive approach tests the validity of assumptions (or theories/hypotheses) at hand, whereas inductive approach contributes to the emergence of new theories and generalizations

From the above research philosophies stems the deductive and the inductive approaches. Saunders *et al,* (2007)   brings to light that the deductive approach seeks to explain the causal relationship between variables. This approach develops a hypothesis which is tested through collection of primary data. Concepts need to be operationalized in a way that allows facts to be quantitatively measured and clarify definitions. Measures of control are applied to ensure the validity of data. A larger sample is highly considered to enable generalised research conclusions. The main advantage of this approach is that it stresses numerical analysis and objectivity, reliability and replication of findings while on the other side of the its coin, the validity of the results may be compromised where the social phenomena may not be properly measured and quantified.

The inductive approach is the alternative to the deductive approach. This approach contributes to the emergence of new theories and generalisations as it aims to explore the meaning of human attachment to events. It has been developed to overcome the shortcomings of the deductive approach. Research content is understood in a deeper manner due to the

qualitative data collected. It's quite flexible to the research structure to enable provision for changes. The researcher is perceived to be a part of the research process hence findings cannot be generalized. However, reliability of data is likely to be affected due to subjectivity in the study

This study was conducted in order to investigate the impact of practises of ethical leadership on corporate performance of parastatals in Zimbabwe. Since the study involved cause and effect between practises of ethical leadership and performance, the deductive approach has been employed rather than using qualitative methodology to gather the data. The credibility of findings and conclusions extensively depend on the research design, data collection method, data management, and data analysis and interpretation. This chapter has been dedicated to the description of the method and procedures used in obtaining data, analysis and interpretation.

3.3 Research design

Bryman (1998), states that research design is a series of advance decisions that when taken together leaves a model of how the research will be conducted. Research design is divided into two groups: exploratory and explanatory. McMillan and Schumacher (1997) added that research design is used to gathering evidence to answer possible research questions. Some view it as the blueprint to guide data collection, data processing and information transmission.

Exploratory research design aims at exploring specific aspects of the research area and does not give final and conclusive answers to research questions. It generates insights about a situation, very flexible and deals with small samples and qualitative data (Pride and Ferrell (2000). The researcher can actually change the direction of the study in some instances. However explanatory research has been described by Pride and Fereell (2007) as that design which is clear, structured and well defined. It verifies insights and gives much aid in the course of action to be taken. In this instance, quantitative data has been applied. Data selection procedures are rigid and well laid out.

Due to the nature of this study where a large sample of 357 people is under consideration, the explanatory design has been engaged so as to verify in the investigation of the impact of ethical leadership practices on corporate performance of parastatals in Zimbabwe.

3.4   Methodology

Research methodology is a research activity which attends to issues of research design, strategy, and philosophy together with the research instrument and connects them to the current study. According to Delport (2002:79) there are two well-known and recognized approaches to research namely: qualitative and quantitative methods. There is also the mixed methods approach where the two are involved. A research methodology is determined   by the nature of the research question and the subject being investigated, Denzin and Lincoln (2005)

As stated in the "Qualitative Research Methods: A Data Collector's Field Guide," published by Family Health International, qualitative research seeks to explore a specific phenomenon, not prove a prediction. Often used in the social sciences and education, qualitative methodologies use interviews, focus groups and observations to collect data. It provides rich, contextual explorations of the study that are usually personally or culturally meaningful. Investigators aim to decode, describe, analyse, and interpret accurately the meaning of a certain phenomenon happening in their customary and social contexts, Fryer (1991). Qualitative studies provide a rich and well-grounded descriptions and explanations as well as unforeseen issues. The role of the researcher in this kind of study relates to empathetically understanding, personal involvement and partiality, while the quantitative researcher is involved in objective portrayal, detachment and impartiality.

On the contrary, quantitative research is more objective where the researcher coins a hypothesis and then tests it through structured means. Rather than exploring or describing a phenomenon, quantitative methods deal with facts and statistics. Quantitative data collection procedures create epistemological postulations that reality is objective and unitary. It also helps the researcher in avoiding bias in gathering and presenting data. According to Cassell and Symon (1994) measurement in quantitative research is valid, reliable, and can be generalized with clear anticipation of cause and effect. However, this method is more useful when the study need to measure cause and effect relationships evident between pre-selected and discrete variables. While quantitative research may be more rigorous in application it is inflexible and does not allow for unforeseen findings for new theory construction.

The researcher adopted the quantitative research methodology since the research involved cause and effect between pre-selected discrete variables, namely: practise of ethical leadership and performance of state enterprises and parastatals. According to studies carried

out by Güngör (2016) on the prediction of ethical leadership on employee and organisational performance, quantitative methodology was adopted. In another study by Wang *et al*, (2016) on linking ethical leadership with firm performance, quantitative studies were engaged and a sample of 300 companies was used.

Population is all elements (individuals, objects, and events) that meet the sample criteria for inclusion in the study, Burns and Groove (1993). In this study, the population consisted of 179 state enterprises and parastatals. However**,** a representative sample was used to make inference to the whole population. This was done for expediency as the whole population is costly and time consuming to study. A sample refers to the group of elements drawn from the population which is considered to be representative of the population, Smith *et al* (2000). The size and representativeness of the sample and the sampling technique used, determine the accuracy of the outcome of the inference on a given population. Strydon and Venter (2000:199) indicated that in most cases a sample of 10% is sufficient for controlling sample errors.

3.5   Study Population and Sampling

Table 3.1:Sample Size Distribution

Departments	Total Population	Frequency	Percentage (%)
NSSA	70		
ZBC	60		
ZIMRA	55		
ZINARA	52		
ZUPCO	50		
GMB	40		
ZESA	30		
Total	**357**		

Source: own computation

3.5.1 Sample Frame

According to Cooper and Schindler (2014), a sampling frame is a list of elements from which a sample is drawn. A sampling frame is the source material from which a sample is drawn. It represents a list of all elements within a population that can be sampled (Zikmund and Babin, 2012).

3.5.2 Sample Size

According to Polit (2001), a sample size is a proportion of a population. Tustin *et al* (2005), state that sample size is a smaller set of the larger population. Use of a sample enables a researcher to save time and money hence get more detailed information for its respondents. Estimation of sample size in research using Krejcie and Morgan is a commonly employed method. Krejcie and Morgan (1970) used the following formula to determine sampling size:

$S = X2NP (1-P)/ d2 (N-1) + X2P(1-P)$

S = required sample size

X2 = the table value of chi-square for one degree of freedom at the desired confidence level

N = the population size

P = the population proportion (assumed to be .50 since this would provide the maximum sample size)

d = the degree of accuracy expressed as a proportion (.05)

Based on Krejcie and Morgan's (1970) table for determining sample size, for a given population of 5150, a sample size of 357 would be needed to represent a cross section of the population. However, it is important for a researcher to consider whether the sample size is adequate to provide enough accuracy to base decisions on the findings with confidence.

3.5.3   Sampling Techniques

There are two classes of sampling techniques namely; probability and non-probability. With probability sampling, one can calculate the probability that any sampling unit can be selected from the population. There are a number of probability sampling techniques namely; simple random, stratified random, systematic, cluster and multistage. The non-probability sampling techniques include, convenience, judgemental, quota, snowball and ethnographic methods.

This class of sampling is where it is not possible to specify the probability that any person or other unit on which the survey is based will be included in the sample (Smith, 1983).

There are a total of 179 state enterprises and parastatals in Zimbabwe and it was not possible to carry out a survey on all of them. The study sample was obtained by using the stratified random sampling technique. The study used stratified random sampling. According to Kothari (2004), sampling technique is the process of selecting a number of respondents for study. Stratified random sampling is the process of stratification hence creating a strata based on income level, management level, and life stages (Sekaran and Bougiea, 2010). Stratification is used to reduce standard error and provide some control over variance (Oso, 2009). The target population was divided into a stratum which included; top management, middle managers, lower level management, such as, supervisors, clerks and officers.

3.6   Data-gathering tools, based on objectives, motivated from theory

According to Cooper and Schindler (2008), data collection is the systematic and calculated gathering of information based on research variables. Closed ended questionnaires were used to collect primary data. According to Sansoni (2014), a questionnaire is a data collection tool that is designed to collect structured and unique data from respondents. Questionnaire is a powerful instrument that assists the researcher to collect data from non-public and non-personal way. The study adopted the Ethical leadership Scale by Brown et al (2005) and it has seven subscales which include: - fairness, integrity, ethical guidance, people orientation, power sharing, role clarification, and concern for sustainability. The questionnaire had a five-point Likert scale were five; (1) Strongly Disagree, (2) Disagree, (3) Neutral (4) Agree and (5) Strongly Agreed. The questionnaire was also sub-divided into sub sections. The researcher also used interview guides to get more information from the management.

3.6.1   Data Collection

According to Merril (1970) data can either be primary or secondary. Primary data has been defined as raw data that is gathered through a structured questionnaire while secondary data can be obtained through published material. Primary data was obtained through a self-administered structured questionnaire which was the most appropriate data gathering method for this study. A questionnaire survey was used because it enabled the researcher to obtain information from a large population (Mouton 1996: 232). Secondary data was collected through the review of literature from books, journals, publications and newspaper articles on ethical leadership and corporate performance.

3.6.2 Data Analysis Methods

According to Cooper and Schindler (2008), data analysis is the process where collected data is reduced to a more controllable and convenient size, and a researcher can start to identify trends or patterns, apply statistical techniques and give a summary of the data. Collected data was sorted and coded. Statistical Package for Social Sciences (SPSS) was used to analyse data. Descriptive and inferential research was used to analyse data. The researcher used frequencies, mean, variances, and standard deviations to analyse descriptive research. Inferential statistics is a technique used by researchers to study samples and make generalisations about the population (Zulfiqar and Bala, 2016). The study analysed inferential statistics using Pearson correlation to determine relationship between variables. Tables and figures were used to present findings.

3.7   Technical and quality issues

3.7.1   Reliability and Validity and Generalizability

The study observed that reliability can emerge from participant bias. To increase reliability, the researcher made use of a mechanical way of tests and re-tests on the questionnaire to ensure that the research instrument reduced errors in measurement and yielded consistent findings. Moreover, a pilot study was done to ensure reliability of research results since identified ambiguities and weakness were corrected in the pre-testing phase. Internal consistency method through the Cronbach's alpha measurement of internal consistency was extracted through the Statistical Package for Social Sciences (SPSS) version 25. A reliability co-efficient of 7.0 and above was considered acceptable as it showed that various questions in the questionnaire are highly consistent in resolving the research objectives.

The study observed the rules of validity. Validity is a threat if the data is not collected from appropriate samples and if data is collected using wrong instruments. The right questions also need to be asked in order to come up with meaningful data. Validity and reliability of data was measured using the Cronbach alpha coefficient. Validity was determined by asking questions that were valid, measuring what they were intended to measure appropriate for the target population and whether they were comprehensive enough to collect all the information needed to address the purpose and objectives of the study.

3.7.2   Potential bias

Questionnaires have a tendency to limit respondents to give further opinions. To derive consistent findings, all the respondents were given a similar questionnaire to complete on

their own, some of the questions were standard structured questions were respondents simply ticked a response that closely suits their perceptions for uniformity. The last part of the questionnaire was open for respondents to give their views

3.7.3 Limitations

Some respondents were not keen to take hard copies of questionnaire. The researcher made use of survey monkey questionnaires to curb against this limitation. For those that took hard copies, the researcher had to visit respondents collecting the issued questionnaires. Also, questionnaires were dropped and picked immediately once respondents were done answering. Ample time was given to respondents to answer the questionnaire. Some of the respondents were not comfortable to release information about the organisation. Respondents were also informed that information received was confidential and was only used for academic purpose. A letter from the institution was obtained to enable the researcher collect data. Data was collected anonymously, researcher did not capture names of the respondents and a confidentiality note was issued with the questionnaire.

3.8 Ethical issues / Confidentiality

Research ethics, according to Hunter (2012:20), refers to doing what is morally and legally right in conducting research. The researcher ensured that the respondents had the right to self-determination. The researcher observed the following ethical considerations: authorization of research, informed consent, anonymity and confidentiality and the right to privacy. Participants were briefed and given adequate information regarding the research. This enabled participants to develop the power of free choice enabling them to consent voluntarily to participate in the research or decline participation if they feel so. The researcher sought verbal permission from participants.

The researcher ensured that participants enjoyed the right to confidentiality by reading the statement of confidentiality before the start of interviews. The data collected was used for academic purposes only and was treated with the strictest confidentiality. Interview transcripts and questionnaires were destroyed after the data collection and analysis. In guaranteeing the right to privacy, the researcher-maintained privacy on participants' feelings, beliefs and attitudes by ensuring that raw data was protected from unauthorized persons. No names were linked to the data. The researcher pledged to respect the views of the respondents. Any information derived from the respondents was held in the strictest

confidentiality and pseudonyms were used to protect the respondents in the final write-up of the study.

3.8.1   Pilot testing of tools

The study conducted a pilot study to check for accuracy and clarity. Mugenda and Mugenda (2003) suggested that use of a pilot study enabled a researcher identify errors and make required changes. Feedback received from the pilot study was added into the questionnaire before distributing the final copy.

3.9 Chapter Summary

This chapter covers research methodology that was used in the study. It has highlighted without doubt using quantitative methods makes the most effective contribution to the study of ethical leadership in this century of volatility, uncertainty and complexity in the business globe. It has discussed population, sampling design, sample technique that was used, sample size, data collection methods, research procedures, and the data analysis methods used.

The next chapter looks at the presentation and analysis of data. Results and findings of the study were analysed using Statistical Package for Social Sciences (SPSS) then presented using tables and figures.

CHAPTER FOUR:

DATA ANALYSIS AND PRESENTATION

4.0 Introduction

The chapter analyzed data collected using SPSS version 23. The researcher used graphs and tables to present the results. Some important tests for quantitative data were computed and presented herein. The chapter shows the response rate, reliability of a research instrument, normality tests, correlation as well as descriptives.

4.1 Response rate

Table 4.2: Response rate

QUESTIONNAIRES SENT	RETURNED	PERCENTAGE
357	235	66

From a sample size of 357, 357 questionnaires were distributed, and the researcher received 263 questionnaires from the respondents from which 28 where spoiled. A total of 235 were captured and analysed giving a response rate of 66%, which is significant according to Zikmund (2003) who posits that a response rate that is above 20% is significant.

4.2 Reliability test

Prior to launch of primary data collection, a pilot study was undertaken through random sampling from the targeted population. Piloting helped in revealing questions that were vague to allow for their review until they conveyed the same meaning to all the subjects (Mugenda & Mugenda, 2003). The pre-test also allowed the researcher to check on whether the variables collected could easily be processed and analyzed. The reliability of the questionnaire was evaluated through Cronbach's Alpha which measures the internal consistency. The Alpha (α) measures internal consistency by establishing if certain item measures the same construct. The results are summarised and presented in table 4.2 below.

Table 4.3: Reliability table

Reliability Statistics	
Cronbach's Alpha	N of Items
.747	31

From the table above the research tool was reliable with a Cronbach alpha of .747.High reliability was a contribution of variables used as well as validity and pilot tests conducted before distributing the questionnaires.

4.3 Normality test

To determine whether the data collected portrays a normal distribution or not, the researcher used normality tests. If data is normally distributed, researchers are encouraged to make use of parametric test whereas if the data is uneven, non-parametric tests should be used. A table below is a normality table which shows p values for each variable except for demographic variables.

Table 4.4: Normality table

Tests of Normality						
	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	Df	Sig.
Ethical leadership is discussed at strategic level at my organisation	.343	235	.000	.659	235	.000
Management discusses business ethics with employees	.334	235	.000	.808	235	.000
Makes fair and balanced decisions.	.293	235	.000	.778	235	.000
Management shows concern for sustainability issues	.351	235	.000	.779	235	.000
Management allows subordinates to influence critical decisions	.348	235	.000	.765	235	.000
Management conduct their life in an ethical manner	.248	235	.000	.838	235	.000
Management clearly explains integrity related codes of conduct	.384	235	.000	.748	235	.000
Management defines success not just by results but also the way that they are obtained.	.408	235	.000	.690	235	.000
Management clarifies priorities to group members	.473	235	.000	.535	235	.000
Management seek opinion from subordinates when making decisions which concern them.	.302	235	.000	.852	235	.000
Management always keep their commitments	.201	235	.000	.873	235	.000
Management Disciplines employees who violate ethical standards	.430	235	.000	.567	235	.000
Management adheres to organisation's values and culture in all its operations	.277	235	.000	.836	235	.000
The organization's resources and working environment have enhanced ethical leadership practices	.378	235	.000	.753	235	.000

Tests of Normality						
Learning and development have an impact on performance of ethical leaders	.444	235	.000	.161	235	.000
Management undertakes initiatives that promote ethics and ethical conduct of employees	.298	235	.000	.840	235	.000
Macro environmental factors have to a larger extent impacted the practices of ethical leadership in this organisation	.380	235	.000	.665	235	.000
Ethical behaviour is rewarded in this organization	.309	235	.000	.774	235	.000
This company has a formal statement of its ethical stance	.389	235	.000	.737	235	.000
Employees receive training on organizational core values	.258	235	.000	.857	235	.000
Ethical leadership is practiced at all levels in this organisation	.419	235	.000	.685	235	.000
Management disciplines unethical behaviour whenever it occurs	.393	235	.000	.729	235	.000
The organization encourages and recognizes disclosure of unlawful acts	.437	235	.000	.572	235	.000
The organization has strategies in place to deal with internal reporting of unlawful, irregular or illegal practices	.399	235	.000	.713	235	.000
This organization has a good and sound financial performance	.284	235	.000	.844	235	.000
Management recognise and exploit market opportunities	.231	235	.000	.855	235	.000
Management have a clear vision for the organization's future	.252	235	.000	.860	235	.000
This organization offers an attractive working environment	.205	235	.000	.868	235	.000
This organization has high standards in the way that it treats people	.221	235	.000	.868	235	.000
This organization is well-managed and maintained infrastructure	.227	235	.000	.837	235	.000
This organization has highly skilled employees	.304	235	.000	.825	235	.000
a. Lilliefors Significance Correction						

The tests are divided into two basing on the table above namely Kolmogorov-Sminov and Shapiro Wilk.Kolmogorov-Sminov test is used for bigger samples over 2000. For smaller samples that is those beneath 2000, Shapiro Wilk test will be utilized. The criteria is that if the significance value (P-value) is greater than 0.05, then the data set is normally distributed else the data is unevenly distributed. The table above shows P-Values of .000 for all variables of the instrument which suggests that the data was unevenly distributed. Since there is uneven distribution of data, non-parametric tests ought to be done.

4.4 Demographic data

4.4.1 Respondent's gender

Figure 4.1 below gives a diagrammatic illustration of respondent's gender.
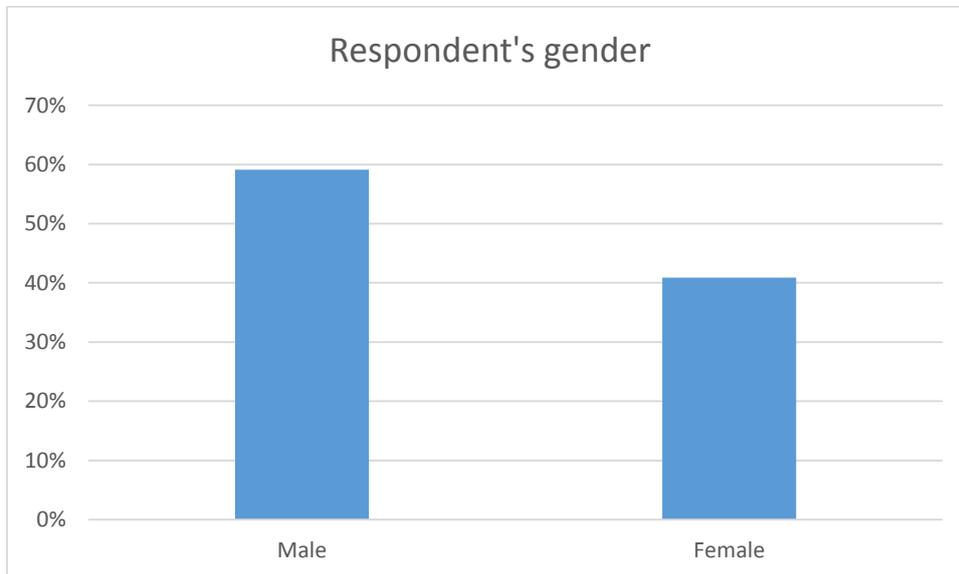
Figure 4.1: Respondent's gender

Most of the respondents were males constituting 59% of all the respondents. Female respondents were 41%. However, there was a gender balance on respondents since random sampling techniques was used to select respondents.

4.4.2 Respondent's age

It was the researcher's interest to capture the age distribution of the respondents so as to see whether there is a statistical difference in responses given by respondents from different age groups.
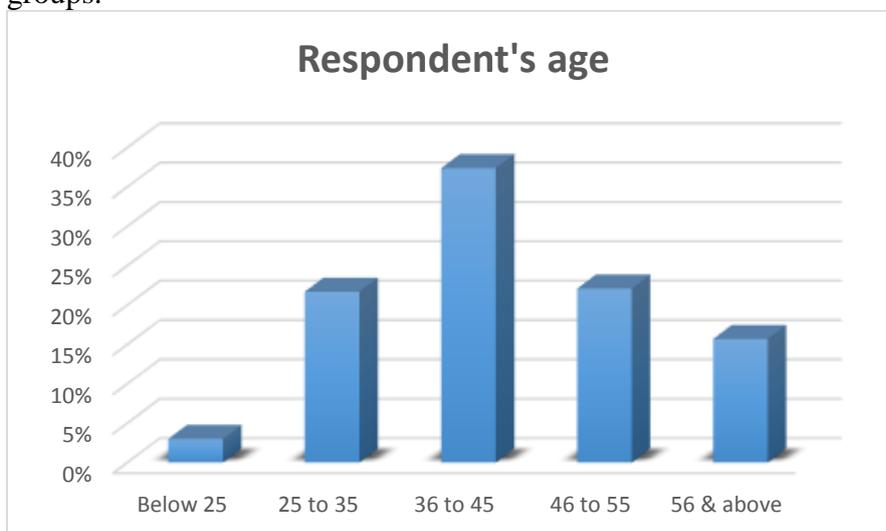
Figure 4.2: Respondent's age

Figure 4.2 above showed that an age group comprising of people between 36 to 45 years dominated (36%) followed by 46-55 years. The researcher using chi-square test observed that age difference does not have a statistical difference on responses given.

4.4.3 Respondent's education

To get the gist of how respondents were educated, the researcher captured their qualifications as presented in figure 4.3 below.
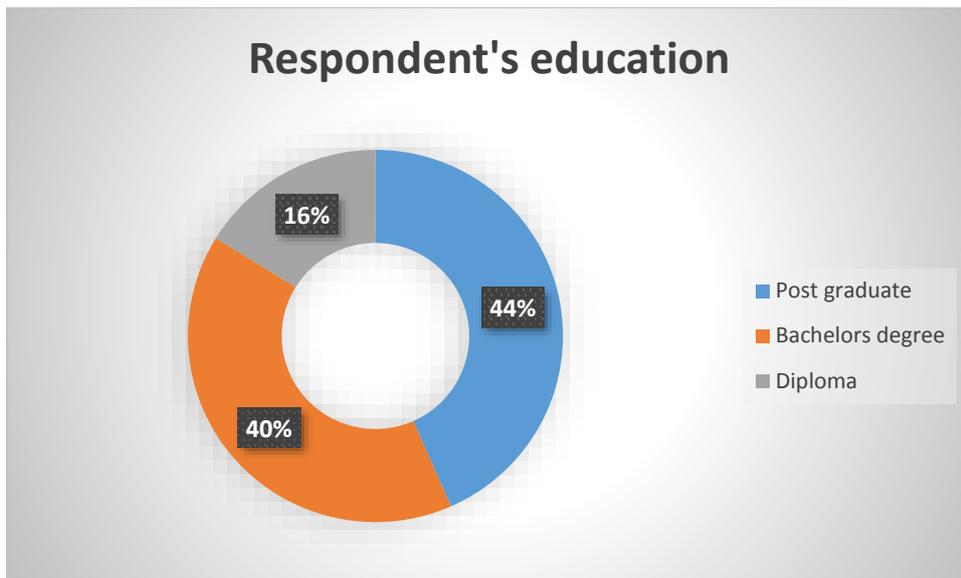
Figure 4.3: Respondent's education

Most respondents are holders of postgraduate degrees constituting 44% of all the respondents. The other 40% were bachelor's degree holders. Only 16% were diploma holders or a qualification below diploma. The qualifications of the respondents gave the researcher confidence in the data collected and it was more likely that they all have the subject matter knowledge.

4.4.4 Respondent's position

The researcher ought to know the positions of respondents participated in the study to see whether the distribution was fair for all categories. Below is the diagrammatic illustration.
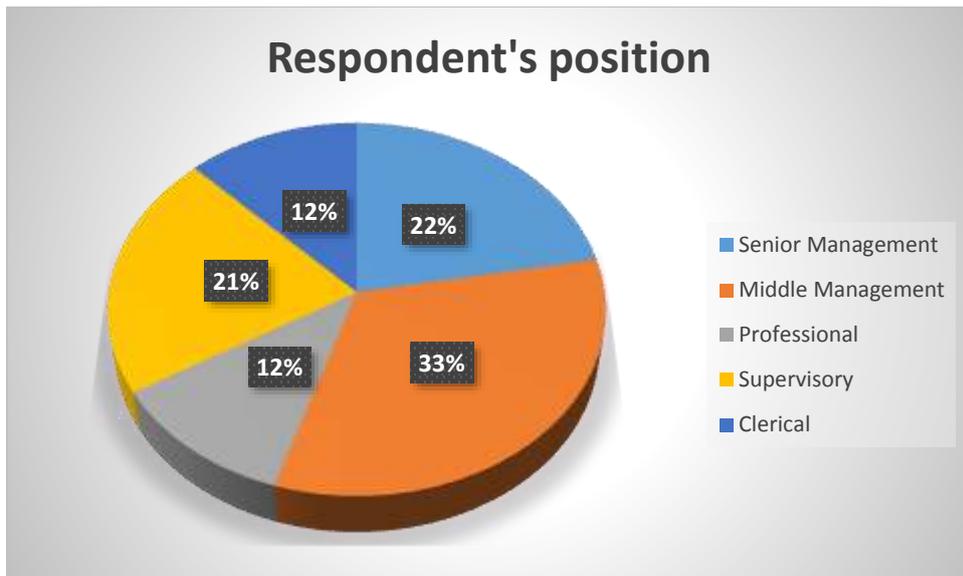
Figure 4.4: Respondent's position

Figure 4.4 above showed that there was a fair representation of each category. Most of the respondents were middle management (33%), followed by 22% senior management. Respondents holding supervisory roles constituted 21% yet clerical staff and professionals had 12% each.

4.4.5 Number of years with current employer

To understand the respondents, the researcher asked for the number of years with current employer to see the distribution between newly employed and senior employees. Below is a diagrammatic illustration.
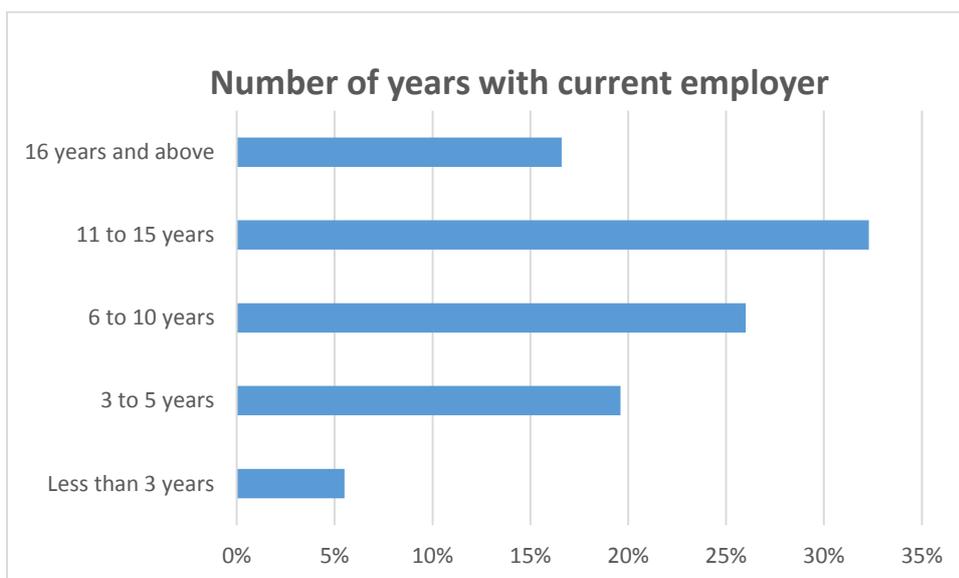
Figure 4.5: Number of years with current employer

Most of the employees have been with the current employer for 11 to 15 years constituting 32.3% of all the respondents, followed by those who served the current employer for 6 to 10 years (26%). This distribution showed that most of the respondents have been in the organisation under study for quite a long time. Respondents who worked for the organisation for more than 16 years also commanded a reasonable figure (16.6% of all the respondents). This further makes their responses valid as they understand their organisation more. Responses from newly employed employees were captured as well. These constituted 19.6% of all the respondents. This is also important to have their responses as they can easily relate and give a fair opinion regarding leadership as they do not have close ties with them.

4.5 Presentation of findings

Below is the presentation of findings from the research instrument:

4.5.1 Strategic level ethical leadership

In order to determine the extent to which strategic level ethical leadership affect corporate performance, the respondents were provided with a list of factors relating to strategic ethical leadership and requested to indicate the extent to which they agree with the statements by ticking in the appropriate response against a five – point scale. Responses were: strongly agree = (5); agree = (4); neither agree nor disagree = (3); disagree = (2); and strongly disagree = (1). The responses are summarized and presented in table 4.4 below. **1- 3 – Small Extent, 3 – 3.5 - Average, 3.5 – 5 – Large Extent**

Table 4.5: Strategic level ethical leadership

Item Statistics			
	Mean	SD	N
Ethical leadership is discussed at strategic level at my organisation	4.29	.602	235
Management discusses business ethics with employees	3.82	.873	235

Source: Primary data

The variables above were designed for strategic level ethical leadership. The researcher wanted to hear from respondents, what they had to say on strategic level ethical leadership. From the results, to a greater extent, respondents agreed that Ethical leadership is discussed at a strategic level at their organizations (M = 4.29) and also that management discusses business ethics with employees (3.82).

4.5.2 Tactical level ethical leadership

In order to determine the extent to which tactical level ethical leadership affect corporate performance, the respondents were provided with a list of factors relating to tactical ethical leadership and requested to indicate the extent to which they agree with the statements by ticking in the appropriate response against a five – point scale. Responses were: strongly agree = (5); agree = (4); neither agree nor disagree = (3); disagree = (2); and strongly disagree = (1). The responses are summarized and presented in table 4.4 below. **1- 3 – Small Extent, 3 – 3.5 - Average, 3.5 – 5 – Large Extent**

Table 4.6: Tactical level ethical leadership

Item Statistics			
	Mean	SD	N
Management shows concern for sustainability issues	3.64	.723	235
Management allows subordinates to influence critical decisions	3.27	.992	235
Management Makes fair and balanced decisions.	3.15	.942	235

Source: Primary data

The table above are responses collected to measure the extent to which tactical ethical leadership impact corporate performance. The mean scores ranged between 3 and 4. To a greater extent respondents agreed that management shows concern for sustainability issues (M =3.64). To a moderate extent, respondents agreed that management allows subordinates to influence critical decisions (M = 3.27) and that they make fair and balanced decisions (M = 3.15).

4.5.3 Operational level ethical leadership

To determine the extent to which operational level ethical leadership affect corporate performance, the respondents were provided with a list of factors relating to operational ethical leadership and requested to indicate the extent to which they agree with the statements by ticking in the appropriate response against a five – point scale. Responses were: strongly agree = (5); agree = (4); neither agree nor disagree = (3); disagree = (2); and strongly disagree = (1). The responses are summarized and presented in table 4.4 below. **1- 3 – Small Extent, 3 – 3.5 - Average, 3.5 – 5 – Large Extent**

Table 4.7: Operational level ethical leadership

Item Statistics			
	Mean	SD	N
Management Disciplines employees who violate ethical standards	4.06	.445	235
Management clarifies priorities to group members	3.84	.617	235
Management clearly explains integrity related codes of conduct	3.63	.835	235
Management defines success not just by results but also the way that they are obtained.	3.57	.778	235
Management seek opinion from subordinates when making decisions which concern them.	3.54	1.005	235
Management always keep their commitments	3.08	.946	235
Management conduct their life in an ethical manner	3.04	.946	235

Source: Primary data

The above table are results from operational level ethical leadership. Respondents had varying respondents on the variables with a mean score between 3 and 5.It was agreed to a larger extent that Management Disciplines employees who violate ethical standards (M = 4.06).Respondents to a larger extent agreed that Management clarifies priorities to group members (3.84),management clearly explains integrity related codes of conduct (M = 3.63),management defines success not just by results but also the way that they are obtained (M = 3.57) and that management seek opinion from subordinates when making decisions which concern them (M = 3.54).To a moderate extent it was agreed that management always keep their commitments (M = 3.08) and that they conduct their life in an ethical manner (M = 3.04).

4.5.4 Mediating variables

To get an understanding on what respondents had to say on mediating variables, item statistical analysis was used. Likert scale of 1-5 was used to select the appropriate responses from the choices; 5- Strongly Agree, 4-Agree, 3-Neutral, 2 Disagree, 1- Strongly Disagree. From the results an average score was calculated; **1- 3 – Small Extent, 3 – 3.5 - Average, 3.5 – 5 – Large Extent**.

Table 4.8: Mediating variables

Item Statistics			
	Mean	SD	N
Learning and development have an impact on performance of ethical leaders	4.53	4.314	235

	Mean	SD	N
Macro environmental factors have to a larger extent impacted the practices of ethical leadership in this organisation	4.48	.823	235
The organisation's resources and working environment have enhanced ethical leadership practices	3.59	.903	235
Management undertakes initiatives that promote ethics and ethical conduct of employees	3.48	.874	235
Management adheres to organisation's values and culture in all its operations	3.32	.936	235

Source: Primary data

4.5.5 Adherence of the organisation to code of ethics

To get an understanding on what respondents had to say on adherence of the organization to code of ethics, item statistical analysis was used. Likert scale of 1-5 was used to select the appropriate responses from the choices; 5- Strongly Agree, 4-Agree, 3-Neutral, 2 Disagree, 1-Strongly Disagree. From the results an average score was calculated; **1- 3 – Small Extent, 3 – 3.5 - Average, 3.5 – 5 – Large Extent**.

Table 4.9: Adherence of the organisation to code of ethics

Item Statistics			
	Mean	SD	N
The organisation encourages and recognises disclosure of unlawful acts	3.96	.487	235
The organisation has strategies in place to deal with internal reporting of unlawful, irregular or illegal practices	3.86	.782	235
This company has a formal statement of its ethical stance	3.83	.710	235
Ethical leadership is practiced at all levels in this organisation	3.73	.712	235
Management disciplines unethical behaviour whenever it occurs	3.40	.823	235
Ethical behaviour is rewarded in this organization	3.06	1.106	235
Employees receive training on organisational core values	3.00	1.094	235

Source: Primary data

Respondents had varying responses on adherence of the organization to code of ethics. Mean score range was between 3 and 4. To a larger extent respondents agreed to the following: the organisation encourages and recognises disclosure of unlawful acts (M = 3.96), the organisation has strategies in place to deal with internal reporting of unlawful, irregular or illegal practices (M = 3.86), organisation has a formal statement of its ethical stance (M = 3.83) and that ethical leadership is practiced at all levels in the organisation (M = 3.73). Management To a moderate extent, respondents agreed that management disciplines unethical behaviour whenever it occurs (M = 3.40). On the other hand, management to a smaller extent agreed that ethical behaviour is rewarded in the organisation (M = 3.06) and that employees receive training on organisational core values (M = 3.00).

4.5.6 Corporate performance

A table below presents a list of factors relating to corporate performance. Item statistical analysis was used to capture varying responses of respondents with regards to corporate performance and its determinants namely, tactical, strategic and operational ethical leadership. Likert scale of 1-5 was used to select the appropriate responses from the choices; 5- Strongly Agree, 4-Agree, 3-Neutral, 2 Disagree, 1- Strongly Disagree. From the results an average score was calculated; **1- 3 – Small Extent, 3 – 3.5 - Average, 3.5 – 5 – Large Extent**.

Table 4.10: Corporate performance

Item Statistics			
	Mean	SD	N
This organisation has highly skilled employees	3.94	.804	235
Management have a clear vision for the organisation's future	3.37	.939	235
This organisation is well-managed and maintained infrastructure	3.25	1.075	235
This organisation offers an attractive working environment	3.21	.909	235
This organisation has high standards in the way that it treats people	3.00	.958	235
Management recognise and exploit market opportunities	3.00	.936	235
This organisation has a good and sound financial performance	2.97	1.377	235

Source: Primary data

The table above were the findings of the study with regards to corporate performance. The mean scores ranges from 2 – 4. The variables were arranged in their order of acceptance starting with those highly ranked. To a larger extent respondents agreed that the organizations had highly skilled employees (M = 3.94).To a moderate extent respondents agreed that Management have a clear vision for the organization's future (M = 3.37), respondents also agreed that the organizations are well-managed and maintained infrastructure (M = 3.25) and that to a moderate extent the organisation offers an attractive working environment (M = 3.21).To a lesser extent respondents agreed that the organization has high standards in the way that it treats people (M = 3.00).To a lesser extent with the least score respondents agreed that the parastatal had a good and sound financial performance (M = 2.97).

4.6 Correlations

The correlation of variables was computed to capture the magnitude, direction and significance of relationships. Spearman rho correlation test was used to determine the relationship between the dependent and independent variables. For this research corporate

performance is the dependent variable against tactical ethical leadership, operation ethical leadership and strategic ethical leadership as the independent variables.

Table 4.11: Inter-correlation of items

Correlations			Corporate performance	Strategic level ethical leadership	Operational level ethical leadership	Tactical level ethical leadership
Spearman's rho	Corporate performance	Correlation Coefficient	1.000			
		Sig. (2-tailed)	.			
		N	235			
	Strategic level ethical leadership	Correlation Coefficient	.303**	1.000		
		Sig. (2-tailed)	.000	.		
		N	235	235		
	Operational level ethical leadership	Correlation Coefficient	.300**	.445**	1.000	
		Sig. (2-tailed)	.000	.000	.	
		N	235	235	235	
	Tactical level ethical leadership	Correlation Coefficient	.387**	.125	.456**	1.000
		Sig. (2-tailed)	.000	.055	.000	.
		N	235	235	235	235

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data

Direction of the relationship

Tactical ethical leadership, operation ethical leadership and strategic ethical leadership had a linear positive relationship against corporate performance.

Statistical significance

Two stars (**) means that the correlation is significant at 0.01 level (2-tailed) and one star (*) means the correlation is significant at 0.05 level (2-tailed) as shown on the table above. All the independent variables were statistically significant as they relate to the dependent variable (corporate performance) as shown in the table above. All the highlighted relationships were statistically significant according to correlation.

Magnitude

Saunders et al. (2009) states that, correlation coefficient between 0 - 2.99 is considered as weak, and the 0.3 - 0.499 range is considered to be moderate and anything above 0.5 is considered to be strong. Following these ranges, Corporate performance had a positive correlation with all its predictors. The highest magnitude was between tactical level ethical

leadership and corporate performance (r = 3.87**). With the least magnitude was the relationship between operational level ethical leadership and corporate performance (r = .300**). A relationship between strategic level ethical leadership and corporate performance was (r = .303**).

4.7 Regression

Regression analysis model for corporate performance and ethical leadership

Table 4.12:Regression model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.488ᵃ	.238	.224	.55649
a. Predictors: (Constant), MODERATING, STRATEGIC_LEVEL, OPERATIONAL_LEVEL, TACTICAL_LEVEL				

Source: Primary data

A model summary above shows the predictive power of the independent variables (tactical ethical leadership, operation ethical leadership and strategic ethical leadership) against the dependent variable (Corporate performance). As a percentage using the adjusted R square of 22.4%. Therefore, the model has a 22.4% predictive power. The remaining 77.6% is explained by other variables falling outside the scope of this study.

Table 4.13: Regression Anova table

ANOVAᵃ						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	22.209	4	5.552	17.929	.000ᵇ
1	Residual	71.227	230	.310		
	Total	93.436	234			
a. Dependent Variable: CORPORATE_PERFOMANCE						
b. Predictors: (Constant), MODERATING, STRATEGIC_LEVEL, OPERATIONAL_LEVEL, TACTICAL_LEVEL						

Source: Primary data

The model was also tested for fitness to determine if it was acceptable to explain the study phenomena. An ANOVA analysis was carried out between corporate performance and the independent variables (tactical ethical leadership, operation ethical leadership and strategic ethical leadership). This was done at 95% confidence level. The results showed F value = 17.929, P<0.000). This meant there exists a linear relationship between corporate performance and its predictors. The model proved to be statistically significant in explaining the phenomena.

Table 4.14:Regression coefficients table

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.770	.324		2.378	.018
	STRATEGIC_LEVEL	.281	.072	.257	3.905	.000
	TACTICAL_LEVEL	.145	.067	.154	2.178	.030
	OPERATIONAL_LEVEL	.318	.087	.251	3.671	.000
	MODERATING	.185	.037	.298	5.037	.000
a. Dependent Variable: CORPORATE_PERFOMANCE						

Source: Primary data

The regression tests determine the impact of each factor on the dependent variable. According to the regression analysis, a p-value below 0.05 indicates a significant relationship between the dependent and independent variables. For this study strategic ethical leadership, tactical ethical leadership, operational ethical leadership as well moderating variables relate significantly and influence corporate performance of Parastatals. Findings in the table also show the contribution of each variable in explaining corporate performance as shown by standardized beta values which assess the contribution of each variable towards the prediction of the dependent variable.

4.8 Answer to hypothesis statements

To answer Hypothesis statements below, Inter-correlation table was used.

H1: Tactical level ethical leadership have a positive impact on their corporate performance

H2: Operational level ethical leadership have a positive impact on their corporate performance

H3: Strategic level ethical leadership have a positive impact on their corporate performance

The table below shows:

There is a positive relationship between corporate performance and strategic level ethical leadership therefore null hypothesis was accepted. It entails that an improvement on strategic

level ethical leadership will result to an improvement in a positive way on corporate performance.

There is a positive relationship between corporate performance and operational level ethical leadership. Therefore, null hypothesis was accepted. An improvement on operational level ethical leadership will result to a proportionate improvement on corporate performance.

There is a positive relationship between corporate performance and tactical level ethical leadership, a null hypothesis was therefore accepted.

Table 4.15:Hypothesis table

Correlations						
			Corporate performance	Strategic level ethical leadership	Operational level ethical leadership	Tactical level ethical leadership
rho	Corporate performance	Correlation Coefficient	1.000			
		Sig. (2-tailed)	.			
		N	235			
	Strategic level ethical leadership	Correlation Coefficient	.303**	1.000		
		Sig. (2-tailed)	.000	.		
		N	235	235		
	Operational level ethical leadership	Correlation Coefficient	.300**	.445**	1.000	
		Sig. (2-tailed)	.000	.000	.	
		N	235	235	235	
	Tactical level ethical leadership	Correlation Coefficient	.387**	.125	.456**	1.000
		Sig. (2-tailed)	.000	.055	.000	.
		N	235	235	235	235
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: Primary data

The table above showed a positive relationship between all elements of ethical leadership against corporate performance. Therefore, all hypothesis statements were accepted.

4.9 Chapter Summary

The chapter analysed collected data. Various tests were carried out to test the data for reliability, validity and normality. The study used non-parametric tests since the data collected was abnormal. Results of the study showed that ethical leadership have a 23% predictive power on corporate performance. The next chapter is a summary of the study as well as recommendations.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter discusses the achievement of the research objectives, research questions, the limitations, summary, conclusion, recommendations, and suggestions for further studies.

5.1 Recapitulation of Research Objectives and Questions

The research sought to investigate the impact of ethical leadership on corporate performance of Zimbabwean parastatals. To address the main research objective. the study a sought to fulfill the following specific objectives:

1. To ascertain the extent to which strategic level ethical leadership practices affects corporate performance;

2. To examine the influence of operational level ethical leadership practices on corporate performance parastatals;

3. To assess the impact of tactical level ethical leadership practices on corporate performance.

4. To assess adherence to codes of ethical leadership principles by Zimbabwean parastatals.

5.1.1   Research Questions

The research questions that the researcher sought to answer were:

5. How does strategic level ethical leadership practices affect corporate performance?

6. What is effect of operational level ethical leadership practices on corporate performance of parastatals?

7. What is the impact of tactical level ethical leadership practices on corporate performance?

8. What is the level of adherence to codes of ethical leadership principles by Zimbabwean parastatals?

5.2 Summary of findings

In this research, findings indicated that ethical leadership indeed has a positive influence on Corporate performance.

5.3 Achievement of Research Aim and Objectives

The main objective of the study is to investigate the impact of ethical leadership practises on corporate performance of Zimbabwean parastatals. The study identified four main objectives that affect practices of ethical leadership

Findings for objective 1: To ascertain the extent to which strategic level ethical leadership affects corporate performance.

From the results, to a greater extent respondents agreed that Ethical leadership is discussed at a strategic level at their organizations (M = 4.29) and also that management discusses business ethics with employees (3.82).Regression analysis also noted a positive relationship between corporate performance and strategic level ethical leadership with a t value of .257.This entails that an improvement on strategic level ethical leadership by one unit will result to a proportionate improvement on corporate performance by .257.The objective was met and there is need for management to improve and work on strategic level ethical leadership as it has a positive linear relationship with corporate performance.

Findings for objective 2: **To examine the influence of operational level ethical leadership on corporate performance parastatals.**

It was agreed to a larger extent that Management Disciplines employees who violate ethical standards (M = 4.06).Respondents to a larger extent agreed that Management clarifies priorities to group members (3.84),management clearly explains integrity related codes of conduct (M = 3.63),management defines success not just by results but also the way that they are obtained (M = 3.57) and that management seek opinion from subordinates when making decisions which concern them (M = 3.54).However, to a moderate extent it was agreed that management always keep their commitments (M = 3.08) and that they conduct their life in an ethical manner (M = 3.04).A positive relationship on corporate performance was noted with (r = 3.00, p = 0.000).Using regression analysis a cause and effect relationship between operational level ethical leadership was approved with a t value of .251.This entails that an improvement to the positive direction by one unit will proportionately result to an improvement on corporate performance.

Findings for objective 3: **To assess the impact of tactical level ethical leadership on corporate performance.**

To a greater extent respondent agreed that Management shows concern for sustainability issues (M =3.64). To a moderate extent, respondents agreed that management allows subordinates to influence critical decisions (M = 3.27) and that they make fair and balanced decisions (M = 3.15). Correlation table showed a positive relationship between corporate performance and tactical level ethical leadership (r = 3.87, p = 0.000). Regression further confirmed a statistical moderate positive relationship between tactical level ethical leadership and corporate performance with a t value of 154.This entails a proportionate improvement on corporate performance with the improvement on tactical level ethical leadership.

Findings about objective 4: **To assess adherence to codes of ethical leadership principles by Zimbabwean parastatals**

Respondents agreed that the organisation encourages and recognises disclosure of unlawful acts (M = 3.96), the organisation has strategies in place to deal with internal reporting of unlawful, irregular or illegal practices (M = 3.86), organisation has a formal statement of its ethical stance (M = 3.83) and that ethical leadership is practised at all levels in the organisation (M = 3.73). Management. To a moderate extent respondent agreed that management disciplines unethical behaviour whenever it occurs (M = 3.40). On the other hand, management to a smaller extent agreed that ethical behaviour is rewarded in the organisation (M = 3.06) and that employees receive training on organisational core values (M = 3.00).

5.4 Conclusion

As per results, it is concluded that the practise of ethical leadership at strategic, operational and tactical levels positively influences the organisational performance of parastatals in Zimbabwe. It is also concluded that adherence to codes of ethical conduct and leadership is to a moderate extend thus there is need to put measures to enforce and uphold ethical principles and practices. The result of this study provides confirmatory finding which indicates that our results are parallel with the previous studies, and as such relationships were empirically verified. The results also signify the importance of ethical leadership in the state enterprises and parastatals, that could lead towards the achievement of organization's desired ends, in an ethical way. These results are expected to increase organisational researchers of business

ethics interest in this particular area of study and contribute to the development of ethical leadership theory, which is becoming a new domain in leadership.

5.5 Contribution

This section focuses on the contributions of this research study. The section is divided into three sections which are theory, methodology and empirical.

5.5.1   Theoretical contribution

This research will assist scholars in identifying determinants of corporate performance in the case of parastatals. The successful use of the theories in this study contributes towards providing examples for the interpretation of similar phenomena from other countries with the same context as Zimbabwe.

5.5.2   Methodological contribution

This study adopted the survey strategy with the use of a structured questionnaire for quantitative research. The study used primary data collected from parastatals in Harare. Previous studies used qualitative approaches, or quantitative approaches making use of secondary data. Hence, the study will have contributed to the body of research methodology.

5.5.3   Practical contribution

This research has provided data on which further studies can be built upon. Already existing and new Parastatals can adopt the research findings to build ethical leadership strategies at its different levels in the hierarchy.

5.6 Recommendations

Below are the study recommendations:

5.6.2   Recommendations to policy makers

1. Government should develop stiffer punitive measures against those convicts of corruption, abuse of public office and other related offences.
2. Anti-corruption commission need shielding from political interference and need to be capacitated. There is need to plug legislative gaps. The government needs to give serious attention to officials implicated and involved in corruption.
3. Term limits for political appointments in the public sector may eliminate the entrenchment of unethical behaviour unlike where open-ended tenure of office is allowed to prevail.

5.5.2 Managerial recommendations

1. There is need to dismantle the top-heavy administrative structure and cumbersome bureaucratic system that makes state owned enterprises ivory towers for the general public. This is why some of them are out of league in creating stakeholder value.

2. There is a need to review the current code of ethics and conduct by SEPs to make it more comprehensive and disciplinary. SEPs should respect their code of conduct and laws and the organisation should also engage and involve staff in the formulation of decisions that affect them.

3. Human Capital Talent should strive to hire ethical employees, continuously training and developing of all employees on the code of ethics so that ethical leadership becomes the culture. An ethically friendly work environment and conditions should be created. Ethical issues should be communicated regularly, and leaders should serve as role models

4. Employees should be capacitated so that they are able to uphold the culture and business ethics thereby creating shareholder value in state owned enterprises that have become

5.5.2 Generalisation of Findings

Findings can be generalised to other southern African parastatals as they portray almost similar leadership structures as well as similar hierarchy.

1. Research Limitation

Response rate was average as some respondents soiled their questionnaires. In future there is need to issue questionnaires on time to give respondents ample time. The results reflect correlations rather than causation. It is difficult to manipulate ethical leadership in a field setting, but a scenario study could be used for a laboratory experiment on some research questions about ethical leadership. Only the quantitative methodology was used however there is need to accommodate the interpretivists views. Interpretation of results was a challenge due to challenges in use of SPSS however, the researcher managed to outsource a specialist to assist in this area to do the computations. Despite the great contribution of the Brown et al. (2005) ELS to the ethical leadership literature, a need remains for future studies to develop more fine-grained measures of ethical leadership that address these challenges

2. Areas of Further Research

Future research should consider the studies in the implementation models of ethical leadership in organisations. There are still many undefined grey areas in implementation, development and maintenance of ethical leadership.

Much of the current literature reviews ethical dilemmas and problems but does not proffer solutions. Yet new opportunities are available as there is a growing number of leading organizations take lead and devote time and resources to the development of ethical leadership.

The conceptual framework highlighted some moderating and mediating variables such as values, culture, political, economic, social and technological. It will be quite interesting to investigate their impact on the performance of SEPs.

Another area of future research would be to look at the impact of commercialization and privatization on the performance of these enterprises. Further research is needed to establish solutions for each and every sector as no one solution may suit the entire public service

REFERENCES

1. Alshammari, T.M., Alamri, K.K., Ghawa, Y.A., Alohali, N.F., Abualkol, S.A., Aljadhey, H.S.(2015). *Knowledge and attitude of health-care professionals in hospitals towards pharmacovigilance in Saudi Arabia.* Int. J. Clin. Pharm. 37 (6), 1104. https://doi.org/10.1016/j.jsps.2016.09.008.

2. Bandura, A. (1986). *Social foundations of thought and action*. Englewood Cliffs, NJ: Prentice–Hall.

3. Bass, B. M.,and Riggio, R. E. (2006). *Transformational leadership* (2nd ed.).Mahwah, N.J: Lawrence Erlbaum Associates.

4. Bertocci, D. (2009). *Leadership in organizations*. Lanham, Md.: University Press of America

5. Bhoroma, V (2018) "*Key reforms needed to arrest parastatal rot*", Business Times, 15 November. https://businesstimes.co.zw/key-reforms-needed-to-arrest-parastatal-rot/ Accessed 19 August 2019

6. Bladder, S. L. and Tyler, T. R. (2003). *A Four Component Model of Procedural Justice*: Defining the meaning of a "fair" process. Human Resource Management Review, 13, 107-126.

7. Brown, M. E., Trevino, L. K., & Harrison, D. (2005). Ethical leadership: *A social learning perspective for construct development and testing*. Organizational Behaviour and Human Decision Processes, 97,

8. Bolden, R. (2004). *What is Leadership*? Leadership South West, Research Report 1.

9. Carsten, M. K., & Uhl-Bien, M. (2013). Ethical Followership: *An Examination of Followership Beliefs and Crimes of Obedience*. Journal of Leadership & Organizational Studies, 20(1), 49–61.

10. Center for Ethical Leadership (2014) '*Ethical Leadership*' [Online] Available from: http://ethicalleadership.org/about-us/philosophies-definitions/ethical-leadership [23 Jun 2014]

11. Chavunduka, M.D. and Sikwila, S.N. (2015). *Corporate Governance in Zimbabwe*: The ZIMCODE and State-Owned Enterprises Connection, International Journal of Economics, Commerce and Management, 3(11)

12. Ciulla, J.B.(2005). *The State of Leadership Ethics and the Work that Lies before us*. Business Ethics: A European Review, 14 (4): 232—33 5.

13. Community Toolbox. *(2015). Ethical leadership.* Retrieved November 18, 2015, from http://ctb.ku.edu/en/table-ofcontents/leadership/leadership-ideas/ethical-leadership

14. Conger, J. A., & Kanungo, R. N. (1998). *Charismatic leadership in organizations*. Sage Publications, Inc.

15. Darcy, K. T. (2010). *Ethical Leadership: The past, present and future*. International Journal of Disclosure & Governance, 7(3), 198-212

16. DePree, M. (1993). *The Leadership Quest*: Three Things Necessary. Business Strategy Review, 4 (1): 69—74.

17. De Rue D.S, Wellman N. (2009). Developing leaders via experience: *The role of developmental challenge, learning orientation, and feedback availability*. Journal of Applied Psychology, 94, 859–875

18. Desmond, B., Geraldine, S (2014) '*Ethical Leadership: Right Relationships and the Emotional Bottom Line The Gold Standard for Success*' Institute for Ethical Leadership Available from : http://www.ethicalleadership.com/BusinessArticle.htm

19. Dore, D., Hawkins, T., Kanyenze, D., Makina, D., Ndlela, D. & Simpson, M., 2008, *Comprehensive economic recovery in Zimbabwe*, A discussion document, UNDP, Harare

20. Drucker, P. F. (2007). Management: *Tasks, responsibilities, practices*. New Brunswick.

21. Freeman, E., and Stewart, L. (2006). *Developing Ethical Leadership*. Institute for Corporate Ethics

22. Ghafoor, A., Qureshi, T.M. M., Khan, M.A. and Hijazi, S.T. (2011) *Transformational leadership, Employee engagement and performance*: Mediating effect of psychological ownership. African Journal of Business Management, 5(17), pp. 7391-7403

23. Ganta, V. C. and Manukonda, J. K. (2014). *Leadership during Change and Uncertainty In Organizations*. International Journal of Organizational Behaviour & Management Perspectives, 3(3), 1183

24. Georgopolus, B. and Tannenbaum, A. (1957). A study of organisational effectiveness. American Sociological Review, 22 534-540

25. Giessner, S. and Quaquebeke N.V.(2010). Journal of Business Ethics 95 (1), 43-55

26. Green, M.T. and Odom, L. (2003). Law and the ethics of transformational leadership. Leadership and Organization Development Journal, 24(1/2), pp. 62-69

27. Hill, C.W. (2009). *Global Business Today*. London: McGraw Hill.

28. Hino, K., & Aoki, H. (2013). *Leadership and evaluation of organizational failure.* Leadership & Organization Development Journal, 34(4), 365–377. https://tradingeconomics.com/zimbabwe/competitiveness-index

29. Kapan, E., (2002). *Issues in privatisation and restructuring in Sub-Saharan Africa*, from http://www.nigerdeltacongress.com

30. Kanungo, R.N. and Mendonca, M. (1996). Ethical Dimensions of Leadership. London: Sage.

31. Gill, R. (2011). Theory and Practice of Leadership. London: Sage Publication

32. Katz, L. (1955). *Skills of an Effective Administrator*. Harvard Business Review, 33-34

33. Kim, W. G., & Brymer, R. A. (2011). *The effects of ethical leadership on manager job satisfaction, commitment, behavioural outcomes, and firm performance*. International Journal of Hospitality Management, 30(4), 1020-1026

34. Lusthaus, C. and Adrien, M.H. (1998). Organisational Assessment: A review of experience. Universalia, 31.

35. Mbah, C.E. (2013). Leadership Question and Development Crises: The 21st Century Challenges in Africa and Quest for Change. Journal of Sustainable Development in Africa, 15(2), 142-153

36. Mackie, J. E., Taylor, A.D., Finegold, D. L., Daar, A. S., & Singer, P. A. (2006). Lessons on ethical decision making from the Bioscience Industry 3(4), e1290610.

37. Mihelič, K.K., Lipnick, B.,Tekavic, M. (2010) International Journal of Management & Information Systems – Fourth Quarter Volume 14, Number 5

38. Mills, M. (2005). Experiences of Academic Unit Reorganisation: Organisational Identity and identification in organisational change. Review of Higher Education,28(4),597-619

39. MindTools (2014) '*Ethical Leadership Doing the Right Thing*' [Online] Available from: http://www.mindtools.com/pages/article/newLDR_58.htm> [23 Jun 2014]

40. Moyo, A. (2019) "Mupfumira fired 'Corrupt' minister not fit for position", The Chronicle, 09 August https://www.chronicle.co.zw/mupfumira-fired-corrupt-minister-not-fit-for-position/ Accessed 19 August 2019

41. Moyo, A. (2018) "Government fires Board", The Herald, 02 October https://www.herald.co.zw/govt-fires-zimra-board/ Accessed 19 August 2019

42. Northouse, P.G.(2007).*Leadership ethics*. Leadership: theory and practice. Thousand Oaks: Sage Publications

43. Northouse, P. G. (2013) *Leadership*. Theory & Practice. 6th Edition, Thousand Oaks, CA: Sage.

44. Northouse, P.G (2016). Leadership Sage Publications Inc 7th Edition

45. Ojokuku, R. M., Odetayo, T. A. & Sajuyigbe, A. S., 2012. *Impact of leadership Style on Organizational Performance*: a case study of Nigerian banks. American Journal of Business and Management, 1(4), pp. 202-207

46. Osborn, R. N., Uhl-Bien, M., and Milosevic, I. (2014). *The Context and Leadership*. Oxford library of psychology. The Oxford handbook of leadership and organizations (p. 589–612). Oxford University Press.

47.

48. Plinio, A.J., Young, Judith, M., and Lavery, L.M. (2010). *The State of Ethics in our Society*: A clear call for action. International Journal of Disclosure & Governance, 7(3), 172-197

49. Richard, P. J., Devinney, T. M., Yip, G. S., and Johnson, G. (2009). *Measuring Organizational Performance Towards Methodological Best Practice*. Journal of Management, 35(3): 718-804

50. Rusvingo, S.L. (2014). *The Salarygate Scandal in the Zimbabwe Parastatals Sector*: Another Darkside of the Nation (2013 – 2014), Global Journal of Management and Business Research, 14(10), 19-29

51. Tannenbaum, R. and Schmidt, W.H. (1958). *How to Choose a Leadership Pattern*. Harvard Business Review

52. Thornton, L. (2009). Leadership ethics training: *Why is it so hard to get it right?* Training and Development, 58-61.

53. Thompson, L.M. (2010*). Egocentric Interpretations of Fairness and Interpersonal conflict*. Organisational Behavior & Human Decision Processes, 51, 176-197

54. Saunders M, Lewis, P. and Thornhill, A. (2003*). Research Methods for Business Students* 5th Edition, London Pitman Publishing. Journal of Finance, Vol. LII No.2(June) pp737-781

55. Sims, R. R. (1992). *The Challenge of Ethical Behaviour in Organisations*. Journal of Business Ethics, 11(7), 505-513.

56. Stacey, R.D. (1996). *Complexity and creativity in organizations*. San Francisco: Berrett Koehler.

57. Sturesson, J, Scott, M and Nick C (2015). *State Owned Enterprises* : Catalysts for Public Value Creation

58. Value Creation. PwC, Public Sector Research Centre. https://www.pwc.com/gx/en/psrc/publications/assets/pwc-state-owned-nterprise-psrc.

59. Zaccaro, S. J., Wood, G., & Herman, J. (2007). *Developing the adaptive and global leader*: HRM strategies within a career-long perspective

60. Zimbabwe Government (2014). *National Code on Corporate Governance Zimbabwe*, Graphtec, Newlands, Harare, Zimbabwe

Appendix 1: Questionnaire

Dear Sir/ Madam

REF: Graduate Research Questionnaire

My name is **Memory Munyokoveri**, an MBA student and I am undertaking a research entitled; **An investigation on the impact of ethical leadership on corporate performance of Zimbabwean parastatals.**

You have been identified as one of the respondents to the questionnaire because of the expertise you present.

In this regard I kindly request you to fill the questionnaire. The response of the questions therein and any information will be purely for academic research, the purpose and the information provided will be treated with the strictest of confidence and anonymity. Results of the study will be vital for current and future students as well as researchers. Your assistance and support will be highly appreciated.

For further information, contact the researcher on *+263774807040/+263773145639*, mmunyokoveri@gmail.com*/* or the supervisor Mrs C. Tsikirayi-nomazwi@yahoo.com

Yours sincerely,

Memory Munyokoveri

Instructions

1. May you please provide your honest answers?

2. Answer all questions

3. Tick in the spaces provided

4. Do not write your name or your identification to ensure confidentiality

5. The questionnaire will be collected once you have completed answering

Questionnaire

Section 1: Demographic Profile

1. Gender: ☐ Male ☐ Female

2. Age: ☐ Below 25 ☐ 25 to 35

   ☐ 36 to 45 ☐ 46 to 55

   ☐ 56 & above

3. Highest Education Qualification:

   ☐ Postgraduate Degree ☐ Bachelor's Degree

   ☐ Diploma ☐ Certificate

   ☐ O' Level ☐ Other

4. Which one of the following best describes your current job?

   ☐ Senior Management ☐ Middle Management

   ☐ Professional ☐ Supervisory

   ☐ Clerical ☐ Other

5. Number of years with current employer

   ☐ Less than 3 years ☐ 3 to 5 years
   ☐ 6 to 10 years ☐ 11 to 15 years
   ☐ 16 years and above

For the questions to follow, may you rank your opinion on a Likert scale of 1-5 as guided below:

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
ETHICAL LEADERSHIP PRACTICES	**1**	**2**	**3**	**4**	**5**
1. Ethical leadership is the way to go to sustain parastatals	☐	☐	☐	☐	☐
2. Management discusses business ethics with employees	☐	☐	☐	☐	☐
3. Management conduct their life in an ethical manner	☐	☐	☐	☐	☐
4. Management pursue their own success at the expense of others	☐	☐	☐	☐	☐
5. Management allows subordinates to influence critical decisions	☐	☐	☐	☐	☐
6. Management shows concern for sustainability issues	☐	☐	☐	☐	☐
7. Management clearly explains integrity related codes of conduct	☐	☐	☐	☐	☐
8. Management clarifies priorities to group members	☐	☐	☐	☐	☐
9. Management always keep their commitments	☐	☐	☐	☐	☐
1. Management adheres to organisation's values and culture in all its operations	☐	☐	☐	☐	☐
2. The organisation's resources and working environment have enhanced ethical leadership practices	☐	☐	☐	☐	☐
3. Learning and development have an impact on performance of ethical leaders	☐	☐	☐	☐	☐
4. Management undertakes initiatives that promote ethics and ethical conduct of employees	☐	☐	☐	☐	☐
5. Macro environmental factors have to a larger extent impacted the practices of ethical leadership in this organisation	☐	☐	☐	☐	☐
ADHERENCE OF THE ORGANISATION TO CODE OF ETHICS					
1. Ethical behaviour is rewarded in this organisation	☐	☐	☐	☐	☐
2. This company has a formal statement of its ethical stance	☐	☐	☐	☐	☐
3. Employees receive training on organisational core values	☐	☐	☐	☐	☐
4. Ethical leadership is practised at all levels in this organisation	☐	☐	☐	☐	☐
5. Management disciplines unethical behaviour whenever it occurs	☐	☐	☐	☐	☐
6. The organisation encourages and recognises disclosure of unlawful acts	☐	☐	☐	☐	☐
7. The organisation has strategies in place to deal with internal reporting of	☐	☐	☐	☐	☐

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
unlawful, irregular or illegal practices					
CORPORATE PERFOMANCE					
1. This organisation has a good and sound financial performance	☐	☐	☐	☐	☐
2. Management recognise and exploit market opportunities	☐	☐	☐	☐	☐
3. Management have a clear vision for the organisation's future	☐	☐	☐	☐	☐
4. This organisation offers an attractive working environment	☐	☐	☐	☐	☐
5. This organisation has high standards in the way that it treats people	☐	☐	☐	☐	☐
6. This organisation is well-managed and maintained infrastructure	☐	☐	☐	☐	☐

Any other issues which can be done reviewed by managers to enhance ethical leadership practices

THANK YOU VERY MUCH FOR YOUR VALUED INPUT

Appendix 2: sample size table

Required Sample Size[†]

Population Size	Confidence = 95%				Confidence = 99%			
	Margin of Error				Margin of Error			
	5.0%	3.5%	2.5%	1.0%	5.0%	3.5%	2.5%	1.0%
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455
75,000	382	776	1506	8514	658	1330	2563	13583
100,000	383	778	1513	8762	659	1336	2585	14227
250,000	384	782	1527	9248	662	1347	2626	15555
500,000	384	783	1532	9423	663	1350	2640	16055
1,000,000	384	783	1534	9512	663	1352	2647	16317
2,500,000	384	784	1536	9567	663	1353	2651	16478
10,000,000	384	784	1536	9594	663	1354	2653	16560
100,000,000	384	784	1537	9603	663	1354	2654	16584
300,000,000	384	784	1537	9603	663	1354	2654	16586

Appendix 3: Turnitin / Ephorus report

turnitin | ephorus

Document title   MEMORY MUNYOKOVERI DISSERTATION.docx
Submit date   Tue 03 Mar 2020 03:59:55 PM CET

8%

2% Found at: UOZ University of Zimbabwe (MANGEYA DISSERTATION, UZ.docx, 07/30/2014)
2% Found at: UOZ University of Zimbabwe (Samukange_R069294A - PM constraints faced by construction companies..
2% http://www.ef.uni-lj.si/docs/osebnestrani/Mihelic_Lipicnik_Tekavcic_2010_clute.pdf
2% Ethical Leadership
2% Found at: UOZ University of Zimbabwe (FARAI RUZIWA Final Euph.docx, 02/27/2020)
2% Found at: UOZ University of Zimbabwe (NIGEL DRAFT DISSERTATION 2 corrected.docx, 07/25/2014)
2% Found at: UOZ University of Zimbabwe (Dissertation Full Draft - NF Chanaka.docx, 07/30/2014)
2% Found at: UOZ University of Zimbabwe (PHILLIP SIMBARASHE SITHOLE-R1610047.docx, 02/27/2019)
2% Found at: UOZ University of Zimbabwe (Chawira 25July 2014.docx, 07/30/2014)
2% Found at: UOZ University of Zimbabwe (CHOGA MODESTA - Review - Dr Mudenda.docx, 11/08/2019)
1% Found at: UOZ University of Zimbabwe (Collins_Nyazika_Final_Dissertation-CGN-print-3[1].doc, 08/31/2019)
1% Found at: UOZ University of Zimbabwe (SOCIAL SHAVA 2 -R169725H -Final Dissertation.docx, 02/28/2019)
1% http://www.kmbs.edu.kw/library/thesesfiles/guide_theses_structure.doc
1% Ethical Leadership: The Effect on Employees
1% A COMPARATIVE STUDY OF THE ENDORSEMENT OF ETHICAL LEADERSHIP IN THE PRIMARY AND HIGH.
1% https://kevinxxl.wordpress.com/2014/06/29/analysis-of-ethical-leadership-through-4-v-model/
1% http://article.sapub.org/10.5923.j.mm.20160604.01.html
1% http://ejbo.jyu.fi/pdf/ejbo_vol14_no1.pdf
1% Linking Ethical Leadership with Firm Performance: A Multi-dimensional Perspective
1% https://mafiadoc.com/understanding-change-and-change-management-processes_5c709eb9097c47e70f8b456a.h..
1% Ethical Leadership in South Africa and Botswana
1% http://www.researchgate.net/publication/281445580_How_Effective_Leadership_can_Facilitate_Change_in_Orga...
1% https://authorzilla.com/M9L8W/management-program-post-state-of-nevada.html
1% Bankers' Personal Moral Thought Evidence
1% A Framework for Identifying the Competencies of Senior Production Managers of Holding Companies (The Case of G.
1% Community Aged Care Case Managers Transitioning to Consumer Directed Care: More Than Procedural Change Re..
1% Ownership transformation, firm performance and manufacturing growth in China

Appendix 4: Research confirmation letter

GRADUATE SCHOOL OF MANAGEMENT

UNIVERSITY OF ZIMBABWE

TREP Building
Mt Pleasant
Harare, Zimbabwe

Email: info.uzgsm@gmail.com
Tel: 263-0242- 333521/2

16th January 2020

TO WHOM IT MAY CONCERN

Dear Sir/Madam

RE: ACADEMIC RESEARCH LETTER FOR MS MEMORY MUNYOKOVERI (R1712232)

This letter serves to confirm that Ms Munyokoveri is a bona fide Master of Business Administration (MBA) student at the Graduate School of Management (GSM), University of Zimbabwe (UZ). She is carrying out a research in partial fulfillment of the requirements of the MBA degree programme.

We kindly request you to provide her with the information she needs to complete her research. Please note that only aggregated data will be used in the final analysis. Please also note that the Graduate School of Management upholds high levels of confidentiality and ethical standards in conducting research, and therefore, the information that you provide will be used for academic purposes only and will not be disclosed to third parties.

Yours faithfully.

GRADUATE SCHOOL
OF MANAGEMENT
UNIVERSITY OF ZIMBABWE

DR W. P. MKUMBUZI
DIRECTOR, GRADUATE SCHOOL OF MANAGEMENT
/bm