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EXPLORING BOARD DIVERSITY FROM A STAKEHOLDER PERSPECTIVE

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Abstract

The research sought to understand whether board selection yields diversity on the board of directors and whether diversity improves performance of boards. The collapse of companies in Zimbabwe and globally is alarming, yet the companies are directed and controlled by non-executive directors who monitor and oversee the performance of management. The research was qualitative and rooted in the interpretive paradigm. Semi-structured interviews and social media were used to gather data. Purposive and snowball sampling were used to select respondents. Data was analysed using NVivo 10. Findings of the research were that diversity of the board comes in the form of skills, education, experience, gender mix and backgrounds. Two three year terms would bring enough diversity beyond which a board member would not contribute meaningfully. Interlocking directorships breed diversity up to a maximum of three boards. Board size was observed to bring knowledge, skills, resources, velocity of processing board issues and a fair representation of sectors of the economy. Recommendations of the study are that: boards should have a gender balance so that companies tap from capabilities of

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both genders. Appointments to boards should be based on skills and experience. Board members should not sit on more than two committees. Boards should have a reasonable balance of male and female non-executives.

Keywords: Board diversity, corporate governance, gender diversity, stakeholder satisfaction

INTRODUCTION

The board of directors is an important cog in the governance of firms. Firm survival hinges on a board with effective and controlling functions (Cadbury, 1992). While the Western and Eastern countries are far advanced in terms of the development and implementation of corporate governance codes, in Africa and some countries in Asia and the Caribbean were lagging far behind (Rossouw, 2005). Muranda (2006) has shown that companies in Zimbabwe continue to reel under pressures to survive yet they continue to collapse owing to poor corporate governance procedures and controls. Company collapses, judicial management, fraud and corruption are ills that have characterised the corporate landscape globally, regionally and locally.

Scandals perpetrated by big corporates in the developed world e.g. WorldCom, Tyco, Enron, Parmalat and Global Crossing have thrown world markets into turmoil as they led to losses by shareholders, employees, creditors, the economy and government at large (Bayrakdaroglu, Ersroy and Citak, 2012). Locally, examples of corporate failures have been faced by the ZBC in 2014, PSMAS in 2014, Air Zimbabwe in 2014 and AFRE in 2011. Failure by companies has largely been blamed on weak oversight roles (Agrawal, 2005). Why these failures continue when there are boards with men and women purported to be endowed with diverse characteristics and qualities remains one of the unanswered questions.

Joecks, Pull and Vetter (2012) found that a board is effective if gender diversity is large (at 10%) and when it is 30% performance surpasses male dominated boards. The research does not show whether a developing country gets to the 10% or 30% diversity. More so the measures that can be used to capacitate the supply side of board diversity are needed. There is also discord in research carried out in developed countries on issues of diversity as some find positive effects (Jurkus, Park and Woodward, 2008), no effects (Rose, 2007) and negative effects (Wellelage, 2011). It suits a developing country like Zimbabwe to find the effects of diversity on boards so that the right action can be taken. There is also need to unravel what diversity means to a board and how that can be a tool to improve the full potential of human factor on the board.

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Objectives of the study

To determine the different characteristics of diversity on boards.

To determine how diversity improves board processes.

To understand how board selection can yield diversity on the board.

LITERATURE REVIEW

Corporate governance and the board of directors

The corporate governance impetus has been ignited by many factors. The fact that corporate governance can contribute to economic success of corporations and to their sustainability in the long term is not debatable (Armstrong, 2004). A crisis of corporate governance is basically a crisis of the board of directors who are the architects of corporate governance whose major task is to ensure that the interests of stakeholders – investors, employees, communities, suppliers and customers are taken care of (Ayogu, 2001).

Board Diversity

To understand the impact of diversity, scholars have recently argued that it is necessary to explore boards as decision making groups (Rindova, 1999) and that board effectiveness and accountability should be evaluated in relation to various aspects of board task performance (Forbes and Milliken, 1999). Demography of top leadership teams should influence firm innovation. Heterogeneous groups, on the other hand, should produce a broader range of ideas and information because they contain a diverse body of knowledge (Miller and Triana, 2009).

An argument in favour of diversity is that a more diverse board of directors is capable of making decisions based on different opinions from different people that have different experiences, i.e. different working and non working experience of men and women may improve the decision making process (Smith, Smith and Verner, 2009). Lu¨ckerath-Rovers (2011) suggests that gender diversity on boards may have a political dimension. The preference for diversity by government and its agencies may make companies try to improve their public images by ensuring the prevalence of diversity. Teams with women have been seen to improve team performance as diverse teams consider a wide range of perspectives and thus are capable of reaching better decisions. Better team decisions could lead to higher business value and performance (Burgess and Tharenou 2002; Singh and Vinnicombe 2004; Carter et al. 2003). Failure to choose the most suitable candidate affects company performance and the absence of women might be suboptimal for the firm. Companies with a higher degree of diversity on the board also give an important positive signal to (potential) employees of that company.

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Forbes and Milliken (1999) posit that diverse boards are more likely to experience communication and coordination difficulties that hinder the effective use of knowledge and skills, because their members may be unaware of each others' expertise or unable to appreciate its applicability to issues facing the board. In addition, diverse board members may have difficulty understanding each other due to differences in terminology used. These difficulties may prove frustrating to board members, making them less inclined to offer information or opinions that highlight their diversity and more inclined to discuss information that is already shared by the group.

Director Demographic Characteristics as a source of diversity

Johnson, Schnatterly and Hill (2013) posit that corporate boards have long been a subject of research in a variety of disciplines. However, there is little consensus as to what a board should look like or even what kinds of people make the best board members. This is premised on the utility value of directors as they monitor and control the affairs of a company (Cadbury, 1992). Major demographic characteristics that researchers focus on include age, educational background, gender, race, and ethnicity (Carpenter, Geletkanycz, and Sanders, 2004). Researchers typically assume that demographic characteristics affect directors' cognition, behaviour, and decision making and subsequently impact firm-level outcomes (Johnson, Schnatterly and Hill, 2013).

Board size as a determinant of diversity

Board size is an important corporate governance variable as it is a determinant of board composition and diversity. According to Ibrahim and Samad (2011) large boards are more powerful and effective than small boards. However, Beiner, Drobetz, Schmid, and Zimmermann (2004) and Eisenberg, Sundgren, and Wells (1998) claim that the larger the board, the less effective the communication skills, coordination, and decision making compared to a small Board. Using secondary data regarding ownership structure and financial indicators for the period of 1999–2005, a quantitative study by Ibrahim and Samad (2011) focusing on corporate governance and agency costs in family firms in Malaysia established that there is strong evidence that a larger board size has a significant effect as a device in mitigating agency costs. A study by Kiel and Nicholson (2003) which used a sample of 348 companies showed that the average size of Australian publicly listed constituted 6.6 directors with a range from two (2) to nineteen (19) directors (Kiel and Johnson, 2003).

Ogbechie et al (2009) carried out a quantitative research on "Board characteristics and involvement in strategic decision making using the Nigerian perspective". Their results are

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similar to those of Ruigrok (2006) and his colleagues in their study of Swiss public companies as they also did not find any support to prove that board size and percentage of outside directors are negatively related to the board's strategy implementation. However, Ruigrok et al. (2006) were able to establish that CEO duality will have a negative relationship on board strategic decision-making. Their findings are in contrast to earlier studies reporting a negative impact of board size on the board's strategy implementation (Goodstein et al., 1994). A better view could be gauged by engaging in a study that uses an interpretive paradigm. An interpretive paradigm uses a qualitative approach to research where the purpose is to understand better issues like roles of duality and board size in strategy implementation.

Findings by McNulty et al. (2013) show a direct effect of board size on financial risk, with large boards being less effective than small boards in maintaining sufficient cash, and near cash resources. This finding is consistent with a large volume of research documenting a negative link between firm valuation, profitability, operating efficiency, and board size (e.g. Yermack, 1996). However, why this should be the case requires further qualitative study to understand the dynamics of behaviour of actors when they are in the board. Chief Financial Officers and directors represent one particularly important constituent group to study in order to delve deeper into the insights offered here about how boards relate to financial risk.

Board Committees as a determinant of diversity

According to findings by Wanyama, Burton and Helliar (2013) in their study on stakeholder accountability in corporate governance in Uganda, respondents were of the view that the selection process of board members was not transparent and lacked the participation of shareholders. In addition, respondents felt that merit, rather than political or sectarian considerations, should be used as a basis for appointing directors and senior company executives. They also found out that companies should have: an Audit Committee, a Remuneration Committee, a Nomination Committee, a Governance Committee and a Risk Committee. However, a number of respondents pointed out that some of these committees could be combined instead of each operating independently. The cited researches used input – output methods (which are basically quantitative research designs). Such a causal – oriented design does not give an in depth understanding of why the results are what they are.

Board composition as a characteristic of diversity

While board composition is one of the most studied corporate governance variable, research has not reached consensus. Reviews on literature on compositions of boards and firm performance have shown discord (Adams and Ferreira, 2009; Fields and Keys, 2003; Rose,

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2007). Mak (2003), in examining the impact of board composition and ownership structure on voluntary disclosure of 158 companies listed on the Singapore Stock Exchange, showed that board composition significantly and negatively affects voluntary disclosure. In the same vein, Gul and Leung (2004) document a negative relationship between board independence and voluntary disclosure. Contrary to the above findings, Leung and Horwitz (2004) show that a positive relationship exists between board independence and voluntary segment disclosure for companies listed in Hong Kong.

Board interlocks as a source of diversity and experience

Kiel and Johnson (2003) argue that interlocks are strongly positively correlated with assets, revenue and market capitalisation. They also find that boards that are larger are more associated with larger companies that are more diverse and more heavily interlocked. Why there is this relationship is not clear unless an in depth study is afforded using methodology that allows for finding out why the relationship exists.

Interlocks and social ties between non executive directors and CEOs who serve on the same boards can be detrimental to shareholders. Ruigrok et al., 2006) opine that as an example, a CEO-director voting to raise the salary of the focal firm's CEO may expect reciprocal treatment. This reciprocity between these actors may be ample proof that independence of directors is compromised where there are interlocks. This compromises board effectiveness and leads directors to favour management interests over shareholder interests. This is why Devos, Prevost and Puthenpurackal (2009) and Hillman et al. (2011) concur that shareholders hate interlocks and this is perhaps justified by interlocked firms' tendencies to engage in actions beneficial to management but harmful to shareholders (Bizjak, Lemmon and Whitby, 2009). In Zimbabwe, there is a group of "professional directors" who are shared by many companies listed and unlisted on the stock exchange.

CEO duality as an antithesis of board diversity

The practice of duality, being the situation where the CEO is also the board chairman has been a controversial issue as it has been argued that it is best practice to separate the roles because the CEO cannot supervise himself. This is confirmed by a research by Sanda et al. (2003) who found a positive relationship been firm performance and where the functions of the CEO and Chairman are separated. The systems of checks and balances are compromised where there is duality because accountability is compromised. Board independence is also constrained by duality (Cullinan, Roush and Zheng, 2012; Hashim and Devi, 2008).

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Finkelstein and D'Aveni (1994) conducted a research focusing on CEO duality. The results indicated that board vigilance was positively and significantly associated with CEO duality. When other influences are held constant, it appears that vigilant boards are more concerned with unity of command than with entrenchment avoidance. This finding is of particular interest because it contradicts agency theory. The results were from a quantitative perspective as there was use of correlations and logistic regressions.

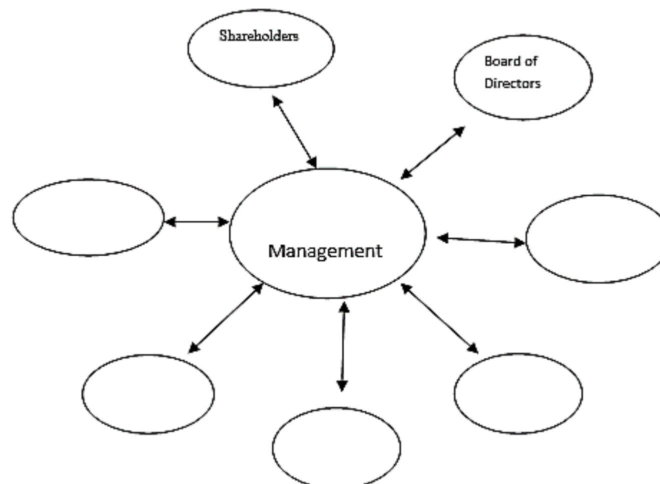
Theoretical Framework

Stakeholder Theory

Collier (2008) defines a stakeholder as any individual or group that can affect or is affected by decisions made in the organisation. Stakeholder theory derives from Freeman (1984) who defined a stakeholder as any group or individual who can affect or is affected by the achievement of an organization's objectives. However, shareholders are not democratically representative of society generally and stakes are held in the organization by employees, customers, suppliers, financiers, government and the community (Collier, 2008). Much of the argument behind stakeholder theory is that economic pressures to satisfy only shareholders is short-term thinking and organizations need to ensure their survival and success in the long-term by satisfying other stakeholders as well.

In a literature review by Mayer (1997), the epitome is that firms should not simply be run in the interests of their shareholders. Firms have responsibilities to other stakeholders which may on occasion conflict with their objective of wealth maximization for shareholders. This line of argument sees the firm as an entity which is distinct from its shareholders, where ownership and control is spread amongst a number of parties.

Figure 1: Stakeholder theory diagram



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The blank circles represent various internal and external stakeholders. The CEO and management are at the centre because of the central role they play in ensuring that all stakeholders are satisfied.

Resource dependency Theory

According to the resource dependence theory, managers seek the assistance and guidance of board members (Huse, 2005). Board members take part in the strategy making process, and provide external legitimacy by improving networks (Stiles and Taylor, 2001). The board service task includes a set of related activities, such as evaluating and selecting strategic alternatives that have been developed by top managers, providing advice to improve the quality of strategic decisions (Huse, 2005; Styles and Taylor, 2001).

The networking task is based on resource dependence and social network theory and has an external focus (Minichilli, Zattoni and Zona, 2009). It is rooted in the relationship between the firm and its external stakeholders, and contributes to the firm legitimacy purpose. According to this view, the main contribution of boards of directors is to guarantee the company a steady flow of critical resources.

METHODOLOGY

The research methodology used to understand board diversity as a source of director competencies was inductive and interpretive. Semi-structured interviews and document analysis were used as shown in *Figure 2.* The stages leading to the analysis of the research question involved interview schedule development as adapted from Carcary (2009, p36). Purposive sampling was used to select board actors and stakeholders who were conversant with board issues (see Saunders et al., 2009). To refine and improve the semi-structured interview guides, a pilot study was done. Questions which were not clear were improved. Forty-two interviews were held each ranging from an average of twenty minutes to an hour. The interviews were recorded using a tablet. Transcription was done by experienced typists who signed confidentiality forms. The researchers then edited the transcribed text by listening to the tablet and corrected spellings, grammatical mistakes and sense of the statements. A Computer Aided Qualitative Data Analysis Software (CAQDAS) package called NVivo 10 was used to store the interview transcripts, secondary data and social media discussions like Researchgate, LinkedIn and @cut.ac.zw. Themes were summarised or categorised under the relevant nodes. Analysis or explication of coded data was done from one node to the other until observed patterns were interpreted into meaningful findings.

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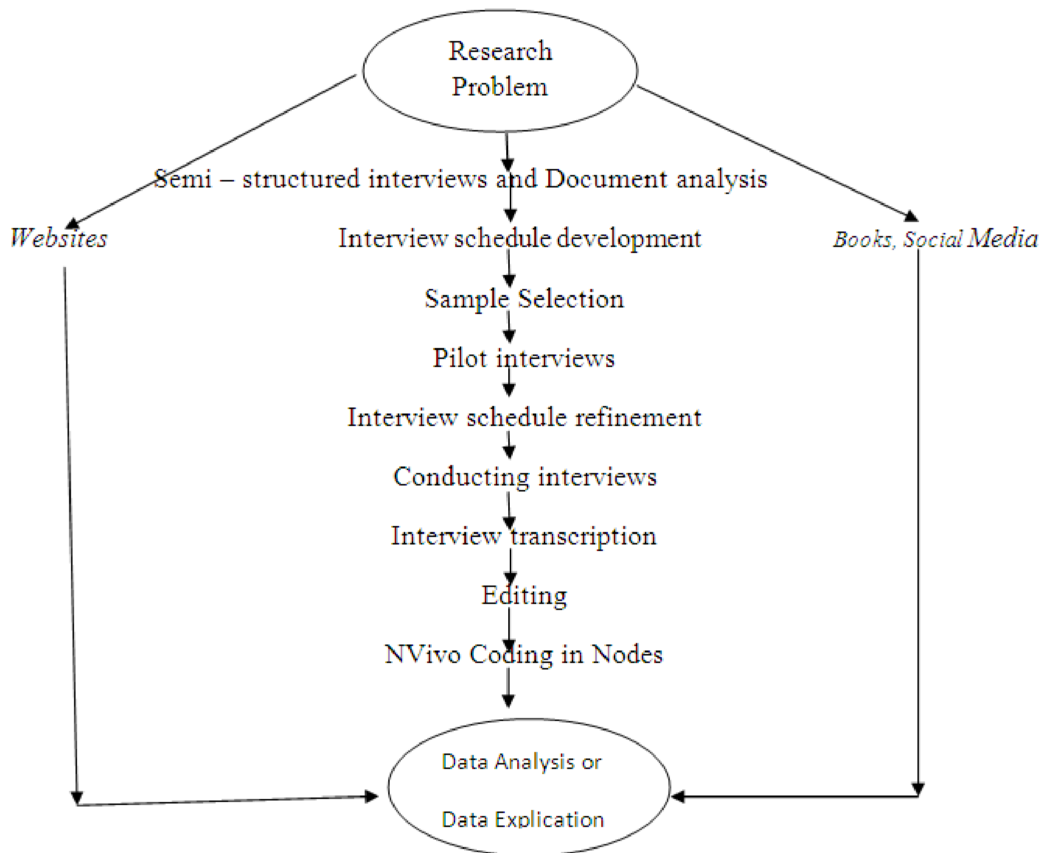
Figure 2: Research methodology as adapted from Carcary (2009, p36)



ANALYSIS

The following abbreviations were used to denote respondents during the interview process: *CEO - Chief Executive Officer, CFO - Chief Finance Officer, NED - Non Executive Director and NGO Director - Non Governmental Organisation Director.* Questions which were answered by this research were centred on board diversity. The main question to be answered was: *To understand how board selection can yield diversity on the board in a developing country* context. Sources of data were mainly face to face interviews but in order to buttress the research findings from interviews, triangulation came from literature sources, document review, observation and social media. Triangulation methods enhance credibility and reliability.

What is board diversity?

Board diversity has been defined as the "*breadth of qualifications, experience and background"* of the directors **(**www.ecgi.org/codes/documents/codesweden.pdf**).** The UK Corporate Governance Code supports and further states that it refers to "*appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their*

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respective duties and responsibilities effectively" **(**www.ecgi.org/codes/documents /combined_code_final.pdf**).**

Using Social Media discussions as supported by QSR International - the owners and promoters of NVivo Software; LinkedIn (through the NCapture function of NVivo 10 software) describes diversity as "*gender, national origin, race and sexual orientation*". The discussion adds that "*In this ever challenging business environment, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to a company's success.*" Some discussants summarised board diversity as follows: "*Specific industry knowledge - possess a reasonable knowledge about our businesses, financial acumen - should have a good understanding of business finance and financial statements, educational and professional background - should possess a complementary set of skills within a framework of total board knowledge base and diversity of background and viewpoint - bring to the board an appropriate level of diversity*".

One Finance director emphasized that board diversity is an issue of the right mix of people from various backgrounds. He stated that "*A diverse board is a board from what I can say a board with members of different backgrounds in terms of gender, education, training, race and age*". (Interviewee 16 CFO)

A company secretary and Non-Executive Director showed a lot of concern on what board diversity is not. He stated that *"I have seen a lot of boards having accountants right through or boards dominated by accountants' maybe one or two other guys who are non accountants. There is no diversity there".* (Interviewee 39 Company Secretary/NED)

From the explanations of diversity of the board, major patterns pointed at the right mix of skills, experience, qualifications, gender and backgrounds. If there is more of one characteristic then there is no diversity as the board gets short of some needed characteristics.

Maximum boards per director (interlocking directorships) for diversity

The issue of the number of boards that one director is capable of giving value is debatable (Kiel and Johnson, 2003). The issue is about how diverse a board can become judging by other directorships of board members. To give emphasis to how heavy it becomes when a director sits on many boards one interviewee passionately opined that: *......maximum should be four board memberships, why because if someone is a board member on four company's right it means they will have to attend 4 board meeting that's 4 X 4 that's 16 board meetings in a year. If they are to be on a committee as an example that will be another 16 that's 32 attendances in a year and now when you look at 32 attendances this is probably roughly about one attendance per week for 42 weeks. Someone on two committees there also adding another 16 meetings*

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which makes is 48 so which means someone will be attending a board meeting every week. If they are to do that every week, normally for someone to prepare adequately for a meeting need a day or so for preparation so which means....which means you need two days in a week to prepare for a board meeting. So if they are employed elsewhere (laughing) it means already they have a challenge there. So 3 maximum would do, unless they are professional directors where they are just going to board meetings. (Interviewee 18 Executive Director)

All in all, the majority of interviewees zoomed on three boards as an optimum number that would allow directors to give optimum service to boards and still allow them to do other things e.g. perform their executive functions.

Does board size influence diversity?

A diverse board of directors needs to have different sets of skills (Hendry, 2005). The research sought to understand the determinants of board size that promotes diversity, the optimum size and the pros and cons of different board sizes.

Determinants of board size

Many quantitative researches have focused on board size with a view to determine effectiveness of boards. Coleman and Biekpe (2007) find that industry characteristics determine the size of the board while firm size also carries a heavy influence (Hermalin and Weisbach, 2003; Zahra and Pearce, 1992). One interviewee stressed the determinants of board size by the following opinion:

Board size depends on the size of the company, the size of operations........ it depends on the financial resources available. You can't have a board of ten people yet you can't even afford their seating allowances. (Interviewee 1 External Auditor)

Optimum board size

Extant research focused on the utility value of board sizes. Large boards have been found to be more powerful and effective (Ibrahim and Samad, 2011) while small boards were found to be better as they promote more communication, coordination and decision-making (Beiner, Drobetz and Zimmerman, 2004; McNulty, Florackis and Ormrod, 2013). These researches did not focus on the diversity aspects of boards. This research fills that gap. Interviewees had various proposals of optimum board sizes that support diversity when the selection of directors takes place. *Minimum eight. For me eight different board members would suffice*. (Interviewee 7 CFO)

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It's not cast in stone – it would depend on the nature of the company and the size of company. (Interviewee 15 Company Secretary)

While the contributions of interviewees ranged from seven to ten, the main issue that arose was that committees of the board and size of the company. A small board will not have enough diversity and a board that is too big will make deliberations on the board difficult.

The impact of board size

The impacts of board size were elucidated as follows:

If there are fewer people [on the board] the better it is for the chairman to manage the board and also the quicker it is for decisions turnaround.... (Interviewee 33 Company Secretary/CFO/NED)

Boards are expensive in terms of board fees. I am not talking about the obscene boards which are in the market. But you also think if you got board members you got basically to bring them to stay in the hotel and so forth. Some of them are out of town. But what you are looking for is value you get for his contribution, the hotel expense in terms of air ticket is a small. (Interviewee 36 CEO/CFO/NED)

Length of one term of a director

Non-executive directors appear to have limitless terms as they serve continuously as exemplified by the following statements: *So, it's like someone has become part of the furniture and to think that person would bring refreshment would bring new ideas – they are almost part of the management of the company.* (*Laughing*) (Interviewee 15 Company Secretary)

In Zimbabwe ...... board members are serving until they drop dead. (Interviewee 18 Executive Director)

The sentiments by interviewees show that a board member needs not overstay because that defeats the need for board diversity. From contributions by interviewees, two three year terms seemed to be the ideal maximum tenure of a board member beyond which there is no value addition.

Emerging Theme – Gender and the role of women as a board diversity tool

While female board members may contribute the same way as male board members do, they were found to have different characteristics different from males as explicated below:

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Stewardship

Female board members exude stewardship more than their male counterparts as proved by statements like: *They give valuable support and advice to the board.* (Interviewee 1 External Auditor)

Women pay attention to detail. (Interviewee 3 Company Secretary)

Risk avoidance

The research established that women are motherly, more risk averse than men and they prepare for meetings. Respondents had this to say:

[Women are] *less risk takers than their male counterparts.* (Interviewee 3 Company Secretary)

Men are very sensitive to money or wealth, they are risk takers, and they would do anything to get rich or to make the company profitable without looking at other things. Women come to meetings prepared. When they come to companies they want to look after the company. They want to extend their motherly work. (Interviewee 28 CEO/Lecturer)

Integrity

Interviewees characterised women for their integrity, incorruptibility, accountability and non-discrimination. This was summarised by one interviewee who observed that:

Take a look at convicts, check in our prisons there are a few cases of armed robberies by ladies and other crimes like that. I think women have better components of corporate social responsibility naturally. Men are hard-hearted somehow than women...... (Interviewee 16 CFO)

Women were described as good communicators who have sharp brains. A human resources specialist had this to say:

They can bring a stabilizing effect to the board especially where there are heated arguments. (Interviewee 25 CEO/HR Specialist)

They [women on boards] *are good communicators, they are people who can manage conflicts and resolve issues.* (Interviewee 34 Lecturer/NGO Director)

There are women in societies that have got a very sharp brain, are intelligent, can contribute as long as the individual women have got the capability and capacity to understand issues pertaining to a particular business. (Interviewee 9 Company Secretary/CFO)

While male non-executive directors may also possess the diversity characteristics pointed out above, their blending with women with the explicated characteristics makes the board strong.

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DISCUSSION

The major research question sought to elicit views on board heterogeneity or diversity. The major research issue was on the issue of "*Understanding board selection and appointment processes - A stakeholder orientation of listed companies."* The major research concern was the poor diversity on boards of directors which has led to corporate scandals and failure to perform. Heterogeneous boards were found to be dependent on many facets some of which were: different backgrounds, gender, race, skills, qualifications, and different points of views, different professions, ratio of non-executive and executive directors, among other characteristics. The explanation of board diversity clearly shows that a board with one set or a few sets of the characteristics of diversity may not achieve its full potential. The different characteristics aid and strengthen a board's focus and capabilities.

On tenure of a board member as a diversity characteristic, interviewees felt that two three – terms were optimum. On maximum boards for each board member, respondents felt that three boards were the optimum number since most directors were engaged elsewhere as executives. Attributes that determine board size as a characteristic of board diversity were given as follows by interviewees: knowledge, skills, size of the company, and size of operations, resources, board committees and representation of crucial sectors.

On board size that supports diversity, respondents held the views that a board should have size that enables membership of relevant committees, ability to pay board fees and stage of development of the company. While big boards were seen as a hub of diversity, they were also prone to disagreements, disorder and time-wasting as opposed to small boards which were more cohesive and focused. Committee business drives the board agendas. Respondents were of the view that two committees were enough for each board member lest the members carry a huge burden that curtailed their work output on the boards.

Emerging themes were that female board members can improve board diversity. They have integrity, are good stewards and avoid risky ventures and behaviour that puts funds of investors at risk. Women come to meetings prepared and they do not just vote but they take their time before making decisions.

RECOMMENDATIONS FOR PRACTICE

To improve board diversity and avoid corporate collapses, scandals and poor performance, the study proffers the following recommendations:

- Boards should be heterogeneous in order to discharge duty effectively. Boards should be diverse in terms of gender, background, race, colour, race, skills, qualifications and professions. Composition that involves a balance of both genders can improve board

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effectiveness. Increasing the presence of women on board brings forth integrity, risk avoidance and enhanced corporate stewardship.

- Three board memberships can allow a NED to prepare, attend and contribute in during meetings. Because most NEDs are full time employees, three boards would mean that they do not give them sufficient time. Boards with busy members are bound to fail due to failure to attend meetings leading to lack of diversity as a few board members dominate proceedings while others are absent.
- To avoid one person dominating the board, one board member should be a member of only two committees so that there is a diversity of ideas from other board members through the committee system.
- Companies should not seek board diversity by duplicating board sizes of competitors or other companies. The size of the board should depend on the size of the business, its committees and the ability to look after board members. Consideration should be made of the composition that fulfils performance needs and capacity of the company. Boards of seven (7) to ten (10) were seen on average to allow for diversity.
- To avoid having board members who serve until they drop dead due to the absence of limits of tenure, this study recommends two terms of three years each to allow for fresh ideas that bring about diversity.

RECOMMENDATIONS FOR FURTHER STUDY

State - owned enterprises have had a fair share of failure and thus a study in future should focus on diversity of board members and how selection processes can enhance board heterogeneity.

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