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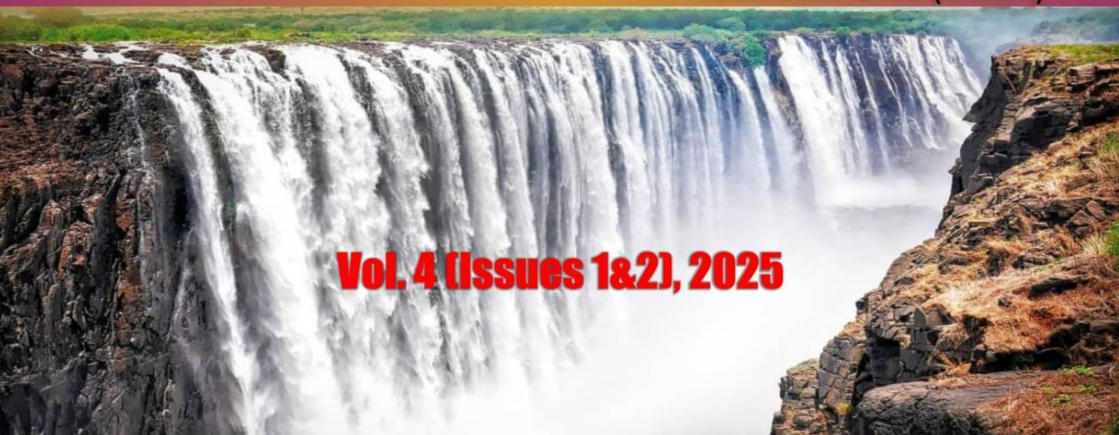

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THE INFLUENCE OF BOARD CHARACTERISTICS ON THE PERFORMANCE OF STATE-OWNED ENTERPRISES

RAYMOND MAPURANGA[1] AND CHAMUNORWA MAPURANGA[2]

Abstract

The study seeks to ascertain if there is any relationship between performance of state-owned enterprises (SOEs) and board characteristics. Three proxies or characteristics of the board, including board independence, board gender diversity and board size as vices of corporate governance are used to find their effects on the performance. The performance of the sampled firm X was measured by ROA, an accounting-based measure. The study reviews literature on board characteristics linking it mainly to the Agency Theory underpinning the study. The quantitative research approach is used to find the relationship between independent and dependent variables with a case study as a design. The sample of the study was drawn from the selected organisation and its subsidiaries using stratified random sampling. The sample consists of members from directors and senior management. The data collected through questionnaires was entered into IBM SPSS software for analysis. SPSS, Pearson correlation analysis and multiple regression were conducted to examine the relationships between the variables under study. Both the correlation and regression results reveal a significant positive relationship between board independence, gender diversity and firm performance in Zimbabwean SOEs. On the contrary, a significant negative relationship was found between board size and firm performance. The study recommends establishing boards dominated by independent non-executive directors and embarking on gender streamlining to achieve improved performance. Similar studies that could be useful in covering a large number of companies are recommended.

Keywords: corporate governance, directors, performance

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INTRODUCTION

The relationship between board characteristics and organisational performance has attracted significant scholarly attention in recent years (García-Sánchez *et al.*, 2021; Adams, 2022; Chen and Li, 2023). While existing research has predominantly focused on developed economies, emerging markets, particularly Zimbabwe, present unique governance challenges that warrant critical examination. Zimbabwe's State-owned enterprises (SOEs) have been plagued by high-profile corporate scandals, financial collapse and operational inefficiencies linked to weak board oversight. Notable cases include Air Zimbabwe, the Premier Service Medical Aid Society (PSMAS), the Zimbabwe Electricity Supply Authority (ZESA) and the Zimbabwe Broadcasting Authority (ZBA), where governance failures have been attributed to inadequate director competence, political interference and poor accountability mechanisms (ZimStats, 2023). Against this backdrop, this study investigates how board characteristics influence the performance of SOEs in Zimbabwe, addressing a critical gap in literature that has largely overlooked developing economies.

SOEs play a pivotal role in Zimbabwe's economy, providing essential services such as energy, healthcare, and infrastructure (SERA, 2017). However, their potential to drive economic growth is undermined by chronic under-performance, characterised by persistent losses, deteriorating infrastructure, and systemic corruption (State Enterprise Restructuring Agency, 2021). While Zimbabwe has adopted international governance frameworks like the King Code and the OECD principles, their implementation remains inconsistent. Obert *et al.* (2024) attribute this to a disconnect between formal policies and actual practice, where political appointments and short board tenures disrupt strategic continuity (Wushe *et al.*, 2023).

A key contention in the literature revolves around board independence and gender diversity. While some studies argue that independent directors enhance monitoring and reduce agency costs (Zahra, 2023), others highlight that in state-owned entities, such independence is often illusory due to political patronage (Sandra and Andres, 2017). Similarly, while gender diversity is linked to improved decision-making (García-Sánchez *et al.*, 2021), its impact in Zimbabwean SOEs may be diluted by tokenism or lack of empowerment. Further, board tenure stability emerges as a critical yet understudied factor. Frequent board reshuffles tied to political cycles undermine long-term planning, as noted by Moyo (2015), creating a paradox where SOEs prioritise political compliance over operational efficiency.

This study thus contributes to the debate by empirically testing how these contested board characteristics, independence, diversity, and tenure interact with performance in a politically volatile context. By doing so, it challenges the uncritical transplantation of Western governance models and offers context-specific insights for reforming Zimbabwe's SOEs.

OBJECTIVES OF THE STUDY

The main objective of the study is to establish how the characteristics of board of directors influence the performance of SOEs.
The specific objectives are thus:

i. To establish the relationship between board characteristics and corporate performance.
ii. To ascertain the relationship between board gender diversity and corporate performance.
iii. To examine the relationship between board size and corporate performance

HYPOTHESIS

H_1: There is a positive relationship between board characteristics and corporate performance

CONCEPTUALISING CORPORATE GOVERNANCE AND PERFORMANCE

a) DEFINITION OF TERMS

CORPORATE GOVERNANCE

According to Aguilera and Jackson (2018) and Tricker (2014), governance of companies is a complex and broad aspect in business which has been described by different authors and schools of thoughts affiliated to subjects such as economics, political science, management, law and sociology and culture. Corporate governance is defined in many different ways, depending on the views and schools of thought. Corporate governance is concerned mainly with the "exercise of power over corporate entities" (Tricker, 2014:29). It refers to the "rules, processes and laws by which companies are operated, controlled and regulated" (Gitman and Zutter, 2014:20). According to Masdoor (2014), corporate governance is centered mainly on the processes that relate to decision-making and the implementation of those decisions in an organisation.

Corporate governance in Zimbabwe

The concept and idea governance of corporates was introduced in Zimbabwe corporations at the end of 1990s. “The authorities have adopted a top-down, legalistic approach to the development of corporate governance, based primarily on transplanting stylised features of the Anglo-American corporate governance system” (Neshamba, 2011:34). Despite efforts being made in the country to ensure corporate governance is adopted, the efficiency and effectiveness of governance mechanism in Zimbabwe is still below international standards and, because of this, there is a lot of work to be done to make a better relationship between shareholders and management teams (Manne, 2018).

Corporate performance

Corporate performance is a market-based measure according to Jaka *et al.* (2019) which encompasses marker-participants’ expectations about a company’s ability to generate value in the long term. They incorporate external expectations and perspectives on future value of a firm. The main advantage of this measure is that there is less chance of manipulation by management of the information used. Market-based measures include the popular Tobin’s Q used by many researchers, including Badu (2020), Ntim and Osei (2011) and Koji *et al.* (2020). On the other hand, it is an accounting-based measure indicative of a company’s profitability (Swidi and Fadzil, 2014). These include Return on Assets (ROA), Return on Investment (ROI), Return on Equity (ROE) and earnings per share (EPS), just to mention few. These measures use historical financial data from a company’s financial statements. According to Jaka *et al.* (2019), the main weakness of this measure is that the measure can be manipulated, as financial statements can be window-dressed. However, the main advantage is that the measure can better address organisational capacity and efficiency.

Directors’ composition

An important mechanism of corporate governance is the Board of Directors of a company. The functions and efficiency of the Board of Directors are at the forefront of academia. To determine how well a company is governed, firm value and performance have often been employed as proxies. However, attempts to determine the effectiveness of governance mechanisms based on these indicators have produced mixed findings (Liu and Fong, 2010). The board undertakes important functions in an organisation, which involve reducing costs associated with agency and resolving disputes that arise from the principal agent relationship.

BOARD INDEPENDENCE AND FIRM PERFORMANCE

Board independence is concerned with the presence of outside directors, that is, those members who are not involved in day-to-day operations of business (Makhlouf *et al.*, 2017). Independence of board is very vital in corporate governance reforms in both developed and developing economies and markets. Independent directors ensure that the board is effective and therefore assumes the monitoring and advisory role to management. According to Latif *et al.* (2013), independent directors bring independent views and add to skill and expertise diversity of the directors besides being watchdogs and advisors to ensure that the interests of all stakeholders are represented. Thus, the following hypothesis is proposed;

H1: There is a positive relationship between board composition and corporate performance

BOARD DIVERSITY AND FIRM PERFORMANCE

Board diversity has not been given much attention by business organisations in the past (Dedunu and Anuradha, 2020). As a result, nowadays people compete to define and explore in all its aspects although no common consent has yet been established (*ibid*,). Jindal and Jaiswall (2015) and Darmadi (2011), among others, concur that diversity can be categorised into observable and non-observable attributes. The former, which also called readily detected attributes, include demographic characteristics such as age, race, gender and ethnicity, while the latter include educational background, experience, personal traits and values (Jindal and Jaiswall, 2015). Studies have centered mostly on gender diversity. However, mixed conclusions have been put forward, some reporting positive association to performance and others a negative correlation (Miller and Triana, 2009). The current study focuses on two proxies for diversity, gender and skills, to decipher the effect of diversity on performance of SOEs. The second hypothesis is proposed as follows:

H2: There is a positive relationship between board gender diversity and corporate performance

Board size and firm performance

Determining the optimum size of the Board of Directors is a difficult task. The Zimcode (2014) and Corporate Governance Framework for State Enterprises and Parastatals (2010) recommends only a greater number of non-executive directors, but does not mention the optimum number. Different schools of thought put forward different propositions on boards size. From the perspective of Agency Theory, large boards can make coordination and decision-making more complex and less efficient, as it is more difficult to manage, that is to get agreement on decisions (Makhlouf *et al.*, 2017). Therefore, the view is that the smaller the board, the more effective. On the contrary, Dhamadasa *et al.* (2014) and Guest (2009) on the Resource Dependency Theory, recommend larger boards reasoning that they bring more members from different professional backgrounds, which enhances the firms' performance. Thus, the following general hypothesis is proposed;

H3: There is a positive relationship between board size and corporate performance

Theoretical Perspectives of corporate governance (The Agency Theory)

Corporate governance is important for the success of every entity, especially regarding the monitoring role of the Board of Directors (Heenetigala and Armstrong, 2011). Much of the research into corporate governance stems from the Aagency Theory. According Heenetigala and Armstrong (*ibid.*), Ross and Mitnick are the originators if this theory. The theory cites the problems that arise as a result of the separation of ownership and management and emphasizes on the reduction of this problem (Panda and Leepsa, 2017). It explains and resolves the problems that emerge in the relationships between the principals and their agents.

The Agency Theory helps to implement various governance mechanisms to control the agents' action in the jointly held corporations. This is supported by Brahmadev and Leepsa (2017). The shareholders (principals) elect directors who are responsible for running the company who, in turn, delegate the operations of the company to management and employees. However, the major issue is whether the agents will run the business in the interests of their principal. The agent may succumb to self-interest opportunistic behaviour that falls short of correspondence between the ambitions of the shareholders and those pursued by the agents. The reasons behind the pursuit of self-interests by agents are related to their own job security, remuneration and status. For example, management may be interested in getting packs, that is, huge amounts of remuneration, luxurious cars and offices and other benefits at the cost of the shareholders.

The Board of Directors form the top highest corporate level of management through which the efforts and activities of management are directed and monitored. The board acts as a coordinator between the principal and the management and, therefore, should equally represent the interests of both parties to minimise agency problems. It is undeniable that as a result of the division of ownership and control, agents may not always be able to act in the best interests of the principal. According to Muhanguzi (2019), the principal needs to implement internal corporate governance mechanisms to monitor managers' activities to induce them to fulfill their contractual obligations. These mechanisms include board size, board independence and diversity.

However, the relevance of the theory to SOEs is often questioned due to the unique nature of state ownership. While the theory suggests that strong board oversight through independence, expertise and diversity can mitigate agency problems by aligning managerial actions with shareholder interests, its assumptions may not fully hold in SOEs. Unlike private firms, SOEs operate under political influence, with objectives extending beyond profit maximisation to include social and economic policy goals. This dilutes the traditional principal-agent framework, as the "principal" (the state) may prioritise political agendas over efficiency, leading to conflicting incentives for boards. Additionally, the Agency Theory assumes that board characteristics such as independence and financial expertise enhance performance, yet in SOEs, politically appointed directors may lack relevant skills, undermining governance effectiveness. Empirical studies show mixed results, with some finding that board independence improves SOE performance, while others highlight that excessive state control stifles innovation and accountability. Furthermore, the theory overlooks institutional and cultural factors shaping SOE governance in different countries. Thus, while it provides a useful starting point, its narrow focus on economic incentives limits its explanatory power in SOEs, necessitating complementary theories like the Stewardship Theory or political economy perspectives for a more holistic understanding.

CONCEPTUAL FRAMEWORK

This study seeks to investigate the relationship between board characteristics (independence, gender diversity and size) and firm performance as measured by the Return on Assets (ROA). The concept is in line with studies conducted by Makhlouf (2014) and Kufahakutane (2014). The framework is based on the premise that relationship exists between board composition and firm performance and this case study seeks to analyze that relationship.

The left-hand side shows the board characteristics, which covers three independent variables, which are independence, board size and gender diversity. All these independent variables are linked to corporate performance as shown by the arrows. ROA was the proxy used for company performance. Three hypotheses to be tested by this study were formed based on the board characteristics. Figure 1 below explains in summary the relationship between board characteristics and performance.

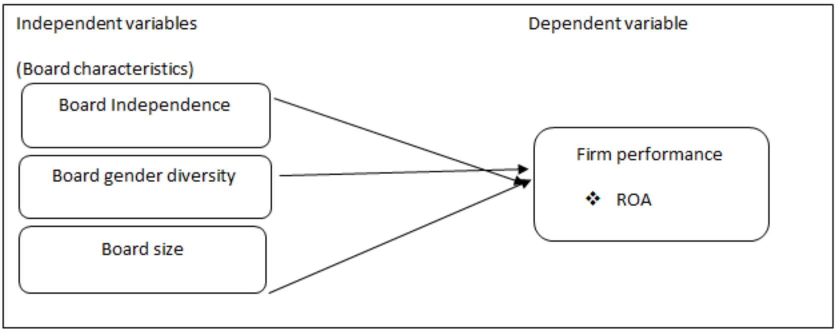

Figure 1: Conceptual framework *(Authors, 2023; Researches, 2025)*

METHODOLOGY

This study uses a quantitative approach due to the measurable nature of the data and as previously adopted by Padachi *et al.* (2018) and Tshipa *et al.* (2018b). The study adopts an explanatory case study of firm *X*. The sample for the study was drawn from the universal target population of the study using the probability stratified sampling technique so that the people with relevant information were selected. In this study, the population was divided into three distinct subgroups: non-executive directors, group executive management and senior managers. From these subgroups, a sample of 45 representatives was found using Raosoft sample calculator. Proportional representation was then made to make equitable representation since the groups have different experiences and views on the problem under study. A total of 12 non-executive directors, 13 senior executive management and 20 senior management were included in the sample.

To test the hypothesis, the study used multiple regression analysis. This method was applied to measure the relationship that exists between the independent variables (board independency, size and gender diversity) and independent variable (corporate performance). This is in line with Tulung and Ramdani (2018), Kevin and Omagwa (2017). The data or findings are reported using tables. Results of the regression linking each independent variable to the dependent variable are shown in the study. The regression model guiding this study is presented and explained below.

$$Y = \square_0 + \square_1 x_1 + \square_2 x_2 + \square_3 x_3 + \square$$

whereby the above variables represent the following:

Y = Firm performance measured by Return on Equity (ROE)

$\square_0$ **=** y-intercept (i.e., constant value)

$\square_1$ to $\square_4$ = coefficients values of the independent variables

X_1 = Board independence

X_2= Board gender diversity

X_3= Board size

$\square$= error term

ANALYSIS AND DISCUSSION OF FINDINGS

Correlation Analysis

Prior to testing the effect on performance of directors' composition, the researchers carried out Pearson's correlation analysis. It is a statistical test based on method of covariance used to measure association and or statistical relationships between variables. The analysis provides information about the magnitude and direction of relationships between variables. The limit for the Pearson's correlation coefficient ranges from +1 to one. Perfect positive relationship is indicated by +1 whilst perfect negative relationship is depicted by -1. On the other hand, a zero indicates that no relationship exists (Sandada, 2015). The table below depicts the correlation results.

Table 1: Pearson Correlation Analysis

Correlations

		ROA	Board Independence	Gender Diversity	Board Size
ROA	Pearson Correlation	1	.865**	.844*	.387
	Sig. (2-tailed)		.008	.016	.519
	N	5	5	5	5
Board independence	Pearson Correlation	.865**	1	.781**	.531
	Sig. (2-tailed)	.008		.003	.358
	N	5	5	5	5
Gender diversity	Pearson Correlation	.844*	.781**	1	.480
	Sig. (2-tailed)	.016	.003		.413
	N	5	5	5	5
Board size	Pearson Correlation	.278	.531	.480	1
	Sig. (2-tailed)	.519	.358	.413	
	N	5	5	5	5

The correlation findings depict that a positive significant relationship exists between board independence and the performance of firm *X*. At 5% level of confidence, a positive correlation coefficient of 0.865 was recorded for board independence. According to the ranges mentioned, this reflects a significant positive relationship. Independence of directors, which advocates for a greater proportion of outside directors, enhances performance in the sense that independent directors are in a position to be objective and effectively monitor management activities for the benefit of the company and reducing agency problem. This finding is consistent with studies by Tulung and Ramdani (2018), Abdulah (2016) and Olusola and Abiodun (2013). These studies concur that the existence of a large proportion of non-executive directors influences positively performance of an organisation.

Gender diversity is another variable that showed a significant positive relationship of 0.844 for ROA at 5% confidence level. This implies that the presence of women in the composition of the board impacts positively on corporate performance as measured by ROA. It is argued that women may bring more creativity and innovation to the company, thereby increasing performance (Darmadi, 2011). Ararat *et al.* (2010), Li and Chen (2018), and Sanan (2016) found the same results and concluded that positive association exists between proportion of women on the board and the firm's performance.

Additionally, a weak but positive relationship was found between board size and firm performance using the Pearson correlation coefficient. A coefficient of value of 0.278 was recorded and this concurs with Sanda *et al.* (2011) who posit that smaller boards are likely to be linked to better performance than large ones.

Regression Analysis

The study also used regression analysis after testing the correlation between variables. Multiple regression analysis was used to ascertain the relationship between board independence, board size and gender diversity and firm performance as measured by ROA.

Table 2: Regression and Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.977[a]	.955	.821	3.34404

aPredictors: (Constant), board_size, gender_diversity, board_independence

The Adjusted R square in the model summary indicates the coefficient, which determines the response of *X*'s firm performance (ROA) brought about by a change in the independent variable. The table indicates a 0.955 R square value, indicating that a variation of 95.55% of a change in corporate performance of firm *X* is attributable to a change in board independence, board gender diversity and board size at confidence level of 95%. The finding indicates that 95.5% variations in firm X performance could be ascribed to independence, gender diversity and board size. Thus, the correlation coefficient indicative of the association between the variables. A significant positive relationship is shown in the findings between the variables under study as indicated by 0.977.

Table 3: Coefficients

Coefficients[a]

Model		Unstandardised Coefficients		Standardised Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.317	.211		-.965	.511
	Board_independence	.283	.023	1.332	1.143	.037
	Gender_diversity	.196	.051	-.272	-.242	.017
	Board_size	-.151	.018	-.189	-.733	.021

Dependent Variable: ROA

Extracting data from the coefficients table above, the following regression equation is established:

$$Y= 0.317+0.283x_1 + 0.196x_2 + -0.151x_3$$

The regression equation depicts that when the independent variables, independence, gender diversity and board size are held constant, the financial performance of SOEs would be 0.317. Accordingly, an increase in the independence of board directors (i.e. proportion of independent directors) will result in an increase in the performance of firm *X* by a factor of 0.283, An increase in the proportion of women directors on the board of firm *X* (gender diversity) shows an increase in the performance of the company by a factor of 0.196. However, it is also noted that an increase in the total number of directors (board size) results in a decline in the performance of the enterprise by a factor of -0.151.

ROA was selected as the dependent variable to evaluate the financial performance of SOEs, offering a standardised measure of how effectively public resources are converted into profits, beyond mere revenue or political objectives following board characteristics. Independent variables were board independence, gender diversity and size. According to the results, the relationship between board characteristics and corporate performance (ROA) is significantly positive ($\beta=0.283$, $p<0.05$). From the five-year period studied for firm *X* conclusions are that a positive relationship exists between existence of outside directors sitting on the board (Yasser *et al.*, 2011). This finding is in congruence with previous studies conducted by Coles *et al.* (2012) and Duchin *et al.* (2010).

Additionally, the relationship between board gender diversity and corporate performance is statistically positive and significant as shown in the table ($\beta=0.196$, $p<0.05$). This implies that firm *X* need the existence of women in the boardroom for better performance. This conclusion is in line with results from studies by Rovers (2011) and Ararat *et al.* (2010).

The results of the relationship between board size and corporate performance, however, shows a negative significant association with performance as measured by ROA ($\beta=-0.151$, $p<0.05$). This shows that smaller boards are more likely to enhance the performance of a corporate compared to larger board. The findings are consistent with the argument put by Set *et al.* (2013) and Sanda *et al.* (2011) that smaller boards are likely to be efficient in decision-making and also cheaper to coordinate in terms of low costs in terms of rewards and benefits.

HYPOTHESIS TESTING

Three hypotheses were proposed earlier, which were to be tested by the study. Using the results from the statistical analysis conducted in the study and empirical literature these hypotheses are now tested.

Hypothesis 1: There is a positive relationship between board independence and corporate performance.

The first hypothesis proposed that a significant positive association exists between the independence of board and corporate performance. From the results of correlation between board independence and ROA, a significant positive correlation was found (r) = 0.865. Using regression analysis, the same result was established ($\beta=0.283$, $p<0.05$) that the relationship is significantly positive. Against that backdrop, it is accepted that the hypothesis is valid, that a positive relationship exists between board independence and corporate performance of firm *X*. This means that the existence of independent directors (non-executive) is important for improvement of company performance as supported by the Zimcode (2014) which recommends appointing a larger proportion of outside directors.

Independent directors are more likely to be in a position to monitor objectively and independently the activities of executive management who, in most cases, tend to look after their interests at the detriment of the company. This result concurs with the Agency Theory, which posits that existence of independent directors helps to improve and enhance the performance of a firm (Ramdani and Witteloostuijn 2010; Abdulah, 2016; Makhlouf *et al*., 2017: Tulung and Ramdani (2018). The studies also reported a significant positive relationship between independence and corporate performance.

Hypothesis 2: There is a positive relationship between board gender diversity and corporate performance

The Pearson correlation coefficient shows a significant positive relationship with a value of 0.844. Li and Chen (2018) and Sanan (2016) also came to the same conclusion that presence of women on the board positively affects the performance of a corporate. Moreover, regression analysis showing a value ($\beta=0.196$, $p<0.05$) also confirms that positive relationship exists between gender and corporate performance as measured by ROA. Thus, the second proposed hypothesis is confirmed.

Hypothesis 3: There is a positive relationship between board size and corporate performance

The hypothesis is that there is significant association between board size and corporate performance. The correlation results exhibit a positive but weak relationship between the variables with a value of 0.278 at 5% confidence level. Interestingly, regression results however show a negative significant association with performance as measured by ROA ($\beta=-0.151$, $p<0.05$). The result is in congruence with studies conducted by Set *et al.* (2013) and Sanda *et al.* (2011). These prior studies supported the idea that smaller boards are likely to be linked to better firm performance than large boards, which are costly to coordinate, and slow decision-making. Based on this discussion the proposed hypothesis that positive relationship exists between board size and performance of firm*X* is rejected. Thus, the proposition by Yasser *et al.* (2011) that smaller boards have a positive influence on corporate performance is upheld.

CONCLUSION

The study concludes that there is a positive significant relationship between board independence and corporate performance (i.e. SOEs). This conclusion agrees with studies arguing that a large proportion of independent directors on the board positively influence the performance of a company. All these findings conclude that performance of a firm as measured by return on assets is positively influenced by the independence of the board, that is, larger proportion of non-executive directors. According to the Agency

Theory perspective, performance is enhanced in the sense that non-executive directors are objective in all dealings and offer monitoring services without bias to the benefit of the firm as a whole.

A positive relationship was also established between gender diversity and firm performance as measured by ROA. The argument is that if there are women on the board, the board is likely to be innovative and creative since women are strict. This argument is in line with Darmadi (2011) in a study of 169 firms listed on the Indonesian stock exchange. Ararat *et al.* (2010), Dobbin and Jung (2011), Kılıç and Kuzey (2016), Sanan (2016) and Li and Chen (2018) are also of the same findings that positive significant relationship exists between gender diversity using ROA and also ROE. Lastly, the relationship between size of board was found to be negatively correlated with the performance of firm *X*. Prior studies argue that smaller boards influence positively corporate performance, as they are easier and less costly to coordinate and are in a better position to accelerate the decision-making process (Sanda *et al.*, 2011).

RECOMMENDATIONS

a) On board Independence

The study concludes that an independent board is beneficial to the company and increases performance since independent directors have no bias and provide monitoring that reduces costs associated with agency. As a result of this finding, it is recommended that state enterprises at all times ensure that their board is composed of a large number of non-executive directors to improve their performance. Independence of the board also covers CEO duality, which is the case for firm *X* since 2019. Recommendation is that the position of chairperson and that of CEO should be held by two different people.

b) On Gender Diversity

Since the relationship between gender diversity and corporate performance is significantly positive, efforts to implement mandatory gender mainstreaming should be embarked on, as this turns to influence positively the performance of the organisation.

c) On Board Size

Determination of ideal board size is very important as it affects the number and quality of the board. In this regard, the rule of diminishing returns also applies to the board size. Basing on the conclusion that the relationship between board size and performance is negative, SOEs should revisit their boards to review if its size is the correct one and thus is not affected by the diminishing returns rule. From the period under study, it is shown that the board comprised 12people except for year 2018, when there were seven members. Recommendations by Chinese corporate law is that a board should be between seven and nine members (Liu and Fong, 2010). Additionally, Lawal (2012) suggests a board of seven to nine members.

SUGGESTIONS FOR FURTHER RESEARCH

This study analyzed the board's characteristics' effects on performance of firm *X*, a state-owned enterprise for the period 2019 to 2022, employing a pure quantitative research design. However, there are still areas that require further research as discussed below.

- The study employed a pure quantitative research design to establish the relationship between board characteristics proxies and firm performance. It would be of significance if similar studies are done using the qualitative approach or mixed approach such that a more in-depth understanding of the variables and their relationships can be extracted.
- The study focused only on-board independence, board gender diversity and board size, which are only a fraction of the characteristics of the board. Future research could also analyze relationships associations of other proxies such as skill diversity, age diversity, CEO duality to see how they affect corporate performance.
- Finally, the study focused only on one performance proxy return on assets, which is an accounting-based measure. Future studies could also be conducted in Zimbabwe, using other accounting-based measures such as return on equity, Profit before interest and tax and return on sales. Additionally, market-based measures could also be employed such as the popular Tobin's Q.

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