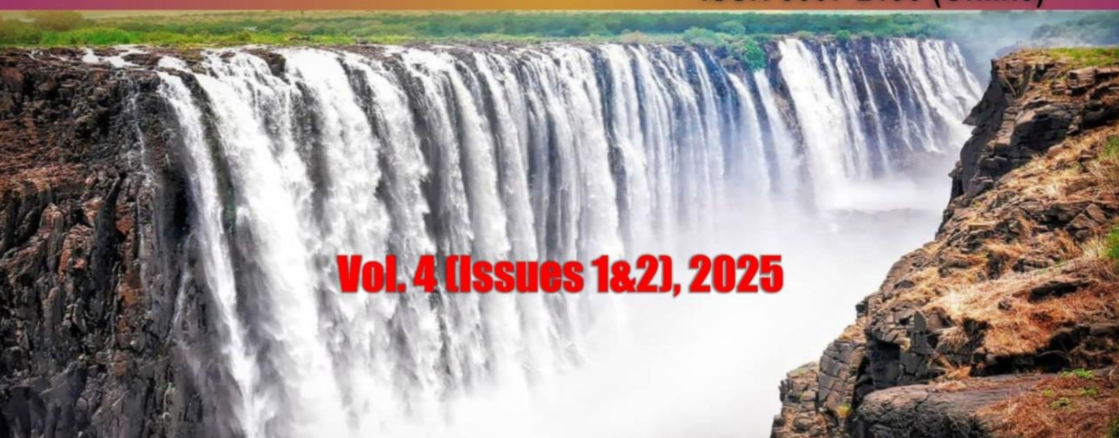
ZEGU
ZIMBABWE
EZEKIEL GUTI
UNIVERSITY
Committed to Excellence

FUTURES

THE ZIMBABWE EZEKIEL GUTI UNIVERSITY JOURNAL OF LEADERSHIP, GOVERNANCE AND DEVELOPMENT

ISSN 2954-8450 (Print)
ISSN 3007-2190 (Online)



Vol. 4 (Issues 1&2), 2025

ISSN 2954-8450 (Print)
ISSN 3007-2190 (Online)

FUTURES
Journal of Leadership, Governance and Development

Vol. 4 (Issues 1&2), 2025

Published by the Zimbabwe Ezekiel Guti University Press
Stand No. 1901 Barrassie Rd,
Off Shamva Road
Box 350
Bindura, Zimbabwe

Typeset by Divine Graphics
Printed by Divine Graphics

SUBSCRIPTION AND RATES

Zimbabwe Ezekiel Guti University Press Office
Stand No. 1901 Barrassie Rd,
Off Shamva Road
Box 350
Bindura, Zimbabwe
Telephone: ++263 8 677 006 136 | +263 779 279 912
E-mail: zegupress@admin.uz.ac.zw
http://wwwzegu.ac.zw/press

About the Journal

JOURNAL PURPOSE

The Futures - Ezekiel Guti University Journal of Leadership, Governance and Development aims to provide a forum for eldership, development and governance solutions based on a systems approach and thinking.

CONTRIBUTION AND READERSHIP

Leaders (coming from various circles of life), professional associations, students, researchers and practitioners will be the primary contributors and consumers.

JOURNAL SPECIFICATIONS

Futures - Zimbabwe Ezekiel Guti University Journal of Leadership, Governance and Development

ISSN 2954-8450 (Print)
ISSN 3007-2190 (Online)

SCOPE AND FOCUS

The journal is a forum for the discussion of ideas, scholarly opinions and case studies of leadership, development and governance at local, national and supranational levels and also coming from across various sectors of the economy. It is premised on the idea that leadership is meant to create anticipated futures by leaders. Development is a revelationist endeavour that must be governed well for the sake of intergenerational equity. The journal is produced bi-annually.

Guidelines for Authors for the Futures Journal

Articles must be original contributions, not previously published and should not be under consideration for publishing elsewhere.

Manuscript Submission: Articles submitted to the *Futures - Ezekiel Guti University Journal of Leadership, Governance and Development are* reviewed using the double-blind peer review system. The author's name(s) must not be included in the main text or running heads and footers.

A total number of words: 5000-7000 words and set in 12-point font size width with 1.5 line spacing.
Language: British/UK English
Title: must capture the gist and scope of the article
Names of authors: beginning with the first name and ending with the surname
Affiliation of authors: must be footnoted, showing the department and institution or organisation.
Abstract: must be 200 words
Keywords: must be five or six containing words that are not in the title
Body: Where the authors are more than three, use *et al.,*
Italicise *et al., ibid.,* words that are not English, not names of people or organisations, etc. When you use several authors confirming the same point, state the point and bracket them in one bracket and ascending order of dates and alphabetically separated by semi-colon e.g. (Falkenmark, 1989, 1990; Reddy, 2002; Dagdeviren and Robertson, 2011; Jacobsen *et al.,* 2012).

Referencing Style: Please follow the Harvard referencing style in that:
— In-text, citations should state the author, date and sometimes the page numbers.
— the reference list entered alphabetically, must include all the works cited in the article.

In the reference list, use the following guidelines, religiously:

Source from a Journal

Anim, D.O and Ofori-Asenso, R (2020). Water Scarcity and COVID-19 in Sub-Saharan Africa. *The Journal of Infection*, *81*(2), 108-09.

Banana, E, Chitekwe-Biti, B and Walnycki, A (2015). Co-Producing Inclusive City-Wide Sanitation Strategies: Lessons from Chinhoyi, Zimbabwe. *Environment and Urbanisation*, *27*(1), 35-54.

Neal, M.J. (2020). COVID-19 and Water Resources Management: Reframing Our Priorities as a Water Sector. *Water International*, *45*(5), 435-440.

Source from an Online Link

Armitage, N, Fisher-Jeffes L, Carden K, Winter K. (2014). Water Research Commission: Water-sensitive Urban Design (WSUD) for South Africa: Framework and Guidelines. Available online: https://www.greencape.co.za/assets/Water-Sector-Desk-Content/WRC-Water-sensitive-urban-design-WSUD-for-South-Africa-framework-and-guidelines-2014.pdf. Accessed on 23 July 2020.

Source from a Published Book

Max-Neef, M. (1991). *Human Scale Development: Concepts, Applications and Further Reflections,* London: Apex Press.

Source from a Government Department (Reports or Plans)

National Water Commission (2004). Intergovernmental Agreement on a National Water Initiative. Commonwealth of Australia and the Governments of New South Wales, Victoria, Queensland, South Australia, the Australian Capital Territory and the Northern Territory. Available online: https://www.pc.gov.au/inquiries/completed/water-reform/national-water-initiative-agreement-2004.pdf. Accessed on 27 June 2020.

The source being an online Newspaper article

The Herald (2020). Harare City Could Have Used Lockdown to Clean Mbare Market. *The Herald*, 14 April 2020. Available online: https://www.herald.co.zw/harare-city-could-have-used-lockdown-to-clean-mbare-market/. Accessed on 24 June 2020.

DYNAMICS OF GOOD CORPORATE GOVERNANCE PRACTICES BY SELECTED DRY-LEANING COMPANIES IN HARARE METROPOLITAN PROVINCE AND IMPLICATIONS FOR DEVELOPMENT

COLLEN KAJONGWE[1], IRIMAI TSVUURA[2], MELODY VARAIDZO JHAMBA[3], CHINAKA DARLINGTON[4] AND MUTIGWE ELISHA[5]

Abstract

The study seeks to assess the implications of adhering to good corporate governance practices by selected dry-cleaning companies in Zimbabwe and implications for development. The research adopts mixed-method research approach guided by pragmatism research philosophy anchored on descriptive research design. Random sampling was used to select 15 dr-cleaning companies in the Harare Metropolitan Province which have been operating in the same business for more than 30 years where 66 senior employees were selected as the study sample size from a population of 80. TheKrejcieandMorgan (1970) sample size table was used to determine sample size. Structured questionnaires and guided interviews were used to solicit data which was then uploaded on SPSS version 29 and analysed using descriptive statistics, correlations and thematic analysis for qualitative data. Data was then presented in tables, numbers and themes. Due care to ethics were done (informed consent, confidentiality and voluntary participation) where respondents were informed that data was used for research purposes only. Study results highlight that dry cleaning companies are adhering to some of the following corporate governance practices: effective board reporting, implementation of a code of conduct and ethics policy, protecting minority shareholder rights, ensuring transparency and disclosure in

[1] Department of Applied Psychology, Manicaland State University of Applied Sciences (Orcid number: 0000-0001-6163-4064).

[2] Department of Business Management and Entrepreneurship, Chinhoyi University of Technology (Orcid number: 0009-0002-6589-5303).

[3] Chinhoyi University of Technology (Orcid number: 0009-003-8372-5110).

[4] Department of Business Management and Entrepreneurship, Chinhoyi University of Technology.

[5] Department of Theology, Zimbabwe Ezekiel Guti University, Bindura, Zimbabwe (Orcid:009-008-4269-2259).

financial reporting. Major challenges identified in the study are lack of corporate governance framework in place for dry-cleaning companies, information asymmetry, and data security and implantation strategies. Based on the study results, conclusions drawn are that dry-cleaning companies in Zimbabwe are adhering to selected corporate governance practices, except some which compromised their operations and sustainable development due to corporate scandals. Proffered recommendations are that they need to foster a culture of accountability, transparency and ethical leadership, establish a risk management framework and establish a board of directors with clear understanding of their roles and responsibilities. However, there is need for development of a corporate governance framework to guide-dry cleaning companies in Zimbabwe for sustainable development.

Keywords: Industry, sustainable development, Zimbabwe, enterprises, corporate governance.

INTRODUCTORY OVERVIEW

In order to navigate the current global economic landscape, organisations must strive to maintain a competitive edge. Effective corporate governance enhances the operational efficiency and financial performance of organisations, hence fostering sustainable economic development. The duality of ownership and control in dry-cleaning enterprises has sparked intense debate regarding the concept of corporate governance (Takainga, 2025). Dry-cleaning enterprises make a substantial contribution to the growth domestic product (GDP) in different regions. In Europe, they contribute 20% to the GDP, in Asia 15%, in Antarctica 13%, in Australia 17%, and in Africa 12% (World Business Review, 2022). The commercial application segment is expected to experience a compound annual growth rate (CAGR) of 7.6% over the projected period. In 2022, the residential application sector held the largest market share of 63.6% (UNDP, 2022). The growth of the residential sector is expected to be driven by a rise in the number of residential units and an increasing number of employed individuals globally, together with higher expenditure on clothing and dry-cleaning services. Nevertheless, dry-cleaning companies attribute some of the most disgraceful business disasters to corporate governance failures. This inquiry is necessary to examine the adherence to fundamental corporate governance norms in the dry-cleaning industry, as these companies are demonstrating themselves to be significant contributors to economic growth and sustainability.

BACKGROUND TO THE STUDY

The presence and significance of dry-cleaning enterprises are of utmost importance, and the lack of effective corporate governance procedures can result in failures in their Strategic Planning and expansion. The culture of dry-cleaning companies aligns closely with that of the management, which has significant consequences for establishing suitable governance structures (Bedi, 2020; Himanshi, 2020; Parasuraman, Berry and Zeithaml, 2022). An effective corporate governance structure is essential not only for resolving conflicts between principals and agents, but also for the benefit of all stakeholders, particularly employees, in order to enhance their performance. Corporate governance, in the context of these companies, refers to the set of rules, policies, and processes that regulate how a corporation is managed and held responsible to its stakeholders. A significant proportion of the working population has managed to sustain themselves by operating small enterprises (Nyathi *et al.*, 2018).

Although 50% of dry-cleaning enterprises in most developing economies are making a substantial contribution to economic growth, the sector has not yet fully tapped into its potential for growth and economic impact (*Business Economic Review*, 2022). Undoubtedly, well-managed dry-cleaning enterprises have the ability to significantly impact the economic prospects of developing economies due to their dominance and vital function (Njake, 2015). Research has been conducted on corporate governance, but only a limited number of scholars have examined the effects of effective corporate governance practices on employee performance and job satisfaction in dry-cleaning businesses (Evbayiro-Osagie, Isibor and Ihemefor, 2017; Kennedy, 2019; Bedi, 2020; Parasuraman, Berry and Zeithaml, 2022). Multiple research projects have investigated the correlation between corporate governance and both organisational success and consumer happiness (Al-Qudah, 2012; Duke II and Kankpang, 2019). However, the comprehensive impact of effective corporate governance procedures on sustainable development, employee performance and work satisfaction in dry-cleaning enterprises has not been thoroughly examined. Occasionally, highly compensated individuals have departed from their current organisations to seek employment in lower-paying organisations which are seen to have superior corporate governance processes and a stronger corporate brand. The Cadbury Committee made a significant request for companies to create specific board committees, including an audit committee (made up of non-executive directors who report to the board), a remuneration committee (responsible for recommending directors' pay to the board), a nomination committee (responsible for a clear and transparent process for appointing new directors to the board), and a finance committee (Sifile*et al.*, 2014).

However, in the context of dry-cleaning companies, the argument against having a board committee has been based on financial considerations. Nonetheless, the primary concern revolves about the dimensions, autonomy and proficiency of the board members, rather than the cost. A board without specialists in both size and composition cannot form a committee of experts (Evbayiro-Osagie, Isibor and Ihemefor, 2017; Kennedy, 2019; Bedi, 2020; Parasuraman, Berry and Zeithaml, 2022). Crucially, the valuation of dry-cleaning companies' shares or their worth to shareholders is not influenced by investors in a publicly accessible financial market. This circumstance leads to a lack of motivation for these organisations to adhere to a well-defined corporate governance framework, either as a necessary commercial requirement or as something of strategic significance (Kajongwe, 2019).

The absence of proficient management skills in the field of corporate governance imposes substantial limitations on the growth and progress of dry-cleaning businesses. Despite the tendency of these organisations to attract highly motivated management, they struggle to compete with larger, well-established firms. The dearth of managerial expertise widespread in many nations in the region has an amplified effect on the performance of employees and dry-cleaning establishments. Dry-cleaning companies face challenges in improving their management due to a lack of support services and increased unit costs. This is compounded by the fact that consulting firms often lack cost-effective management solutions.

In Zimbabwe, in addition to dry-cleaning companies, numerous companies encountered challenges linked to deficiencies in corporate governance (Sifile *et al*, 2014). Corporations such as Air Zimbabwe, the Premier Service Medical Aid Society (PSMAS), the Zimbabwe Broadcasting Corporation (ZBC), several banks under curatorship during the 2003-2005 Zimbabwe banks crisis, the Zimbabwe Revenue Authority (ZIMRA), the Zimbabwe Passenger Company (ZUPCO), and numerous parastatals encountered significant corporate governance difficulties (Tsvuura, 2025). Corporate governance is the system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies (Parasuraman, Berry and Zeithaml, 2022). Shareholders' role in governance is to appoint directors and auditors and to satisfy themselves that an appropriate governance structure is in place (Sifile, 2018). This study assesses the impact of implementing strong corporate governance on the long-term viability of dry-cleaning enterprises in Zimbabwe.

The dry-cleaning SMEs industry in Zimbabwe is not sustainable and productive as hoped by Sustainable Development Goals (SDGs) especially SDG 8 (promote inclusive and sustainable economic growth, employment and decent work) and SDG 9 (improve sustainable industrialisation and fostering innovation) all of which are not easily realised. Sixty percent (60%) of dry-cleaning SMEs in Zimbabwe fail in the first year of establishment, while 25% fail within the first three years and the remaining 15% are likely to survive (Finscope Survey, 2022). Dry-cleaning SMEs had a shallow understanding of good corporate governance practices which subsequently had a negative sustainable growth dimension leading to them failing to pitch like large entities |(Mashavira, 2019). Good corporate governance helps companies operate more efficiently, improve access to capital, mitigate risk and safeguard against mismanagement. It makes companies more accountable and transparent to investors and gives them the tools to respond to stakeholder concerns. Corporate governance also contributes to development by helping facilitate new investment, access to capital and long-term sustainability for firms, leading to economic growth and increased employment opportunities across markets. Conversely, dry-cleaning SMEs in Zimbabwe are failing to adopt and integrate dynamics of good corporate governance practices to comprehend their strategic business orientation in the volatile, uncertain, complex and ambiguous (VUCA) business environment. Thus, it is very important for dry-cleaning SMEs to comprehend the patterns of market movements in order to strategise better and sustain their growth in this domain. This study, therefore, seeks to assess the effectiveness of integrating corporate governance practices in harnessing performance of dry-cleaning SMEs in Zimbabwe.

LITERATURE REVIEW

Dynamics of Good Corporate Governance Practices by Dry Cleaning Small to Medium Enterprises

Good corporate governance dynamics involve balancing compliance with strategic oversight, fostering a culture of accountability, and ensuring transparency (Uchehara, 2017). Key aspects include clear communication, ethical conduct, strong leadership and a diverse, skilled board of directors (Evbayiro-Osagie, Isibor and Ihemefor, 2017; Kennedy, 2019; Bedi, 2020; Parasuraman, Berry and Zeithaml, 2022). However, according to Coyle (2014), corporate governance refers to the system of management that oversees and regulates the direction and control of corporations. According to Maune (2015), corporate governance refers to the manner in which organisations carry out their operations.

Dry-cleaning firms are characterised by concentrated ownership and management within a single entity (Pittino *et al*., 2020). Their governance is crucial for effective decision-making, transparency and stakeholder protection (Miller *et al*., 2017). Effective governance practices in these firms contribute to improved performance and reduced conflicts (Schulze *et al*., 2017). The board of directors, comprising family and non-family members, in dry-cleaning SMEs ensures expertise and independent perspectives (Cruz *et al*., 2012). A balanced board composition in dry-cleaning SMEs also enhances decision-making and mitigates conflicts of interest (Miller *et al*., 2017). Dry-cleaning SMEs board councils, formal or informal structures, facilitate communication and decision-making among members (Deferne *et al*., 2023). The board of directors also aids in aligning interests with business objectives and establishing dry-cleaning governance policies. Ownership structures, such as dual-class share structures or trusts, influence decision-making authority, power distribution and succession planning (Chirico *et al*., 2018). Seeking external expertise and professionalisation ensures objectivity and strategic guidance in dry-cleaning SMEs (Chirico *et al*., 2018). Effective communication and transparency are critical for successful corporate governance in these SMEs (Deferne *et al*., 2023). Open channels of communication foster trust, understanding and collaboration among members, shareholders and stakeholders (Deferne *et al*., 2023). Transparent governance practices facilitate informed decision-making and minimise conflicts or misunderstandings (Kennedy, 2019). Professionalising governance practices is essential involving adoption of formal structures, processes and policies aligned with best practices (Kennedy, 2019). Clearly defined roles, regular board evaluations and governance committees contribute to professionalism for dry-cleaning SMEs as well (Deferne *et al*., 2023).

Empirical literature emphasizes the importance of a clear leadership structure in dry-cleaning SMEs. Effective governance often stems from defined roles and accountability mechanisms (Smith and Jones, 2020). Ethical leadership is particularly critical, as it sets the tone for organisational culture and employee behaviour (Brown *et al.*, 2019). Transparency is a core principle of good governance. Empirical evidence indicates that dry-cleaning SMEs that prioritise open communication and accurate financial reporting tend to build stronger stakeholder relationships (Nguyen and Kim, 2021). This transparency fosters trust and enhances customer loyalty, which is essential in the competitive dry-cleaning market (Brown *et al.*, 2019). Compliance with regulations is vital for operational legitimacy. Studies show that SMEs that engage in proactive risk management not only mitigate potential threats, but also enhance their reputation (Taylor, 2022). Adhering to health, safety and environmental standards is particularly relevant in the context of dry-cleaning, where chemical use poses specific risks (Taylor, *ibid.*). Engaging stakeholders is crucial for SMEs to adapt to market demands. Research highlights the role of customer feedback in shaping service offerings (Lopez and Garcia, 2023). Furthermore, involving employees in governance processes leads to improved morale and productivity, contributing to a more resilient organisational structure (*ibid.*). The dynamics of good corporate governance in dry-cleaning SMEs are multifaceted and critical for sustained success (*ibid.*). By focusing on leadership accountability, transparency, compliance, stakeholder engagement, sustainability, performance monitoring and training, SMEs can create a robust governance framework (Nguyen and Kim, 2021).

EFFECT OF CORPORATE GOVERNANCE BEST PRACTICES AND EMPLOYEE PERFORMANCE IN DRY CLEANING COMPANIES IN ZIMBABWE

Corporate governance serves as a critical framework within which organisations operate, influencing their strategic direction and operational effectiveness (*ibid.*). In the dry-cleaning sector, characterised by intense competition and a service-oriented focus, the implementation of effective governance practices is essential (Lopez and Garcia, 2023). Researchers also assert that regular performance evaluations and feedback mechanisms emanating from integrating accountability and internal control strategies also result in continuous improvement and higher employee productivity in dry-cleaning SMEs (Chen *et al.*, 2020). Such practices ensure that employees remain aligned with organisational objectives. Empirical studies affirm the implementation of corporate governance best practices such as transparent, communication, ethical leadership, stakeholder engagement and continuous training (Evbayiro-Osagie, Isibor and Ihemefor, 2017; Kennedy, 2019; Bedi, 2020; Parasuraman, Berry and Zeithaml, 2022).

Good corporate governance practices in dry-cleaning companies, such as effective board reporting, ethical codes of conduct and transparent financial reporting, can lead to improved employee performance and job satisfaction (Kennedy, 2019). These practices foster a culture of accountability and trust, which motivates and encourages employees to perform better. Furthermore, they can protect companies against ethical breaches and improve the overall image and reputation of the company (Berry and Zeithaml, 2022).Corporate governance practices, including board appointments, senior management appointments, internal controls, corporate structures, and adherence to codes of ethics, directly impact employee motivation, morale and effort in the workplace, and ultimately influence organisational success (Charlesworth, 2018; Lichtenthal and Eliaz, 2020; Walsh and Godfrey, 2020; Read, 2021).

When employees perceive that their company operates with integrity and transparency, they are more likely to feel a sense of trust and accountability, leading to increased engagement and commitment (Chen *et al*., 2020). Other researches also pointed out that good governance practices, such as clear performance measures and employee consultation, can contribute to higher job satisfaction, which in turn can boost employee performance Lichtenthal and Eliaz, 2020; Walsh and Godfrey, 2020; Read, 2021). Other researches also allude that best governance principles, such as a clear board of directors with well-defined roles and responsibilities, can enhance leadership and management effectiveness, which can positively impact employee performance (Nguyen and Kim, 2021; Taylor, 2022). A well-functioning board can provide guidance and oversight, ensuring that the dry-cleaning SMEs actions are aligned with its values and objectives, ultimately contributing to improved employee performance (Eliaz, 2020). Strong internal controls help to ensure that employees are held accountable for their actions, and that there are systems in place to prevent fraud and other irregularities, which can improve employee performance and job satisfaction (Walsh and Godfrey, 2020). Other researches have also asserted that adhering to a code of ethics can create a positive and ethical work environment, fostering trust and respect among employees and improving overall performance (Evbayiro-Osagie, Isibor, and Ihemefor, 2017; Kennedy, 2019; Bedi, 2020; Parasuraman, Berry and Zeithaml, 2022).

The adoption of corporate governance practices in dry-cleaning SMEs has the potential to significantly boost productivity, growth and job creation (Berry and Zeithaml, 2022). Adoption of corporate governance creates a lot of benefits which include, among other things, improved leadership, decision-making, strategic vision, improved mechanisms to monitor and manage risks and confidence of internal and external stakeholders such as actual and potential financiers, employees, customers and local communities (*ibid.*). This helps the dry-cleaning SME to secure the commitment of financiers of capital and providing assurance to other stakeholders that the dry-cleaning SME is being run in a proper and responsible manner, and that its interests are being safeguarded (Nguyen and Kim, 2021).

In order for corporate governance to be effective in dry-cleaning SMEs, the key decision-makers in the organisation (i.e. shareholders or owners) must be convinced of the benefits of implementing a governance framework because their commitment is essential for governance to work (Walsh and Godfrey, 2020; Read, 2021;). Corporate governance practices remain a passing acquaintance for the majority of dry-cleaning SMEs, despite its prevalence in large organisations (Asiimwe, 2017). This is due largely to the belief that compliance is costly and that corporate governance exclusively refers to publicly listed and owned companies governed through state recognised codes (*ibid.*). For most dry-cleaning SMEs, corporate governance is concerned with the roles of shareholders who act as owners and managers, as well as laying out rules and procedures related to ensuring the integrity of financial results (Nguyen and Kim, 2021). The ultimate goal of every small business is to grow and be able to compete with larger and more established firms (Berry and Zeithaml, 2022). Various scholars agree that integrating corporate governance practices sets models for future growth and lays a strong platform for potential investments and partnerships (*ibid.*).

The implementation of corporate governance yields numerous advantages, including enhanced leadership, decision-making, strategic foresight, improved risk monitoring and management mechanisms, and increased confidence among internal and external stakeholders such as financiers, employees, customers and local communities (Magaisa, Duggal and Muhwandavaka, 2023). This facilitates dry-cleaning companies in obtaining financial support from investors and assures other stakeholders that the companies are being managed in a competent and responsible manner, with their interests being protected (Charlesworth, 2018; Lichtenthal and Eliaz, 2020; Read, Walsh and Godfrey, 2020; 2021). For corporate governance to be effective in dry-cleaning companies, it is crucial that individuals with the authority to make important decisions in the organisation (such as shareholders or owners) are fully convinced of the advantages of having a governance framework. Their dedication is vital for the successful functioning of governance. Despite the changing nature of corporate governance in other global organisations, the majority of corporations only have a limited understanding of it (Asiimwe, 2017). This is primarily because there is a perception that adhering to regulations is expensive and that corporate governance only applies to publicly traded and state-regulated enterprises that follow established norms (*ibid.*).

Challenges of Adhering to Corporate Governance Practices by Dry Cleaning Companies in Zimbabwe

Corporate governance is essential for the sustainability and success of SMEs, particularly in service-oriented industries like dry-cleaning. Effective governance frameworks can enhance operational efficiency and stakeholder trust (Walsh & Godfrey, 2020; Read, 2021). However, many dry-cleaning SMEs encounter significant challenges in implementing these practices. Research indicates that dry-cleaning SMEs often operate with limited financial resources, which restricts their ability to invest in governance structures (Miller and Davis, 2021). This financial strain can lead to inadequate governance practices and oversight mechanisms (and Davis, 2021).

Additionally, studies show that many dry-cleaning SMEs lack dedicated personnel for governance, resulting in insufficient implementation and monitoring of governance practices (Chen *et al.*, 2020). This limitation can compromise the effectiveness of governance frameworks in dry-cleaning SMEs. Empirical evidence suggests that dry-cleaning business owners and managers frequently lack awareness of the significance of corporate governance (Nguyen and Kim, 2021). This ignorance can result in the neglect of essential governance practices that contribute to organisational sustainability. The absence of training programmes concerning governance practices can hinder employees' understanding and implementation of these practices (Lopez and Garcia, 2023). This gap in education reinforces the cycle of poor governance in most dry-cleaning SMEs (*ibid.*).

The dry-cleaning industry is subject to numerous regulations, and navigating these complexities can be challenging for SMEs (Taylor, 2022). This complexity often leads to compliance issues, as smaller firms may lack the expertise to interpret and adhere to regulations effectively (Taylor, 2022). The dynamic nature of regulatory requirements creates additional challenges, as SMEs must constantly adapt to new standards (Williams and Patel, 2022). This can overwhelm smaller businesses with limited resources (*ibid.*). Existing operational habits can create resistance to adopting new governance practices (Brown *et al.*, 2019). Brown *et al.* (2019) argue that employees may view changes as disruptive, leading to pushback against governance initiatives. Resistance to change is a common barrier in SMEs, where staff may perceive governance practices as additional burdens rather than improvements (Smith and Jones, 2020).

Research indicates that smaller firms often struggle to effectively engage stakeholders, which can result in a lack of diverse perspectives in governance decisions (Nguyen and Kim, 2021). This limitation can impede the effectiveness of governance frameworks. Ineffective communication channels within SMEs can hinder stakeholder participation and feedback, further complicating governance efforts (Chen *et al.*, 2020). Empirical studies show that SMEs frequently lack established key performance indicators (KPIs) to measure governance effectiveness, complicating evaluation processes (Miller and Davis, 2021). Without clear metrics, assessing the impact of governance practices becomes challenging (*ibid.*). Limited resources can restrict SMEs' ability to monitor governance practices effectively, leading to potential gaps in compliance and oversight (Williams and Patel, 2022).

Many dry-cleaning SMEs lack the technological tools necessary to support governance initiatives, such as compliance tracking systems (Lopez and Garcia, 2023). This technological gap can impede governance implementation. A reluctance to adopt new technologies further complicates the effective implementation of governance practices, as SMEs may miss out on tools that can enhance operational efficiency (Taylor, 2022). The challenges of adhering to corporate governance practices in dry-cleaning SMEs are multifaceted, encompassing resource constraints, lack of awareness, regulatory complexities, cultural resistance, stakeholder engagement difficulties, performance measurement challenges, and technology limitations (Williams and Patel, 2022). Addressing these barriers requires targeted interventions, including education and training, improved stakeholder engagement, and investment in technology (*ibid.*).

However, researchers have posited that for corporate governance to be effective in dry-cleaning companies, it is crucial that the individuals with the authority to make important decisions in the organisation (such as shareholders or owners), are fully convinced of the advantages of having a governance framework (Charlesworth, 2018; Lichtenthal and Eliaz, 2020; Walsh & Godfrey, 2020; Read, 2021). Their dedication is vital for the successful functioning of governance. Despite the changing nature of corporate governance in other global organisations, the majority of corporations only have a limited understanding of it (Asiimwe, 2017). This is primarily because there is a perception that adhering to regulations is expensive and that corporate governance only applies to publicly traded and state-regulated enterprises that follow established norms (Asiimwe, 2017). Once completely implemented, effective corporate governance standards will guarantee the efficient management of dry-cleaning enterprises, thereby instilling trust in investors and lenders. The method provides protection against mismanagement, as stated by CIPE in 2012. Engaging in benchmarking with other organisations and adopting their best practices is crucial for ensuring responsible accounting and establishing the benchmarks for future employees and investors (Lichtenthal and Eliaz, 2020).

RESEARCH OBJECTIVES

1. To analyse good corporate governance practices implemented by dry-cleaning companies in Zimbabwe.
2. To assess the effect of corporate governance best practices and employee performance in dry-cleaning companies in Zimbabwe.
3. To evaluate challenges of adhering to corporate governance practices by dry-cleaning companies in Zimbabwe.

RESEARCH METHODOLOGY

RESEARCH PHILOSOPHY

Pragmatism research philosophy is engaged to guide this study. Pragmatism is chosen because the study is underpinned by a mixed-method research approach. Pragmatism research philosophy is regarded as the philosophical partner for the mixed methods approach. It provides a set of assumptions about knowledge and enquiry that underpins the mixed methods approach (Beins and McCarthy, 2012; Goertz, 2016; Johnson and Schaltegger, 2016).

RESEARCH APPROACH

This study is guided by the mixed method research approach. A mixed method study involves the collection or analysis of both quantitative and/or qualitative data in a single study in which the data are collected concurrently or sequentially, are given a priority, and involve the integration of the data at one or more stages in the research process (Guttmann and Hanson, 2002). The use of qualitative and quantitative methods concurrently will provide the researcher with a broader understanding of the research problem. The mixed method approach is adopted in order to explore participants' perspective and their reasoning behind their views.

RESEARCH DESIGN

The study was underpinned by an explanatory research design. An explanatory design sets out to explain and account for the descriptive information (Creswell and Clark, 2007). So, while descriptive studies may ask 'what' kinds of questions, explanatory studies seek to ask 'why' and 'how' questions (Grey, 2014). It builds on exploratory and descriptive research and goes on to identify actual reasons a phenomenon occurs. Explanatory research looks for causes and reasons and provides evidence to support or refute an explanation or prediction.

POPULATION

The population of the study was80 participants comprising owner/managers and senior employees taken from 15 registered dry-cleaning SMEs in the Harare Metropolitan Province who have been in operation in the same industry for more than30 years. However, the statistics were taken from the Ministry of Women Affairs, Community, Small and Medium Enterprises Development (2024) database.

SAMPLING TECHNIQUES

Probability (simple random) was used for quantitative and non-probability (purposive) sampling designs were used for qualitative designs in this study considering that the study incorporated mixed method research design (both quantitative and qualitative).

SAMPLE SIZE
The study sample size was 66 respondents, comprising owner/mangers and senior employees taken from the study population of 80 participants. Krejcie and Morgan (1970) table of sample size calculation was used to justify the sample size where, if Population (N) is 80, then the recommended sample size (S) must be 67. The sample size was also in line with Raosoft sample size calculator with 5% margin of error, 95% confidence level and 50% response distribution level.

DATA GENERATION INSTRUMENTS
In this study, structured questionnaires and interview guide were used to collect both quantitative and qualitative data. Through using questionnaires, the researcher's own opinion does not influence the respondent to answer questions in a certain manner and there is uniform presentation, hence no middleman bias, since there are no verbal or visual clues to influence the respondent (O'Sullivan, 2012). Miles, Huberman and Saldana (2011) allude that the interviewer can make more use of standardisation of the situation, and in this case, they are useful to obtain personal feelings, perceptions, opinions that allow more detailed questions to be asked.

DATA PRESENTATION AND ANALYSIS PROCEDURE
Solicited data was analysed using descriptive statistics for quantitative data, while thematic analysis was used for qualitative data. Quantitative data was presented in tables while qualitative data was presented in themes.

ETHICAL CONSIDERATIONS
The research observed ethics at each and every stage of conducting this study. The following ethical principles: upholding honesty, truthfulness and accuracy during the conduct of study were.

RESULTS AND DISCUSSION
The results and discussion were guided by the study objectives.

Table 1: Response Rate

Description	Number of questionnaires administered	Returned	Response rate (%)
Questionnaires	50	48	96%
Interviews	16	10	62.6%
Total	66	58	87.8%

In this study, of the 50 structured questionnaire administered,48 were successfully returned, translating to a 96% response rate, whereas of the 16 scheduled interviews,10 were conducted successfully leading to a 62.6% response rate. Overall, the study had a 87.8% response rate which implies that the issue of corporate governance was of great importance to the study.

DESCRIPTIVE STATISTICS

Good Corporate Governance Practices Implemented by Dry Cleaning Companies

Respondents were asked to outline good corporate governance practices practised by their companies. Study results in Table 2 summarises the descriptive statistical scores based on respondents' assessments.

Table 2: Corporate Governance Practices

Item	Mean	SD
Effective board reporting	1.424	0.495
Implementation of a code of conduct and ethics policy	1.720	0.450
Ensuring transparency and disclosure in financial reporting	1.736	0.451
Protecting minority shareholder rights	1.764	0.487
Implementation of whistleblower policy	1.764	0.435
Foster a culture of accountability	1.696	0.478

The study results highlight that dry-cleaning companies were implementing effective board reporting, adopted and implemented code of conduct and ethics policy, ensured transparency and disclosure in financial reporting, protected minority and shareholder rights, fostered a culture of accountability and had a whistleblower policy in place.

However, qualitative themes were also generated from the participants' perception of the aspect of good corporate governance practices being implemented by their companies. The qualitative results therefore complemented the quantitative aspects so as to have a robust synergy.

Theme 1: Effective Board Reporting

Participants 1, 2, 5, 8, 9, 10 underscored that their organisation had an effective board mandated for fostering communication, risk management, performance monitoring, and strategic alignment within their organisation.

THEME 2: CODE OF CONDUCT AND ETHICS POLICY

Additionally, Participants 3, 6, 7, 8 pointed out that their organisations were implementing a code of conduct and ethics policy apart from protecting minority shareholder rights.

THEME 3: TRANSPARENCY AND FINANCIAL REPORTING

Participants 2, 6, 8, 9, 10 underscored the phenomenon that their organisation management was partially adhering to disclosure of financial status of their organisation for planning purposes.

THEME 4: ACCOUNTABILITY AND WHISTLEBLOWER POLICY

Participants 1, 3, 5, 6, 8, 9, 10 pointed out that their organisation was adhering to accountability and whistle blower policy to safeguard the interest of all shareholders within the company.

THE EFFECT OF CORPORATE GOVERNANCE BEST PRACTICES AND EMPLOYEE PERFORMANCE IN DRY-CLEANING COMPANIES IN ZIMBABWE

Preliminary descriptive statistics were computed to examine potential associations between corporate governance and employee performance in dry-cleaning companies (Table 3).

Table 3: Corporate Governance Practices and Employee Performance

Item	Mean	SD
Improves employee's consciousness competence, including being careful, self-disciplined and scrupulous in attending to responsibilities	1.732	0.462
Effective internal controls ensure efficient use of resources and motivate employees	1.390	0.489
A good corporate reputation can make employees more engaged and proud to be part of the company	1.640	0.481
By establishing clear accountability, transparency and ethical standards, it helps to build trust among stakeholders, minimises risk, and drive sustainable growth	1.696	0.461
Improves effective decision-making and subsequently leading to innovation and quality service delivery	1.716	0.452
Limitation of disruptive behaviour and conflicts of interest, thereby mitigating risks	1.808	1.418

The study findings reveal a direct and favourable relationship between the implementation of corporate governance practices and the performance of employees in dry-cleaning enterprises located in Zimbabwe. The findings indicate that implementing corporate governance practices enhances employees' cognitive abilities, such as attentiveness, self-control and meticulousness in fulfilling their duties. This, in turn, increases employee engagement and fosters a sense of pride in being associated with the company. Additionally, corporate governance practices contribute to the establishment of trust among stakeholders, reduce risk and drive sustainable growth. Moreover, they improve the effectiveness of decision-making processes, leading to innovation and the delivery of high-quality services. Furthermore, corporate governance practices help mitigate risks.

Qualitative results themes emerged to complement quantitative data as follows:

THEME 1: CLEAR ROLES AND RESPONSIBILITIES

Participants 1, 3, 4, 5, 6, 8 underscored that good corporate governance practices fosters clear roles and responsibilities within dry-cleaning companies, adding value to performance and quality service discharge.

THEME 2: INCREASED ACCOUNTABILITY

Participants 2, 4, 6, 8, 10 underlined that corporate governance increases accountability in dry-cleaning companies. Participants reiterated that by establishing clear accountability, transparency and ethical standards, it helps to build trust among stakeholders, minimises risk and drives sustainable growth.

THEME 3: ATTRACTION AND RETENTION OF TALENT

Participants 3, 5, 8, 9, 10 underlined that good corporate governance practices harness the attraction and retention of talents who foster organisational performance. Good governance practices make companies more attractive to potential employees and that retaining skilled employees leads to improved overall performance.

THEME 4: EMPLOYEE DEVELOPMENT

Participants 1, 3, 4, 5, 6, 7, 9 reiterated that dry-cleaning companies that prioritise governance often invest in training and development and skill enhancement contributes to better employee performance and job satisfaction.

Table 4: Challenges of adhering to corporate governance practices

Item	Mean	SD
Lack of corporate governance framework in place for dry-cleaning companies	1.812	0.431
Information asymmetry	1.534	0.500
Insecure data security and implementation strategies	1.826	0.380
Incompetent internal control systems	1.866	1.415
Complexity of outside job demands influence the board member to have limited focus on firm's priority	1.784	0.422
Relationship-oriented barriers, arising from the business relationships of institutional investors with firms in which they invest	1.737	0.459
Regulatory barriers, arising from government regulations that constrain the activities of these investors	1.829	0.398
Difficulties in mobilising capital for corporate financing	1.822	0.404

The survey findings emphasize the various obstacles that dry-cleaning companies face when it comes to adhering to and implementing effective good corporate governance, i.e. the absence of a corporate governance framework for dry-cleaning companies, information imbalance, inadequate data security and implementation strategies, ineffective internal control systems, the demanding nature of external job responsibilities that limit the board members' attention to the firm's priorities, barriers related to relationship dynamics between institutional investors and the firms they invest in, regulatory obstacles imposed by government regulations that restrict the activities of these investors, and challenges in raising capital for corporate financing (Table 4).

Qualitative themes were also generated from participants' perceptions on challenges of adhering to corporate governance practices by dry-cleaning companies in Zimbabwe.

THEME 1: INFORMAL STRUCTURES

Participants 1, 4, 6, 7, 9, 10 underlined that dry-cleaning SMEs are hindered to fully comprehend good corporate governance practices due to their informal structures. Dry-cleaning SMEs frequently have informal management structures, which can hinder the establishment of formal governance practices.

THEME 2: LACK OF AWARENESS AND UNDERSTANDING

Participants 3, 7, 8, 9, 10 emphasized that many entrepreneurs in the dry-cleaning sector may lack a comprehensive understanding of corporate governance principles. This knowledge gap can result in insufficient prioritisation of governance, leading to practices that are reactive rather than proactive.

THEME 3: COMPLIANCE BURDENS

Participants 4, 5, 6, 7, 8 highlighted that the regulatory landscape can be particularly daunting for SMEs, where compliance with governance standards may be overwhelming. Limited administrative capabilities can exacerbate the challenge of meeting these regulatory demands effectively.

THEME 4: INADEQUATE TRAINING AND DEVELOPMENT

Participant 4, 7, 9, 10 underscored that a deficiency in training programmes focused on governance can result in poor implementation of best practices in dry-cleaning SMEs where both employers and employees may lack the necessary skills to engage with governance frameworks, leading to ineffective adherence.

DISCUSSION

The study findings are consistent with the existing literature. The efficacy of corporate governance is contingent upon the functioning of the corporate governance process within the organisation (Utami, Suhardjanto and Hartoko, 2012) as well as the corporate governance framework. However, if the mechanism or process is malfunctioning, the ultimate objective of safeguarding the interests of shareholders and stakeholders would remain unattainable (Eng and Mak, 2003). In order to mitigate the imbalance of information between the management and shareholders, it is imperative for the organisation to enhance its transparency (Juniarti and Sentosa, 2010). Disclosure can be achieved through mandatory disclosure, which is required by law, and voluntary disclosure, which is done willingly. Both types of disclosure can include financial and non-financial information. Companies should proactively share information that goes beyond what is legally needed, but can provide valuable insights for stakeholders in their decision-making process (*ibid.*). To mitigate the agency problem, it is necessary to have effective corporate governance practices that include a robust structure for supervision and monitoring. Kiew-Heong (2015) assert that corporate governance encompasses a comprehensive set of regulations implemented by businesses to achieve positive economic performance, generate profits and disperse the wealth generated among stakeholders. Radebe (2017) argues that corporate governance extends beyond board matters and encompasses sound business practices at all levels. The author emphasizes the importance of accountability and transparency for companies, regardless of their ownership structure. The significance of corporate governance in driving economic growth and national development has been well recognised (Uchehara, 2017 as referenced in Meressa, 2017). The governance structure establishes the allocation of rights and responsibilities among board of directors, managers, shareholder, and other stakeholders. It also defines the rules and procedures for decision-making. Corporate governance fundamentally guarantees impartial and equitable treatment for all stakeholders.

CONCLUSION AND RECOMMENDATIONS

The study findings indicate that dry-cleaning companies in Zimbabwe adhere to some corporate governance norms, while others undermine their operations and sustainable development owing to corporate scandals. Proposed recommendations are to cultivate a culture centred on accountability, transparency and ethical leadership, implement a risk management framework and form a board of directors with clear comprehension of their roles and responsibilities. The objective of corporate governance is to foster and uphold integrity, openness and responsibility within the upper echelons of management. In order to achieve sustainable success in the highly competitive market, the firm must prioritise fairness, accountability, disclosures and transparency. By adhering to these standards, the company may maximise value for its stakeholders in the ever-changing global market. Good governance is always the means to achieve that objective. The objectives of a firm are to create prosperity for society, safeguard and accumulate that prosperity in a desirable manner and allocate that prosperity to stakeholders. It is necessary for dry-cleaning enterprises to establish audit committees. The audit committee fulfills its rights by acting as a representative of the board of directors and carrying out governance duties. These encompass the oversight and surveillance of the company's financial reports, disclosure, internal and external audits, internal control, regulatory compliance and other risk management operations. The business's policy mandates a minimum of three non-executive directors, of which at least two must be independent directors. Independent directors are crucial for ensuring effective corporate governance practices within the organisation. The nomination and remuneration policy establishes a comprehensive framework for addressing, examining and proposing problems that must be addressed by and recommended to the board. This includes issues pertaining to the structure and quantity of directors on the board, strategies for future leadership transitions, assessment of performance, diversity within the board and the framework and standards for compensation. Private enterprises should use this policy in order to achieve a fair balance between compensation and performance, resulting in optimal productivity. Private entities are required to adhere to the same regulations that apply to public listed companies as a means of self-regulation, due to the lack of a regulatory framework. This will result in efficient management of business affairs through the implementation of corporate governance principles, ensuring a fair allocation and delegation of rights and responsibilities to all participants. In addition, concerns such as board diversity, director performance and the independence of independent directors can be addressed by the implementation of a robust nomination and remuneration strategy, as well as the establishment of an audit committee. The Nomination and Remuneration Committee guarantees that top managerial individuals receive appropriate and justified compensation.

REFERENCES

Adeboye, A.S. and Rotimi, S.M. (2016). The Pattern of Corporate Governance, Risk Management and Performance of Zenith Bank Nigeria Plc, *European Journal of Globalization and Development Research, 11(3),* 680-692.

Bebchuk, L. A. and Fried, J. M. (2013). Executive Compensation as an Agency Problem. *Journal of Economic Perspectives, 17(3),* 71-92.

Clark, T. (2004). Theories of Corporate Governance: The Philosophical Foundations of Corporate Governance. London and New York: Routledge.

Davis, G. F. and Cobb, J. A. (2010). Resource Dependence Theory: Past and Future. *Research in the Sociology of Organizations, 28,* 21-42.

Davis, J. H.*et al.* (2017). An Empirical Test of Stewardship Theory. *Journal of Business and Leadership: Research, Practice, and Teaching, 3(1),* 40-50.

Davis, J. H., Schoorman, F. D. and Donaldson, L. (2017). Toward a Stewardship Theory of Management. *Academy of Management Review, 22,* 20-47.

Denis, D. K. and Mcconnell, J. J. (2018). International Corporate Governance. *The Journal of Financial and Quantitative Analysis, 38(1),* 1-36.
Donaldson, L. and Davis, J. H. (2017). Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns. *Australian Journal of Management, 16(1),* 49-64.
Donaldson, T. and Preston, L. E. (2016). The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications. *The Academy of Management Review, 20(1),* 65-91.
Gavetti, G.*et al.* (2014). The Behavioral Theory of the Firm: Assessment and Prospects. *The Academy of Management Annals, 6(1),* 1-40.
Gomez-Mejia, L. R., Cruz, C. B. P. and De Castro, J. (2011). The Bind that Ties: Socio-Emotional Wealth Preservation in Family Firms. *Academy of Management Annals, 5(1*),653-707.
Hill, C. and Jones, G. (2011). *Essentials of Strategic Management.* 3rd Ed. New York*:* Cengage Learning.
Hunziker, L and Stefan, P. (2019). *Enterprise Risk Management: Modern Approaches to Balancing Risk and Reward.* London: Springer.
Gabler Javadin, S. R.*et al.* (2010). Studying the Relationship between Managerial Skills and Efficiency of Bank Branches. *World Applied Sciences Journal, 11(2),* 170-177.
Jensen, M. and Meckling, W. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. *Journal of Financial Economics 3(4),* 305-360.
Jones, G. (2010). *Organizational Theory, Design, and Change.* 6th Ed. Upper Sadle River: Pearson.
Katz, L. (2015). Skills of An Effective Administrator. *Harvard Business Review, 33*, 33-42.
Klettner, A. (2017). *Corporate Governance Regulation: The Changing Roles and Responsibilities of Boards of Directors.* Oxon: Routledge.
Kumar, P., and Zattoni, A. (2015). Ownership Structure, Corporate Governance and Firm Performance. *Corporate Governance, 23,*469- 471.
Magnanelli, B. S., Pirolo, L. (2021). *Corporate Governance and Diversity in Boardrooms: Empirical Insights into the Impact on Firm Performance.* Springer International Publishing, Palgrave Macmillan.
Mlambo, L. (2016). *Extractives and Sustainable Development I: Minerals, Oil and Gas Sectors in Zimbabwe.* Harare: Friedrich-Ebert-Stiftung.

Molina-Azorin, J. (2015). Designing and Performing Mixed Methods Research in Strategic Management. In: Dagnino, G. and Cinici, M. (eds.) *Research Methods for Strategic Management.* 129-157. New York: Routledge.

Wiley Freeman, R. E. (2015). Strategic Management: A Stakeholder Approach. New York: Pitman Publishing.

Wiley La Porta, R.*et al.* (1999). Corporate Ownership around the World. *Journal of Finance, 54(2),* 471-517.