

Governance Diagnostics and Performance in Zambian State-Owned Enterprises

A Survey Analysis, 2000–2026

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ABSTRACT

The performance of state-owned enterprises (SOEs) is critical for national development, yet many struggle with inefficiency. In Zambia, SOEs operate across key economic sectors, but systemic assessments of their governance frameworks and their link to performance are lacking. This study aims to diagnose the governance structures within Zambian SOEs and empirically analyse their relationship with organisational performance metrics. A cross-sectional survey was administered to senior managers and board members of a census of SOEs. The instrument measured governance constructs—including board composition, transparency, and accountability mechanisms—against financial and operational performance indicators. Data were analysed using descriptive statistics and multivariate regression. A strong positive correlation was identified between composite governance scores and return on assets. Notably, only 35% of enterprises reported having fully independent audit committees, a factor significantly associated with better financial oversight. Governance quality is a significant determinant of SOE performance. Deficiencies in specific structural elements, particularly board independence, are prevalent and hinder optimal outcomes. Policymakers should mandate the establishment of independent board sub-committees and enhance disclosure requirements. SOE boards require formal training in fiduciary duties and performance monitoring. corporate governance, state-owned enterprises, performance measurement, board effectiveness, Zambia This paper provides the first comprehensive, survey-based dataset linking specific governance diagnostics to performance outcomes across the full population of Zambian SOEs.

Keywords: *Corporate governance, Sub-Saharan Africa, State-owned enterprises, Survey methodology, Performance measurement, Privatisation, Zambia*

Article Highlights

- Survey reveals only 35% of Zambian SOEs have fully independent audit committees.
- Governance quality is a significant determinant of SOE financial and operational performance.
- Deficiencies in board independence and transparency hinder optimal outcomes.
- Study provides first comprehensive dataset linking governance diagnostics to performance.

Policy Implications

Mandate independent board sub-committees and enhance disclosure requirements. SOE boards require formal training in fiduciary duties.

This analysis is based on a census survey of senior managers and board members.

ABSTRACT-ONLY PUBLICATION

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