ANALYSING THE IMPACT OF QUALITY OF BOARD MEMBERS ON PERFORMANCE OF NON-COMMERCIALISED PUBLIC ENTERPRISES IN WINDHOEK, NAMIBIA

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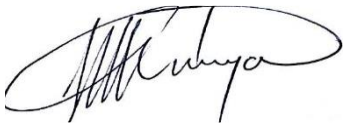
DECLARATION

I, Mateus Ndeshikeya hereby declare that this study is my own work and is a true reflection of my research, and that this work, or any part thereof has not been submitted for a degree at any other institution.

Mateus Ndeshikeya		30 June 2022
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Name of Student	**Signature**	**Date**

DEDICATION

This paper is dedicated to my family, friends and colleagues for their encouragement and support throughout this research.

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The researcher would like to thank the individuals and organisations who generously shared their time, experience and materials towards this research project. The successful completion of this research project is credited to the tireless and visionary professionals.

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ABSTRACT

The study aimed to analyse the impact of the quality of board members on board performance for Non-Commercialised Public Enterprises (NCPE) in Windhoek, Namibia to bridge the knowledge gap. To achieve this, the study applied a quantitative research approach. The primary data were collected from online structured questionnaires on a sample of 37 board of directors for NCPE and analysed using factor analysis, structural equation modelling (SEM), and independent samples t-test. Findings from factor analysis indicated that only three factors comprising Board_AI, Large_SH, Board_Comp, EQICG, and Audit_Comm for Factor 1; Board_Comm, CEO_Duality, CEO_T, and Gender_Div for Factor 2; and NEDs, Board_Size, and Board_M f for Factor 3 were needed to explain the quality of board members. Moreover, findings from SEM revealed that all the factors of the quality of board members had positive impacts on the NCPE performance, although the effects were minimal for factors 1 and 2, while moderate for factor 3. It was concluded that Factors 1 and 2 need improvement for NCPE to enhance their performance. To add to that, findings from the independent sample t-test showed that a significant difference existed between gender and factor 2, unlike between gender and factors 1 and 3. Finally, the study recommends that NCPE should reallocate the financial and non-financial resources associated with the factors that are not a good fit for explaining the quality of board members to the components of factors 1 and 2, to enhance the boards' performance for NCPE. For future studies, this study suggests that researchers should focus on assessing the phenomenon from the qualitative perspective since this study was purely quantitative.

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ABBREVIATION

ABN	Agricultural Bank of Namibia
AVE	Average Variance Extract
Audit_Com	Audit Committee
BD/HD	Bachelor's Degree or Honours Degree
BoD	Board of Directors
Board AI	Board Activity Intensity
Board Comp	Board Composition
Board Ind	Board Independence
Board LS	Board Leadership Structure
CEO	Chief Executive Officer
CEO_T	Chief Executive Officer Tenure
CFA	Confirmatory Factor Analysis
CR	Composite Reliability
Cert/Dip	Certificate or Diploma
DBN	Development Bank of Namibia
EFA	Exploratory Factor Analysis
EQICG	Education Qualification Influence on Corporate Government
FOA	Fisheries Observer Agency

HRC	Human Resources Committee
KMO	Keiser-Meyer-Olkin
Large SH	Large Shareholders
MD	Master's Degree
MPE	Ministry of Public Enterprise
MVA	Motor Vehicle Accident Fund
NAMCOR	Namibia Petroleum Corporation of Namibia
NAMPOST	Namibia Posts Pty (Ltd)
NBS	Namibia Business School
NCC	Namibia Communication Commission
NDC	Namibia Development Corporation
NCPE	None Commercialised Public Enterprises
NED	None Executive Directors
NIP	Namibia Institute of Pathology
NSI	Namibia Standard Institution
NYS	National Youth Service
PE	Public Enterprises
PEGA	Public Enterprises Governance Act

PHD	Doctorate Degree
RA	Road Authority
RM	Replacement Method
SEM	Structural Equation Modelling
SSC	Social Security Commission
SPSS	Statistical Package for Social Science
STADEV	Standard Deviation

CHAPTER ONE: INTRODUCTION

1.1 Introduction

Corporate governance and company performance have been major business issues during recent decades (Nekhili & Gatfaoui, 2013; Guluma, 2021; Farooq, Noor & Ali, 2021; Di Berardino, 2016). Similarly, corporate governance has attracted interest of multiple scholars to examine the relationship between quality of board members and firm performance (Ntim, 2015; Kijkasiwat, Hussain, & Mumtaz, 2022; Gakpo, 2021; Luputa & Mwanza, 2022), especially Public Enterprises (PEs). This study seeks to explore and investigate the impact of quality of board members on performance of Non-Commercial Public Enterprises (NCPEs) in Windhoek, Namibia. Besides, this chapter deals with the background of the study, the statement of the problem, the objectives of the study, the scope of the study, the significance of the study, limitation and delimitation of the study. The chapter concludes with the summary of the items discussed.

1.2 Background of the Study

Public Enterprises **(**PEs) are identified by various names, for example, Government Corporation, government business enterprises, government linked companies, parastatals, public sector units' enterprises and state-owned enterprises (Schneider, 2021). Moreover, Schneider (2021), states that the name and definition of PEs diverge depending on factors such as the level of government that owns the enterprises (central/federal, state/regional, or local); the way in which the enterprise was founded; the position in the public administration hierarchy; the purpose of the PE; the status of the PE (held by state, held by state-led or sponsored cooperative or in the process of privatisation); and full, majority or minority ownership of government. This study therefore, explains PEs as enterprises in which the state has a significant control through full, majority, or significant minority ownership in line with the Namibia Public Enterprises Governance Act 19 (Act No.1 of 2019).

PEs have always been an important element of most economies including most of the advanced ones (Büge, Egeland, Kowalski & Sztajerowska, 2013). PEs have a direct impact on economic growth and hinge crucially upon the level of institutional quality, i. e., the better the institutional corporate governance environment, the more beneficial the overall effect of PEs (Szarzec, Dombi, & Matuszak, 2021). Some PEs however, are not only economically important but also play other non-economic roles, like attracting, fermenting and diffusing knowledge and education or securing the political interest of the state (Schneider, 2021). Nonetheless, when boards are appointed on a political basis to maintain a specific political position or influence, for example, securing political interest of the state, it may compromise good corporate governance.

Moreover, in Namibia, like in many countries, PEs provide basic services to citizens, and their economic importance is relevant in terms of public finance (Moreno de Acevedo Sánchez, 2016). Furthermore, Moreno de Acevedo Sánchez (2016) argues that PEs confront political, financial and regulatory problems at the same time, making them less efficient and transparent. Notwithstanding PEs playing such an important role, traditionally the public sector has been characterised by orientation towards domestic markets and often lagging business performance (Büge, et al. 2013). Therefore, good corporate governance is essential if PEs are to succeed (Shafuda, Lenz, & Mirecki, 2020). Additionally, most PEs not only lack efficient corporate governance, but also fails to complywith minimal governance issues outlined the legal framework which established them (Shafuda, Lenz, & Mirecki, 2020). In the case of Namibia, this legal framework includes, but is not limited to the Public Enterprises Governance Act 2019 (Act No.1 of 2019), Companies Amendment Act, 2007 (Act No.9 of 2007) Financial Intelligence Act, 2012(Act No.13 of 2012) and several founding Acts. It is recommended that governments should adopt management models

to minimise PEs' problems while helping to ensure the quality of services and avoid the associated fiscal risks (Moreno de Acevedo Sánchez, 2016).

In terms of the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019), PEs are obligated to maintains effective and efficient governance in order to achieve the intended purpose for their establishment. In the same act, the Minister of Public Enterprises is empowered to declare any board, corporation, council, fund, trust, or other body established, as a body corporate by or under an act of parliament for performing functions prescribed by that act or any other law. Moreover, he/she is empowered to declare any unincorporated business in which the state owns half or more of the interest, and any state-owned company to be a PE. In declaring the PE referred to above, the minister must specify whether the PE so declared is a commercial PE or an extra-budgetary fund or non-commercial PE.

Commercial PEs are those who provide products or render a service; are capable of making a sustained profit; and do not perform a regulatory function or administer a fund in the public interest. Some of these commercial PEs are: Agriculture Business Development Agency, Agro-Marketing and Trade Agency, Epangelo Mining Company (proprietary) Limited, Henties Bay Waterfront (Proprietary) Limited; Luderitz Waterfront Company (Proprietary) Limited, Meat Corporation of Namibia, Namibia Desert Diamond (Pty) LTD; Namibia Airport Company, Namibia Industrial Development Agency, Namibia Institute of Pathology; Namibia Ports Authority, Namibia Post and Telecommunication Holdings (Including NAMPOST, MTC, TELECOM), Namibia Power (Proprietary) Limited, Namibia Wildlife Resorts Company, National Fishing Corporation of Namibia, Roads Contractor Company, TransNamib Holding Limited, Windhoek Country Club, and Zambezi Waterfront (Proprietary) Limited.

Conversely, non-commercial PEs are those who are established to administer, allocate or utilise funds intended for a specific purpose and those funds are obtained from monies appropriated by parliament or obtained from a levy imposed for that purpose (Public Enterprises Governance Act, 2019). The commercial PEs and non-commercial PEs, for instance, are also listed in the Schedule one (1) of the Public Enterprise Management Act (PEGA), some of which are as follows: Accreditation Board of Namibia, Business and Intellectual Property Authority , Communications Regulatory Authority of Namibia, Diamond Board of Namibia, Electricity Control Board, Fisheries Observer Agency, Karakul Board, Meat Board of Namibia, Namibia Agronomic Board, Namibia Board of Trade, Namibia Civil Aviation Authority, Namibia College of Open Learning, Namibia Estate Agents Board, Namibia Financial Institutions Supervisory Authority, Namibia Fish Consumption Promotion Trust, Namibia Institute for Mining Technology, Namibia Institute of Public Administration and Management, Namibia Press Agency, Namibia Qualifications Authority, Namibia Sports Commission; Namibia Standards Institution, Namibia Statistics Agency, Namibia Student Financial Assistance Fund, Namibia Tourism Board, Namibia Training Authority, Namibia University for Science and Technology, Namibia Water Corporation, Namibian Broadcasting Corporation, Namibian Competition Commission, National Art Gallery of Namibia, National Commission on Research, Science & Technology, National Disability Council, National Heritage Council, National Housing Enterprise, National Theatre of Namibia, National Youth Council, National Youth Service, New Era Publications Corporation, Security Enterprises and Officers Regulation Board, Social Security Commission, University of Namibia, and Roads Authority. All commercial PEs cascade under the ambit of the Ministry of Public Enterprises (MPE), while non-commercial PEs are under the ambit of their respective portfolio ministries.

In the current study, the researcher opted to investigate the impact of corporate governance in general and quality of board members in particular, and on the performance of non-commercial PEs, because there are nominal studies carried out in the field of non-commercial PEs (Christiansen, 2013; Moreno de Acevedo Sánchez, 2016), particularly in Namibia.

PEs have become global players and the subject of much policymaking concern, henceforth there is a prevalent perception they may act differently when they are to compete with private firms in the global market place (Büge, et al., 2013), where corporate governance is a commitment. Therefore, the study analysed how certain quality of board members such as board size, board composition and board diversity impact firm performance (Pucheta-Martinez & Gallego-Alvarez, 2020) in the Namibian context.

The boards of directors (BoDs) are a company's cornerstone and vital factor in achieving corporate success (Kanakriyah, 2021). In their supervisory role, the boards use their time and resources to monitor firm performance and the behaviour of executive management (Pucheta-Martinez & Gallego-Alvarez, 2020). To address the challenges of achieving business performance in a competitive business environment, different corporate governance factors, such as board diversity, recruitment policy, staff training and development, communication policy and performance evaluation were found to impact on firm performance (Dedunu & Snuradha, 2020; Tornyeva & Wereko, 2012). However, board diversity of the firm has received increased attention of business scholars as a strategic solution to achieving business performance (Dedunu & Snuradha, 2020; Simionescu, Gherghina, Tawil & Sheikha, 2021; Mgammal, 2022; Dong, Liang, & Wanyin, 2022; Hakovirta, Denuwara, Bharathi, Topping & Elaranta, 2020; Bin Khidmat, Ayub Khan & Ullah, 2020; Ali, Ali S, Jiang, Hedvicakova & Murtaza, 2022). Moreover, board structure is a topic of interest in the recent corporate governance literature, but still, lots of its aspects, such as board

size, board independence and board diversity, remain unclear and under-researched and research studies have contradictory findings (Mishra & Kapil, 2017; Pavić Kramarić, Aleksic & Pejic-Bach, 2018).

Reviewed literature (Alves, 2020; Assenga & Hussainey, 2018; Jeremias & Gani, 2014 Pucheta-Martinez, & Gallego-Alvarez, 2020; Tang, 2017; Wijethilake & Ekanayake, 2020) reveal a significant controversy as far as the CEO duality is concerned. Similarly, previous studies (Assenga & Hussainey, 2018; Bennouri, Chtioui, Nangati & Nekhili, 2018; Imade, 2019: Kanakriyah, 2021; Pucheta-Martinez & Gallego-Alvarez, 2020; Ramantsi, 2017; Wijethilake & Ekanayake, 2019) portray serious disagreements on the impact of the quality of board members, such as board composition, board diversity and board independence on firm performance.

Similarly, in recent years corporate governance mechanisms have been constantly evaluated and reformed by policymakers and market participants to develop a framework of best governance practices that can improve firm performance and avoid crises ensuing from bad corporate governance (Gouiaa & Zéghal, 2014). According to Nekhili and Gatfaoui (2013) corporate governance has been a major business issue which has a significant impact on firm performance and has been one of the most studied issues in the last couple of decades. This has culminated in the corporate governance performance relationship literature gradually progressing from focusing on studies that used simple or multiple governance mechanisms to studies that focused on multifactor governance indices (Gouiaa & Zéghal, 2014). However, it is not clear whether the governance indices perform any better than individual measures of corporate governance, although the governance indices integrate diverse governance mechanisms that do not necessarily have the same weight and the same level of importance in the corporate governance system (Gouiaa &

Zéghal, 2014). Accordingly, Langbein and Knack (2010) conclude that rather than governance indices distinguishing among aspects of quality of governance, they appear to be measuring the same broad concept.

PEs oriented corporate governance is a growing field of study with wide-ranging opportunities for investigation (Daiser, Ysa, & Schmitt, 2017), more particularly on the impact of quality of board members on the PEs' performance. Equally, although PEs represent approximately 10% of the global gross product, they remain relatively under-explored by management scholars (Bruton, Peng, Ahlstrom, Stan, & Xu, 2015). In the current study, the researcher investigated the impact of quality of board members on the performance of PEs and focused solely on the impact of a selected quality of board members which are board composition, board diversity and board size.

1.3 Statement of the Problem

Namibia as an emerging economy located in Sub-Saharan Africa has possibly a unique corporate governance environment compared to developed economies (Assenga & Hussainey, 2018). Assenga and Husseiney, (2018) and Kang et al (2007), called for a country-specific study on corporate governance to be conducted to reflect its unique business environment. Literature suggests that in Namibia, the subject on the impact of the quality of board members, especially on the Non-Commercialised Public Enterprises (PEs) performance, is not widely researched and has received diminutive attention. Most of these studies conducted in the field of corporate governance in Namibia (Ishekwa, 2019; Shafuda, 2020; Shifidi, 2014; Zinatsa - Muswaka & Chulunjika, 2020; Mubwandarikwa, 2014) were conducted on commercialised PEs and did not focus on quality of board members.

The gap in literature on the impact of quality of board members on PEs performance and the absence of suitable matrices developed in Namibia to measure the effectiveness of corporate governance in PEs, motivated the researcher to conduct the study.

1.4 Objectives of the Study

The main objective of this study was to analyse the impact of quality of board members on the performance of Non-Commercialised Public Enterprises in Windhoek, Namibia.

The specific objectives were:

1) To determine the number of factors that are needed to explain the quality of board members for Non-commercialised Public Enterprises in Windhoek, Namibia.
2) To determine the factor(s) of the quality of board members that need improvement to enhance the overall performance of the Non-Commercialised Public Enterprises in Windhoek, Namibia.
3) To determine whether there is significant difference between gender and the factors of the quality of board members.

1.5 Hypothesis Testing

$H1_0$: The quality of board members have no positive impacts on the performance of Non-Commercialised Public Enterprises in Namibia.

$H1_1$: The quality of board members have positive impacts on the performance of Non-Nommercialised Public Enterprises in Namibia.

$H2_0$: There is no significant difference between gender and the factors of the quality of board members for Non-Commercialised Public Enterprises in Namibia.

$H2_1$: There is a significant difference between gender and the factors of the quality of board members for Non-Commercialised Public Enterprises in Namibia.

1.6 Significance of the Study

The findings of the study are of utmost importance when forming BoDs as they propose factors of quality of board members that ensure the highest level of performance and guarantees company success (Kanakriyah, 2021). The study also contributes to the growing desire to address the prevailing gaps of empirical knowledge in the field of PE-oriented corporate governance.

1.7 Limitation of the Study

The study encountered a methodological limitation. That is, the study applied a quantitative research design that has some limitations, such as the researcher detachment from the participants which makes the researcher an "observer" or an "outside looking in." Researcher detachment may result in extreme difficulties of getting an in-depth study of the phenomena within its natural settings (Eyisi, 2016; Rahman, 2020). To mitigate this limitation, the researcher exercised extreme caution to avoid any bias in data collection and interpretation procedures. Furthermore, possible failure of sample respondents to answer with candour due to political biasness, could result in inaccurately reflecting the opinions of all members of the included population. To mitigate this fact, the researcher explained to the participants that the purpose of the study is purely academic and will not be used for any political drive.

1.8 Delimitation of Study

The study is limited to "The effects of quality of board members on the performance of non-commercial PEs which are classified as tier 2, in Windhoek, Namibia". Hence, some PEs were not considered, even if they are non-commercial and classified as tier 2 if they are outside Windhoek.

1.9 Summary

This chapter discussed the PEs both in the Namibian context and globally. The objectives of the study were clearly explained to fit the purpose of the study. Besides, the statement of the problem was stated clearly. Finally, the significance of the study, limitations and delimitations were discussed.

CHAPTER TWO: LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter presents a review of empirical studies related to effects of quality of board members on performance of PEs. Theories such as agency, stakeholders and stewardship theories relevant to the research objectives in section 1.3 will be discussed and reviewed. In addition, the effects of quality of board members on PEs performance will be reviewed.

2.2 Theoretical Framework

This research was informed by the agency, stewardship and stakeholders' theories. These theories remain fundamental to this study because they gave the researcher different lenses through which to look at complicated problems and social issues, focusing the attention on different aspects of data and providing a framework within which to conduct the analysis (Reeves, Albert, Kuper, & Hodges,2008).

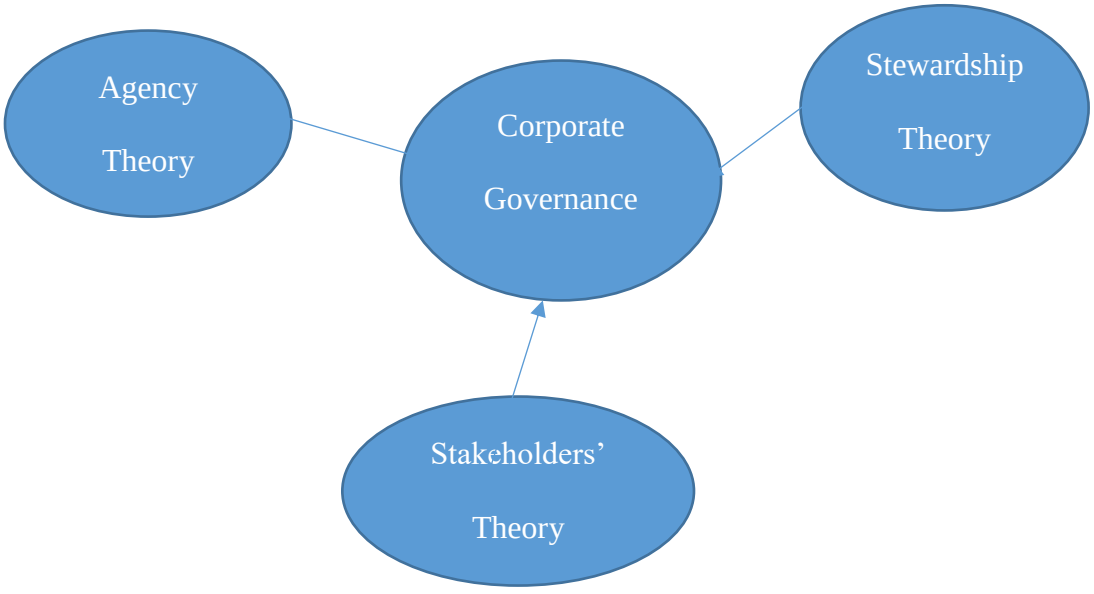

Figure 2.2: Main theories influencing corporate governance which guides this study

Source: Adopted from Mallin (2007)

2.2.1 Agency Theory

The agency theory is relevant to this study for it determines the relationship between the owner and the agents, as it offers unique insights into information systems, outcome uncertainty, incentives and risk, and is an empirically valid perspective (Eisenhardt, 1989). In an agency relationship one party acts on behalf of another (Shapiro, 2005).

According to Schillemans & Bjurstrøm (2019), agents, by definition, are given authority by those for whom they act resulting in a contractual relationship. The agency theory is premised on the agency problem which arises when firm managers (agents) pursue their personal interests which are at variance with those of the owners (principals), (Heath, 2009). The agency theory is generally anxious at a dilemma that may arise in the principal-agent relationship, such as conflicting interests between principal and agents and how the principal can control what the agent is doing (Schillemans & Bjurstrøm, 2019). In an effort to control what the agent is doing, the principal ought to incur the agency cost to mitigate the conflict. Therefore, the agency's structural prescriptions, such as boards of directors, compensation incentive plans and monitoring are deemed necessary to curb opportunistic self-interested agents' behaviour and thus reap firm level benefit (Madison, 2014).

Similarly, Kanakriyah (2021), claims that according to the concept of agency theory, the diversity of the board of directors upturns the independence of the board, which decreases the problems of differences, whether in gender, race, or cultural background. Consequently, the role of the board in bridging the gaps that help manipulation on the part of managers, is increased.

2.2.2 Stewardship Theory

The stewardship theory focuses on maximising shareholders' wealth through firm performance (Giovannini, 2010). According to Giovannini (2010) the stewardship theory usually applies in a

business in cases relating to family business interests in what scholars refer to as "family firm" in which the firm has family shareholders as well as family managers. Li Weian (2011) contends that the stakeholders in corporate governance have the potential to enhance the stability and development of the firm. In support of Li Weian (2011), Langat (2013) claims that a firm attains stability if the interests of the principal and agent are balanced.

Areba (2011) concludes that if proper mechanisms of separating firm's principals and agents are ensured through good corporate governance practices, a firm is ensured of better performance. Areba (2011) recommends that for the establishment of the boards, both size and composition of the board, as well as having a well-specified role distribution, are required. Additionally, according to Areba (2011), other recommendations revolved around having both internal and external independent directors with proper participation as this influences financial performance. Langat (2013) proposes that corporate governance is important and impacts financial performance. In addition, Keay (2017), asserts that the stewardship theory embraces things like trust of directors, their professionalism, loyalty and willingness to be concerned for the interests of others, as well as eliminates the foundations of classic agency problems that are emphasised by the agency theory.

Conversely, Chrisman (2019), argued that the stewardship theory's assumptions limit its realism and relevance due to lack of assumptions about bounded rationality and pre-employed situations. Furthermore, Schillemans and Bjurstrøm (2020), concluded that there are similarities between the stewardship theory and the agency theory as the stewaedship theory also analyse how to ensure accountability when a task is delegated from the principal to an executive. Nonetheless, the stewardship theory diverges from the agency theory in its view on the motivations of agents (Schillemans & Bjurstrøm, 2020). Similarly, Grundei (2008), argued that the stewardship theory is relatively young and has not undergone systematic testing. Hence, it can be argued that

exceeding levels of trust may also be a misplaced strategy for designing corporate governance (Grundei, 2008).

2.2.3 Stakeholders' Theory

While the stewardship theory is relevant to determine the boards' accountability in performing their corporate responsibilities, the stakeholders' theory on the other hand, provides an appropriate lens for consideration of more perspective of the value that stakeholders seek from PEs as well as new ways to measure such value (Harris & Wicks, 2013). Consistent with the stakeholders' theory, Harris & Wicks, (2013) recommend that academic measures of organisational performance should be measured from the perspective of multiple stakeholders so as to capture as much value as possible. The stakeholders' theory's foundation on ethics and morality offers a wide range to boards and is especially useful in defending its basic principle that firms should do well from a societal perspective (Harrison, Freeman, & Abreu, 2015).

2.3 Related studies

2.3.1 Board Size

One of the corporate governance factors that has been a subject of much interest of scholars, is the size of the board of directors, as considering the board size, there is a trade-off between surplus value-added capability or monitoring benefits and disadvantages stemming from coordination (Connelly & Limpaphayom, 2004; Pavić Kramarić, Aleksic, & Pejic-Bach, 2018). Even though larger board sizes are found to facilitate board functions and provide more quality decision-making processes, they can ultimately have problems of poor communication and poor decision-making which undermine the effectiveness of the board (Guest, 2009; Pavić Kramarić, Aleksic, & Pejic-Bach, 2018). Nonetheless, there is a significant positive association between board size and firm

performance (Kalsi, & Shrivastav, 2016; Mishra & Kapil, 2018), suggesting that the wider range of expertise and perspective brought by larger board size can bring significant benefits in the formulation of strategies (Li, et.al., 2021), often resulting in higher performance (Elad, Wong & Bongbee, 2017; Murtaza, Habib, & Khan, 2018; Orozco,Vargas & Galindo-Dorado, 2018).

Conversely, Muchemwa, Padia and Callaghan (2016), disagree by arguing that there is no significant association between the board size and firm performance. This assertion supports the finding by Nguyen and Faff (2007), that larger boards are generally disrupting value adding effort, as the cost of, a) resolving conflicts, b) coordinating communication flows and c) decision-making, significantly outweigh the benefit of having an additional director. Moreover, this finding agrees with the agency theory perspective on the agency cost, i.e., the principal ought to incur the agency cost to mitigate the principal/agent conflict. Furthermore, Razali, Hwang, Uzairi, Hajazi and Lunyai (2019), attribute the noticeable negative impact on the firm performance to the fact that when board size is larger, a firm is more difficult to manage, compared to the firms with smaller boards. In support, Bebeji, Mohammed and Tanko (2015) concur that board size has a momentous negative impact on performance, therefore, they recommend that board size should not be too large.

2.3.2 CEO Duality

CEO duality is a practice in which the chief executive officer (CEO) occupies both the presidency of the company and the chairperson of its board of directors (da Costa & Martins, 2019). Yang and Zhao (2014) underscore the benefits of CEO duality in saving information cost and making rapid judgements. According to these writers, duality firms out-perform non-duality firms when their competitive environment change (Yang & Zhao, 2014). Similarly, CEO duality can be effective during financial crises or when the organisation is at its infancy stage, as it would promote fast

decision-making and portray a united front to stakeholders when viewed from the stakeholders' perspective (Cabrera-Suárez, & Martín-Santana, 2015). The literature suggests that, although the combined board structure is associated with higher incentive compensation for the CEO, the overall compensation cost to the firm is still no higher than when a separate chairperson's compensation is considered (Broye, François, & Moulin, 2017). Therefore, CEO duality significantly and positively impacts firm financial performance (Song & Kang, 2019).

However, when approached from a theoretical perspective, agency and stewardship theories put forward conflicting arguments in favour or against CEO duality/separation. The agency theory considers CEO separation to be a good corporate governance practice for shareholders' interest; facilitates the effective monitoring and control of top management; and improves the financial performance of the firm (Syriopoulos & Tsatsaronis, 2012).

Furthermore, the agency theory suggest that these two functions should be performed by different individuals (da Costa & Martins, 2019). In addition, the agency theory perspective highlights that duality promotes CEO entrenchment by reducing board monitoring and effectiveness (Finkelstein, & D'aveni, 1994). Conversely, the stewardship theory implies that CEO duality establishes a uniform command chain; minimises conflicting decision-making; and also supports financial performance (Syriopoulos & Tsatsaronis, 2012). CEO duality has been a subject of interest for many researchers in the last few years (Alves, 2020; Assenga & Hussainey, 2018; da Costa & Martins, 2019; Jeremias & Gani, 2014; Pucheta-Martinez & Gallego-Alvarez, 2020; Syriopoulos & Tsatsaronis, 2012; Tang, 2017; Wijethilake & Ekanayake, 2019; Yang & Zhao, 2014), but is still strewn with contradicting conclusions.

2.3.3 Non-Executive Directors (NEDs)

NEDs are persons entrusted by shareholders to represent them and who help to reduce the agency problem (Fuzi, Halim & Julizaerma, 2016). However, NEDs will not be able to perform their responsibilities efficiently, unless they guarantee their unbiased business judgements are independent from management (Fuzi, Halim & Julizaerma, 2016). Non-executive directors perform a multiple number of roles, tasks and cognitive functions to meet the expectations of several stakeholders, making the NEDs a special proportion of the board (Chandrakumara & Walter, 2015).

The stakeholders' theory approach implores companies to exercise their corporate accountability to various companies' stakeholders, thereby shifting from protecting shareholders' interest alone to preserving all stakeholders' interests (Fuzi, Halim & Julizaerma, 2016). Subsequently, NEDs would not only increase monitoring of company performance in order to ensure implementation of company strategy, but also consider all stakeholders' interest (Fuzi, Halim & Julizaerma, 2016). Mura (2007) argues that the proportion of NEDs on the board exerts a positive role on corporate value, thereby improving firm performance. Furthermore, NEDs are significantly and positively related to firm performance (Mura, 2007). Therefore, it is expected that NEDs are able to actively monitor the behaviour of management, ensuring that corporate decisions are made in the interest of stakeholders (Mira, Goergen & O'Sullivan, 2019).

On the other hand, To et.al. (2020), insist that the presence of NEDs on a board increases firm risk, hence causes a negative impact on firm performance. Despite the greater monitoring, advising and networking capacity attributed to NEDs, the firms which have a significant presence of inside directors display a positive impact on strategic planning, decision-making and subsequent improved company performance, due to the great knowledge of the firm (Arosa, Iturralde &

Maseda, 2013). Osazevabaru (2020), concludes that, contrary to literature suggesting that observable quality of board members such as NEDs, diversity and board size significantly influence firm performance, it is actually the unobservable characteristics like director skills and talent which have a positive and significant impact on the firm performance. This assertion agrees with Imade (2019) that NEDs have no significant effect on firm performance, instead firms should rather focus on unobservable characteristics, such as quality and integrity of board members. Given these contradictions, it is imperative to note that NEDs' composition of the board is still a subject with inconclusive results from researchers.

2.3.4 Board Independence

The board of directors is a collective body which should act in the best interest of shareholders and it requires the combination of both executive and NEDs to pursue such interest (Fuzi, Halim, & Julizaerma, 2016). Moreover, Fuzi, Halim and Julizaerma (2016), contest that, while the term independent directors are used interchangeably with the term non-executive directors, not all NEDs are independent. The literature is dispersed with controversies and disagreements as far as the impact of board independence is concerned. For instance, Bird, Huang and Lu (2018), conclude that the increased board independence weakens the CEO's power over the board and restrains corporate risk-taking; therefore decisions made by firms with more independent boards are less extreme, resulting in minimal variability of the firm performance. Similarly, Rashid (2018), found that there was no relationship between board independence and firm performance. Several studies (Vo & Nguyen, 2014; Shan, 2019; Naimah, 2017; Kweh, Ahmad, Ting, Zhang & Hassan, 2019), conclude that board independence negatively affect performance.

However, Tulung and Ramdani (2018), contradict these assertions by suggesting that there is actually a positive relationship between board independence and firm performance.

Muniandy and Hillier (2015) concur that board independence is associated with growth potential for firm performance. In addition, Sanda (2011) suggests that firms adopt better corporate governance mechanisms in order to make the board of directors more independent. This is done to avoid unnecessary intervention of CEOs in important committees and thus enhancing firm performance. Corporations are argued to actively rebalance the proportion of independent directors across different social and institutional contexts to ensure financial performance (Zubeltzu-Jaka, Ortas & Álvarez-Etxeberria, 2019).

In concurrence, Kanakriyah (2021), states that independence of the board members positively affects firm performance, which leads to enriching the board with new skills and knowledge that may not be available in the company. These skills and knowledge are necessary for the boards to perform its duties, as well as to ensure the expression of objectives and independent views and opinions.

2.3.5 Board Activity Intensity

Evaluating board meetings of the board of directors is the way to measure the effectiveness of their work effort in monitoring and advising the company (Buchdadi, Ulupui, Dalimunthe, Pamungkas & Fauziyyah (2019). The subject of board activity intensity is under-researched and has contradictory conclusions. Some studies conclude that there is no significant relationship between board activity intensity and performance, therefore, it is recommended that firms should instead expand their board sizes and reduce the number of board meetings (Ansong, 2015; Al-Martin, Al-Swindi & Faudziah, 2014).

On the contrary, Paul (2017), argues that the frequency of attendance in board meetings is significantly and positively associated with firm performance. In acquiescence with Paul (2017), Buchdadi, Ulupui, Dalimunthe, Pamungkas and Fauziyyah (2019) emphasise that boards of

directors' meetings have a positive impact on market value based performance, while the board of director's actual meeting attendance has a positive impact on accounting based performance. This implies that there is an affirmative and substantial relationship between board monitoring intensity and firm performance (Ebenezer, 2017). Nonetheless, other authors opine that board meetings employ a negative effect on financial performance of firms, as such, high board meeting frequency results in poor firm performance (Akpan, 2015; Ting, Kweh, & Hoanh, 2018; Vafeas, 1999).

2.3.6 CEO Tenure

CEO tenure is defined as CEO's time in office (Im & Cao, 2015), calculated by the number of years the CEO spends in that capacity as CEO, the length of tenure which varies to a greater degree from firm to firm (Tiwari & Ahamed, 2018). During the period the CEO heads the firm, it is expected that he or she would render his or her services as a fiduciary of the shareholders (Tiwari & Ahamed, 2018). Moreover, by virtue of being in the role of a fiduciary, CEOs would be expected to take wise decisions which benefit the firm in the long or short term and in the interest of the shareholders (Tiwari & Ahamed, 2018). Henceforth, the CEO who has been in a position for a higher tenure and gained an experience in a related field, will positively affect firm performance and improve overall corporate performance (Ghardallou, Borgi & Alkhalifah, 2020). Consequently, the CEO long service-tenure is positively and significantly related to a firm's financial performance, more so when the CEO receives a higher cash compensation or holds more stock ownership (Cao, Im & Syed, 2021).

Conversely, Weng and Lin (2014), contend by arguing that long service-tenure CEOs are less likely to initiate new strategic changes to enhance firm performance. However, it is implicitly assumed that all new CEOs have the same inclination towards change (Weng & Lin, 2014). This implies that the longer the service-tenure of the CEO, the more it is negatively impacting firm

performance. On the contrary, the shorter the CEO's service-tenure, the more it is positively impacting on firm performance.

Nevertheless, some studies conclude that there is actually a negative and significant impact of CEO service-tenure on firm performance (Choi, Kim & Lee, 2020; Khan, Bai, Fareed, Quresh, Khalid & Khan, 2020; Munyende, 2021), while other authors such as Mandala, Kaijange and Aduda (2017) argue that there is no significant relationship between CEO service-tenure and firm performance. Hence, Im and Coa (2015), suggest that CEO tenure is one of the attributes regarding managers and which management scholars have searched answers for over time impact on firm performance, but that still rendered mixed results on its relationship to firm performance.

2.3.7 Ethical conduct

Business ethics is one of the most fundamental demands made by institutional and individual investors, who usually require the participation of the board of directors in the planning and implementation of ethical behaviour in corporations (García-Sánchez, Rodríguez-Domínguez & Frías-Aceituno, 2015). The firms' ethical issues refer to the approaches or conducts which the stakeholders of the firm use in managing the collective action from the majority point of view and avoiding the damaging actions. These approaches and conducts ensure that proper control measures are put in place to control the powers, authorities and responsibilities of the management (Kwakye, Yusheng, Avamba & Osei, 2018). Nevertheless, the bagging question remains, namely, how does ethical conduct impact on firms' overall performance?

In answering this question, Donker, Poff and Zahir (2008), assert that there is statistically significant evidence that corporate ethical values positively correlate with firm performance. In support, Kwakye, et al., (2018), concede that ethical attributes such as ethical leadership and good corporate governance have a positive and substantial influence on overall firm performance.

Similarly, from the stakeholders' theory perspective, the adoption of good practice of integrity, especially on the code of ethics conduct seen from outside, contributes to creating and maintaining a good corporate reputation and stakeholders' trust (Silva, Santos, Sousa, Orso & Khatib, 2021).

2.3.8 Board Leadership Structure

The relationship between board structure and firm performance has attracted much attention from management scholars, especially in emerging economies, yet it yielded many inconsistent empirical results (Yasser, Al Mamun, & Rodrigs, 2017). The authors (Yasser, Al Mamun & Rodrigs, 2017), maintain that certain aspects of board structures, such as board size, minority representation and family directors in the board has a positive relationship with the firm performance. However, instead of adding value, independent directors are negatively associated with firm performance. In concurrence, James (2020), proclaims that firms with a higher proportion of independent directors on their boards are more likely to experience corporate failure.

Conversely, there is a positive correlation between the proportion of independent non-executive directors and firm performance (Alqatan, Chbib & Hussainey, 2019), as measured by earnings per share and enterprise value (Meyer & de Wet, 2013). Similarly, in contradiction with Yasser, Al Mamun and Rodrigs (2017), Arosa, Hurralde and Maseda (2013), conclude that there is a negative impact of board size on firm performance, which could indicate that the disadvantages of worst conditions, flexibility and communication inside large boards seem to be more important than the benefit of better management control by the board of directors.

From the reviewed literature it is obvious that there are several aspects of board structure on which scholars still have divided opinions, therefore this topic still needs more research to determine how certain aspects of board structure impact on firm performance. However, there is a common

consensus in literature that board structure is a determinant factor for firm performance (Ammari, Kadria & Ellouze, 2014).

2.3.9 Managerial Ownership

Good corporate governance depends on the combination of protection of the right of investors and a proper ownership concentration (Madaci & Gumus, 2010). Henceforth, most commentators concur that managers and shareholders' interests are not completely aligned, which signifies a conflict of interest and therefore creates an agency problem that reduces firm value (Ruan, Tian & Ma, 2011). Thus, Ruan, Tian and Ma (2011), argue that an increase of managerial ownership helps to align the interest of insider and shareholders, therefore leads to better decision-making and higher firm value. Hence, firms stand to benefit more from the concentration of managerial shareholding (Polwitoon & Tawatnuntacha, 2020; Yusra, et al., 2019), since, as the managerial stake increases, the interests of managers become aligned with shareholders' interests (Hubbard & Palia, 1995). Belghitar, Clark and Kassimatis (2011) concur that low levels of managerial ownership may hinder firm performance due to managers' personal cost.

Conversely, other authors contest that, aligning the interest of managers and shareholders does not improve firm performance, which adds to the debate on agency theory from the ownership structure and firm's performance relationship perspective (Alkurdi, Hamad, Thneibat & Elmazouky, 2021; Laporšek, Dolenc, Grum, & Stubelj, 2020: Zondi & Sibanda, 2015) According to the agency theory, separation of ownership and management causes costs, which detracts firms from optimal performance and maximum possible shareholder's value, which is the main drive of the firm (Laporšek, et al., 2020). However, it appears that the debate amongst management scholars on this subject matter is unabated, therefore, more research is needed.

2.3.10 Large Shareholders

Large shareholders may play an important role regarding firm performance and policies, but identifying this empirically presents a challenge due to the endogeneity of ownership structure (Becker, Cronqvist & Fahlenbrach, 2011). According to Isk and Soykan (2013), the large shareholders have a significant positive impact on firm performance, since the concentration of corporate ownership overcomes conflict of interests between small shareholders and managers. Similarly, while the number of multiple large shareholders has a positive impact on firm profitability, long-term ownership by multiple large shareholders contributes to decreasing risk in firms (Soana, et al., 2021; Weifeng, Zhaonguo & Shasha, 2008). However, Salas and Deng (2017) disagree with the above assertions by claiming that high ownership concentration has a negative relationship with the overall firm performance.

2.3.11 Board Composition

Board composition as part of corporate governance mechanisms, plays a significant role to achieve a company's goals or objectives by ensuring transparency and accountability (Rahman & Saima, 2018). Namoga (2010) argues that one important issue faced by firms is board composition or what should be the ideal proportion of outside to inside directors for boards. Nonetheless, board composition comprises of various variables, such as board size, auditor's quality, CEO duality, proportion of female directors and proportion of independent directors on the board (Chatterjee & Nag, 2015). Therefore, board composition is essential for improvement of performance, especially in public enterprises (Vianney, Iravo & Namusonge, 2020).

Board leadership composition has dominated the corporate governance agenda in developed economies for more than a decade, and the African continent is gradually adopting it in shaping policies (Vianney, Iravo & Namusonge, 2020). However, there are still disagreements among

researchers as to whether the board composition influences firm performance. For instance, Şener, Varoğlu and Aren (2011), allude that under different economic environmental conditions, different compositions of the board will positively influence organisational performance, therefore, the effect of the board composition differs among varying economic environmental conditions.

Nevertheless, some aspects of the board composition, such as the presence of independent directors and participation of women directors in boards, serve as catalysts to firm performance (Arayssi, Jizi & Tabaja, 2020; Khan, Khan & Zhang, 2019; Chatterjee & Nag, 2015). Equally, a larger board has a positive and fundamental impact on firm performance (Rhahman & Saima, 2018). On the contrary, Rhahman and Saima (2018), also conclude that board independence and presence of female directors in the board have no significant association with firm performance, which implies that instruments of corporate governance mechanisms, particularly board composition are very weak. Similarly, Chatterjee,and Nag (2015), contest that there is no relationship between board size and firm performance, contradicting the findings by Rhahman and Saima (2018) regarding board size. According to Chatterjee and Nag (2015), audit quality has no relationship with firm performance. However, Rhahman, Meah and Chaudhory (2019), conclude the differeently, namely, that the audit quality is positively associated with firm performance.

2.3.12 Board Committees

Kolev, et al. (2019) explain that board committees are specialised sub-groups that exist to perform many critical functions of the board. The importance of board committees, e.g., setting executive compensation; identifying potential board members; and overseeing financial reporting, has grown over time as a result of increased legal requirements and greater complexity of the environment in which firms operate (Kolev, et al., 2019). Boards allocate directors to these committees by means

of ways to alleviate information segregation through multi-committee directors (Chen & Wu, 2016).

2.3.13 Audit Committees

Audit committees form part of imperative corporate aspects, and their effective performance ensures better service delivery by PEs (Dzomira, 2020). Even though audit committees have traditionally been a key component of corporate governance regulations, the last decades have seen a greater emphasis on audit committees and parallel intensification of academic research on the subject (Ghafran & O'Sullivan, 2013). Furthermore, Ghafran and O'Sullivan (2013), assert that there seems to be a consensus amongst academic researchers that more independent audit committees and those with greater accounting or financial expertise have a positive impact on the quality of firm financial statements.

However, selecting qualified and independent members to the audit committees alone will not necessarily ensure optimal performance. As an alternative, audit committees and individual members ought to continuously evaluate and improve their performance and they should be empowered with the authority and necessary resources to protect stakeholders' interest in terms of financial reporting, sustainability, internal control, risk management and governance processes (Morgan, 2010). Besides, audit characteristics such as the size of an audit committee, its independence, frequency of meetings and expertise of an audit committee, have no significant association with the performance of the firm when company's size and firm age are taken into account (Qeshta, et al., 2021). Aanu, Odianonsen and Foyeke (2014), agree that the size and frequency of audit committees have no significant association with firm performance. However, they insist that there is a significant positive relationship between independence, financial expertise of audit committee and firm performance.

2.3.14 Gender Diversity

Research on board diversity is a topical subject that has continued to attract considerable research attention in recent years (Reddy & Jadhav, 2019**).** Furthermore, board diversity is increasingly being recommended as a tool for enhancing firm performance (Goyal, Kakabadse & Kakabadse, 2019; Bianchi & Iatridis, 2014), which suggests that the directors' diversity reduces the managerial entrenchment and increases the resources of the firm through networking (Bin Khidmat, Ayub Khan & Ullah, 2020).

Similarly, the level of female representation in the board has a positive and significant association with the firm performance (Al-Jaifi, 2020; Brahma, Nwafor & Boateng, 2021; Demunu & Snuradha, 2020; Imade, 2019; Kılıç & Kuzey, 2016; Pucheta-Martinez,& Gallego-Alvares, 2020; Nekhili & Gatfaoui, 2013). However, several authors disagree that there is a negative or no relationship between gender diversity and firm performance (Boubaker, Dang & Nguyen, 2014; Hedija, & Němec, 2021; Kanakriyah, 2021; Pavić Kramarić, Aleksic & Pejic-Bach, 2018).

2.3.15 Education Qualification's Influence on Corporate Governance

Education qualification of the board of directors constitutes a major consideration for appointing members of the board, as this is important for decision-making (Perlin, et al., 2021). What is not clear however, is how education qualification influences firm performance since there are still divided opinions amongst researchers in this regard. For instance, certain studies found that education qualifications positively impact firm performance (Akpan, 2014; Boadi & Osarfo, 2019; Harjoto, Laksmana & Wen Yang, 2019; Ujunwa, 2012). Nonetheless, other writers conclude that, despite the existence of board members who hold high qualification such as master's degrees and PHDs, firm performance is not influenced in any way. **(**Demunu & Snuradha, 2020); Fraga & Silva, 2012; Kanakriya (2021); Perlin, et al., 2021).

2.3.16 Board Meetings

The regular board meetings are of great importance to overall effectiveness and efficiency of every board (Eluyela, et al., 2018). The literature indicates a positive association between the frequency of corporate board meetings and firm performance. It appears that through meetings, board members determine operational issues by means of frequent discussion and engagement with each other to enhance decision-making processes and consequently the performance of the firm (Al-Daoud, Saidin & Adidin, 2016; Eluya, et al. 2018). This supports the importance of the role of control enshrined in the agency theory which is measured by the influence of the board of directors' meetings on company performance (Buchdadi, et al., 2019; Kapil & Mishra, 2019; Li, et al., 2021; Ntim, & Osei, 2011).

However, Ting, Kweh and Hoanh (2018), argue that the higher board meeting frequency negatively affects the firm performance, seemingly due to the condition that frequently organised meetings result in high energy costs, travel expenses and other expenses incurred for such meetings. In support, some authors (Akpan, 2015; Musa, 2020; Qadorah & Fadzil, 2018) concur that frequency of board meetings does not determine the firm performance. Therefore, firms should rather focus their attention more on skills and experience of directors at meetings of the board for good performance (Akpan, 2015; Ebun & Emmanuel, 2019; Musa, 2020; Qadorah & Fadzil, 2018).

2.4. Conceptual Framework

A conceptual framework is developed from a review of existing studies as depicted in Figure 2.2. independent and dependent variables are identified as follows:

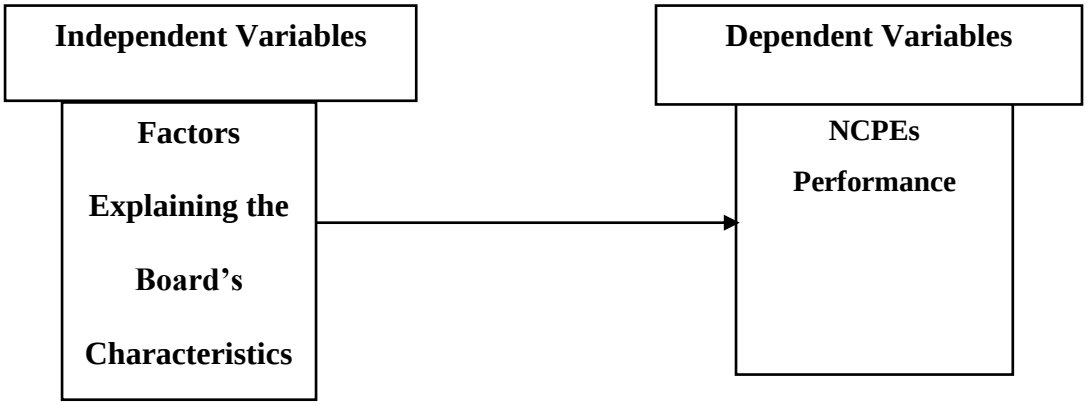

Figure 2.4: Conceptual framework

Source: Author's construct (2022)

Factors explaining quality of board members as depicted in the conceptual framework are board size, CEO duality, non-executive directors, board independence, board activity intensity, CEO tenure, audit committee, ethical conduct, board leadership structure, managerial ownership, large shareholders, board composition, board committee, gender diversity, educational qualification influence on corporate governance, and board meetings. These factors are discussed above and are identified as independent variables influencing NCPEs' performance, which is a dependent variable. Independent variables are those variables the experimenter manipulates or changes and are assumed to have an impact on dependent variables, while dependent variables are those being tested or measured in an experiment, and are dependent on the independent variable (Mcleod, 2019).

2.5 Research Gap

Review of previous studies reveals a gap in literature as far as the impact of quality of board members on PE performance is concerned, especially when they are considered in the Namibian context where lack of research in this field was identified (Ishekwa, 2019; Shifidi, 2014; Shafuda, 2020; Zinatsa -Muswaka- & Chulunjika, 2020; Mubwandarikwa, 2014). The study helps to fill the identified gap and recommends further research on the subject matter.

2.6 Summary

This chapter evaluated previous studies in line with the objectives of the study. In addition, corporate governance theories relevant to the study were discussed and the conceptual framework was developed in line with the objectives of the study. Finally, the research gap was identified from the reviewed previous studies.

CHAPTER THREE: RESEARCH METHODS

3.1 Introduction

In this chapter the research design, research philosophy, population, sampling techniques, sample size, research instruments, data collection procedures, data analysis, data reliability, validity, and ethical considerations are discussed. The chapter concludes with a summary of all the items discussed.

3.2 Research Philosophy

Research Philosophy refers to the set of beliefs concerning the nature of the reality being investigated. Moreover, the choice of research philosophy to be applied in an area of research study depends on the knowledge being investigated (Scotland, 2012), cited in Kirongo & Odoyo (2020). In addition, Žukauskas, et al., (2018) define the research philosophy as the basis of the research, which involves the choice of research strategy, formation of a problem, data collection, processing, and analysis. This study sought to yield pure data and facts which are uninfluenced by human interpretation or bias (Saunders, et al., 2015). Thus, the study is anchored in a post-positivism philosophy that serves to that effect by strictly focusing on scientific empiricist methods.

According to Park, et al. (2020), studies which align with post-positivism generally focus on identifying explanatory association or causal relationships through quantitative approaches, where imperially based findings from a large sample size are favoured. To this end, generalisable inferences, replication of findings, and controlled experimentation have been principles guiding post-positivist science (Park, et al., 2020). Furthermore, the nature of the problem of the current study could be effectively addressed quantitatively, thus, it adopted a quantitative design alone.

3.3 Research Design

The research design is the use of evidence-based procedures, protocols, and guidelines that provide the tools and framework for conducting a research study (Majid, 2018). Furthermore, Majid (2018) ascertains that the choice of the study design is a methodological decision made by the investigators before submitting the study for ethics review and starting data collection. The current sought to determine the relationship between quality of board members and board performance for non-commercialised public enterprises. Thus, the study employed a correlational research design, which determines the prevalence and relationship among variables, and to forecast events from current data and knowledge (Curtis et al., 2016).

In addition, a causality design was employed to determine the impact of different variables. This is due to the fact that correlation studies cannot provide conclusive information about causal relationship among variables (Crawford, 2014). Causal research on the other hand, is mainly involved with finding the cause and effect relationship between two or more variables contrary to merely investigating their existence. Causality is intrinsically linked to decision-making, as causes allow us to better predict the future and intervene to change it by showing which variables have the capacity to affect others (Zheng et al., 2020). Furthermore, Karvanen (2015) asserts that causal models are commonly used to describe the true or hypothesised causal relationship.

The study engaged a quantitative research approach as the collection of quantitative information allows the researchers to conduct simple to extremely sophisticated statistical analyses that aggregate the data (Ahmad et al., 2019). In addition, quantitative research approach uses statistical data, which are resource-friendly (Eyisi, 2016; Rahman, 2020). Correspondingly, the use of scientific methods for data collection and analysis with the quantitative approach, makes generalisation possible (Eyisi, 2016), and makes the testing research trustworthy (Rahman, 2020).

Moreover, quantitative research focuses on data that can be measured, and it is very effective for answering the "what" or "how" of a given phenomenon (Goertzen, 2017). After the in-depth review of the literature, the study found that the objectives of the study and the nature of the problem can be addressed quantitatively alone. Moreover, the post-positivism philosophical approach in which the study is grounded and the correlation research design are mainly appropriate for quantitative approach (Saunders et al., 2019). Thus, the justification for employing quantitative approach.

3.4 Population

The population of interest for the study comprised individuals, dyads, groups, organisations, or other entities one seeks to comprehend and to whom or to which the study results may be generalised or transferred and is the principal group of concern for the research (Casteel & Bridier, 2021). Wegner (2010) argues that the population represents every possible item that contains a data value of a random variable under study. This study focuses on all non-commercial PEs which are categorised as tier 2 public enterprises. According to the PEGA and Government Notice no. 143 of 2 August 2011, there are seventeen (17) PEs categorised as tier 2. They are the following: Agricultural Bank of Namibia (ABN), Development Bank of Namibia (DBN), Namibia Development Corporation (NDC), Namibia Institute of Pathology (NIP), Namibia Wildlife Resorts (NWR), National Housing Enterprises (NHE), Road Fund Administration (RFA), Communication Regulatory Authority of Namibia (CRAN), Fisheries Observer Agency (FOA), Namibia Communication Commission (NCC), Namibia Petroleum Corporation of Namibia (NAMCOR), Motor Vehicle Accident Fund (MVA), Namibia Standards Institution (NSI), National Youth Service (NYS), Roads Authority (RA), and Social Security Commission (SSC).

Out of seventeen tier 2 PEs, four (4) are commercial, i.e., NIP; NAC; NWR and NAMCOR; two (2) are financial institutions, namely, ABN and DBN, while the RFA and MVA are extra-budgetary (statutory) funds. In addition, the FOA is excluded from this study as it is in Walvis Bay and the study is only limited to Windhoek.

Therefore, out of seventeen (17) PEs categorised as tier 2 PEs, only eight (8) are non-commercial. They are NDC, NHE, CRAN, NCC, NSI, NYS, RA and SSC. Given the provision of section 4 (2) of PEGA that the composition of PEs' boards is a minimum of five (5) and a maximum of seven (7) directors, the population of this research will be comprised of all 54 board of directors of eight (8) non-commercial PEs categorised as tier 2.

3.5 Sampling Technique

The sampling techniques are the components of research which play a great role in the validity of the research (Khan, 2020). It consists of two major types - probability and non-probability sampling (Khan, 2020). Probability sampling is any sampling scheme which ensures that the probability of choosing each individual is the same (Sharma, 2017). Additionally, probability sampling consists of the following methods - simple random sampling, systematic sampling, stratified sampling, and cluster sampling (Sharma, 2017).

Conversely, non-probability sampling involves some form of subjective selection of elements of population into the sample for which the probability of inclusion of all elements are not granted (Wiśniowski et al., 2020). Non-probability also involves zero probability for some population elements. The non-probability sampling consists of the following types: quota sampling,

convenience sampling, purposive sampling, self-selection sampling and snowball sampling (Etikan & Bala, 2017).

In this study, the probability sampling was employed because of its theoretical basis in design-based inference, which permits unbiased estimation of the population mean along with measurable sampling error (Wiśniowski et al, 2020). Given that the population of the study is small, a census sampling approach was used since it is more applicable for small populations (Leeman, 2018).

3.6 Sample Size

The sampling frame is an operationalised representation of the target population and is the group of units from which the sample is recruited (Casteel & Bridier, 2021). As such, the sample is the precise group of units (often individuals) that will be solicited for their participation in the study (Casteel & Bridier, 2021). Additionally, a sample is a relatively small, but a representative number of objects from the population of interest for the study (Mweshi & Sakyi, 2020). Moreover, Taherdoost (2016) argues that in order to answer research questions, it is doubtful that researchers would be able to collect data from the whole population, since researchers neither have time nor the resources to conduct analysis of the entire population. Therefore, they apply a sampling technique to reduce the number of cases. Consequently, by applying a census sampling approach that equates the sample size to the population size, this study targeted a sample size of fifty-four (54) boards of directors of non-commercialise tier 2 PEs.

3.7 Research Instruments

McLeod (2018) defines the questionnaire as a research instrument consisting of a series of questions for the purpose of gathering information from respondents. However, it is essential that the questionnaire is designed meticulously and validated before use, because the language of

questions, the type of questions used, the order in which the questions are arranged and many other details, impact the result of the survey (Yaddanapudi & Yaddanapudi, 2019).

The study at issue used a structured self-administered questionnaire with close-ended questions to collect primary quantitative data. Structured questionnaires are more advantageous since they help to target the specific phenomenon or experience that the researcher is investigating (Solutions, 2019). Moreover, Debois (2019) asserts that self-administered questionnaires are a cost-efficient way to quickly collect massive amounts of information from a large number of people in a relatively short period of time. In the current study, the Likert scale anchored on 1 – 5 scares was used to quantify responses on items in the questionnaires, where 1 = strongly disagree; 2 = disagree; 3 = undecided; 4 = agree; 5 = strongly agree.

3.8 Data Collection Procedure

The researcher obtained permission from the Namibia Business School (NBS) and the PEs in tier 2 in the Khomas Region to gain access to the respondents. Respondents were contacted through phone calls and emails to obtain their consent to participate in this study. Subsequently, the researcher administered the questionnaire that was framed in accordance with the objectives of the study through electronic means. The aim was to source the data to conduct a pilot study on commercialised public enterprise board of directors to check for errors in the questionnaire. After the correction of errors in the questionnaire, the researcher commenced with data gathering from the sampled participants of the study.

3.9 Data Analysis Methods

Firstly, the researcher screened the data in Microsoft Excel Sheet to detect and address the issues of missing data and unengaged responses. Furthermore, descriptive statistics were applied to determine the nature of the data, a normality test was conducted to determine if the type of

inferential statistics to be used depending on whether the data were normally or not normally distributed. Finally, correlation analysis was done to measure the extent to which the data correlated and to determine the directions of the path model in SPSS software.

To determine the number of factors needed to explain the quality of board members for NCPE, the study relied on the factor loading component of exploratory factor analysis (EFA) that was validated using the confirmatory factor analysis (CFA) in SPSS. Moreover, the study used the independent samples t-test to examine whether there exists a statistical difference between gender and the factors that define the quality of board members. Lastly, to analyse the impact of the quality of board members on performance of non-commercialised public enterprises (NCPE) as well as to determine the factors that need improvement to enhance performance for NCPE, the study used a covariance-based structural equation modelling in Amos 27 software.

3.10 Reliability and Validity

Reliability and validity are the two most important and fundamental features in evaluation of any measurement instrument or tool for good research (Mohajan, 2017). To this end, the researcher paid special attention to the reliability and validity throughout the data analysis process.

3.10.1 Reliability

Reliability is defined as an indicator that provides information about the uniformity of a test when repeated measures are conducted (Spencer, et al., 2003). In the assessment of individual variances, reliability is classically assessed using test-retest reliability, inter-rater reliability or internal consistency (Matheson, 2019).

Moreover, reliability yields information concerning the overall consistency of a measure, the distinguishability of individual measurements, as well as the signal-to-noise ratio in a data set

(Matheson, 2019). Consequently, the reliability of one (1), means that all variability is attributed to true differences and there is no measurement error, while a reliability of zero (0), means that the variability is accounted for by measurement error (Matheson, 2019).

Furthermore, Matheson (2019), argues that a reliability of 0.5, means that there is equal and true error-related variance, which suggests that, for an individual whose underlying true value is equal to the true group mean, the long-run distribution measured values would overlap with the entire population distribution of true values under ideal conditions. To measure reliability of the measurement model of this study, composite reliability (CR) was used and only constructs with a CR value greater than 0.70 were constituted in the model according to the directive of Gaskin (2016).

3.10.2 Validity

Validity refers to the ability of a device to measure what it is intended to measure (Swanson, 2014). The definitions of validity and reliability are also analogous to accuracy and precision; hence, both the reliability of data and the consistency of measurements are prerequisites of validity (Swanson, 2014). This study served validity of the measuring model in terms of convergent validity that is confirmed when all the CR values are greater than the threshold of 0.70 and the average variance extracted (AVE) higher than 0.50 (Gaskin, 2016). Furthermore, discriminant validity was measured by comparing the square roots of the AVE to the correlation values of the constructs. In this case, discriminant validity is served when the AVE value is greater than the correlation values.

3.11 Research Ethical Considerations

The researcher ensured that all ethical matters to be considered during the study were adhered to in accordance with the academic standards. Ethical considerations are important to this study as it helps to ensure that researchers can be held accountable to the public (Resnik, 2015).

3.11.1 Informed Consent

The informed consent process is the cornerstone of ethics in research, therefore, obtaining informed consent from research participants is an important legal and ethical imperative for researchers (Kadam, 2017). In this regard, the researcher obtained informed consent from participants by requesting them to complete a consent form. After the completion of the study, participants will be informed of the outcomes of the study and a copy of the research paper will be submitted to participating organisations.

3.11.2 Confidentiality

In the current study, the researcher took responsibility for ensuring confidentiality to the participants, not only in the research publication but also during research. For instance, participants' identities were not revealed to other participants, according to the terms discussed by Surmiak (2018).

3.11.3 Anonymity and Protection

The participants were informed that their participation in the research project was voluntary and anonymous, and that they could withdraw at any point from the study even after having given consent. Additionally, the researcher will store the data in a safe place for at least five (5) years and thereafter the researcher will destroy it by shredding.

3.11.4 Permission from Institutions

Prior to conducting this research, the researcher obtained permission from the Namibia Business School (NBS) to conduct such research. Similarly, permission was obtained from the institution where the research was conducted.

3.12 Summary

This chapter discussed the research design, research philosophy, population, sampling techniques, sample size, research instruments, data collection procedures, data analysis, data reliability, validity, and ethical considerations.

CHAPTER FOUR: DATA ANALYSIS, RESULTS INTERPRETATIONS, AND DISCUSSIONS OF FINDINGS

4.1. Introduction

The purpose of this chapter is to provide the data, analyse them, and interpret the results. The chapter starts by summarising the data in terms of response rate and screening. Following that, an in-depth data analysis was performed utilising a variety of quantitative data analytical methods, including descriptive statistics, exploratory factor analysis (EFA), confirmatory factor analysis (CFA), correlation analysis, and structural equation modelling (SEM). The research accomplished this by using a combination of various software such as Advanced Excel Sheet, Statistical Package for Social Sciences (SPSS) 28, and Amos 28.

The study's overall objective was to analyse the relationship between the quality of board members and the performance of Non-commercialised Public Enterprises in Windhoek, Namibia. The study categorised the quality of board members into 16 variables comprising the board size, CEO duality, non-executive directors (NEDs), board independence (Board_Ind), board activity intensity (Board_AI), CEO tenure (CEO_T), audit committee (Audit_Comm), ethical conduct (Ethical_Cond), board leadership structure (Board_LS), managerial ownership (Managerial), large shareholders (Large_SH), board composition (Board_Comp), board committee (Board_Comm), gender diversity (Gender_Div), educational qualification influence on corporate governance (EQICG), and board meetings (Board_M). Nevertheless, these variables are all latent in nature, meaning they could not be measured directly. Therefore, the study measured them using different relevant numbers of items.

Table 4.1 below illustrates the number of items used to measure each variable.

Table 4.1: Variables and number of items

Variable	Item	Variable	Item	Variable	Item	Variable	Item
Board_Size	4	Board_AI	5	Board_LS	6	Board_Comm	5
CEO_Duality	8	CEO_T	3	Managerial	3	Gender_Div	5
NEDs	10	Audit_Comm	4	Large_SH	2	EQICG	6
Board_Ind	3	Ethical_Cond	6	Board_Comp	5	Board_M	4

Source: Author's construction (2022)

4.2. Response Rate

The research targeted a sample size of 54 boards of directors for non-commercial public enterprises in Windhoek, Namibia. In that regard, the researcher distributed 54 questionnaires to the entire sample. However, only 37 questionnaires were retrieved from the responders, which accounted for 69% of the total questionnaires delivered to the targeted individuals. In terms of the response rate, all the responses were sufficiently populated, and as a result, they were all subjected to data screening.

4.3. Data Screening

Prior to commencing with the in-depth analysis, the study reviewed the data to confirm their suitability for the analysis. It was done to see whether there were any missing values, and unengaged responses in the data that needed to be handled in order to prevent undesirable outcomes and incorrect conclusions.

4.3.1. Missing Data

The study used the Excel Sheet's 'Countblank' function to identify the missing data. According to Kline (2011), a countblank value of zero indicates that there are no missing data in the responses, while a number larger than zero indicates that there are missing data in the responses.

In that regard, Kline (2011) proposes that responses with less than 20% missing data should be handled either by imputing the mean, median, or mode value, or by applying the known replacement method of using the before or after value, among other things. On the other hand, Kline (2011) suggests those with more than 20% missing data should be deleted from the data set. The Countblank findings for this research found 9 responses with missing data as determined by the 'countblank' values greater than zero (0). Nevertheless, none of the responses with missing data had reached 20% rate of the missing data as shown in table 4.3.1. Hence, the study used a replacement method (RM) by replacing the missing data with the mean values, as directed by Kline (2011).

Table 4.3.1: Missing data detection and handling

Respondent	Missing Data	Rate (%)	Decision
1	0	0	-
2	0	0	-
3	2	2.531646	RM (mean)
4	0	0	-
5	0	0	-
6	2	2.531646	RM (mean)
7	2	2.531646	RM (mean)
8	0	0	-
9	0	0	-
10	0	0	-
11	0	0	-
12	0	0	-
13	0	0	-
14	0	0	-
15	1	1.265823	RM (mean)
16	2	2.531646	RM (mean)
17	0	0	-
18	0	0	-
19	0	0	-
20	0	0	-
21	0	0	-
22	0	0	-
23	0	0	-
24	0	0	-
25	0	0	-
26	0	0	-
27	2	2.531646	RM (mean)
28	0	0	-
29	0	0	-
30	0	0	-
31	0	0	-
32	0	0	-
33	0	0	-
34	1	1.265823	RM (mean)
35	1	1.265823	RM (mean)
36	0	0	-
37	4	5.063291	RM (mean)

Source: Author’s extraction from the analysis (2022)

4.3.2. Unengaged Responses

In addition to data screening, the unengaged response methodology was used to filter the data. According to Kline (2011), unengaged replies consist of either the identical response to all questions, for example, the responder provides only 'strongly agree' (5) for each question, or patterned responses such as 1, 2, 3, 1, 2, 3, or 1, 1, 1, 2, 2, 2, 2, 3, 3, 3. The unengaged responses was determined using the standard deviation of the sample 'STDEV.S' function in Excel Sheet, where a standard deviation of zero indicates an unengaged answer that should be excluded from the study and a number larger than zero indicates an engaged response (Kline, 2011). For this investigation, all standard deviation values were larger than 0, indicating that there were no unengaged responses as displayed in table 4.3.2.

Table 4.3.2: Unengaged responses

Respondent	Unengaged	Decision
1	1.095445	Engaged
2	1.423081	Engaged
3	1.097101	Engaged
4	1.487501	Engaged
5	1.190615	Engaged
6	0.990128	Engaged
7	0.961462	Engaged
8	1.335435	Engaged
9	1.42619	Engaged
10	1.382016	Engaged
11	1.045712	Engaged
12	1.200672	Engaged
13	0.730766	Engaged
14	1.118812	Engaged
15	1.062017	Engaged
16	0.859512	Engaged
17	1.072602	Engaged
18	1.068537	Engaged
19	1.072602	Engaged
20	1.227262	Engaged
21	1.251834	Engaged
22	1.268908	Engaged
23	1.509464	Engaged
24	1.566864	Engaged
25	1.47119	Engaged
26	1.00245	Engaged
27	0.90223	Engaged
28	1.386873	Engaged
29	1.10744	Engaged
30	1.201199	Engaged
31	1.222158	Engaged
32	1.335968	Engaged
33	1.375877	Engaged
34	1.138993	Engaged
35	1.206522	Engaged
36	1.396197	Engaged
37	1.286025	Engaged

Source: Author’s extraction from the analysis (2022)

4.4. Frequency Analysis

The study applied the frequency analysis to determine the occurrence rate of the categorical data. To be specific, the variables with categorical data in this study include gender, education, and occupation. The following subsections present the findings from the frequency analyses on these categorical variables.

4.4.1. Gender Demographic

To assess the extent to which gender was represented, the study performed a frequency analysis of gender category. As displayed in figure 4.4.1, the results indicated that 51.35% of the participants represented the female gender while 48.65% of them represented the male gender. This shows a fair representation of gender in the study, implying that the findings were not skewed to a specific gender. Thus, the results can be generalised across gender.

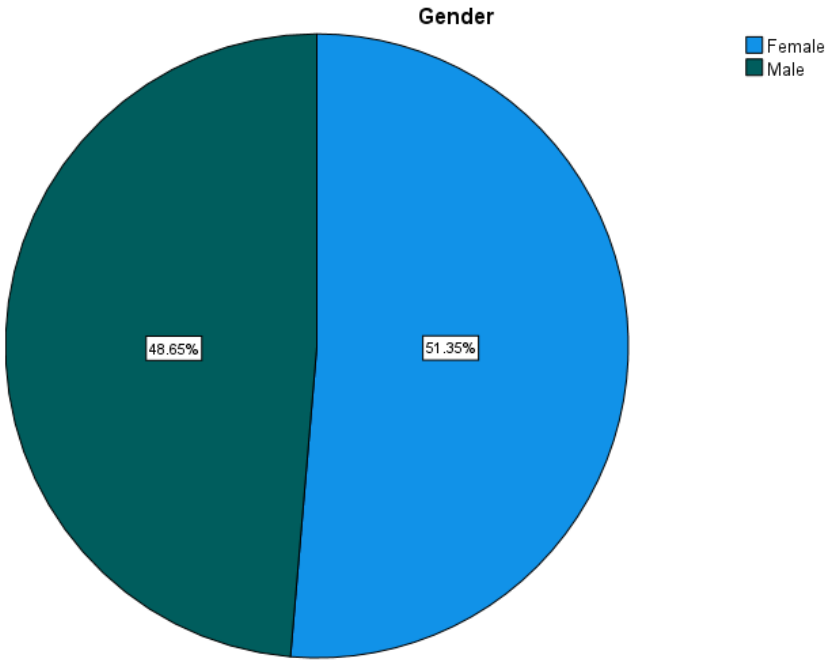

Figure 4.4.1: Gender demographic

Source: Author's extraction from the analysis (2022)

4.4.2. Academic Qualification Frequency Analysis

The study sought to determine the academic qualifications of the board of directors. In so doing, frequency analysis was conducted on four categories of education, comprising certificate or diploma category (Cert/Dip), bachelor's degree or honour's degree (BD/HD), master's degree (MD), and doctorate (PhD) categories. Based on the results presented in figure 4.4.2, 37.84% of the participants fell in the BD/HD category, followed by MD, Cert/Dip, and PhD holders, correspondingly accounting for 32.43%, 18.92%, and 10.81%. It is therefore clear that the board of directors comprised people with good academic qualifications, given the fact that 81.08% of the total participants had a minimum academic qualification of a bachelor's degree.

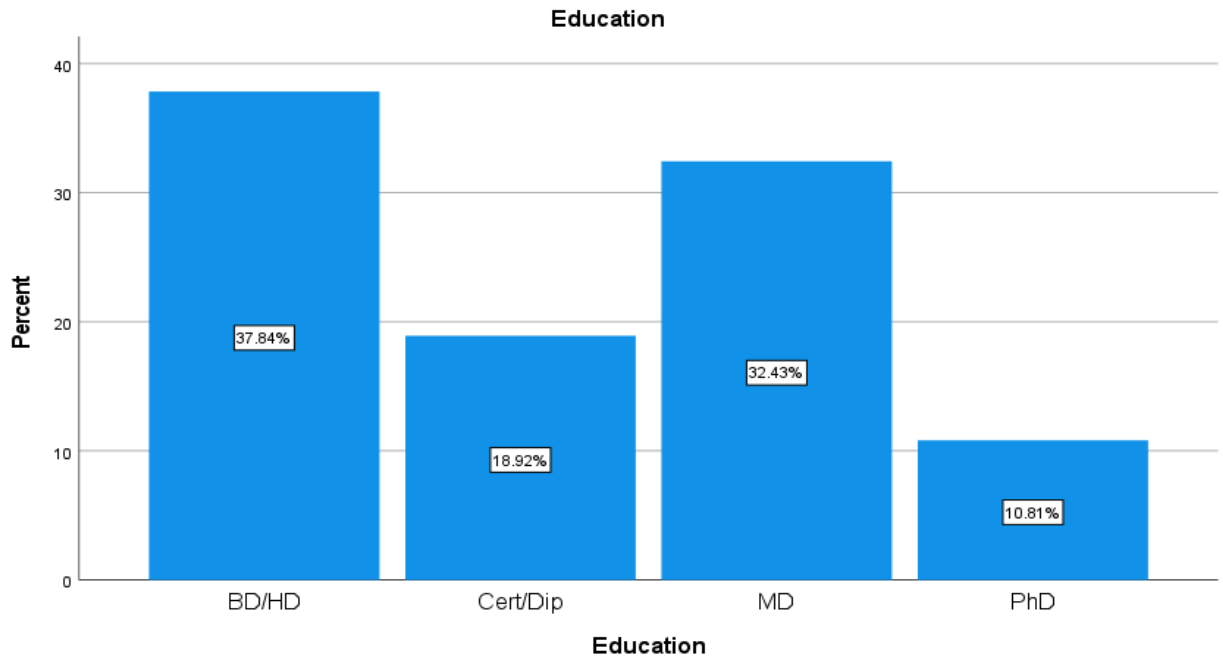

Figure 4.4.2: Education frequency analysis

Source: Author's extraction from the analysis (2022)

4.4.3. Occupation Frequency Analysis

In addition to the frequency analysis, the study applied the same analysis on occupation to determine the representation rate of the participants in terms of their occupations.

Based on the analysis presented in figure 4.4.3, occupation of the participants comprised four groups with the public sector taking the highest number of employees, accounting for more than half of the participants at 56.76%. This was followed by unaffiliated (self-employed) at 16.22% and private sector and NGO employees on equal proportions of 13.51% each. These results indicated that the boards of directors for non-commercialised public enterprises mainly constituted the employees from the public sector.

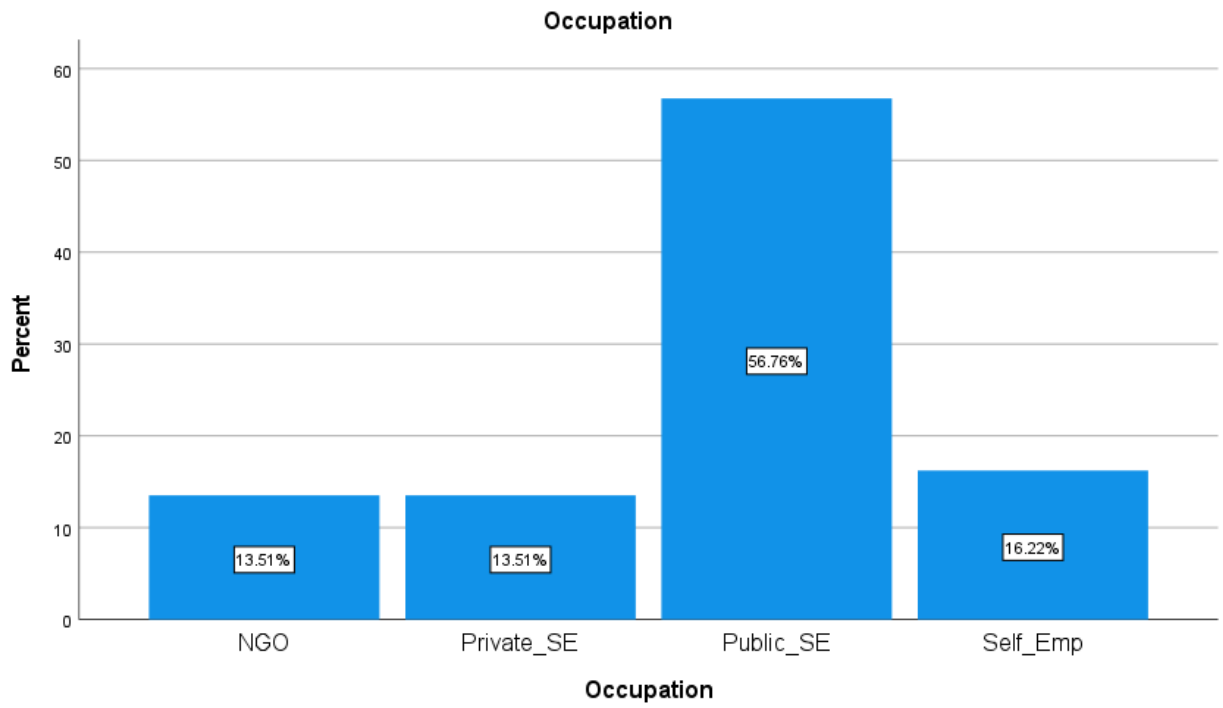

Figure 4.4.3: Occupation frequency analysis

Source: Author's extraction from the analysis (2022)

4.5. Descriptive Statistics

The study employed a 5-point Likert scale, with 1 representing strongly disagree, 2 representing disagree, 3 being neutral, 4 represents agree, while 5 represents strongly agree.

To ascertain the nature of the data, this study conducted descriptive statistics on ordinal data. The findings are presented in table 4.5.

Table 4.5: Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Board_Size	37	1.25	5.00	3.7162	0.97568
CEO_Duality	37	3.25	5.00	4.3007	0.36617
NEDs	37	3.20	4.90	4.0000	0.42947
Board_Ind	37	2.33	5.00	3.9099	0.57547
Board_AI	37	3.00	5.00	4.1189	0.47717
CEO_T	37	2.33	4.33	3.2883	0.52800
Audit_Comm	37	3.50	5.00	4.1419	0.45849
Ethical_Cond	37	2.33	5.00	4.3333	0.55556
Board_LS	37	4.00	5.00	4.6577	0.31414
Managerial	37	1.00	4.67	2.2252	1.25966
Large_SH	37	2.00	5.00	3.4459	0.84807
Board_Comp	37	3.40	5.00	4.2324	0.52813
Board_Comm	37	3.00	5.00	4.3676	0.55078
Gender_Div	37	1.80	4.60	3.6432	0.62740
EQICG	37	2.33	5.00	3.9820	0.84873
Board_M	37	2.50	5.00	4.1351	0.58806
Valid N (listwise)	37				

Source: Author's extraction from the analysis (2022)

As shown in figure 4.5, board leadership structure (Board_LS) had the highest mean of 4.658 followed by gender, board committee (Board_Comm), ethical conduct (Ethical_Cond), board composition (Board_Comp), CEO duality, audit committee (Audit_Comm), board meetings (Board_M), board activity intensity (Board_AI), non-executive directors (NEDs), board independence (Board_Ind), and educational qualification influence on corporate governance (EQICG), accounting for 4.368, 4.333, 4.301, 4.232, 4.142, 4.135, 4.119, 4.000, 3.910, and 3.982 respectively. This indicates that most of the participants mainly agreed with the items used to

measure these variables. Furthermore, the participants were mainly neutral with the items utilised to define board size, diversity (Gender_Div), large shareholders (Large_SH), and CEO tenure (CEO_T), given the mean values of 3.716, 3.643, 3.446, 3.288, correspondingly.

In the same essence, the managerial variable received the lowest mean of 2.225, implying that the participants mostly disagreed with the components used to determine it.

4.6. Normality Test

To determine whether the data were normally distributed, the research used the normality test. This was important regarding directions for inferential statistics. Initially the study assessed the raw data for normal distribution using the Shapiro-Wilk test that is more suitable for data sets with less than 100 responses. Following the findings, none of the variables were statistically significant, implying the normal distribution of the data. Furthermore, the study validated the Shapiro-Wilk results with the skewness and kurtosis test of normality, as illustrated in figure 4.6.

Table 4.6: Normality test

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Board Size	37	-0.897	0.388	0.250	0.759
CEO_Duality	37	-0.515	0.388	0.431	0.759
NEDs	37	0.245	0.388	-0.390	0.759
Board_Ind	37	0.033	0.388	0.800	0.759
Board_AI	37	-0.773	0.388	0.299	0.759
CEO_T	37	-0.253	0.388	-0.251	0.759
Audit_Comm	37	0.714	0.388	-0.626	0.759
Ethical_Cond	37	-1.356	0.388	2.331	0.759
Board_LS	37	-0.497	0.388	-0.882	0.759
Managerial	37	0.756	0.388	-0.625	0.759
Large_SH	37	0.467	0.388	-0.657	0.759
Board_Comp	37	0.025	0.388	-0.992	0.759
Board_Comm	37	-0.522	0.388	-0.267	0.759
Gender_Div	37	-0.936	0.388	1.138	0.759
EQICG	37	-0.469	0.388	-1.069	0.759
Board_M	37	-0.480	0.388	0.290	0.759
Valid N (listwise)	37				

Source: Author's extraction from the analysis (2022)

According to the normality test, when the skewness and kurtosis values are less than +2/-2 in absolute values, data are considered to be normally distributed (George & Mallery, 2010; Sposito et al., 1983). Another rule is that the value should be more than or equal to +/-10. However, on the other hand, Kline (2011) argues that the less than +/-2 criterion is difficult to achieve while a greater than +/-10 rule is imprecise and way too flexible. In that respect, Kline (2011) proposes that skewness and kurtosis are acceptable when their absolute values are less than +3/-3.

The current research was conducted based on Kline's recent advice (Kline, 2011). In that view, all skewness and kurtosis values were within the permissible intervals, indicating that the data were normally distributed as displayed in table 4.6, confirming the findings from the Shapiro-Wilk test. Given the evidence that the data were normally distributed, the research conducted inferential statistics using the Pearson correlation analysis, factor analysis and structural equation modelling that fit such data best. The following section presents the Pearson correlation analysis.

4.7. Correlation Analysis

Following the normality test results, which suggested that the data had a normal distribution, the study used Pearson correlation analysis that is suitable for normally distributed data to evaluate the magnitude of the correlation between the ordinal variables. In general, correlation lies between 0 and 1, with 0 indicating no correlation and 1 suggesting substantial correlation, although very strong correlation is not desirable (Nautwima & Asa 2021). Another importance of conducting correlation analysis is to determine the direction of the structural equation model that depends on the level of the variables' correlations. In that light, correlation among the variables and the possibilities of interchangeable among them indicate that a reflective model is the most suitable,

while the absence of correlation between the variables assumes a formative structural equation model (Gaskin, 2016; Jarvis et al., 2003). Table 4.7 summarises the correlation analysis results.

Table 4.7: Correlation analysis results

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Board_Size	1															
CEO_Duality	0.122	1														
NEDs	0.615**	0.269	1													
Board_Ind	0.234	0.484**	0.139	1												
Board_AI	-0.409	0.195	0.070	-0.216	1											
CEO_T	0.217	0.521**	0.229	0.149	0.103	1										
Audit_Comm	0.003	-0.153	0.257	-0.363	0.454**	-0.116	1									
Ethical_Cond	0.111	0.407*	0.454**	0.391*	0.269	0.247	0.241	1								
Board_LS	-0.095	0.220	0.130	0.431**	0.199	-0.235	-0.103	0.420**	1							
Managerial	-0.672	-0.317	-0.43	-0.282	0.130	-0.365	-0.205	-0.247	-0.022	1						
Large_SH	-0.090	-0.036	-0.038	-0.304	0.517**	-0.161	0.619**	0.226	-0.019	-0.006	1					
Board_Comp	-0.515	-0.152	-0.130	-0.191	0.509**	-0.327	0.376*	0.148	0.387*	0.470**	0.469**	1				
Board_Comm	0.130	0.563**	0.357*	0.464**	0.400*	0.441**	0.200	0.657**	0.362*	-0.496	0.169	-0.019	1			
Gender_Div	-0.057	0.450**	0.311	0.052	0.376*	0.548**	0.002	0.489**	0.082	-0.135	-0.006	-0.045	0.586**	1		
EQICG	-0.419	-0.103	0.042	-0.433	0.534**	-0.202	0.429**	0.178	0.104	0.454**	0.452**	0.646**	0.022	0.087	1	
Board_M	0.380*	0.403*	0.492**	0.529**	0.347*	0.259	0.152	0.475**	0.358*	-0.564	0.161	-0.104	0.666**	0.323	-0.252	1

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

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Author's extraction from the analysis (2022)

As illustrated in table 4.7, it is evident from the correlation analysis results that the variables were all correlated. Therefore, it is an indication for the structural equation modelling to employ the reflective model that has arrows of the variables facing outward the unobserved variable (Gaskin, 2016). Furthermore, the results also show that none of the variables were found to be extremely correlated, signifying the absence of multicollinearity. The next section details the exploratory factor analysis.

4.8. Exploratory Factor Analysis (EFA)

This research comprised latent variables which could not be assessed directly. Thus, exploratory factor analysis (EFA) was performed to evaluate the latent constructs using numerous reflective variables, which were proven to be correlated, as detailed in table 4.7. Moreover, EFA was also

utilised to examine the sampling adequacy, convergent validity, discriminant validity as well as the reliability of the constructs. The following section assessed the sampling adequacy.

4.8.1. Sampling Adequacy

The research used a mix of four robustness metrics to determine the sample adequacy. These measures of the sample adequacy encompassed the Kaiser-Meyer-Olkin (KMO) test of sample adequacy and the Bartlett's test of sphericity, communalities, the none-redundant measure, and the total variance explained.

4.8.1.1. Kaiser-Meyer-Olkin (KMO) Test and the Bartlett's Test of Sphericity

To verify the sample adequacy, the Kaiser-Meyer-Olkin (KMO) value must be equal to, or higher than 0.80, and the Bartlett's test of sphericity must be statistically significant at the 5% level of significance (Hair et al., 2010). According to this current study's findings, the requirements for this measure were satisfied, as shown by the KMO value of 0.801 and the statistically significant Bartlett's test of 0.000 presented in table 4.8.1.1. This implies that the sample was adequate.

Table 4.8.1.1: The KMO test and Bartlett's test of sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.801
Bartlett's Test of Sphericity	Approx. Chi-Square	490.343
	df	66
	Sig.	0.000

Source: Author's extraction from the analysis (2022)

4.8.1.2. Communalities

Additionally, the study used communalities as measures for sampling adequacy. According to Gaskin (2016), a value of at least 0.50 for extracted communalities is preferable, while 0.30 is

sufficient to establish sampling adequacy. In light of this, the findings indicated that all extracted communalities were more than 0.50, hence verifying the sample adequacy shown in table 4.8.1.2.

Table 4.8.1.2: Communalities

	Initial	**Extraction**
Board_AI	1.000	0.793
Board_Comm	1.000	0.746
Large_SH	1.000	0.642
Board_Comp	1.000	0.706
EQICG	1.000	0.658
CEO_Duality	1.000	0.618
CEO_T	1.000	0.618
Gender_Div	1.000	0.683
Audit_Comm	1.000	0.725
NEDs	1.000	0.666
Board_Size	1.000	0.878
Board_M	1.000	0.666

Extraction Method: Principal Component Analysis.

Source: Author's construct from the analyses (2022)

4.8.1.3. Non-redundant residuals

The non-redundant residual is another indicator of sampling adequacy. According to the parameters for this metric, its value should be less than 5% to ensure sample adequacy, although less than 50% is also acceptable (Hair et al., 2010). According to the findings of this current study, the non-redundant residuals value was 39.0%, which is less than the maximum set of 50%, validating the sampling adequacy.

4.8.1.4. Total Variance Explained

Another measure for sampling adequacy was the total variance explained. According to Hair et al. (2010), the total variance explained must be larger than 50% to prove the sample adequacy, although 60% is considerably preferable. In that light, table 4.8.1.4 displays the results of the total variance explained.

Table 4.8.1.4: Total variance explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	3.481	29.008	29.008	3.481	29.008	29.008	3.270
2	3.303	27.529	56.537	3.303	27.529	56.537	3.134
3	1.616	13.469	**70.006**	1.616	13.469	70.006	2.490
4	0.853	7.105	77.111				
5	0.666	5.548	82.659				
6	0.560	4.666	87.325				
7	0.373	3.107	90.432				
8	0.354	2.950	93.382				
9	0.321	2.678	96.060				
10	0.271	2.256	98.316				
11	0.108	0.898	99.213				
12	0.094	0.787	100.000				

Extraction Method: Principal Component Analysis.

Source: Author's extraction from the analysis (2022)

Given the cumulative rate of 70.01 percent for total variance explained by three variables, the findings corroborated the study's sample adequacy. That is, the first three components account for 70.01% of the total variation, as seen in figure 4.8.1.4.

Overall, the findings indicated that all sampling adequacy assessments confirmed the appropriateness of the sample employed in the research, which demonstrated the study's accuracy.

4.9. The number of factors needed to explain the Board's characteristics for non-commercialised public enterprises

To determine the number of factors that are needed to define the quality of board members, the study applied the factor analysis. According to Gaskin (2016), factor analysis is critical for breaking down the data collecting instrument into manageable and relevant factors; double-checking the classification's legibility and consistency; and identifying the omissions.

4.9.1. Factor Loading

The study was initially based on 16 latent variables that define the quality of board members of non-commercialised public enterprises in Namibia. Following the findings in the previous section, the study grouped the variables into three factors that explain 70.01% of total variance as indicated in table 4.8. Nevertheless, the study excluded the variables that loaded negatively on factors; the ones with loading values less than 0.50; as well as those with cross loading. This was vital to ensure convergent and discriminant validities of the constructs that are respectively achieved when all factors loaded in the matrix are larger than 0.50 with items from a single component loaded in just one factor, and when no cross loadings occur (Gaskin, 2016). The excluded variables comprise Managerial, Board_LS, Board_Ind, and Ethical_Cond. Hence, only 12 out of 16 variables were considered for further analysis. In that light, the study summarised the factor loading in the following table 4.9.1

Table 4.9.1: Factor loading

Variable	Factor 1	Factor 2	Factor 3
Audit_Comm	0.731		
EQICG	0.806		
Board_AI	0.761		
Large_SH	0.757		
Board_Comp	0.800		
CEO_T		0.726	
Gender_Div		0.784	
CEO_Duality		0.757	
Board_Comm		0.840	
Board_Size			0.770
NEDs			0.885
Board_M			0.592

Source: Author's extraction from the analysis (2022)

As shown in table 4.9.1, 5 variables loaded on Factor 1 with EQICG having the highest load of 80.60% followed by Board_Comp (80%), Board_AI (76.10%), Large_SH (75.70%), and Audit_Comm (73.10%). Furthermore, Factor 2 constitutes four variables where Board_Comm loaded highest with 84%. The second highest load was Gender_Div that loaded 78.40%, followed by CEO_Duality and CEO_T that loaded 75.7% and 72.6%, respectively. Finally, 3 variables loaded on Factor 3 where NEDs loading the highest with 88.5%, followed Board_Size (77%), and Board_M (59.2%).

In a nutshell, the results determine that the board performance for non-commercialised public enterprises can be explained by 3 factors with 12 variables in total. Moreover, all the variables loaded in the factor matrix with values larger than 0.50% and without cross loading. This signifies that convergent validity and discriminant validity for the constructs were both achieved, following the ideology of Gaskin (2016). Against this, the following section presents the confirmatory factor analysis.

4.9.2. Confirmatory Factor Analysis (CFA)

The study developed a fresh instrument to collect the data in such a manner that it answers all the objectives for this research. Therefore, the study conducted confirmatory factor analysis (CFA) to: validate the factor structure from the explanatory factor analysis (EFA); verify the validity of the measurement model and the composite reliability of factors; establish the goodness fit of the model; and impute stable factor scores for the subsequent path model (the structural equation modelling). The results from the confirmatory factor analysis are illustrated in figure 4.9.2. below.

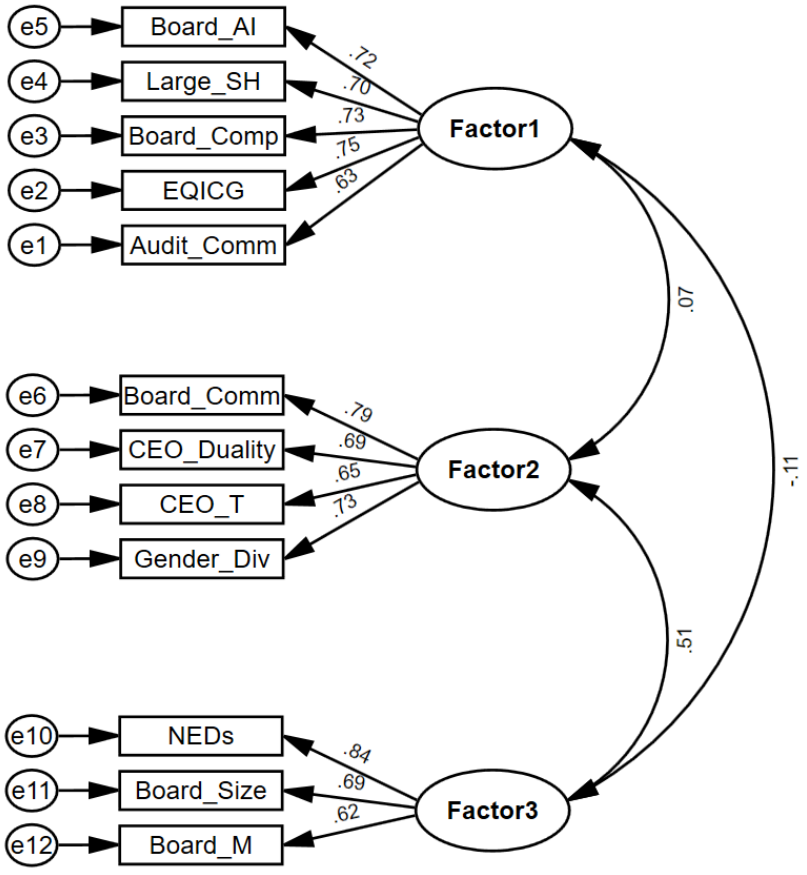

Figure 4.9.2: Confirmatory factor analysis

Source: Author's extraction from the analysis (2022)

4.9.2.1. Validation of the Factor Structure from the Explanatory Factor Analysis (EFA)

As illustrated in figure 4.9.2.1, all the variables loaded positively on their respective factors. It is also evident from the confirmatory factor analysis (CFA) that all the variables loaded with values greater than 0.50. The combination of these aspects validated the factor structure from the EFA, indicating that the items on each scale were statistically significant for the concept.

4.9.2.2. Model fit

The model's goodness of fit was determined using five metrics: CMIN/DF, CFI, SRMR, RMSEA, and PClose. Gaskin (2016) states that an appropriate CMIN/DF ratio is less than 3, the CFI should be better than 0.90, the SRMR and RMSEA should both be less than 0.08, and the PClose should be larger than 0.05. Based on the findings from CFA, the results revealed that the requirements for all these metrics were fulfilled to confirm the model's goodness of fit, as shown in table 4.9.2.2.

Table 4.9.2.2: Summary of model fit

Measure	Threshold	Observed	Decision
CMIN/DF	< 3	2.388	Passed
CFI	> 0.90	0.903	Passed
SRMR	< 0.08	0.066	Passed
RMSEA	< 0.08	0.055	Passed
PClose	> 0.05	0.053	Passed

Source: Author’s extraction from the analysis (2022)

4.9.2.3. Reliability and Validity of the Measurement Model

Concerning the reliability of the measuring model, the study used the composite reliability (CR) based on the threshold of 0.70 (Gaskin, 2016).

As depicted in column 2 of table 4.9.2.3, the CR values of all the factors were greater than 0.70, specifically, 0.87 for Factor 1, 0.93 for Factor 2, and 0.83 for Factor 3. This indicated that the study achieved the composite reliability.

Moreover, convergent validity was determined using the average variance extracted (AVE) that should have a threshold higher than 0.50 (Gaskin, 2016). On that basis, AVE values of all the factors were greater than 0.50, indicating that convergent validity existed, as seen in column 3 of table 4.9.2.3. Similarly, discriminant validity was determined by comparing the square roots of the AVE to the correlation values of the variables, which are given on the right side of the table. The findings demonstrated that the square roots of the AVE (0.789 for Factor 1, 0.855 for Factor 2, and 0.740 for Factor 3) were all bigger than the correlation values (0.110, -0.112, and 0.263). This implied that there were no issues related to discriminant validity.

Table 4.9.2.3: Reliability and validity of the measurement model

Reliability and Convergent Validity			**Discriminant validity**		
	CR	**AVE**	**Factor1**	**Factor2**	**Factor3**
Factor 1	0.874	0.622	**0.789**		
Factor 2	0.928	0.731	0.110	**0.855**	
Factor 3	0.830	0.548	-0.112	0.263	**0.740**

Source: Author's construct from the analyses (2022)

4.10. The influence of quality of board members on the Performance of Non-Commercialised Public Enterprises

The study analysed the relationship between quality of board members and the performance of Non-Commercialised Public Enterprises in Windhoek, Namibia using the structural equation modelling (SEM). SEM was used to examine the impact of the extracted three factors that define the quality of board members as Factor 1 (Board_AI, Large_SH, Board_Comp, EQICG,

Audit_Comm); Factor 2 (Board_Comm, CEO_Duality, CEO_T, and Gender_Div), and Factor 3 (NEDs, Board_Size, and Board_M) on the performance of non-commercialised public enterprises (NCPE Performance). Furthermore, SEM was also used to determine the factors that need improvement to enhance NCPE performance. As previously indicated, the study used CFA to impute stable factor scores for the structural equation path model that is presented in figure 4.10. Since the study based the analysis on the imputed data, the structural equation became a formative model with the arrows facing the unobserved variable (NCPE Performance) as elucidated by Gaskin (2016).

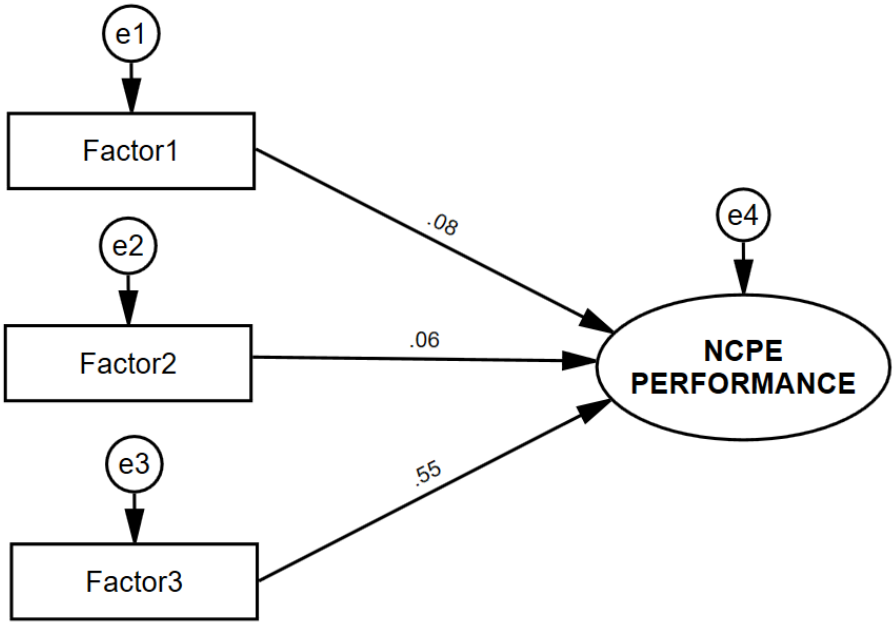

Figure: 4.10: Structural equation model

Source: Author's extraction from the analysis (2022)

Figure 4.10 is an illustration of the structural equation model that measures the extent to which Factor 1, Factor 2, and Factor 3 influence the performance of non-commercialised public enterprises in Namibia.

As evident from figure 4.10, Factor 3 recorded the highest impact of 55% on NCPE. This means that, firstly, the performance of these enterprises mainly depends on the involvement of the non-executive directors (NEDs), implying that they (NEDs) serve to their intended functions. In that regard, Fuzi et al (2016) argue that the NEDs can only perform their responsibilities efficiently when they are not dependent on management, which enables them to provide unbiased business judgments. In that light, it is evident from the findings that the NEDs were independent of the management of non-commercialised public enterprises, which enabled them to fulfil the common interests of the stakeholders of the non-commercialised PEs. Finally, the results also corresponded with the notion of Chandrakumara and Walter (2015) that NEDs are a special proportion of the board. This is against the ideology of Suzuki et al. (2020) that the presence of NEDs on board comes with risks that may have a negative impact on a firm's performance, as well as the claim of Imade (2019) that the NEDs have no significant influence on the performance of the firm.

Secondly, it is also evident from the results that the board size (Board_Size) mattered in pursuit of NCPE performance. Evidence from the analysis corresponds with Mishra and Kapil (2018) and Kalsie and Shrivastav (2016) that a significant positive correlation exists between the board size and firm performance. This signifies that a broader range of expertise and perspective provided by a larger board can be beneficial to the firm in formulating sound strategies and eventually enhances the firm's performance (Elad et al., 2017; Li et al., 2021; Murtaza et al., 2018; Orozco et al., 2018).

Equally important to note, the study revealed that the number of people nominated to serve on the board of directors for non-commercialised PEs did not exceed 7. This is in line with the directive

of Bebeji et al. (2015) that the board size should not be too large, because it will have a momentous negative impact on the firm's performance.

Thirdly, while other authors such as Akpan (2015), Musa (2020),Ting et al. (2018), and Qadorah and Fadzil (2018) argue that the frequent board meetings do not determine the performance of the firm, this study's results contradicted them by indicating a positive influence of holding regular board meetings (Board_M) on the performance of the non-commercialised PEs. Moreover, these findings were consistent with Al-Daoud et al. (2016) and Eluya, et al. (2018). The current study's findings also concur with the notion of the agency theory on the role of control that is measured by the effect of the board meetings on the company's performance as detailed by Buchdadi et al. (2019), Kapil and Mishra (2019), Li et al. (2021), and Ntim, and Osei (2011).

In addition to the findings from SEM, Factor 1 and Factor 2 also indicated positive effects on the NCPE performance. However, the impacts were relatively minimal at 8% and 6% respectively. In terms of Factor 1, these findings indicated that the board activity intensity (Board_AI), large shareholders (Large_SH), the board composition (Board_Comp), education qualifications influence on corporate governance (EQICG), and the audit committee (Audit_Comm) did not really play a major role in the performance of the NCPE.

In particular, the results did not fully conform the claim of Ebenezer (2017) that there exists an affirmative and substantial relationship between board activity intensity and firm performance because this study found the impact to be minimal. Additionally, various authors, e.g., Soana et al. (2021) and Isk and Soykan (2013), allude that a large shareholder has a significant positive impact on a firm's performance. This study supports them even if the positive influence is small. Moreover, although the impact of board composition is small, it still plays a vital role in improving performance, especially in public enterprises (Vianney, et al., 2020).

While some researchers (Akpan & Amran, 2014; Boadi & Osarfo, 2019; Harjoto et al., 2019) state that education qualification has a positive impact on the firm's performance, others (Demunu & Snuradh, 2020; Perlin, et al., 2019; Kanakriya, 2021) argue that education qualification has no influence on the firm's performance in any way. All the same, this study revealed a small positive impact between these variables. Lastly, the minimal influence of Audit_Comm in this study contradicted Aanu et al. (2014), that the size and frequency of audit committees do not have a significant effect on the performance of the firm.

Similarly, with respect to Factor 2, the results revealed that the board committee (Board_Comm), the CEO duality, CEO tenure (CEO_T), and gender diversity (Gender_Div) did not contribute much on the performance of NCPE, given a mere contribution of 6%. That is, a minimal impact of Board_Comm implies that board committee is not adequately fulfilling its responsibilities as required. On CEO_Duality, this study found a slight positive influence of CEO duality on the performance of the non-commercialised PEs. These findings were in line with Song & Kang (2019) who underscore that, from the stakeholders' performance, CEO duality can have a positive and significant impact on the firm's financial performance. However, it is also vital to note the directive of the agency theory that suggests that the two functions of the CEO duality should be performed by different individuals (da Costa & Martins, 2019) to maximise the firm's performance.

In terms of CEO_T, several studies infer the presence of a negative and significant impact of CEO tenure on the firm's performance (Choi et al., 2020; Khan et al., 2020; Munyende, 2021) while others, including Mandala et al. (2017) found no significant relationship between CEO service-tenure and firm performance. Nevertheless, evidence from the current study showed a small positive impact of CEO_T on the firm's performance. Lastly, the literature presents contradictions

on the influence of gender diversity on the performance of the firm, indicating a negative or no relationship (Boubaker et al., 2014; Hedija, & Němec, 2021; Kanakriyah, 2021 Pavić Kramarić et al., 2018). Nevertheless, the study at issue revealed a positive, yet minimal impact of gender diversity on the performance of non-commercialised PEs, conforming the findings of positive and significant association to the firm performance (Al-Jaif, 2020; Brahma et al., 2021; Demunu & Snuradha, 2020; Imade, 2019; Pucheta-Martinez & Gallego-Alvares, 2020).

4.10.1. Hypothesis Testing for SEM

Firstly, the study sought to test the hypothesis between the quality of board members and the performance of non-commercialised public enterprises in Windhoek, Namibia. In that regard, the null hypothesis stated that quality of board members had no positive impacts on the performance of non-commercialised public enterprises in Windhoek, Namibia while the alternative hypothesis stated that the quality of board members had a positive impact on the performance of non-commercialised public enterprises in Windhoek, Namibia. Table 4.10.1 summarises the results from SEM, where the t-values represent the statistically significance at 5% significant level.

Table 4.10.1: Hypothesis testing indices

	Factor1	**Factor2**	**Factor3**
Estimates	0.079	0.055	0.546
Std.err	0.022	0.034	0.026
t-value	19.096	19.041	19.959

Source: Author's extraction from the analysis (2022)

According to Hair et al. (2010), the null hypothesis is rejected when the t-value is less than the threshold of 1.96. On the other hand, it is not rejected when the t-value is greater than 1.96. As illustrated in table 4.11.1, the quality of board members were defined by three factors (Factor1,

Factor 2, and Factor 3). The t-values of all the factors were greater than 1.96 at 19.096 for Factor 1, 19.041 for Factor 2, and 19.959 for Factor 3.

This implies that the quality of board members had positive impacts on the performance of non-commercialised public enterprises. Therefore, the study rejected the null hypothesis in favour of the alternative hypothesis.

4.11. Factors that need Improvement to Enhance the Overall Performance

Overall, evidence from the study prove that all factors defining the quality of board members have positive influence on the performance of non-commercialised public enterprises (NCPE) in Namibia, as detailed in the previous section. However, it is evident from the analysis that Factor1 and Factor 2 that recorded low impact on NCPE performance, need improvement. These improvements should focus on the Board_AI, Large_SH, Board_Comp, EQICG, Audit_Comm, Board_Comm, CEO_Duality, CEO_T, and Gender_Div to ensure that they are adequately serving their intended functions to enhance the performance of NCPE.

In general, the literature recommends that firms should instead expand their board sizes and reduce the board activity intensity (Ansong, 2015; Al-Martin et al., 2014). Since the board activity intensity (Board_AI) showed just a slight positive impact on NCPE performance, this implies the prudence of non-commercialised public enterprises in Windhoek, Namibia to follow the directive of Ansong, (2015) and Al-Martin et al. (2014) by considering transferring the resources for Board_AI to widening the size of the board. Besides that, the findings indicated that non-commercialised public enterprises in Windhoek, Namibia did not have adequately large shareholders (Large_SH). This could be one of the reasons that Large_SH has recorded a small effect on NCPE performance.

Therefore, to enhance that impact, it is crucial for the non-commercialised public enterprises in Windhoek, Namibia to broaden the shareholders.

This is aligned with the ideology of Soana et al. (2021), stating that when the size of the shareholders is large enough, it can positively impact the firm's profitability. Also, long-term ownership by multiple large shareholders can reduce the risks associated with the firm. Furthermore, non-commercialised public enterprises also need to improve the board composition (Board_Comp) as it forms part of the corporate governance mechanism with a significant role in pursuit of the company's goals by ensuring transparency and accountability (Rahman & Saima, 2018). When these are served, the decided NCPE performance can be achieved.

Moreover, findings presented in the frequency analysis indicated that the board of directors for non-commercialised PEs consisted of members with good academic qualifications. However, evidence from inferential statistics showed just a minimal positive influence of education qualification on NCPE performance. This simply means that appointing qualified and independent members will not guarantee optimal performance. Thus, to enhance NCPE performance, members should continuously evaluate and improve their performance regardless of their qualifications, and they should be empowered with the authority and resources necessary to protect stakeholders' interests in financial reporting, sustainability, internal control, risk management, and governance processes (Morgan, 2010).

To improve the performance of the Board Committee (Board Comm) that can eventually enhance the NCPE performance, the boards should allocate the directors to the respective committees in such a manner that they mitigate information segregation through multi-committee directors (Chen & Wu, 2016). Furthermore, CEO duality did also not serve a great impact on NCPE performance. To address this, the non-commercialised PEs should adopt the agency theory call for the two

functions of CEO duality to be performed separately by different individuals (da Costa & Martins, 2019).

The CEO tenure for non-commercialised PEs in Namibia is 5 years. However, CEO tenure showed a small impact on NCPE performance. To attain the desired NCPE performance, it is vital for the CEO tenure to be prolonged, following the notion of Cao et al. (2021) that long service-tenure enables a positive and significant impact on a firm's financial performance, considering that the CEO is well compensated. Lastly, Brahma et al. (2020); Al-Jaifi (2020); and Demunu & Snuradha (2020), inter alia, suggest that a high number of female representations in the board has a positive and significant association with the firm performance. Following that, this study showed a slightly higher representation of female than male representation in the board as illustrated in the descriptive analysis. In the same light, the structural equation modelling revealed minimal influence of gender diversity on NCPE performance which may be a result of inadequate representation of females in the board. Therefore, to enhance the performance of the NCPE, the NCPE's boards need to improve on gender diversity by increasing the number of female representations in the board, as suggested by Brahma et al. (2021); Al-Jaifi (2020); and Demunu & Snuradha (2020).

4.12. Difference between Gender and Factors of the quality of board members

The study also examined whether there was a statistically significant relationship between gender (female and male) and the factors defining the quality of board members of non-commercialised public enterprises in terms of the Board_AI, Large_SH, Board_Comp, EQICG, and Audit_Comm for Factor 1; Board_Comm, CEO_Duality, CEO_T, and Gender_Div for Factor 2; and NEDs, Board_Size, and Board_M for Factor 3. In so doing, the study applied the independent samples t-test to run the analysis. The results are depicted in table 4.12.

Table 4.12: Independent sample test of gender and the factors of the board's characteristics

Factors	**Female**		**Male**		**t-value**	**p-value**
	Mean	Std. Dev	Mean	Std. Dev		
Factor 1	2.2495	0.24619	2.2993	0.28635	2.569	0.573
Factor 2	4.4868	0.33934	4.2127	0.44806	3.106	0.042
Factor 3	3.0291	0.41045	3.0341	0.22632	2.046	0.964

Source: Author's extraction from the analysis (2022)

According to the results from the independent sample test of gender and the factors of the quality of board members that define the performance of non-commercialised public enterprises, the study revealed that a significant difference existed only between gender and Factor 2 in terms of Board_Comm, CEO_Duality, CEO_T, given the p-value of 0.042 that was less than the threshold of 5% level of significance. This difference was proven to be statically significant as shown by the t-value of 3.106 that was greater than the threshold of 1.96, as explained by Hair et al. (2010). Besides that, the results showed that the p-values with respect to gender and Factors 1 and 3 were both greater than 5% level of significance as indicated in table 4.12. That is, 0.573 for Factor 1 and 0.964 for Factor 3. This indicates that there were no significant differences between gender and Factor1 in terms of Board_AI, Large_SH, Board_Comp, EQICG, and Audit_Comm, as well as between gender and Factor 3 in terms of NEDs, Board_Size, and Board_M.

Regarding the mean scores, the results revealed that the mean value for male was greater than that for female with regards to Factor 1 (male 2.299 > 2.250 female), while they were almost the same for Factor 3 (male 3.029 > 3.034 female).

This implies that male participants expressed a better perception for Factor1 than the female participants, while they expressed almost the same perception towards Factor 3.

However, female participants were mainly in favour of the components defining Factor 2, given the larger mean value of female at 4.487 against that for male at 4.213.

4.12.1 Hypothesis testing for Independent Samples T-test

The null hypothesis of the independent sample t-test asserted that there was no significant difference between the female and male with respect to the factors of the quality of board members (Factor 1, Factor 2, and Factor 3). Against that, the alternative hypothesis argues that the null hypothesis is not true. In that view, the null hypothesis is rejected when the p-value is greater than 5% level of significance. Following the results displayed in table 4.12, the p-values for Factor 1 and Factor 3 were both greater than 5% at 0.573 and 0.964, respectively. This is an indication that there was no significant difference between gender and Factor 1, just as much as it does not exist between gender and Factor 3. Therefore, the study failed to reject both the null hypotheses with respect to Factors 1 and 2.

4.13. Summary

This chapter presented the data, analysed them and interpreted the results and discussions. Firstly, the chapter elucidated how the data were screened to prepare them for the analysis. Subsequently, the study conducted the frequency analysis and descriptive statistics to determine the nature of the study and the appropriate statistical approach for inferential statistics. Thus, to measure the extent to which the variables were correlated to each other, the study chose to perform Pearson correlation analysis as indicated from the normality test.

Following this the factor analyses, specifically the exploratory factor analysis (EFA) and confirmatory factor analysis (CFA), were applied to measure the sampling adequacy, reliability, and validities of the constructs, as well as to determine the number of factors that are needed to explain the quality of board members in determining performance of non-commercialised public

enterprises (NCPE) in Windhoek, Namibia. Additionally, the study employed CFA to confirm the factor structure from the EFA; measure the reliability and validities of factors as well as the goodness fit of the model; and finally impute the stable scores for the factors that were necessary for the imputed path model in structural equation modelling. To analyse the impacts of the quality of board members, the chapter used structural equation modelling (SEM) and subsequently revealed the factors of the boards' characteristic that need improvement to enhance NCPE performance. Lastly, the chapter conducted the independent sample t-test to assess whether there existed significant differences between gender and the factors of the quality of board members that define NCPE. Hypotheses were also tested in this chapter. The following chapter provides a summary of findings, conclusions, and recommendations.

CHAPTER FIVE: DISCUSSION OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This study was conducted to analyse the impacts of the quality of board members on the performance of Non-Commercialised Public Enterprises in Windhoek, Namibia. The first chapter of the study provided the introduction and background, chapter 2 reviewed the literature while chapters 3 and 4 described the applied methodology and data analysis. This chapter is the last chapter of the study, and it serves to present a summary of the findings detailed in the previous chapter, provide the overall conclusions, and finally give recommendations. The next section summarises the findings.

5.2 Summary of Findings

This section is divided into four subsections. The first subsection summarises the findings from the frequency and descriptive analyses. The second subsection presents a summary of the main findings based on the objectives of the study, while the third and fourth subsections give the conclusion of the findings and the recommendations. Before the analysis, the study performed the data screening to detect the missing data and unengaged responses. While the findings showed some missing data, none of the responses were found to have missing data of 20% or more. Therefore, the study applied the replacement method to fill the missing data with the mean values as directed by Kline (2011). Consequently, the response rate was not affected as they were all fit for the analysis. Therefore, the analyses were based on 37 responses. The following subsection summarises the findings from the frequency and descriptive analyses.

5.2.1 Findings from Frequency and Descriptive Analyses

From the frequency analysis summarised in table 5.2.1, the gender demographic revealed a fair representation of gender in the study with a very slight skew to female. This implies that the boards of non-commercialised public enterprises comprised more females than males. In addition, it is also evident from the academic qualification frequency that most of the boards' representatives were educated with at least a bachelor's degree and that only 18.81% of the participants were in possession of a certificate or a diploma. Lastly, evidence from the frequency analysis shows that most of the representatives of the boards for non-commercialised public enterprises were the employees of the public sector.

Table 5.2.1 Summary of frequency analysis

Category		**Frequency**
Gender	Female	51.35%
	Male	48.65%
Education	Bachelor or Honour's Degree (BD/HD)	37.87%
	Master's Degree (MD)	32.43%
	Certificate or Diploma (Cert/Dip)	18.92%
	Doctorate (PhD)	10.81%
Occupation	Public Sector Employee (Public_SE)	56.76%
	Self-Employee (Self_Emp)	16.22%
	Private Sector Employee (Private_SE)	13.51%
	NGO	13.51%

Source: Author's compilation (2022)

In terms of descriptive analysis, 16 items were employed as the measures for the quality of board members. From the analysis, some variables such as the board leadership structure, the board committee, ethical conduct, board composition, CEO duality, audit committee, board meetings, board activity intensity, non-executive directors, board independence, and educational qualification showed high mean values, indicating that the participants were mainly in favour of

the items used to measure these variables. Moreover, the mean values for the board size, gender diversity, large shareholders, and CEO tenure were clustered around 3, implying that the respondents were neutral towards the measuring items of these variables. Lastly, managerial ownership recorded the lowest mean of 2.225, signifying that the participants were not in favour of the items used to measure managerial ownership.

Nevertheless, these analyses were not adequate to draw the conclusion from. Hence, further analyses were performed based on the objectives of the study. A prior normality test was conducted using the Shapiro-Wilk test as well as the skewness and kurtosis tests to determine the type of inferential statistics for the subsequent analyses. The results revealed that the data were normally distributed. Therefore, Pearson correlation, factor analysis, structural equation modelling and independent sample t-tests were conducted. The following section summarises the findings from the inferential statistics.

5.2.2 Main Findings of the Study

The main findings of the study were aligned with the objectives that the study intended to attain. Firstly, the study sought to determine the number of factors of the quality of board members that are adequate to define the performance of the non-commercialised public enterprises in Windhoek, Namibia. To attain that, the study used factor analyses that revealed only three factors that comprise Board_AI, Large_SH, Board_Comp, EQICG, and Audit_Comm for Factor1; Board_Comm, CEO_Duality, CEO_T, and Gender_Div for Factor 2; and NEDs, Board_Size, and Board_M for Factor 3. In total, only 12 variables were found to be a good fit to explain the quality of board members for Non-Commercialised Public Enterprises.

In that light, managerial ownership, board leadership, board independence, and ethical conduct variables were excluded as they were not a good fit to the model, as they had either cross-loadings or were loaded with a value less than 0.5 based on the directive of Gaskin (2016). Also, important to note, CFA confirmed the reliability and validity of the measurement model.

Secondly, following the results from the factor analyses, the study analysed the impacts of the quality of board members on the performance of non-commercialised public enterprises (NCPE performance) in Windhoek, Namibia using the three factors established with factor analyses. In that light, the study found all the factors of the quality of board members to have positive impacts on the NCPE performance, although the effects were minimal for Factors 1 and 2 at 8% and 6%, respectively and moderate for factor 3 at 55%.

In a nutshell, the study rejected the null hypothesis in favour of the alternative hypothesis to indicate that a positive impact exists between the quality of board members in terms of Factor 1, Factor 2 and Factor 3 and NCPE performance. Thirdly, the findings from structural equation modelling indicated that factors 1 and 2 need improvement for the non-commercialised public enterprises to enhance their performance.

Lastly, the study conducted the independent sample t-test to examine whether there exist significant differences between gender and the factors of the quality of board members that define the performance of non-commercialised public enterprises. The results indicated that a statistically significant difference existed between gender and factor 2, unlike between gender and factors 1 and 3. Therefore, the study rejected the null hypothesis with respect to Factor 2 and failed to reject the null hypotheses with regards to Factor 1 and Factor 3.

Finally, it is also evident from the independent sample t-test that males have better perceptions of the items constituted in Factor 1 while females have better perceptions of the elements in Factor 2. However, the perceptions of both gender on the items comprised in Factor 3 are almost the same.

5.3 Conclusions

The main objective of the study was to analyse the impacts of the quality of board members on the performance of non-commercialised public enterprises (NCPE performance) in Windhoek, Namibia. To attain that, the study conducted factor analyses to determine the number of factors that can explain the quality of board members. The results revealed three factors, comprising; Factor 1 (Board_AI, Large_SH, Board_Comp, EQICG, and Audit_Comm), Factor 2 (Board_Comm, CEO_Duality, CEO_T, Gender_Div), and Factor 3 (NEDs, Board_Size, and Board_M). Managerial ownership, board leadership, board independence, and ethical conduct variables were excluded because they did not pass the factor analysis for consideration in the subsequent model.

Given the three factors from the factor analysis, the study performed the structural equation modelling on a computed model and the results showed that there exists a moderate and positive impact of Factor 3 of the quality of board members on NCPE performance while Factors 1 and 2 reveal positive minimal impacts. In brief, evidence prove the quality of board members in terms of the Board_AI, Large_SH, Board_Comp, EQICG, Audit_Comm, Board_Comm, CEO_Duality, CEO_T, Gender_Div, NEDs, Board_Size, and Board_M can impact the performance of the NCPE positively.

Nevertheless, the study indicated a need for improvement on Board_AI, Large_SH, Board_Comp, EQICG, Audit_Comm, Board_Comm, CEO_Duality, and CEO_T for non-commercialised public enterprises to enhance their performance.

Lastly, the study revealed a statistically significant difference between gender and Factor 2 (Board_Comm, CEO_Duality, CEO_T, Gender_Div), and no significant difference between gender and Factor 1 (Board_AI, Large_SH, Board_Comp, EQICG, and Audit_Comm) and Factor 3 (NEDs, Board_Size, and Board_M).

5.4 Recommendations for practical implementation

The section provides the two sects of recommendations. Firstly, the section gives recommendations in terms of practical implications based on the findings from the study. Secondly, the section details the areas of focus for future studies based on the limitations and delimitations of the study.

5.4.1 Practical Implementations

Following the overall findings, the study found Board_AI, Large_SH, Board_Comp, EQICG, Audit_Comm, Board_Comm, CEO_Duality, CEO_T, Gender_Div, NEDs, Board_Size, and Board_M to be fitting well as determinants of the quality of board members that determine the performance of non-commercialised public enterprises, unlike managerial ownership, board leadership, board independence, and ethical conduct. This implies that the non-commercialised public enterprises need to focus more on the 12 aspects that define the quality of board members. Therefore, they should divert financial and non-financial resources associated with the managerial ownership, board leadership, board independence, and ethical conduct that were not proven to be a good-fit to explain the quality of board members to the components of Factors 1 and 2. These factors need improvement to enhance performance for NCPE. These components include the Board_AI, Large_SH, Board_Comp, EQICG, Audit_Comm, Board_Comm, CEO_Duality, CEO_T, and Gender_Div.

5.4.2 Recommendations for Future Study

This study applied a quantitative approach alone. This means that the impact of the quality of board members on performance for non-commercialised public enterprises is only known from the quantitative perspective, leaving a gap on the impact from the qualitative aspect. Therefore, the study recommends future studies to explore the phenomenon deeper on a qualitative perspective.

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Apendices

Appendix 1: Letter of Consent

INFORMED CONSENT FORM

I hereby confirm that I fully understand the contents of this questionnaire and the nature of the research project. I also understand that I am free to withdraw from this study at any time, should I so desire, without any repercussions.

Participant's signature_____

Date_____

Appendix 2: Research Permission Letter

NBS
NAMIBIA BUSINESS SCHOOL
UNIVERSITY OF NAMIBIA

18 October 2021

TO WHOM IT MAY CONCERN

Re: MBA Management Strategy, Student – Mr. Mateus Ndeshikeya Student Number-218351259

As part of our Masters Programme, students are expected to submit a research report after completion of their course-work. They need to explore in detail, some concepts and issues pertaining management strategies. To do that effectively, they need to conduct interviews and obtain practical examples.

Mr. Ndeshikeya has chosen your organization to approach for information. It is against this background that I wish to kindly request you to assist Mr. Ndeshikeya with the information he requires. Accept our assurance that the data will be used for academic purposes only. A copy of the completed document will be available at the Namibia Business School for perusal. His research synopsis indicates that his topic touches on "Analysing the impact of board characteristics on the performance of non-commercialized public enterprises in Khomas Region, Namibia".

Your kind assistance is highly appreciated.

Yours sincerely

NAMIBIA BUSINESS SCHOOL
NBS
28 OCT 2021
ACADEMIC SERVICES
UNIVERSITY OF NAMIBIA
Inspiring Minds & Shaping the Future

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Appendix 3: Similarity Check Report Summary

Curiginal

Document Information

Analyzed document	May 2022 MBMS Research Project - Mateus Ndeshikeya - 218351259_Data Analysis- 08 May.docx (D136604918)
Submitted	2022-05-15T16:22:00.0000000
Submitted by	
Submitter email	mndeshikeya@iway.na
Similarity	3%
Analysis address	mwakipg.unam@analysis.urkund.com

Sources included in the report

SA	**49087280.pdf** Document 49087280.pdf (D132049798)	5
SA	**MGT646C_GABRIEL_SYAZWAN_SORVINA_ZAKI_draft.docx** Document MGT646C_GABRIEL_SYAZWAN_SORVINA_ZAKI_draft.docx (D127358997)	1
SA	**CSR and firm performance - august 28 - modified for JCSR.doc** Document CSR and firm performance - august 28 - modified for JCSR.doc (D35254924)	1
W	URL: https://www.emerald.com/insight/content/doi/10.1108/AJEB-01-2022-0003/full/html Fetched: 2022-05-15T16:22:14.1130000	3
W	URL: https://jscimath.win/index.php/daengku/article/view/587 Fetched: 2022-05-15T16:22:13.6400000	4
SA	**MOCA_AM700_SHAFIQAH AMIRAH AMIRUDIN_2020652458_FINAL.docx** Document MOCA_AM700_SHAFIQAH AMIRAH AMIRUDIN_2020652458_FINAL.docx (D129669551)	1
SA	**Research Paper Final Version_s4393104.docx** Document Research Paper Final Version_s4393104.docx (D107559026)	4
SA	**MAIN DOCUMENT WITH TABLES.pdf** Document MAIN DOCUMENT WITH TABLES.pdf (D118898520)	3
SA	**i6240955_Weuthen_Rik_Diamantis.pdf** Document i6240955_Weuthen_Rik_Diamantis.pdf (D132072160)	1
SA	**Gender Diverse Boards and Related-Party Transactions.docx** Document Gender Diverse Boards and Related-Party Transactions.docx (D21110518)	2
SA	**SUPERVISOR 8 2235603 Proposal.pdf** Document SUPERVISOR 8 2235603 Proposal.pdf (D26991223)	1
W	URL: https://www.koreascience.or.kr/article/JAKO202115563454869.view?orgId=kodisa Fetched: 2021-12-15T17:11:56.5970000	4

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Appendix 4: Editorial Certificate

C.E. Olivier
Post Box 21945
Windhoek
Namibia

email: chrissieolivier@gmail.com
Cell: 081 293 5222

24 June 2022

To whom it may concern

I, the undersigned, hereby acknowledge that I edited and proof read the following Master's dissertation for language and typographical correctness:

ANALYSING THE IMPACT OF BOARDS' SHARACTERISTICS ON THE PERFORMANCE OF NON-COMMERCIALISED PUBLIC ENTERPRISES IN WINDHOEK, NAMIBIA

I have indicated the areas in the dissertation to which attention should be paid. All textual changes made to this dissertation after the date above are not covered by the editing and proof reading.

I trust that my advice was accepted and that these corrections and changes were executed as suggested.

Sincerely

CEOlivier

Signature

Ms C. E. Olivier

Qualifications

LSTD – University of the Western Cape, 1973.

BA – University of South Africa, 1983.

B. Ed – University of Namibia, 1990.

BA Honours in Applied Linguistics – University of South Africa, 1999.

MA in Applied Linguistics – University of South Africa, 2003.

Appendix 5: Classification of public enterprises

GOVERNMENT GAZETTE

OF THE

REPUBLIC OF NAMIBIA

N$4.00 WINDHOEK - 31 May 2013 No. 5213

CONTENTS

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GOVERNMENT NOTICES

No. 141 Amendment of Government Notice No. 174 of 2010: Directives in relation to remuneration levels for chief executive officers and senior managers of state-owned enterprises and annual fees and sitting allowances for board members: State-owned Enterprises Governance Act, 2006 1

No. 142 Substitution of Schedule 1 to State-owned Enterprises Governance Act, 2006 3

Government Notices

STATE- OWNED ENTERPRISES GOVERNANCE COUNCIL

No. 141 2013

AMENDMENT OF GOVERNMENT NOTICE NO. 174 OF 2010: DIRECTIVES IN RELATION TO REMUNERATION LEVELS FOR CHIEF EXECUTIVE OFFICERS AND SENIOR MANAGERS OF STATE-OWNED ENTERPRISES AND ANNUAL FEES AND SITTING ALLOWANCES FOR BOARD MEMBERS: STATE-OWNED ENTERPRISES GOVERNANCE ACT, 2006

In terms of section 4(1)(d)(iii) of the State-owned Enterprises Governance Act, 2006 (Act No. 2 of 2006), the State-owned Enterprises Governance Council, amends the directives, published under Government Notice No. 174 of 12 August 2010, as set out in the Schedule.

H. GEINGOB
CHAIRPERSON
STATE-OWNED ENTERPRISES GOVERNANCE COUNCIL Windhoek, 14 May 2013

SCHEDULE

Substitution of Table 1 to Government Notice No. 174 of 12 August 2010, as amended by Government Notice No. 143 of 2 August 2011.

1. Item 2.3 of Government Notice No. 174 of 12 August 2012, as amended by Government Notice No. 134 of 1 August 2011, is amended by the substitution for "Table 1" of the following Table:

"TABLE 1

CLASSIFICATION BY CATEGORY AND SIZE

	Category as per State-owned Enterprises Governance Act, 2006		
	Economic and Productive Enterprises	**Regulatory Enterprises**	**Service Rendering Enterprises**
Tier 3	Air Namibia August 26 Holdings Company (Pty) Ltd Meat Corporation of Namibia Namibia Ports Authority Namibia Post Namibia Power Corporation Namibia Water Corporation Roads Contractor Company Telecom Namibia TransNamib Holdings Ltd	Namibia Financial Institution Supervisory Authority	
Tier 2	Agricultural Bank of Namibia Development Bank of Namibia Namibia Airports Company Namibia Development Corporation Namibia Institute of Pathology Namibia Wildlife Resorts National Housing Enterprise Roads Fund Administration	Communication Regulatory Authority of Namibia Fishery Observer Agency Namibia Competition Commission National Petroleum Corporation of Namibia	Motor Vehicle Accident Fund Namibia Standards Institution National Youth Service Roads Authority Social Security Commission

Tier 1	Lüderitz Waterfront Limited Namibia Agronomic Board Namibia National Reinsurance Corporation New Era Publication Corporation Offshore Development Company Star Protection Service Windhoek Machinen Fabrik Zambezi Waterfront Limited	Electricity Control Board Karakul Board of Namibia Meat Board of Namibia National Council for Higher Education Namibia Qualification Authority Namibia Special Risk Insurance Association Namibia Tourism Board Namibia Sports Commission	Environmental Investment Fund of Namibia National Disability Council National Art Gallery of Namibia Namibia college of Open Learning National Heritage Council Namibia Press Agency National Theater of Namibia

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STATE- OWNED ENTERPRISES GOVERNANCE COUNCIL

No. 142 2013

SUBSTITUTION OF SCHEDULE 1 TO STATE-OWNED ENTERPRISES GOVERNANCE ACT, 2006

Under section 47 of the State-owned Enterprises Governance Act, 2006 (Act No. 2 of 2006), the State-owned Enterprises Governance Council, amends Schedule 1 to that Act by the inclusion of entities:

H. GEINGOB
CHAIRPERSON
STATE-OWNED ENTERPRISES GOVERNANCE COUNCIL Windhoek, 21 May 2013

SCHEDULE 1

State-owned enterprises

Enterprises		*Establishing Act*
1.	Meat Board of Namibia	Meat Industry Act, 1981 (Act No. 12 of 1981)
2.	Karakul Board of South West Africa	Karakul Pelts and Wool Act, 1982 (Act No. 14 of 1982
3.	National Special Risks Association (Nasria)	Second Finance Act, 1987 (Act No. 27 of 1987)
4.	Namibian Broadcasting Corporation	Namibian Broadcasting Act, 1991 (Act No. 9 of 1991)
5.	National Fishing Corporation of Namibia Limited	National Fishing Corporation of Namibia Limited Act, 1991 (Act No. 28 of 1991)
6.	New Era Publication Corporation	New Era Publication Corporation Act, 1992 (Act No. 1 of 1992)

26.	War Veterans Trust Fund	War Veterans Subvention Act, 1999 (Act No. 16 of 1999)
27.	Roads Authority	Roads Authority Act, 1999 (Act No. 17 of 1999)
28.	Road Fund Administration	Road Fund Administration Act, 1999 (Act No. 18 of 1999)
29.	Electricity Control Board	Electricity Act, 2000 (Act No. 2 of 2000)
30.	National Art Gallery of Namibia	National Art Gallery of Namibia Act, 2000 (Act No. 14 of 2000)
31.	Namibia Tourism Board	Namibia Tourism Board Act, 2000 (Act No. 21 of 2000)
32.	Trust Fund for Regional Development and Equality Provisions	Trust Fund for Regional Development and Equality Provisions Act, 2000 (Act No. 22 of 2000)
33.	Fisheries Observer Agency	Marine Resources Act, 2000 (Act No. 27 of 2000)
34.	Meat Corporation of Namibia	Meat Corporation of Namibia Act, 2001 (Act No. 1 of 2001)
35.	Namibia Financial Institutions Supervisory Authority	Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No. 3 of 2001)
36.	Motor Vehicle Accident Fund	Motor Vehicle Accident fund Act, 2001) Act No. 4 of 2001)
37.	Environment Investment fund of Namibia	Environment Investment fund of Namibia Act, 2001 (Act No. 13 of 2001)
38.	Namibian Competition Commission	Competition Act, 2003 (Act No. 2 of 2003)
39.	Agricultural Bank of Namibia	Agricultural Bank of Namibia Act, 2003 (Act No. 5 of 2003)
40.	Development Bank of Namibia	Development Bank of Namibia Act, 2004 (Act No. 8 of 2002)
41.	National Commission on Research Science and Technology	Research, Science and Technology Act, 2004 (Act No. 23 of 2004)
42.	National Disability Council	National Disability Council Act, 2004 (Act No. 26 of 2004)
43.	National Heritage Council	National Heritage Council Act, 2004 (Act No. 27 of 2004)
44.	Accreditation Board of Namibia	Accreditation Board of Namibia Act, 2006 (Act No. 8 of 2006)
45.	Namibia Power Corporation (Proprietary) Limited	

26.	War Veterans Trust Fund	War Veterans Subvention Act, 1999 (Act No. 16 of 1999)
27.	Roads Authority	Roads Authority Act, 1999 (Act No. 17 of 1999)
28.	Road Fund Administration	Road Fund Administration Act, 1999 (Act No. 18 of 1999)
29.	Electricity Control Board	Electricity Act, 2000 (Act No. 2 of 2000)
30.	National Art Gallery of Namibia	National Art Gallery of Namibia Act, 2000 (Act No. 14 of 2000)
31.	Namibia Tourism Board	Namibia Tourism Board Act, 2000 (Act No. 21 of 2000)
32.	Trust Fund for Regional Development and Equality Provisions	Trust Fund for Regional Development and Equality Provisions Act, 2000 (Act No. 22 of 2000)
33.	Fisheries Observer Agency	Marine Resources Act, 2000 (Act No. 27 of 2000)
34.	Meat Corporation of Namibia	Meat Corporation of Namibia Act, 2001 (Act No. 1 of 2001)
35.	Namibia Financial Institutions Supervisory Authority	Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No. 3 of 2001)
36.	Motor Vehicle Accident Fund	Motor Vehicle Accident fund Act, 2001) Act No. 4 of 2001)
37.	Environment Investment fund of Namibia	Environment Investment fund of Namibia Act, 2001 (Act No. 13 of 2001)
38.	Namibian Competition Commission	Competition Act, 2003 (Act No. 2 of 2003)
39.	Agricultural Bank of Namibia	Agricultural Bank of Namibia Act, 2003 (Act No. 5 of 2003)
40.	Development Bank of Namibia	Development Bank of Namibia Act, 2004 (Act No. 8 of 2002)
41.	National Commission on Research Science and Technology	Research, Science and Technology Act, 2004 (Act No. 23 of 2004)
42.	National Disability Council	National Disability Council Act, 2004 (Act No. 26 of 2004)
43.	National Heritage Council	National Heritage Council Act, 2004 (Act No. 27 of 2004)
44.	Accreditation Board of Namibia	Accreditation Board of Namibia Act, 2006 (Act No. 8 of 2006)
45.	Namibia Power Corporation (Proprietary) Limited	

46.	Air Namibia (Proprietary) Limited	
47.	National Petroleum Corporation of Namibia (Proprietary) Limited	
48.	August 26 Holdings Company (Proprietary) Limited	
49.	Windhoek Machinen Fabrik (1998) (Proprietary) Limited	
50.	Namibia Bricks Enterprises (Proprietary) Limited	
51.	Star Protection Services (Proprietary) Limited	
52.	National Theatre of Namibia (Association not for gain)	
53.	Namibia Standards Institution	Standards Act, 2005 (Act No. 18 of 2005)
54.	Communication Regulatory Authority of Namibia	Communication Act, 2009 (Act No. 8 of 2009
55.	Namibia Estates Agents	Estate Agents Act, 1976 (Act No. 12 of 1976)
56.	University of Namibia	University of Namibia Act, 1992 (Act No. 18 of 1992
57.	Namibia Sports Commission	Sports Act, 2003 (Act No. 12 of 2003)
58.	Namibian Institute of Public Administration and Management	Namibian Institute of Public Administration and Management Act, 2006 (Act No. 2 of 2006)
59.	Polytechnic of Namibia	Polytechnic of Namibia Act, 1994 (Act No. 33 of 1994)
60.	Namibia Training Authority	Vocational Education and Training Act, 2008 (Act No. 1 of 2008)
61.	National Youth Council	National Youth Council Act, 2001 (Act No. 13 of 2001)
62.	National Youth Service	National Youth Service Act, 2005 (Act No. 6 of 2005)
63.	Namibia Statistic Agency	Statistics Act, 2011 (Act No. 9 of 2011)
64.	Namibia Fish Consumption Promotion Trust	
65.	Namibia Institute for Mining Technology	
66.	Namibia Board of Trade	
67.	Epangelo Mining Company (Proprietary) Limited	
68.	Zambezi Waterfront (Proprietary) Limited	
69.	Lüderitz Waterfront Company (Proprietary) Limited	

70. Henties Bay Waterfront (Proprietary) Limited

71. Namibia Development Corporation

72. Offshore Development Company

Appendix 6: Research Questionnaire

ANALYSING THE IMPACT OF BOARDS' CHARACTERISTIC ON PERFORMANCE OF NON-COMMERCIALISED PUBLIC ENTERPRISES (PES) IN WINDHOEK, NAMIBIA

Section A: Demographic Data

Please Tick (✓) only one option

1. **Gender**

Gender	Tick only one✓
Male	
Female	

2. **Age category**

Age category	Tick only one✓
21-30	
31-40	
41-50	
51-60	
61-70	
71 and above	

3. **Highest Educational**

Your highest Educational level	Tick only one✓

Diploma	
Bachelor Degree	
Honours Degree	
Master Degree	
PhD	
Other(please Specify_____	

4. Marital Status

What is your marital Status?	Tick only one✓
Single	
Married	
Divorced	
Widow/Widower	

5. What is your occupation?

What is your Occupation?	Tick only one✓
Self-employed	
Private sector employee	
Public sector employee	
Non –Governmental organisation(NGO)	

6. Job category

Please tick your job category at the PE

Job description	Pease tick only one option here
Chairperson of the board	
Executive member (Inside Director)	
Independent Non-Executive member	
Chairperson of HRC Sub-Committee	
Chairperson of the Audit/Finance Committee (FINCOM)	
Chairperson of the Board Strategic Committee	
Chairperson of Remunerations Committee	
Chairperson of Nomination Committee	

SECTION B QUALITY OF BOARD MEMBERS/VARIABLES

7. BOARD SIZE

Board size is presented on a 5-point Likert scale as follows: SA= strongly Agree A= Agree, U= Undecided DA= disagree, SD= strongly disagree. You are required to tick only one option per statement below.

Statement	SA	A	U	DA	SD
The number of people nominated to serve on the board of directors does not exceed seven (7)					
Due to the size of the board, every board member engages and participates fully during board meetings.					
The board, due to its size, plays an important role in improving and enhancing the outcomes of decisions because of their ability to share ideas and make contributions which lead to the provision of new ideas and opinions to executive management					
Board size is determined by majority shareholders					

8. CEO Duality

CEO Duality and the performance of SOEs in Namibia is presented on a 5-point Likert scale as follows: SA= strongly Agree A= Agree, U= Undecided DA= disagree, SD= strongly disagree. You are required to tick only one option per statement below.

Statement	SA	A	U	DA	SD
The positions of CEO and board Chairperson are held by two different individuals/persons					
CEO duality is not practiced in Namibia					
The separation of CEO and board Chairperson has increased the independence of the board from the executive management					
The separation of the two positions has resulted in better and improved performance by the board due to improved monitoring and overseeing of the executive management by the board					
The role/responsibility of the chairperson of the board is to monitor both the executive management and board members, manage board meetings, and ensure that all issues pertaining to the company/PE are listed on the agenda for discussion in board meetings					
The separation between CEO and board chairperson has brought about massive board independence, increased provision of efficient checks and balances over managerial behavior.					
The separation of the roles of the chairperson and the CEO demarcates a clear boundary between management's decision control and the monitoring function of the board					
Splitting the roles of the CEO and Chairperson of the board can result in better					

and improved financial performance as well as the overall performance of the company/PE					

9. The Non- Executive Directors (NEDs)

The Non-Executive Directors (NEDs) is presented on a 5-point Likert scale as follows: SA= Strongly Agree A= Agree, U= Undecided, DA= Disagree, SD= Strongly Disagree. You are required to tick only one option per statement below

Statement	SA	A	U	DA	SD
The number of Non-Executive Directors on the board is more than that of executive directors thus enhancing improved monitoring of the executives by the board.					
One of the functions of the board is to form a link between the external and the internal environments of the company/PE with the sole aim of enhancing managerial function.					
The Non-Executive Directors (NEDs) serving on boards are there to improve decision making, supervision and resource mobilization					
Decisions the board makes are of high quality and can result in improved performance of the company/PE.					
The Non-Executive Directors (NEDs) serving on the board have less detailed knowledge about the daily operations of the company/PE as compared to inside executive directors					
NEDs are responsible for conflict mediation between managers and shareholders and therefore maximizing wealth and ultimately improving performance					
Non-Executive Directors who are serving CEOs in Other PEs lack interest and the					

ability to execute their roles and functions efficiently					
The greater the number of Non-Executive (NEDs) Directors on the board, the more effective and better the company will perform.					
Non-Executive Directors (NEDs) provide the board with external experience, skills, knowledge and linkages to external networking relationship					
Although they are part-time workers NEDs have the necessary information on the internal operations of the company/PE					

10. Board Independence.

Board independence is presented on a 5-point Likert scale as follows: SA= Strongly Agree A= Agree, U= Undecided DA= Disagree, SD= Strongly Disagree. You are required to tick only one option per statement below

Statement	SA	A	U	DA	SD
The board is independent because it has a high number of Non-Executive Directors (NEDs)					
The effectiveness of the board depends on the right and optimal mix between executive (inside) and non-executive directors					
Board independence can be determined by the ratio of non-executive directors to the size of the board.					

11. Board Activity Intensity

Board activity intensity is presented on a 5-point Likert scale as follows: SA= Strongly Agree A= Agree, U= Undecided DA=Disagree, SD= Strongly Disagree. You are required to tick only one option per statement below

Statement	SA	A	U	DA	SD

Board meeting time is an important resource for improving the effectiveness of a corporate board					
It is not good for board members to spread their time too thinly as a result of accepting too many outside directorships, thereby making it too difficult for them to attend scheduled board meetings.					
When board of directors meet frequently, they are most likely to enhance the performance of the company/PE and thus perform their functions in accordance with shareholders' interests.					
Board meetings are useful because they are used as platforms where board members meaningfully exchange ideas amongst themselves and the executive management of the SOE					
The agenda of all meetings held by the board are set by the board itself and NOT the CEO					

12. CEO Tenure

CEO tenure is presented on a 5-point Likert scale as follows: SA= Strongly Agree A= Agree, U= Undecided DA= Disagree, SD= Strongly Disagree. You are required to tick only one option per statement below

Statement	SA	A	U	DA	SD
The term of office for the CEO is five years with a possible extension for a further five years and not more than that					
The company/PE intends to keep the CEO in service after ten (10) years of service					
Long serving CEOs usually pay very little attention to the general operations of the company/PE, thus enhancing poor performance					

13. Audit Committee

The Audit Committee and its characteristics is presented on a 5-point Likert scale as follows: SA=Strongly Agree; A=Agree; U=Undecided; DA= Disagree; SD=Strongly Disagree. You are required to tick only one option per statement below.

Statement	SA	A	U	DA	SD
The audit committee of the board comprises majority non-executive directors who are not affiliated to the company/PE.					
There are more than three members to this committee and all non-executive directors.					
The committee's main objective is to improve the financial management and performance of the company/PE.					
The committee meets frequently to discuss issues related to the financial management and performance of the PE/company.					

14. Ethical Conduct

Ethical conduct is presented on a 5-point Likert scale as follows: SA=Strongly Agree; A=Agree; U=Undecided; DA=Disagree; SD= Strongly Disagree. You are required to tick only one option per statement below.

Statement	SA	A	U	DA	SD
The board is characterized by a high level of required competence and skills, exercise proper due care in their duties and uphold high standards of integrity and act fairly.					
The board has demonstrated a clear and strong leadership that has resulted in the elimination of all inconsistencies in employees' behavior, thus forcing such employees to abandon practices derived from their personal practices.					
The board has successfully managed to articulate, determine and communicate values and standards of business, ensuring that policies, procedures and controls are in place to embed rather that hinder ethical values throughout the PE/company.					

The board is responsible for providing the much required ethical leadership within the PE/company.					
The board ensures that there is total and absolute compliance to established ethical codes of conduct to ensure improved corporate performance.					
A strong ethical culture makes employees feel engaged and committed to the PE/company, thus protecting the company/PE from any risk associated with misconduct or improper behavior.					

15. Board Leadership Structure

Board leadership structure is presented on a 5-point Likert scale as follows: SA=Strongly Agree; A== Agree; U=Undecided; DA=Disagree; SD=Strongly Disagree. You are required to tick only one option per statement below.

Statement	SA	A	U	DA	SD
The board has a separate leadership structure in which the positions of board chairperson					

and CEO are held by two different people.					
The board has successfully managed to monitor executive management and protect shareholders' interests.					
The CEO supervises the executive team and the day-to-day activities of the company/PE, while the chairperson manages and supervises the board, ensuring the effective execution of oversight and strategy, reducing mistakes, neglect and a potential conflict of interest.					
The chairperson's role is to ensure that the board works effectively and should therefore involve monitoring and evaluating the performance of the executive directors and the CEO.					
The chairperson has a strategic sense, the ability to analyze and					

understand and foresee changes in the business environment.					
The CEO manages and implements decisions and strategies formulated by the board of directors.					

16. Managerial Ownership

Managerial Ownership is presented on a 5-point Likert Scale as follows: SA=Strongly Agree; A=Agree; U==Undecided; DA=Disagree; SD=Strongly Disagree. You are required to tick only one option per statement below.

Statement	SA	A	U	DA	SD
As a result of the absence of managerial ownership, managers do not work in the best interests of the company and shareholders.					
Managers and shareholders' interests are not aligned, therefore resulting in poor performance by the PE/company.					
Managers have been reluctant to account for their actions or deeds.					

17/. Large shareholders

Large shareholders are presented on a 5-point Likert Scale as follows: SA=Strongly Agree; A=Agree; U=Undecided; DA=Disagree; SD=Strongly Disagree. You are required to tick only one option per statement below.

Statement	SA	A	U	DA	SD
The board and the executive management are effectively controlled by line Ministries representing GRN.					
The GRN, through line Ministries, has more influence in the appointment of Non-executive directors (NEDs) and the CEO as well as the determination of their pay/salary packages.					

18. Board Composition

Board composition is presented on a 5-point Likert Scale as follows: SA=Strongly Agree; A==Agree; U=Undecided; DA=Disagree; SD=Strongly Disagree. You are required to tick only one option per statement below.

Statement	SA	A	U	DA	SD
The number of Non-executive Directors (NEDs) serving on the board are more than that of executive directors (inside directors).					

Independent Non-executive Directors (NEDs) are regarded as valuable due to the importance of their control and monitoring functions in respect of financial reporting.					
Although the number of executive directors is less than that of the Non-executive directors (NEDs), the executive directors still work much harder to achieve higher profits and shareholder returns.					
Although Non-executive directors (NEDs) have other commitments, they still remain committed to serving the PE/company to the best of their ability.					
Independent Non-executive directors on the board have the necessary and required expertise to understand certain technical issues within the PE/company and they also possesses sufficient information they need to make informed decisions.					

19. Board Committees

Board committee is presented on a 5 point Likert Scale as follows: SA=Strongly Agree, A=Agree; U=Undecided; DA=Disagree; SD= Strongly Disagree. You are required to tick only one option per statement below.

Effective board committees have been established to provide independent professional oversight of corporate activities to protect shareholders'' interests.					
These committees are independent, have access to much needed information, provide professional advice and comprises members who are financially literate.					
The committees are composed extensively of independent Non-executive directors (NEDs) to strengthen the internal control systems of the PE/company					
Most of the processes and decisions are derived from the board sub-					

committees such as the audit/finance committee, HR committee, remuneration committee and the nomination committee rather than the board.					
These board sub-committees are important in enhancing and strengthening the monitoring function of the board.					

20. Gender Diversity

Gender diversity is presented on a 5-point Likert Scale as follows: SA=Strongly Agree; A=Agree; U=Undecided; DA=Disagree; SD=Strongly Disagree. You are required to tick only one option per statement below.

Statement	SA	A	U	DA	SD
The board is characterized by a high level of gender diversity.					
Gender diversity is construed to provide an equitable representation and allows access to broader talent pool as well as diverse perspective by individual board members.					

The percentage of women representation on PE boards is less than that of their male counterparts.					
It is envisaged that women representation on boards globally, Namibia included, is fast growing or increasing.					
Women representation on boards can bring diverse views that can provoke lively boardroom discussions which can enhance quality decision making.					

21 . Educational Qualifications Influence on Corporate Governance

Educational qualification is presented on a 5-point Likert Scale as follows: SA=Strongly Agree; A=Agree; U=Undecided; DA=Disagree; SD=Strongly Disagree. You are required to tick only one option per statement below.

Statement	SA	A	U	DA	SD
Effective and efficient board functioning requires individuals with high levels of intellectual ability, experience, soundness of judgment and integrity.					

It has now become imperative to nominate people with high level of academic qualification to serve on boards of Directors for PEs because they have skills and competencies required to improve organizational effectiveness.					
Accordingly, representation by individuals on the board by individuals with higher qualifications satisfies the expectations of board diversity, need for merit and can as well widen the base for wisdom.					
Board members with higher qualifications can extend the knowledge base and stimulate board members to consider other alternatives and enhance critical thinking.					
A lack of diversity and well qualified people on the board can result in a lack of critical thinking and much needed innovation					

Academically qualified people on the board will provide a rich source of innovative ideas for developing policy initiatives with analytical depth and rigour necessary for offering unique perspectives on strategic issues					

22. Board Meetings

Board meetings are presented on a 5-point Likert Scale as follows: SSA=Strongly Agree; A=Agree; U=Undecided; DA=Disagree; SD=Strongly Agree. You are required to tick only one option per statement below.

Statement	SA	A	U	DA	SD
Board meetings are considered to be important resources for improving the effectiveness of the board.					
Board meetings include aspects such as preparation before meetings, attentiveness and participation during					

meetings as well as post meeting follow-ups.					
Frequent board meetings can improve board effectiveness and enhance greater diligence and successful board performance					
Board practices are positively related to the performance of the PE/company.					

END OF QUESTIONNAIRE

THANK YOU FOR YOUR TIME AND PARTICIPATION