

**Research Title**

**Assessing the Influence of Professional Bodies on Accountability in South African  
State-Owned Enterprises**

**Student number**

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## **Abstract**

This research investigates the role of professional bodies in enforcing accountability within South African State-Owned Enterprises (SOEs). With accountability challenges prevalent in SOEs due to factors like political interference and complex governance structures, the study examines how professional bodies contribute to improving ethical conduct, governance, and public service delivery. The research adopts a qualitative methodology, involving in-depth interviews with SOE executives, to gain insights into their experiences and perceptions of professional body influence on accountability.

Guided by Principal-Agent and Stewardship theories, the study explores how professional bodies instil ethical standards, offer training, and implement disciplinary frameworks that support SOE executives in maintaining high accountability standards. Findings reveal that while professional bodies play a crucial role in promoting accountability through ethical guidelines and training, external pressures and limited enforcement capacity pose significant challenges. The study concludes that enhanced collaboration between professional bodies and SOEs, alongside more context-specific accountability mechanisms, could strengthen governance and reduce corruption in the public sector. Recommendations include proactive support from professional bodies and tailored training for SOE executives. This research provides a foundation for future studies to further investigate the interplay between professional bodies and SOE accountability within different governance contexts.

## **Key words**

Accountability in State-Owned Enterprises (SOEs)

Professional Bodies and Governance

Ethical Standards in Public Sector

Political Interference in Accountability

Public Sector Governance Frameworks

## **Declaration**

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research

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Signature:

Date

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# 1 CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

## 1.1 Introduction and description of the problem

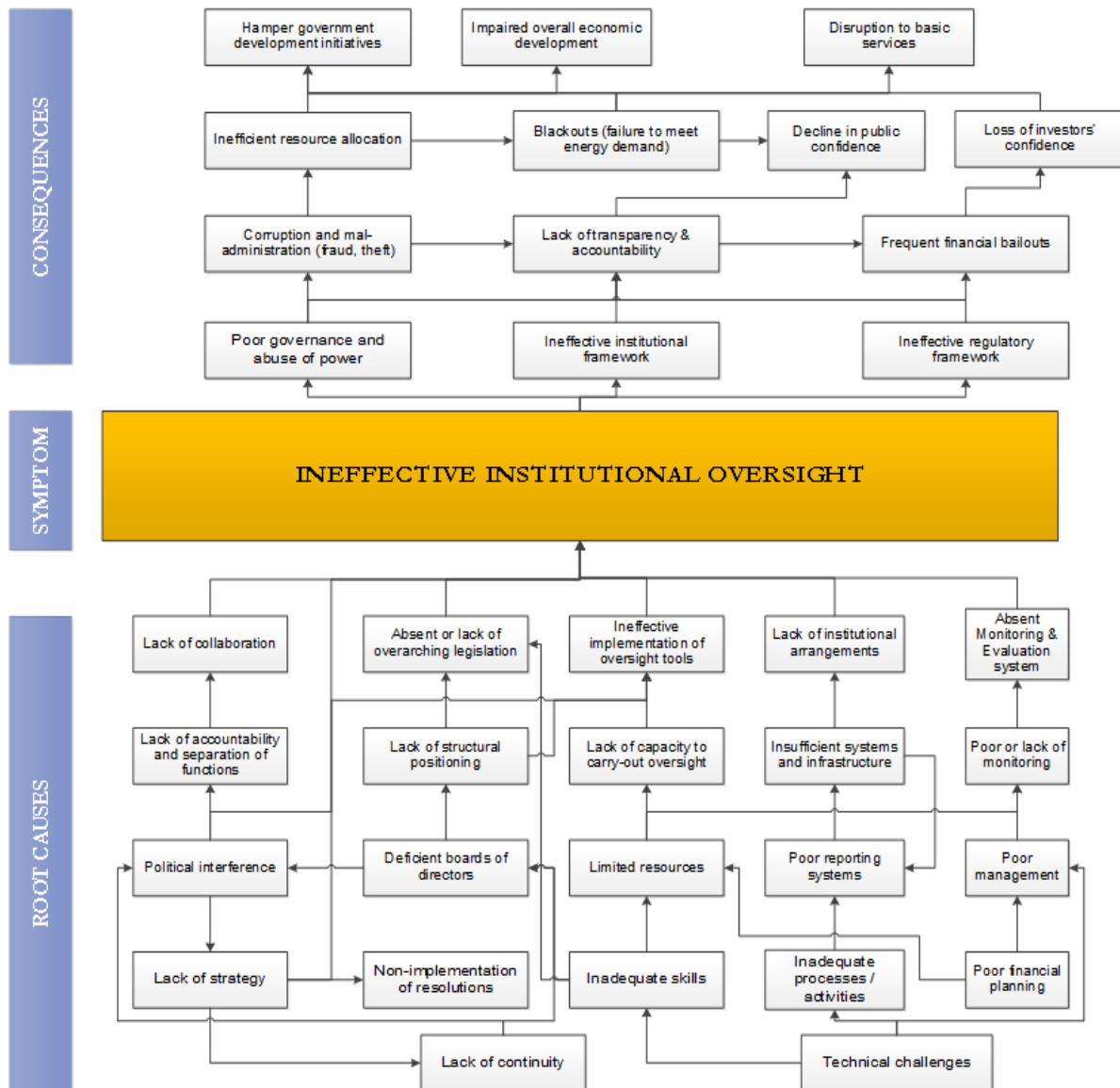
State-Owned Enterprises (SOEs) fulfil essential roles in providing public services such as electricity, transportation, and water services which are fundamental to socio-economic development of a country (World Bank, 2023). Globally, SOEs operate in sectors vital to public welfare and economic stability, often representing a substantial part of government operations in both developing and developed economies (World Bank, 2023). In South Africa, these entities are either partially or fully government-owned, designed to meet diverse socio-economic objectives within specific legislative frameworks while implementing policies aimed at national development (AGSA, 2023). Yet, despite their critical importance, South African SOEs have consistently struggled with poor service delivery, governance failures, financial mismanagement, and widespread corruption, which impede their ability to meet mandates and erode public trust (AGSA, 2023; Naidoo, 2020).

Notably, large SOEs such as Eskom, Denel, Postnet, Passenger Rail of south Africa and Transnet, have been characterised with recurring governance crises (Pandey, 2022). For instance, Eskom remains at the centre of South Africa's energy crisis, with frequent load shedding affecting economic productivity, investor confidence, and public patience (Steenkamp et al., 2020). Similarly, South African Airways entered business rescue in 2020 following multiple financial collapses linked to mismanagement and corruption (Naidoo, 2020). These crises are often exacerbated by political interference, lack of accountability, and insufficient governance structures that challenge SOEs' operational effectiveness (Mlambo & Makhonza, 2022). Mishra, J., and Attri, V. (2020) posit that effective governance is crucial for public service provision and further enhances public trust.

Despite the establishment of governance frameworks, both internal or external mechanisms such as the Public Finance Management Act (PFMA) and conformance to recognised governance codes such the King Codes which promote accountability, transparency, and ethical leadership, governance challenges have persisted. The Auditor-General's reports regularly highlight irregular expenditures, material irregularities, and a lack of consequence management, indicating the need for improved accountability mechanisms within SOEs (AGSA, 2023). The King Codes have outlined best practices in corporate governance for over two decades, advocating for accountable leadership. Yet, these standards alone have proven insufficient in addressing the entrenched governance issues within SOEs.

The following diagram (Figure 1) visually represents the root causes, symptoms, and consequences associated with ineffective institutional oversight over South African SOEs, illustrating the cascade of issues stemming from multiple root causes such as political interference and weak accountability mechanisms.

Figure 1: Root Causes, Symptoms, and Consequences of Ineffective Oversight in South African SOEs



Source: Presidential Review Committee (PRC). (2013). *Presidential Review committee on State-owned Enterprises*. Retrieved from [https://www.gov.za/sites/default/files/gcis\\_documents/201409/presreview.pdf](https://www.gov.za/sites/default/files/gcis_documents/201409/presreview.pdf)

As depicted, ineffective institutional oversight triggers a range of governance challenges, beginning with foundational problems, including political interference (Motswaledi & Maseng, 2024) and lack of accountability mechanisms leading to severe consequences that undermine public services and economic stability. These challenges include governance gaps such as

ineffective committees and absent monitoring systems, which result in poor governance, abuse of power, unauthorised and wasteful expenditure, and lack of transparency. Ultimately, these symptoms disrupt basic services, hinder economic development, and diminish investor confidence, necessitating external accountability mechanisms.

Given the issues outlined in Figure 1 and the recurring crises among South African SOEs, the effectiveness of accountability within SOEs depends on several factors including governance characteristics such as transparency, ethical leadership which influence overall performance (Bett, 2022). External accountability mechanisms such as professional bodies may offer independent oversight and enforce ethical standards to strengthen governance and accountability (Shaukat, 2021). These professional bodies can help address the risk associated with corruption and mismanagement through their oversight and governance standards for their professional members within SOEs (Ackers & Adebayo, 2022). Existing literature has yet to deeply explore the specific role that professional bodies can play in SOE accountability, creating a gap that this study aims to address.

This study sought to provide valuable insights for both academic research and practical governance reforms by exploring how professional bodies might bolster governance, curb corruption, and promote the effective utilisation of public resources, as highlighted by Mlambo and Makhonza (2022). By addressing the root causes of ineffective oversight, this study sought to provide insights into the pivotal role that professional bodies could play in transforming the governance landscape of South African SOEs.

## **1.2 Purpose of the Research**

While scholarly discourse extensively covers the topic of accountability, there is very little attention paid to the influence professional bodies exert on enforcing accountability in SOEs. Specifically, the study seeks to understand how professional bodies influence governance practices, reduce corruption, and ensure that SOE managers align their actions with public service mandates. By exploring the regulatory and oversight functions of professional bodies, such as South African Institute of Chartered Accountants (SAICA) and Engineering Council of South Africa (ECSA), amongst others, this research aims to provide empirical evidence on how these organisations can improve governance within South African SOEs.

This research will contribute to the body of knowledge on accountability mechanisms in public enterprises, particularly in the context of the Principal-Agent Theory, which addresses potential conflict of interest that may occur in instances where Executives (agents) does not act in the best

interest of the government and the public (constituents) (Jensen & Meckling, 1976). Additionally, the study draws on Stewardship Theory, emphasising the role of professional bodies in ensuring that managers act as responsible stewards of public resources. These theoretical lenses enable a comprehensive analysis of how professional bodies can serve as an external mechanism for improving accountability and reducing corruption in SOEs through enforcing ethical standards, conducting audits, and ensuring compliance with governance frameworks (Dowelani, 2020).

South African SOEs continue to play a significant role driving economic stability and development (Carlson & Bussin, 2020). Rulashe and Ijeoma (2022) further asserts that capacity constraints and limited resources further exacerbate the challenges being faced in SOEs thereby impeding on public accountability and service delivery. Strengthening accountability within SOEs is critical to ensuring that these enterprises can fulfil their mandates effectively and contribute to South Africa's development goals. This study is relevant to policymakers and administrators working to reform SOEs.

A qualitative approach was applied to explore the effectiveness of professional bodies codes of ethics and conduct in influencing ethical leadership and driving service delivery excellence within the public sector. The qualitative phase involved conducting semi-structured interviews with key stakeholders, including executives, board members, and representatives from professional bodies.

This approach facilitated the gathering of detailed and up-to-date data pertinent to the study. Utilising this method allowed for a deeper exploration of the potential impact of professional bodies on enhancing accountability within South African state-owned entities. The primary objective of this paper is to explore the advantages associated with the involvement of professional bodies in advancing sustainability within the public sector.

### **1.3 Gaps in Research**

Although governance challenges within South African SOEs are widely recognised, there remains a significant gap in the literature concerning the role of professional bodies in strengthening accountability. Existing studies have primarily focused on broader governance issues such as political interference, financial mismanagement, and operational inefficiencies (Naidoo, 2020). Additionally, corporate governance research has predominantly focused on developed economies and the private sector, making these findings often incompatible with the distinct challenges encountered by emerging economies (Baker et al., 2020). International studies, such as those by Kohler and Bowral (2020), emphasise the need for accountability

measures tailored to public entities, noting that the success of these measures in achieving organisational goals is uncertain and requires further exploration.

Professional bodies may serve as external mechanisms for enhancing accountability through enforcing ethical standards and compliance with governance frameworks (Ewa, 2015). However, the effectiveness of professional bodies in this regard has been called into question by Crawford (2014), who finds that compliance with international standards does not always translate to practice. These professional bodies have the potential to enforce ethical standards, regulate professional conduct, and ensure compliance with governance frameworks, but their role in the governance of SOEs remains underexplored (Shaukat, 2021). This research sought to address the gaps by examining the specific impact of professional bodies on SOE governance in South Africa, especially in light of the complex challenges that have characterised these entities.

The need for more research on how professional bodies can influence accountability in SOEs is further underscored by Tier (2020), who highlights the challenges faced by social workers in managing multiple accountability perspectives. Inácio (2021) stressed the importance of transparency and disclosure in improving corporate governance and accountability in SOEs, suggesting potential areas for professional bodies to focus on. Whereas Klausen (2019) asserted the significance of aligning traditional public administration accountability with corporate governance within SOEs, proposing a possible involvement of professional bodies in facilitating this alignment.

This study also draws on comparative global perspectives, recognising that many countries with SOEs face similar governance challenges. Comparative insights from countries with established accountability frameworks provide valuable lessons for South Africa, helping to contextualise the potential role of professional bodies within the governance of SOEs and how these bodies might facilitate accountability improvements in the context of South African.

#### **1.4 Delimitations**

The study focused exclusively on South African SOEs and excluded broader government departments and privately owned entities. The scope was then limited to investigating the specific role that professional bodies played in enhancing accountability and governance within SOEs, particularly those SOEs facing significant governance challenges. Political dynamics and economic policy decisions were scoped out, although political interference was recognised as an influencing factor in SOE governance (Mlambo & Makhonza, 2022). This

study will acknowledge these external influences only insofar as they relate directly to accountability and professional oversight.

The research concentrated on professional bodies that oversaw key professions within SOEs. These bodies such as the South African Institute of Chartered Accountants and amongst other were chosen due to their regulatory authority and influence over professional standards critical to governance in SOEs. Other regulatory bodies were only referenced where they directly impacted the professional standards relevant to this study.

## **1.5 Assumptions**

This research was based on several key assumptions. It assumed that SOE managers and executives who are members of professional bodies are aware of these organisations' governance responsibilities and actively engage with them on matters of accountability and oversight. It is also assumed that existing literature on SOE governance and accountability provides an adequate theoretical foundation for this study, supporting the hypothesis that professional bodies contribute positively to accountability within SOEs (Friedman, 2023). Additionally, the research assumes that professional bodies possess the capacity and resources to influence governance practices effectively within SOEs.

In summary, this chapter presented the research problem, highlighting the governance failures and accountability issues confronting South African SOEs. The purpose and significance of this research have been articulated, highlighting its academic, practical, and national relevance. The research gap has been identified, while the delimitations and assumptions provide further clarity on the scope and boundaries of the study.

The next chapter presents a comprehensive review of relevant literature, detailing the theoretical frameworks such as Principal-Agent and Stewardship theories and empirical studies that underpin the relationship between governance, accountability, and professional bodies in SOEs. Following this, Chapter 3 outlines the research methodology, detailing the qualitative approach and participant selection criteria to ensure that the data collected aligns with the study's objectives. Chapter 4 will then outline the results, which will be analysed in Chapter 5, drawing connections to the literature and discussing how the findings align or diverge from previous research. Finally, Chapter 6 concludes the report, by providing policy and practice recommendations derived from the study's insights and highlighting directions for future research. This structure maintains a clear "golden thread" throughout, linking each chapter cohesively to address the research questions and objectives.

## **2 CHAPTER 2: LITERATURE REVIEW**

The research focuses on accountability in public administration as a key concept. This chapter introduces the theoretical framework utilised in the study.

### **2.1 Role of State-Owned Entities and their Performance**

A State-Owned Entity is referred to as an organisation that is owned, controlled, or partially-owned by the state, with the responsibility to provide specific state services, supporting the national economy, and achieving social goals (Lovinska, 2021). These entities can take various forms beyond ownership (Dolfsma & Grosman, 2019), including corporations, agencies, authorities, or utilities, and operate in various sectors (Bruton et al., 2015). King IV defines a SOE as state-owned or state-controlled enterprise established to fulfil specific public service obligations and to deliver services in line with national development priorities (IODSA, 2016). The organisational form of SOEs is typically shaped by the extent of government involvement and the socio-economic objectives each SOE seeks to achieve (World Bank, 2019)

Some of the key functions of SOEs include the need to provide public services, such as electricity, water and act as instruments for public policy, often delivering these services at lower costs or subsidised rates to ensure widespread availability (OECD, 2018). SOEs also play a crucial role in spearheading industrialisation, especially in strategic sectors where private sector involvement might be low due to high initial capital investments required or long-term returns such as railways, ports, and airports that are necessary for broader economic growth (Moyo & Imura, 2020). Additionally, they are essential in stabilising markets by regulating certain commodities to avoid market distortions, stepping in during economic crises, and ensuring the uninterrupted provision of essential services (Shirley, 2020). Their contributions extend to supporting social and political goals, positioning SOEs as instruments of broader social policy and as stabilisers of socio-political environments (Shirley, 2020).

SOEs continue to hold a substantial role in the global economy, with ongoing debates about their function in both stable and turbulent times (Vagliasindi et al., 2022). One key debate centre around the efficiency of SOEs compared to private enterprises. Critics argue that SOEs often suffer from inefficiencies, lack of competitiveness, and political interference, making them less capable of adapting to market changes (Musacchio & Lazzarini, 2014). Florio (2020) elucidated that SOEs are essential in providing public goods and services, particularly in sectors such as energy, transportation, and healthcare, where market failures are likely to occur. The role of SOEs during economic crises such as the 2008 financial crisis and the COVID-19 pandemic were

also of focus. During such periods, SOEs are perceived as stabilisers, maintaining employment and providing essential services, unlike private firms that prioritise profitability (Cuervo-Cazurra et al., 2014). However, critics note that SOEs often need substantial government support during crises, which can place a strain on public finances, especially in developing economies (Li et al., 2018).

A growing area of discussion concerns the internationalisation of SOEs, particularly from emerging economies such as China and Brazil. These countries have leveraged SOEs for global expansion, using them as tools to secure resources and acquire strategic assets in developed markets (Redding et al., 2018). While this expansion bolsters the competitiveness of SOEs on a global scale, it raises concerns about potential market distortions and the fairness of competition between state-owned and private enterprises (Bruton et al., 2015). In countries like China, SOEs have been instrumental in driving economic growth over the past four decades (Lin et al., 2020). Moreover, SOEs are now adapting to contemporary challenges, such as climate change and inequality, by engaging in socially oriented initiatives (Vázquez-Villegas et al., 2023).

Recognising the diverse roles that SOEs play in fostering economic development and stability, it is essential to consider the challenges they encounter on a global scale. This understanding not only highlights the vulnerabilities in SOE operations but also sets the stage for examining how these challenges affect their performance and adaptability within the dynamic international landscape. With this context established, the next section will address the specific challenges SOEs face globally.

### **2.1.1 Challenges faced by SOEs at Global level**

State-Owned Enterprises (SOEs) face numerous challenges globally, including inefficiencies driven by political interference, limited competitiveness, and governance issues (Xie & Redding, 2018). Structural attributes of these SOEs such as their ownership, political oversight have been identified to some of the factors leading to governance issues. That compromise efficiency. (Ruggiero, 2021). Political pressure often results in misaligned objectives, with SOEs prioritising social or political goals over profitability (Bernier, 2014). Additionally, operational inefficiencies arise from limited innovation and outdated management practices, further compounded by rigid bureaucratic structures (Florio & Fecher, 2011).

Corruption and accountability issues are pervasive challenges within SOEs worldwide, frequently leading to financial mismanagement. SOEs must also navigate increasingly competitive markets, striving to fulfil their public service mandate while aiming for economic efficiency. Balancing these

dual objectives presents ongoing obstacles to their adaptability and performance (Megginson, 2017).

### **2.1.2 Role of SOEs in the South African Context**

South Africa's SOEs were established during the early 20th century to support industrialisation and infrastructure development, and to ensure state control over essential services and strategic industries (Fourie, 2014). During apartheid, SOEs were used to advance the government's racially segregated policies, with entities like Eskom and Denel (established in 1992) instrumental in promoting white employment and controlling key economic sectors (Ntim, 2015). Fine and Rustomjee (1996) elucidated that South Africa's SOEs were initially created as part of a broader strategy to reduce economic dependence on the mining sector and foreign corporations, aiming to encourage self-sufficiency and expand the industrial base.

Post-apartheid, the government has implemented various reforms to address historical inequalities and promote economic transformation (Ndinda et al., 2018). Entities such as Eskom, Transnet, and South African Airways (SAA) were tasked with delivering essential services and driving inclusive growth (Turok, 2011). For example, Eskom alone has maintained a workforce of over 40,000 employees, while Transnet has employed more than 50,000 in recent years (Montmasson-Clair & Das Nair, 2019). However, employment figures in SOEs have fluctuated due to financial challenges, restructuring and privatisation efforts faced by key SOEs, which have sometimes led to job losses (Khan, 2011). In sectors where private sector participation is minimal or absent, SOEs have been critical in bridging service gaps. However, their role extends beyond service delivery, as they are also seen as instruments for achieving broader social goals, such as transformation, empowerment, and inclusion (UNECA, 2021).

During Jacob Zuma's tenure as President of South Africa (2008 – 2017), he advocated for a more active role of State-Owned Enterprises (SOEs) as key drivers for industrialisation, job creation, and inclusive economic participation, similar to how China's SOEs played a significant role in its economic rise (Zuma, 2011). He argued that South Africa's SOEs should expand their operations, strategically invest in key sectors, and contribute to national development objectives by leveraging the state's ability to control critical infrastructure and industries (Southall, 2016). This perspective aligns with China's approach, where SOEs are deeply integrated into the broader national economic strategy (Naughton, 2007).

Presently, SOEs are defined in accordance with the legislation such as the Public Finance Management Act (PFMA) which dictate their operational mandates, governance structures,

and accountability mechanisms (AGSA, 2024). According to the National Treasury (2019), there are 271 public entities listed under schedule 2 and 3 entities in the PFMA. Schedule 2 SOEs being the large and commercially driven enterprises that often operate autonomously and generate significant revenue. Examples include Eskom, DBSA, The IDC and Transnet. These entities often play a vital role in the national economy by delivering essential public goods or services and are expected to be financially self-sufficient (Treasury, 2023). On the other hand, schedule three entities are more dependent on government funding and provide public services that may not be profitable, or national Government Business Enterprises which operate on a commercial basis but are smaller and may require more oversight than Schedule 2 SOEs or Provincial Public Entities which serve at the provincial level and are often responsible for regional services (Maree, 2020).

### **2.1.2.1 Performance and their challenges**

The performance of these SOEs has been under critical scrutiny in recent years, as these entities encounter substantial challenges related to governance, financial management, and operational efficiency. Despite their strategic role in the economy, SOEs consistently struggle with inefficiencies and mismanagement (Bowman, 2020; Myeza et al., 2021). Kaunda and Pelsler (2023) emphasise that SOEs have underperformed despite significant public investments aimed at bolstering their success. Conversely, Braum et al. (2019) highlight the potential of well-managed SOEs to drive sustainable economic growth, contributing positively to the overall economy.

Financial instability and operational inefficiencies in key SOEs has consistently been identified in AGSA reports in recent years. Many SOEs report recurrent financial losses, with entities like Eskom, South African Airways (SAA), and Transnet among the most affected. According to the AGSA (2020) report, Eskom alone in the reported a net loss of R20.5 billion in the 2020 financial year, largely due to operational inefficiencies, mismanagement, and escalating debt levels (AGSA, 2020). The report further revealed that Transnet accumulated irregular expenditure of R56.1 billion over multiple years, with governance failures playing a significant role in financial mismanagement.

South African water utility agencies also face critical challenges in delivering services, particularly in areas of water infrastructure and basic service provision. These issues are driven by project delays, cost overruns, inadequate maintenance, substandard work, and inefficient fund utilisation (Aiyetan & Das, 2021). Such underperformance has further eroded

public trust in SOEs, as they are increasingly perceived as financially unsustainable and poorly managed (AGSA, 2023).

The success of the economy, along with its growth and stability, hinges on the performance of SOEs; however, numerous challenges continue to impede their effectiveness. SOEs contend with governance issues, political interference, operational inefficiencies, corruption, and a lack of accountability (Naidoo, 2020). Addressing these barriers is essential for enhancing the effectiveness and reliability of SOEs in contributing to South Africa's socio-economic development.

### **2.1.2.2 Challenges**

The performance of SOEs is hindered ineffective and is largely driven by weak governance structures such as lack of accountability mechanisms (Mokgata, 2020). According to Ngoepe and Makhubedu (2018), ineffective leadership, inadequate strategic oversight, and misaligned objectives have contributed to deteriorating financial performance in entities like Eskom and South African Airways. Governance failures are often attributed to political interference, where board appointments are influenced more by political connections than by qualifications, as noted by Kanyane (2018).

#### **2.1.2.2.1 Political Interference and Cadre Deployment**

Political interference in SOEs undermines effective governance and leads to weak consequence management due to lack of independence (Motswaledi & Maseng, 2024). Mlambo and Makhonza (2022) asserts that conflicts of interest and a lack of public accountability frequently compromise SOE boards thereby compromising decision making. This political interference affects operational efficiency, as decisions may prioritise political goals over economic viability. For example, cadre deployment, a term referring to appointing individuals based on political loyalty rather than competency, has significantly contributed to Eskom's challenges. Cadre deployment at Eskom has led to leadership instability, poor accountability structures, and an over-reliance on government bailouts, all of which exacerbate operational failures like load-shedding (Mokgata, 2020; AGSA, 2023).

#### **2.1.2.2.2 Financial Instability and Reliance on Government Bailouts**

Financial instability in SOEs has been widely documented in the AGSA reports which consistently highlight issues like irregular expenditures and wasteful spending, as seen with

Transnet's R56.1 billion in irregular expenditure accumulated over several years (AGSA, 2020). Eskom, for instance, continues to face substantial operational and financial issues, requiring ongoing government bailouts despite its mounting debt and inability to meet electricity demand (Nyatumba & Pooe, 2021). Bhattacharyya and Malik (2019) suggest that effective turnaround strategies require both operational and strategic interventions, while Al-Mana et al. (2020) propose that privatisation might enhance SOE efficiency. However, solutions must consider the complexities of the South African socio-economic landscape.

#### **2.1.2.2.3 Operational Inefficiencies and Bureaucratic Rigidity**

Operational inefficiencies also plague South African SOEs, often resulting from outdated management practices, insufficient investment in technology, and bureaucratic constraints that limit adaptability and innovation (Naidoo & Rajcoomar, 2020). In sectors dominated by SOEs, like energy and transportation, these inefficiencies have far-reaching impacts on the economy (Moyo & Imura, 2020). For instance, Eskom's inability to invest in new technologies and infrastructure upgrades has exacerbated South Africa's energy crisis, which in turn affects industrial productivity and economic growth (AGSA, 2023). Rigid bureaucratic structures within SOEs hinder quick decision-making, perpetuating outdated practices and contributing to high operational costs (Kaunda & Pelsler, 2023).

#### **2.1.2.2.4 Corruption and Mismanagement**

Corruption and mismanagement are persistent issues within SOEs, further eroding public trust and leading to resource misallocation. Myeni (2017) emphasises that corruption within SOEs undermines accountability and performance, often resulting from weak governance frameworks. Corrupt practices are perpetuated by insufficient checks and balances, leading to financial losses and diminished trust in these entities (Farazmand et al., 2023; Mlambo & Makhonza, 2022). Instances of state capture have revealed how corruption networks exploit SOEs for personal gain, ultimately damaging the public interest.

#### **2.1.2.3 Potential for Improvement**

Despite these challenges, some SOEs have shown resilience in specific areas. For example, Transnet has demonstrated improvement in port operations and freight rail services, though it continues to face financial and governance challenges (Rossouw, 2021). This suggests that with the right governance reforms, leadership practices, and strategic oversight, SOEs can perform effectively.

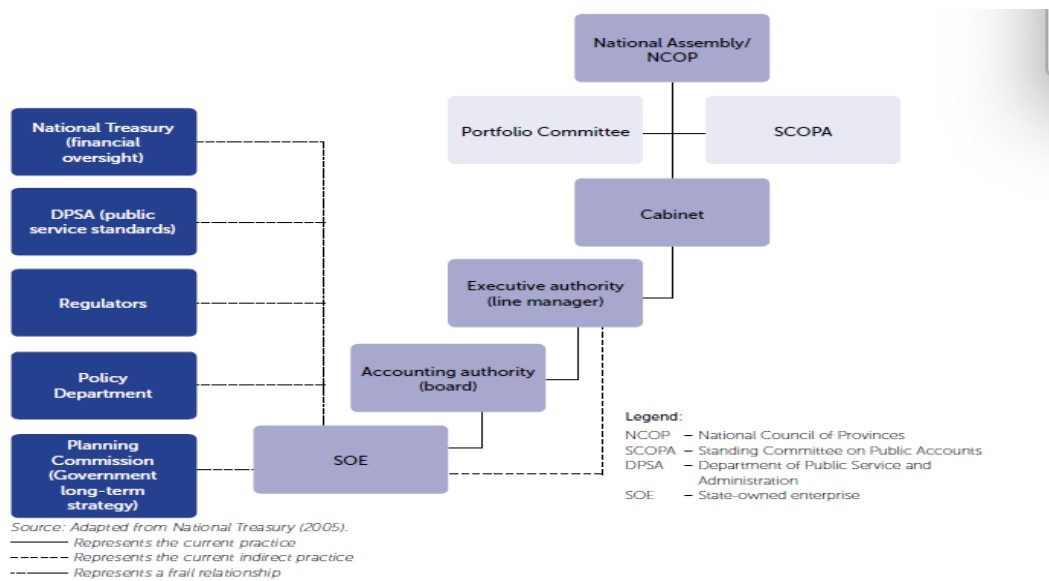
### 2.1.3 Governance structures

The establishment of governance structures within SOEs is driven by the need for transparency, accountability, and efficiency in the management of public assets (Redding et al., 2018). Corporate governance encompasses the structures, systems, processes, and controls within an organisation, spanning oversight, monitoring, and management levels (Pandey, N., Andres, C., & Kumar, S, 2022).

In South Africa, governance frameworks were established to regulate SOEs, aligning them with both commercial objectives and developmental mandates, such as reducing inequality and enhancing public service delivery (Khan, 2011; Plagerson, 2021). The PFMA and the Companies Act serve as pivotal regulatory tools to enforce accountability, support sound financial management, and protect public interests. These acts define the roles of boards, executives, and government oversight bodies (National Treasury, 2020). While formal governance structures, such as those mandated by the PFMA and Companies Act, provide essential frameworks, informal mechanisms occasionally impact decision-making, sometimes leading to political interference (Wąsowska & Postuła, 2018).

SOE governance mechanisms incorporate both formal structures, including management and supervisory boards, and informal mechanisms (Wąsowska & Postuła, 2018), as depicted in Figure 2 below.

Figure 2: Governance structures of state-owned enterprises in South Africa



Source: Presidential Review Committee (PRC). (2013). *Presidential Review committee on State-owned Enterprises*. Retrieved from [https://www.gov.za/sites/default/files/gcis\\_documents/201409/presreview.pdf](https://www.gov.za/sites/default/files/gcis_documents/201409/presreview.pdf)

Legal frameworks in South Africa empower various ministries, the Auditor-General, and SOE boards to oversee and monitor SOE performance. These legislative instruments are complemented by oversight structures such as the AGSA whose function is to evaluate financial performance and governance compliance as mandated by the Constitution (AGSA, 2021). SOE boards manage day-to-day governance and strategic direction, guided by principles from good corporate governance standards. These standards emphasise ethical leadership, accountability, and transparency (Moloi, 2019). Board characteristics, such as diversity, independence, and size, have been shown to influence sustainability integration and environmental disclosures, underscoring the role of governance in broader social accountability (Ludwig & Sassen, 2021).

These structures provide essential mechanisms for monitoring performance, ensuring that SOEs are aligned with national priorities like economic development, job creation, and infrastructure expansion, while maintaining operational efficiency (Moyo, 2017). They are also designed to minimise political interference, strengthen decision-making processes, and enhance SOE effectiveness through rigorous oversight and reporting requirements (Montmasson-Clair & Das Nair, 2019). Transparent governance mechanisms further build stakeholder trust and reinforce the legitimacy of SOEs within the public sector (Gille et al., 2020).

#### **2.1.4 Broader Research Insights**

Grossi et al. (2015) argue that effective governance mechanisms can contribute to SOE success, while Naidoo and Baloyi (2021) stress the importance of accountability and strong management practices to sustain SOE operations. Some researchers advocate for privatisation as a means to improve efficiency (Gakhar & Phukon, 2018), while others, such as Gupta and Kumar (2020), support a balanced approach that considers SOEs' broader socio-economic objectives. In China, SOEs have been integral to economic success despite inefficiencies, highlighting the importance of context-specific governance frameworks (Lin et al., 2020).

Research on SOE governance has evolved, focusing on corporate governance, performance measurement, and sustainability. Policymakers are advised to utilise SOEs primarily in cases of market failure, weighing potential benefits against operational inefficiencies (Putniņš, 2014). However, in South Africa, the lack of effective accountability mechanisms in SOEs remains a significant concern. These entities operate with limited oversight, which enables unchecked financial mismanagement and perpetuates inefficiencies (Mlambo & Makhonza, 2022).

Addressing these governance challenges is crucial for enhancing transparency and aligning SOEs with their public service mandates. For this research, accountability is emphasised as a cornerstone of effective governance in South African SOEs.

## **2.2 Accountability in the Context of SOEs**

In the South African context, accountability frameworks and mechanisms are designed that ensure leadership within these SOEs is responsible for the effective use of public resources, adherence to governance standards, and the fulfilment of organisational goals (Mafunisa & Matsiliza, 2021), similar to the global context. Given the socio-economic role that SOEs play in sectors such as energy, transport, and communications, accountability is crucial for balancing public service mandates with commercial objectives (Mlambo & Makhonza, 2022). The current status of accountability frameworks within South African SOEs is a critical concern, as it directly impacts governance effectiveness, ethical integrity, and operational performance. Adebayo (2022) highlights the essential role of good governance in reinforcing accountability mechanisms, paving the way for a more in-depth examination of the complexities surrounding this subject.

### **2.2.1 The Importance of Accountability in Governance**

Thornhill (2011) posits that accountability in the public sector, more so within SOEs, is integral to managing organisational, political, and administrative. In the absence of accountability, societal inclusion and equity may be compromised, concentrating prosperity within a select group rather than distributing benefits more widely (Mfene, 2014). This gap highlights the potential consequences for both governance and societal welfare when accountability frameworks are ineffective or underdeveloped.

### **2.2.2 Challenges in Implementing Accountability Mechanisms**

The effectiveness of accountability within SOEs depends on several factors, including governance characteristics like transparency, stakeholder engagement, and ethical leadership, which influence overall performance (Bett, 2022). However, structural attributes of SOEs, such as state ownership, political oversight, and ambiguous objectives, often challenge financial accountability. These factors can lead to governance issues that compromise SOE efficiency (Ruggiero, 2021). Capacity constraints, including inadequate training and limited resources, further exacerbate these challenges, impeding public accountability and service delivery (Rulashe & Ijeoma, 2022). Experiences from other public sectors, such as the

Australian public sector, reveal similar struggles in realising accountability frameworks effectively, underscoring the universality of these challenges (ANAO, 2023).

### **2.2.3 The Role of Professional Bodies in Accountability**

SAICA (2023) highlighted that the lack of accountability and consequence management in SOEs has led to significant financial losses through wasteful expenditure. Newman, Rand, and Tsebe (2019) argues that immediate intervention is essential to prevent further resource misallocation, as persistent deterioration in service delivery has direct, negative impacts on South African citizens.

#### **2.2.3.1 Transparency and Public Trust**

Transparency and accountability are pillars of good governance, essential for building public trust and reinforcing democratic values (IFAC, 2024). Accountability serves not only as a mechanism for ensuring proper financial management and ethical conduct but also as a means of fostering public trust and legitimacy (Cruz et al., 2023). Santos (2019) highlights that by emphasising transparency, the public value paradigm can hold administrators accountable, thereby enhancing service delivery outcomes and bolstering trust.

#### **2.2.3.2 The Behavioural Aspect of Accountability**

Maa (2019) points out that for accountability mechanisms to be effective, individuals within SOEs must recognise the authority of those to whom they are accountable. Behavioural adjustments occur only when individuals anticipate future accountability to a credible authority. In this context, comprehensive accountability involves not just systems but also an understanding of how individuals perceive their responsibilities and align their actions with governance standards.

In summary, accountability is a fundamental aspect of governance in South African SOEs. Effective accountability frameworks are essential for enhancing transparency, improving service delivery, and ensuring ethical use of public resources. For the purpose of this study, accountability is viewed as a critical component that supports governance in South African SOEs, contributing to both organisational efficiency and public trust.

### **2.2.3.3 Components of Accountability in SOEs**

Overman and Schillemans (2022) categorise public sector accountability into four primary types, relevant to the operations of State-Owned Enterprises (SOEs) in South Africa: social accountability, financial accountability, professional accountability, and legal accountability. This section explores the first three types and their implications for SOE governance and performance.

#### **2.2.3.3.1 Social Accountability**

According to Fox (2015), social accountability consists of mechanisms that enable citizens, civil society organisations, and other stakeholders to hold public institutions, including SOEs, accountable for their actions and decisions. For SOEs, social accountability involves ensuring transparency, responsiveness, and integrity in managing public resources and delivering essential public services.

In South Africa, SOEs are tasked with providing critical services; however, inadequate public oversight can lead to bureaucratic inefficiencies and political interference, compromising their ability to meet public expectations (World Bank, 2021). A major challenge is the lack of transparency in decision-making, which undermines social accountability mechanisms (Doh & Ramamurti, 2003). This lack of transparency is compounded by limited performance metrics and insufficient public disclosure of financial and operational data, which weakens the ability of civil society and media to scrutinise SOE performance effectively (Makhaya & Roberts, 2013).

Weak governance structures in SOEs can lead to misaligned incentives, where managers prioritise political objectives over organisational efficiency, adversely impacting service delivery and public trust (Boubakri et al., 2008; Kauzya & Balogun, 2005). To enhance social accountability, external oversight bodies like parliamentary committees and regulatory agencies play an essential role. These entities can mandate regular audits, public disclosure of financial information, and foster public engagement in SOE governance through consultations and participatory budgeting (Bertot, Jaeger, & Grimes, 2010).

In conclusion, strengthening social accountability within SOEs requires robust governance frameworks that prioritise transparency, public participation, and external oversight, achievable through policy reforms, enhanced public scrutiny, and a culture of accountability.

### **2.2.3.3.2 Financial Accountability**

Financial accountability in South African SOEs has been a critical issue, particularly due to failures in governance, transparency, and financial management (Steven, 2021). Recurring financial rescues for SOEs like Eskom highlight systemic accountability issues that undermine their sustainability (Mokgata, 2020; Mbatha, 2020). Research by Mishi (2020) notes that lax financial controls, despite mandates from the Public Finance Management Act (PFMA), exacerbate these issues, posing fiscal risks to the national treasury.

The PFMA requires SOEs to implement strict financial controls to ensure prudent use of public funds; however, adherence remains inconsistent, leading to systemic risks and substantial financial losses (Ntim et al., 2017). Auditor-General reports consistently reveal issues such as irregular expenditure, procurement non-compliance, and weak financial controls. Findings from the Zondo Commission underscore how a lack of consequence management has enabled corruption and unchecked irregular expenditure to persist (Pillay, 2024; IntechOpen, 2023). The implementation of stronger internal controls and governance reforms is essential to improve the financial health of SOEs and ensure they contribute positively to the South African economy (National Treasury, 2023; OECD, 2022).

Without such reforms, SOEs will likely continue to drain public resources, compromising their financial sustainability and hindering their role in economic development.

### **2.2.3.3.3 Professional Accountability**

Professional accountability refers to the responsibility of individuals within a profession to adhere to ethical standards, codes of conduct, and norms, prioritising the interests of stakeholders, society, and the profession itself. It emphasises transparency, competence, and integrity in professional practices. Research suggests that professional accountability can enhance governance and service delivery within SOEs (Mthombeni & Mathafena, 2021). Studies across various fields underscore the role of professional imperatives and workplace culture in fostering accountability (McGregor, 2023; Chesterton, 2020). Pas (2019) and Tier (2020) explore accountability mechanisms in fields such as veterinary work and social work, illustrating the broader importance of professional accountability in diverse contexts.

In the context of SOEs, professional accountability supports effective decision-making and reinforces ethical practices among leadership. It also ensures that actions taken by individuals within SOEs align with established codes of conduct and governance frameworks. However,

as Joshi (2008) suggests, professional accountability alone may not guarantee engagement or transparency unless there are participatory frameworks in place. Approaches like the Polity and Realist models examine the conditions and complexities that influence social and professional accountability (Lodenstein et al., 2013).

In summary, professional accountability within SOEs requires clear ethical standards and consistent oversight mechanisms to promote responsible conduct and enhance the effectiveness of governance frameworks.

#### **2.2.3.4 Process of accountability in South African SOEs**

The accountability process within South African SOEs is a structured approach encompassing various mechanisms to ensure transparency, oversight, and responsibility in governance. This process is crucial for ensuring that SOEs and their leadership are held accountable for efficient use of public resources, while also fulfilling their service delivery obligations. Key stages of accountability in South African SOEs include financial reporting, auditing, performance monitoring, board oversight, and parliamentary scrutiny.

##### **2.2.3.4.1 Financial Reporting and Auditing**

Financial reporting is a fundamental aspect of accountability in South African SOEs, mandated by legal frameworks like the Public Finance Management Act. SOEs are required to prepare comprehensive financial statements that undergo annual audits by the Auditor-General of South Africa. These audits assess adherence to financial management regulations, determining whether public funds are used appropriately (AGSA, 2023). Audit results highlight areas of concern, including instances of non-compliance, mismanagement, and corruption, thereby providing a foundation for accountability.

The findings are then presented to Parliament and made publicly available, promoting transparency and allowing further accountability measures (Naidoo, 2020). Financial reporting and auditing form the backbone of accountability in SOEs, offering a clear record of financial health and compliance with governance frameworks (Kaunda & Pelsler, 2023).

##### **2.2.3.4.2 Performance Monitoring**

Beyond financial audits, South African SOEs engage in performance monitoring, setting operational targets based on their mandates. These targets might include objectives like

improving service delivery, enhancing efficiency, or expanding infrastructure. Performance monitoring requires SOEs to report progress regularly, often on a quarterly or annual basis, to oversight bodies such as the Department of Public Enterprises (Naidoo & Rajcoomar, 2020).

Performance monitoring also assesses SOEs' success in meeting public service objectives, such as reliable energy provision by Eskom or efficient transport services by Transnet. When SOEs fail to meet performance targets, their boards or government oversight bodies may investigate, identify causes of underperformance, and implement corrective actions (AGSA, 2023). This aspect of accountability holds SOEs accountable for both financial management and operational efficiency, aligning them with service delivery goals (Kaunda & Pelsler, 2023).

#### **2.2.3.4.3 Board Oversight**

The Board of directors within South African SOEs play a critical role in driving accountability within these institutions. Boards are responsible for ensuring that SOEs operate within governance frameworks, achieve their financial and operational targets, and adhere to strategic objectives. They oversee executive management, implement governance policies, and make strategic decisions that support the SOE's mandate (Mlambo & Makhonza, 2022).

Ideally, the board serves as the first line of defence against mismanagement and governance failures. However, political interference can undermine board independence, making it challenging to hold management accountable effectively. Such political influence often leads to weak consequence management for poor performance or misconduct, compromising the accountability process within SOEs (Motswaledi & Maseng, 2024).

#### **2.2.3.4.4 Parliamentary Oversight**

Parliamentary oversight in South African SOEs is carried out through committees such as the Standing Committee on Public Accounts (SCOPA). These parliamentary bodies scrutinise SOE performance by reviewing financial audits, operational reports, and any irregularities identified by the Auditor-General. This oversight ensures SOEs remain accountable to both government and the public, providing a mechanism to address governance failures and enforce compliance with public finance regulations (Naidoo, 2020).

Parliamentary committees have the authority to summon SOE executives, demand explanations for governance shortcomings, and recommend remedial actions. This level of oversight is essential to the accountability process, as it subjects SOEs to scrutiny by elected

representatives, reinforcing their obligation to act in the public interest (Kaunda & Pelser, 2023).

#### **2.2.4 Effectiveness of accountability in SOEs**

Despite the presence of accountability mechanisms such as audits, performance evaluations, and parliamentary oversight, their effectiveness in ensuring genuine accountability within South African SOEs remains inconsistent. While effective accountability ideally depends on both formal measures and informal practices within boardrooms (Goodman et al., 2021), challenges such as political interference, weak enforcement, and corruption often undermine these mechanisms, making it difficult to achieve effective governance outcomes (Naidoo, 2020). Consequently, many accountability practices are superficial, with SOEs frequently failing to implement recommendations from audits or performance reviews. This has led to repeated issues of financial mismanagement, poor service delivery, and a decline in public trust.

Legislative oversight itself encounters obstacles in holding the executive accountable due to political dynamics (Magano, 2023). Additionally, leadership attributes, such as social capital, play a significant role in organisational effectiveness (Titus & Hoole, 2021). However, multiple overlapping accountability mechanisms can lead to "accountability overload," resulting in a focus on bureaucratic compliance at the expense of operational efficiency (Mukinda et al., 2019). While self-regulation is increasingly seen as a valuable governance tool, it has proven most effective when used in conjunction with formal laws. However, when boards include a high proportion of political appointees, the positive impact of self-regulation on accountability is often weakened (Papenfuß & Schmidt, 2020).

The limitations in the effectiveness of current accountability mechanisms highlight the need for more rigorous and targeted governance approaches in SOEs. Professional bodies have an essential role in fostering accountability by setting ethical standards and governance practices. Through oversight and governance standards for professionals within SOEs, these bodies can help address the risks associated with corruption and mismanagement (Ackers & Adebayo, 2022).

The following section will examine in greater detail how professional bodies contribute to improving accountability and governance within South African SOEs.

## **2.3 Role of Professional Bodies in Accountability within SA SOEs**

Yunus (2017) asserts that Professional bodies serve as governing entities that oversee and regulate the conduct of their members within specific professions, for them to conform to established ethical and professional standards that are designed to safeguard the profession. Shaukat (2021) further posits that their mandate extends beyond mere regulation to advocacy and support for practitioners. This aims to advance collective interests, uphold standards, and foster professional growth within their fields. Furthermore, these bodies play a crucial role in developing skilled human resources, supporting professional education, and facilitating training initiatives (Shaukat, 2021). As Friedman (2023) explains, professional bodies also provide platforms for ethical discourse, reinforcing the longevity and integrity of their professions.

In South Africa, the recognition of professional bodies is governed by the South African Quality Assurance Authority (SAQA) Policy and Standards on Professional Body Recognition, in alignment with the National Standards Act 67 of 2008 (SAQA, 2024). SAQA emphasises that professional bodies contribute to quality, relevance, and integrity in qualifications and professional designations across sectors. They are critical to workforce development, with an estimated 60% of university programs in South Africa subject to their accreditation processes (Dowelani, 2020). By supporting curriculum development and ensuring educational standards, professional bodies help cultivate a proficient and ethically sound workforce to address the South African socio-economic needs.

Yunus (2017) further highlights that in public sector, professional bodies have a role to play in upholding standards of good governance and professionalism. However, they often face challenges in balancing their dual roles as guardians and regulators, particularly in times of heightened pressure (Komesaroff, 2019). Naidoo (2020) stresses the need for these bodies to enhance their effectiveness to maximise value for stakeholders. Brès et al. (2019) highlight that professional identity, shaped by values, norms, and expectations, strengthens practitioners' capacity for ethical decision-making. Endrawes, Leong, and Matawie (2023) add that accountability fosters a heightened sense of professional skepticism, which is essential for practitioners under scrutiny.

### **2.3.1 Impact of Professional Bodies on Accountability within SOEs**

Institutions such as SAICA, ECSA, and others exert a multifaceted influence on accountability within SOEs. Kgobe (2021) emphasises the importance of ethical stewardship and

transparency, noting that professional bodies are instrumental in promoting these values within SOEs. Belfellah (2016) presents a conceptual framework for evaluating accountability in SOEs, underscoring the need for ethical practices in achieving operational effectiveness. Postula (2020) explores the challenges SOEs face in balancing legislative compliance with performance objectives, citing examples like the South African Broadcasting Corporation and Eskom.

Research by Thusi and Mashabela (2023) reveals that a lack of public accountability adversely affects service delivery in SOEs, weakening democratic principles such as transparency and responsiveness, and leading to inefficiencies, corruption, and degradation of public services. Canning and O'Dwyer (2001) found deficiencies in the accountability mechanisms of certain professional bodies, particularly in disciplinary processes. These findings suggest that disciplinary procedures often prioritise the profession's interests over public accountability, protecting practitioners from external scrutiny rather than addressing societal concerns.

The AGSA (2023) recent assessments revealed significant governance failings in some SOEs, including mismanagement, fraud, and corruption, which compromise financial sustainability. These findings underscore the need for professional bodies to enforce stronger accountability standards to prevent financial mismanagement and restore public confidence.

### **2.3.2 Accountability Mechanisms in SOEs**

Accountability within South African SOEs is maintained through several key mechanisms (Kanyane & Sausi, 2015). These include:

- **Governance Structures:** SOE boards, appointed by government or shareholder representatives, are responsible for strategic direction, managerial oversight, and legal compliance.
- **Regulatory Oversight:** Entities like the Department of Public Enterprises, National Treasury, and sector-specific regulatory bodies oversee SOEs to ensure adherence to laws, regulations, and performance standards.
- **Parliamentary Oversight:** Parliamentary committees play a significant role in promoting accountability and transparency by conducting in-depth assessments of SOEs. The committees such as the Standing Committee on Public Accounts (SCOPA) scrutinise performance of these SOEs and their financial management practices to ensure adherence to legislative requirements.

- Auditor-General Audits: The AGSA conducts regular audits to assess SOE compliance with financial standards, internal controls, and governance practices, sharing findings with Parliament and the public.
- Public Reporting: SOEs are required to publish annual reports, financial statements, and performance metrics, promoting transparency and accountability to stakeholders, including shareholders, taxpayers, and the broader public.

These mechanisms are fundamental to maintaining integrity and efficiency in SOE governance, ensuring that public resources are managed responsibly.

### **2.3.3 Conclusion**

In conclusion, professional bodies are instrumental in shaping and reinforcing accountability within South African SOEs through setting professional standards, advocating for ethical practices, and holding practitioners within SOEs accountable. These bodies help reinforce ethical governance and compliance. However, challenges such as political interference, corruption, and inadequate oversight complicate the enforcement of accountability. Despite these obstacles, professional bodies remain pivotal in promoting transparency and accountability within SOEs.

This discussion introduces the significance of the principal-agent theory, offering a framework to understand the relationship the agent being the executives within the SOEs responsible for decision making and operations of these institutions, and the principle being the state and the public as stakeholders. The principal-agent relationship here highlights the expectation that SOE managers (agents) should act in the best interests of the state and public (principals), whose interests they are trusted to serve. The theory emphasises potential conflicts of interest that may arise when agents (SOE managers) fail to act in the best interests of their principals (the state and the public). Section 2.4 will delve into how the principal-agent theory supports accountability dynamics within SOEs, illuminating mechanisms that can address agency issues and strengthen governance.

## **2.4 Principal Agency Theory**

The study of accountability in the context of the South African SOEs can be approached through various theoretical frameworks, each offering unique insights into governance mechanisms and public institution responsibilities. Among commonly referenced theories such as Stewardship Theory, Stakeholder Theory, Public Interest Theory, and Principal-Agent Theory, the Principal-Agent Theory is particularly relevant for this research. It provides a

comprehensive framework for understanding accountability challenges in South African SOEs, aligning closely with the study's objectives.

Brandsma and Schillemans (2013) highlight the relevance of principal-agent theory for analysing gaps within accountability systems, particularly in public institutions. The central premise of this theory, as outlined by Bernhold and Wiesweg (2021), is the contractual relationship between principals (e.g., shareholders or state representatives) and agents (e.g., managers or employees), where agents are expected to act in the best interests of the the State and the public (principles'). However, agents may have their own self-interested goals, leading to conflicts of interest and information asymmetry (Payne, 2019). The theory examines the challenges associated with delegating decision-making from principals to agents, exploring mechanisms to align their interests and minimise agency conflicts.

In the public sector, professional bodies act as agents enforcing ethical and professional standards on behalf of the public (the principal), especially concerning professionals within SOEs. This perspective suggests that professional bodies can mitigate agency conflicts by setting and upholding ethical standards, enhancing accountability, and aligning SOE operations with the public interest.

Almquist et al. (2013) highlights the complexity of accountability in the public sector as it involves multiple (internally and externally) stakeholders to whom public institutions may be accountable. This notion of multi-dimensional accountability suggests that accountability extends beyond the traditional principal-agent relationship. Expanding on this idea, Olsen (2015) and Schillemans and Bjurstrøm (2020) suggest a blended approach that integrates both Agency and Stewardship theories to better reflect the complex relationships between principals and agents within SOEs.

The Principal-Agent Theory is particularly pertinent to this research as it directly addresses the objectives of enhancing accountability within SOEs to curb corruption and improve governance. The theory offers a structured way to investigate how accountability mechanisms—such as audits, board oversight, and regulatory frameworks—can align the interests of SOE executives with those of the state and public (Jensen & Meckling, 1976). This approach is highly relevant in the South African context, where issues like political interference and weak oversight exacerbate principal-agent challenges.

This research utilises Principal-Agent Theory to explore how professional bodies, alongside regulatory mechanisms, can strengthen accountability within SOEs by reducing information

asymmetry and incentivising executives to act in the public interest. In South African SOEs, where governance failures and mismanagement of public resources are prevalent, this theoretical lens is essential for examining how accountability structures can be reformed to ensure effective governance.

Furthermore, Principal-Agent Theory offers a useful framework for examining how professional bodies influence and shape accountability. The theory helps interpret findings from scholars such as Ackers (2022) and Myeza (2021), who explore how professional standards, regulatory frameworks, and oversight mechanisms foster accountability in SOEs. By setting normative standards and regulatory frameworks, professional bodies can influence accountability dynamics within the public sector, ensuring alignment between professional conduct and public welfare objectives.

Ultimately, Principal-Agent Theory is well-suited to answering this study's research questions, offering insights into how accountability in South African SOEs can be enhanced through targeted governance reforms.

## **2.5 Literature Conclusion**

In summary, this literature review has established a clear connection between the governance challenges in South African SOEs and the critical need for enhanced accountability mechanisms. This also supports the use of Principal-Agent Theory as an effective means for exploring these dynamics. The gaps found in existing literature, especially concerning the role of professional bodies in enforcing accountability, underscore the importance of this research. As the study progresses, it will aim to fill these gaps by providing empirical insights into how accountability can be strengthened in South African SOEs through effective governance practices and the involvement of professional bodies.

### **3 CHAPTER 3: RESEARCH QUESTIONS**

Building on the theoretical foundations outlined in Chapter 2, Chapter 3 concentrates on formulating the research questions that steer the examination of accountability within South African SOEs. The previous chapter established the role of professional bodies and the relevance of Principal-Agent Theory in understanding accountability dynamics in SOEs. Here, we outline the primary research question that examines the specific role of professional bodies in influencing accountability and governance practices within these entities. This chapter aims to provide a structured approach to understanding how professional bodies can address governance challenges, mitigate agency problems, and enhance transparency in SOEs.

#### **3.1 Research Questions**

**Primary Research Question: What role do professional bodies play in holding their members accountable within SOEs?**

This research question seeks to explore and understand the extent to which professional bodies influence governance and accountability within SOEs. Specifically, it examines the mechanisms through which professional bodies enforce ethical standards, ensure compliance with governance frameworks, and regulate the professional conduct of individuals within SOEs (Shaukat, 2021). By addressing this question, the research will shed light on how these professional bodies contribute to mitigating governance challenges—such as financial mismanagement and corruption—that have historically affected SOEs (Mlambo & Makhonza, 2022). The objective is to determine whether professional bodies, through their regulatory functions, can act as external accountability mechanisms that promote transparency and ethical governance in SOEs (Naidoo, 2020).

Additionally, this research aims to assess the effectiveness of professional bodies in mitigating agency problems as identified in the Principal-Agent Theory, wherein SOE managers may not always act in the best interests of the public or government (Jensen & Meckling, 1976). This inquiry is particularly relevant in the South African context, where political interference and weak governance structures have led to accountability failures across many SOEs (AGSA, 2023).

**Secondary Research Question 1: How effective are the current accountability mechanisms employed by professional bodies in holding their members accountable?**

This question seeks to assess the efficacy of existing accountability frameworks established by professional bodies. The aim is to explore how well these mechanisms, such as audits, disciplinary procedures, and ethical oversight, function in ensuring that professionals within SOEs comply with governance standards and act in the public interest (Shaukat, 2021). This will also determine if the accountability mechanisms address key issues like corruption and financial mismanagement (Naidoo, 2020).

**Secondary Research Question 2: In what ways can professional bodies influence the improvement of governance practices and reduce corruption within South African SOEs?**

This question aims to investigate the specific contributions of professional bodies toward improving governance practices within SOEs. The focus is on how these bodies can set standards, monitor compliance, and provide ethical guidelines that reduce instances of corruption and improve transparency within these enterprises (Mlambo & Makhonza, 2022). This aims to highlight the potential role of professional bodies in fostering a more ethical and accountable governance culture within SOEs.

**Secondary Research Question 3: How can the integration of professional bodies into governance frameworks of SOEs improve financial management, ethical conduct, and public service delivery?**

This question seeks to identify ways in which professional bodies can be better integrated into the governance frameworks of SOEs to improve outcomes such as financial management, ethical conduct, and service delivery. The aim is to provide practical recommendations for leveraging professional bodies as key accountability actors within the governance structures of SOEs, ultimately enhancing the overall performance and credibility of these organisations (Naidoo, 2020; Dowelani, 2020).

Each of these secondary research questions builds upon the primary research question by exploring different aspects of the relationship between professional bodies and SOEs, offering a deeper understanding of how these bodies can influence governance and accountability.

### **3.2 Hypothesis**

The involvement of professional bodies significantly improves accountability within South African State-Owned Enterprises (SOEs) by enforcing accountability mechanisms to reduce corruption and align managerial actions with public service mandates. This hypothesis is

grounded in the Principal-Agent Theory, which suggests that professional bodies, through their regulatory and oversight functions, can act as mechanisms to reduce the misalignment of interests between SOE managers (agents) and the government/public (principals). By enforcing ethical standards, ensuring transparency, and promoting good governance, professional bodies are expected to mitigate agency problems such as corruption and mismanagement, thus enhancing accountability within SOEs.

The study will test this hypothesis by examining the extent to which professional bodies influence governance outcomes in SOEs, particularly in terms of reducing financial mismanagement, improving transparency, and fostering ethical conduct. The results will provide empirical evidence on whether the involvement of professional bodies has a tangible impact on improving accountability in the governance structures of South African SOEs.

### **3.3 Conclusion**

In summary, Chapter 3 has outlined the primary and secondary research questions and the central hypothesis guiding this study. Collectively, these questions and hypotheses establish a structured framework for examining how professional bodies contribute to promoting accountability within South African SOEs. The chapter has established the scope of inquiry, focusing on the mechanisms of accountability and governance practices influenced by professional bodies in addressing agency problems within SOEs.

The following chapter 4 will outline the research methodology, describing the approach, data collection methods, and analysis techniques employed to address the research questions. This methodology will enable a systematic exploration of the influence of professional bodies on SOE governance, providing the foundation for analysing and interpreting the findings.

## **4 RESEARCH METHODOLOGY**

As outlined in Chapter 3, this chapter describes the research methodology employed to address the study's research questions. The chosen methodology was designed to provide comprehensive and detailed insights into the role of professional bodies in enhancing accountability within South African SOEs. This chapter presents the framework of accountability mechanisms and adhered to qualitative research principles, encompassing the research design, target population, sampling methods, data collection tools, and data analysis procedures. Additionally, it explains the rationale behind the chosen research approach and the tools used for data collection and interpretation. The literature review from Chapter 2 informed the development of the interview guide, the qualitative and exploratory approach, and the subsequent analysis framework. Finally, this chapter acknowledged the limitations associated with the selected research method and evaluated these constraints in light of the study's findings and implications.

### **4.1 Research design**

The proposed research design provided a robust framework for investigating the research questions, enhancing the study's trustworthiness and reliability as per Creswell and Creswell (2017). Given the need for an in-depth exploration of complex phenomena, a qualitative approach was selected, supported by interpretivist philosophy. Interpretivism aligned with the study's objectives, facilitating an understanding of subjective experiences within the unique socio-political context of South African SOEs (Smith, 2023). Semi-structured interviews with SOE management, governance committee members, and professional body representatives enabled a thorough exploration of perspectives on accountability mechanisms and the influence of professional bodies. This approach, in line with exploratory research principles, provided initial insights into the accountability landscape, supported by recent studies on SOE governance challenges, including issues of consequence management, legislative fragmentation, and political interference (Saunders & Lewis, 2018; Mthombeni, 2023). Thematic and content analysis further enriched understanding of the complex dynamics between professional bodies and accountability within SOEs.

### **4.2 Research universe**

The research universe comprised individuals directly involved in or knowledgeable about the management, governance, or oversight of South African SOEs. This included SOE management, governance committee members, and representatives from professional

associations. Additionally, stakeholders such as employees, clients, and non-governmental organisations were included to capture a range of perspectives on accountability dynamics. Ensuring diversity in organisational roles, sectors, and experience levels was prioritised in participant selection to provide a comprehensive exploration of the impact of professional bodies on accountability in South African SOEs.

### **4.3 Population**

According to Saunders and Lewis (2018), the population was defined as the entire set of cases from which a sample was drawn. This study focused on professionals in management positions, such as senior managers, executives, or governance committee members from the 271 registered SOEs in South Africa, who were also members of recognised professional bodies listed by the South African Qualifications Authority.

The initial step involved identifying the population of influential individuals within these SOEs. A purposive and snowball sampling technique was employed to select participants, ensuring a diversity of viewpoints and experience (Saunders & Lewis, 2018). Data saturation guided the sample size to ensure that all relevant perspectives and insights were adequately covered.

### **4.4 Sampling Method and Size**

The sampling frame for this study comprised South African State-Owned Enterprises (SOEs) listed under the Public Finance Management Act (PFMA) schedules, specifically Schedule 2 and 3 entities, as published by the National Treasury. Given the challenges of accessing information and the difficulty in reaching all relevant professionals and executives within these SOEs, a non-probability sampling approach was adopted to ensure practical feasibility.

To address the constraints of limited resources and access, a layered sampling strategy was implemented, combining purposive, snowball, and quota sampling techniques (Saunders & Lewis, 2018). Purposive sampling was used initially to select participants with specific roles that aligned with the research objectives, ensuring the inclusion of individuals who were directly involved in accountability and governance functions. Snowball sampling then enabled the identification of additional participants through referrals, which was especially valuable for reaching executives who were otherwise difficult to access. Quota sampling further balanced representation by ensuring that key hierarchical roles, such as executive managers, senior managers, and professional staff, were proportionately included within the sampled SOEs.

The sample included respondents from multiple sectors such as energy, education, property development, finance, water, transport, and logistics, providing a broad perspective on accountability practices across different industries. Initially, 12-16 participants were targeted to however, a total 12 in-depth interviews were conducted over a period of two months, allowing sufficient time for each participant to share comprehensive insights. Two participants were discarded as one did not meet the minimum sampling criteria and the other participant was used for testing. Despite unequal representation across industries and hierarchical levels due to access limitations, the sampling methods ensured that essential perspectives from key governance stakeholders were captured, aligning well with the study's focus on accountability in SOEs.

A summary of the participants' industry, hierarchical rank, and area of expertise is presented in Table 1, highlighting the diversity of roles included in the sample, from executive leaders to senior professionals involved in governance and oversight within the SOE environment.

Table 1: Sample Overview by Industry and Hierarchical Rank

Industry	Role Types or Hierarchical Rank	Number of respondents
Property development	Executive Manager	2
Finance	Executive Manager	2
Transport	Executive Manager / Governance Committee Member	1
Water	CEO	1
Skills Development	Executive Manager	2
ICT	Executive Manager	1
Marine	Executive Manager	1
Energy	Executive Manager	1
Research and Sciences	Executive Manager	1

Data saturation served as the criterion for finalising the sample size, ensuring comprehensive insights into the research questions.

#### 4.5 Unit of analysis

The unit of analysis referred to the specific entities or cases under investigation. In this research, the unit of analysis consisted of professionals in key positions within South African SOEs who

were affiliated with recognised professional bodies. These individuals, occupying executive or governance roles, formed the focal point for examining accountability and management practices within SOEs. The participants comprising the unit of analysis were identified and organised into specific categories as outlined.

**Table2 : Definitions of the Participants’ Titles**

Position Title	Definition
Governance Committee Member	This refers to individuals who serve on committees responsible for oversight, compliance, and governance within the organisation. These members are tasked with ensuring adherence to governance frameworks, such as the King IV Code, and provide guidance on ethical standards, risk management, and accountability practices. They also play a crucial role in supporting the board by overseeing key areas such as audit, risk, remuneration, and ethics, contributing to the SOE's alignment with both its public mandate and best governance practices. (IODSA, 2016)
Executive Manager	These are typically high-level management officials responsible for strategic decision-making, operational oversight, and implementing governance policies within the organisation. This include positions such as Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), or Head of Departments (HoD). These individuals are accountable for aligning the SOE’s performance to the public service mandate and compliance with governance frameworks (National Treasury, 2019)
Professional	refers to an individual who possesses specialized knowledge and skills in a particular field, often certified by a recognized professional body or regulatory authority. These individuals are expected to adhere to established ethical and professional standards, contribute to the public interest, and uphold accountability within their roles (SAQA, 2024)

The chosen unit of analysis aligned with Saunders and Lewis’s (2018) guidance on selecting units that ensure relevance and depth in qualitative research.

#### **4.6 Measurement Instrument and Data Collection Tool**

The most suitable measurement instrument and data collection tool involved a combination of a semi-structured interview schedule. This approach allowed for an in-depth exploration of participants' perspectives and experiences while ensuring that key topics related to the research objectives were addressed (Saunders & Lewis, 2018). The method provided flexibility to probe participants' responses and capture rich qualitative data, offering nuanced insights into the research topic.

Open-ended questions encouraged participants to freely express their thoughts, yielding a deeper understanding of the complexities surrounding the research subject. Additionally, supplementary data collection methods, such as document analysis, were used to triangulate findings from interviews, further strengthening the validity of the research outcomes. Overall, the use of semi-structured interviews as the primary data collection tool aligned with the qualitative nature of the study, facilitating an in-depth exploration and interpretation of participants' perspectives and experiences.

#### **4.7 Data Gathering Process and Collection Method**

To achieve the research objectives, semi-structured interviews were employed as the primary data collection method. Semi-structured interviews are recommended for exploratory research, as they allow the interviewer to follow a set of themes while adapting questions based on participants' responses (Saunders & Lewis, 2018). This flexibility was particularly useful for this study, as it enabled in-depth exploration of complex topics like accountability and governance within South African SOEs. An interview guide was developed (attached as Appendix 2) to ensure that all key themes were addressed, while allowing for spontaneous follow-up questions when necessary to capture participants' unique insights.

To accommodate varying levels of knowledge and experience with accountability concepts, the interview guide included additional prompts to assist respondents in elaborating on their responses. This structure was designed to facilitate comprehensive discussions, particularly in cases where respondents might have limited familiarity with specific accountability frameworks or practices (Saunders & Lewis, 2018). Table 5 provides an overview of the research questions from Chapter 3, mapped against the interview questions to demonstrate alignment with the study's objectives.

Participants were invited to participate through formal email invitations and follow-up calls. Each interview began with a brief overview of the study's aims, and respondents were informed of their rights, including voluntary participation and the ability to withdraw at any point without consequence. In alignment with ethical standards, each participant signed an informed consent form (attached as Appendix B) before the interview commenced. The interviews were conducted face-to-face, and with the consent of participants, were audio-recorded to ensure accuracy in data capture.

In total, twenty semi-structured interviews were conducted. The interviews varied in length, with the shortest lasting 35 minutes and the longest extending to 75 minutes,. Physical notes were taken during the interviews to highlight key points and observations, supplementing the audio recordings. After each interview, recordings were transcribed verbatim to facilitate thorough data analysis.

A pilot interview was conducted beforehand to test the effectiveness of the interview guide and ensure that the questions were clear and relevant. This pilot confirmed the suitability of the interview structure, and as no modifications were necessary, the pilot interview was included in the final data set. The data gathered from these interviews provided rich insights into the role of professional bodies in promoting accountability in SOEs, aligning with the study's qualitative design and exploratory nature.

#### **4.7.1 Confidentiality and Anonymity:**

To ensure confidentiality and anonymity, all participants were assigned unique identifiers (e.g., Participant A, Participant B) in the research records and final report. The names of participants, their organizations, and any other identifying information were not disclosed at any stage of the research. The interview recordings were stored securely and were accessible only to the researcher. Transcriptions omitted any information that could potentially identify the participants. Prior to the interviews, participants were informed about the measures in place to protect their confidentiality and anonymity, and their explicit consent was obtained.

#### **4.8 Data Analysis Approach and Quality of Data**

This process was guided by the theoretical framework (Principal-Agent Theory supported by Stewardship Theory) outlined in Section 1. Data analysis followed a thematic approach, aiming to identify patterns, meanings, and connections within the qualitative data from semi-structured interviews. Thematic analysis allowed researchers to systematically recognise and interpret key

themes and sub-themes emerging from the interviews (Saunders & Lewis, 2018), leading to a more in-depth understanding of professional bodies' impact on accountability within South African SOEs.

The quality of the data was ensured through rigorous methodological practices, including comprehensive transcription of interview recordings, meticulous coding by multiple researchers to enhance reliability, and triangulation of data sources to verify findings. Additionally, member checking was used to validate data interpretations, with feedback sought from participants to confirm the accuracy and credibility of the findings. The study aimed to provide reliable and credible insights into the role of professional bodies in fostering accountability within South African state-owned enterprises.

#### **4.9 Quality Assurance**

This study's design and implementation carefully addressed key quality considerations in qualitative research to ensure reliability (Saunders & Lewis, 2018). To ensure the quality of the research methodology, several essential steps were implemented. First, rigorous attention was given to selecting and recruiting participants with relevant expertise and experience pertinent to the research topic. Comprehensive and well-structured interview protocols or focus group guides were developed to allow for an in-depth exploration of participants' perspectives on the role of professional bodies in enhancing accountability within South African SOEs.

During data collection, efforts were made to establish rapport with participants, creating an open and comfortable environment that encouraged candid discussion. Additionally, multiple methods of data triangulation, such as cross-referencing interview data with organisational documents or archival records, were employed to enhance the trustworthiness and validity of findings. Systematic and transparent data analysis procedures, including thematic analysis or constant comparative analysis, were used to ensure rigorous interpretation of qualitative data.

No vulnerable groups were included in this research. All data collected will be secured with a password on the researcher's laptop which will be password protected, with a fail-safe backup stored on Google Drive to prevent data loss. Access to the google drive will be restricted to the researcher alone. Any physical documents (e.g., signed consent forms) will be securely stored in a locked cabinet. The data will be retained for a period of five years, after which all digital and physical copies will be permanently deleted to comply with ethical guidelines.

By following these quality assurance protocols, the research methodology for this qualitative study maintained high standards of rigor and credibility, resulting in valuable insights into how professional bodies influence accountability within South African State-Owned Enterprises.

#### **4.10 Research limitations**

This section outlined potential limitations encountered in the study and the strategies implemented to mitigate their effects:

- a. The study utilised a sample size of 10, which, while allowing for in-depth exploration, may have limited the generalisability of the findings to the broader population of South African SOEs. As a result, the insights gained might not have fully reflected the diversity of perspectives and experiences across all SOEs in the country.
- b. Broader contextual factors, such as political dynamics, regulatory frameworks, or economic conditions, may not have been fully accounted for in the study. This limitation could have narrowed the depth of analysis, as these elements significantly influenced accountability practices within South African SOEs.
- c. Potential Biases: The selection of participants may have introduced biases, as individuals could have held vested interests that shaped their views on accountability within SOEs. Additionally, the qualitative nature of the study allowed for potential interpretation bias, where the researcher's subjective views may have influenced the analysis and findings.

To address these limitations, the study implemented several measures to enhance validity, reliability, and relevance:

- a. Enhanced through data triangulation and a consistent interview guide, which helped to ensure credibility and accuracy in exploring accountability within SOEs.
- b. Strengthened by systematic coding conducted by multiple researchers to reduce subjective interpretation and increase the consistency and replicability of the findings.
- c. Achieved by selecting participants with direct experience in SOE governance, ensuring a range of perspectives essential for a comprehensive understanding of accountability dynamics in this setting.

These measures helped to uphold the quality of the research and provided robust insights into the role of professional bodies in fostering accountability within South African SOEs.

## **5 CHAPTER 5: RESULTS**

### **5.1 Introduction**

This chapter presents the research findings in response to the four research questions outlined in Chapter 3, with key insights highlighted through relevant tables and charts. The interviews provided a deeper understanding of how professional bodies influence decision-making processes, enhance accountability mechanisms, and impact governance and corruption overall. This chapter also offers a comprehensive overview of the research sample and describes the process by which the researcher reviewed and analysed data from the ten semi-structured interviews. The interview guide was developed based on insights from the literature review, and a consistency matrix ensured that the research questions were thoroughly addressed, maintaining alignment across the literature review, data collection, and findings.

### **5.2 Description of sample and interview method**

To ensure the collection of relevant and diverse insights, a targeted combination of purposive and snowball sampling methods was used to select participants. Participants were chosen based on their professional experience, roles, and ability to provide valuable perspectives on the influence of professional bodies on accountability mechanisms within South African SOEs. Snowball sampling complemented purposive selection by broadening the participant pool, as several participants were recommended by their colleagues to enhance the diversity of viewpoints.

A total of 12 semi-structured interviews were conducted using the interview guide outlined in Appendix 1. However, two interviews were excluded: one due to the participant's lack of affiliation with a professional body relevant to the study, and the other served as a pilot interview, leading to subsequent adjustments in the interview questions. Excluding these two interviews ensured consistency in the data collection process and alignment with the research objectives.

The final sample consisted of 10 participants who met the selection criteria based on their professional roles, level of experience, and influence within SOEs. This sample aligned with the purposive sampling technique's goals and included four participants identified through the researcher's networks and referrals, enhancing the range of perspectives. An additional two

participants were selected using snowball sampling techniques, which further diversified the insights collected.

In recent studies, Guest et al. (2020) and Hennink et al. (2022) asserted that data saturation in qualitative research generally occurs between 12 and 30 interviews. In this study, although the sample consisted of only 10 interviews, the richness and depth of responses uncovered key themes and patterns, suggesting that data saturation was achieved.

### **5.3 Data transformations**

To maintain data integrity, interview responses were transcribed using software. The transcriptions were then coded to identify recurring themes, including "Accountability Mechanisms," "Professionalism," and "Conflict of Interest," with responses organised according to the research questions. A thematic analysis approach was employed to examine the influence of professional bodies on governance within SOEs. The qualitative data was subsequently converted into categorical variables to produce graphical representations, such as pie charts and bar graphs, which helped visualise the responses and enhance understanding of the findings.

### **5.4 Professional Background of the Participants**

This section offers an overview of the first seven interview questions, designed to explore participants' roles, experience, qualifications, affiliations, and understanding of regulatory and professional requirements within their respective State-Owned Enterprises (SOEs). Grasping this background was crucial for contextualising their views on accountability and governance in SOEs. The analysis of these responses provided a foundation for assessing how their professional affiliations and awareness of industry standards shaped their approach to accountability and ethical leadership within their organisations.

The participants represented a range of state-owned enterprises (SOEs) ranging from large entities such as Eskom to smaller SOEs such as Energy and Water Sector Education & Training Authority (EWSETA), each operating across diverse sectors, including housing, energy, transportation, and education. The participants held key leadership positions within their organisations, with many occupying roles such as Chief Executive Officers, Chief Financial Officers, Chief Operations Officers, departmental heads and Executive Managers. Gender representation within the sample was also noted, with a mix of seven male and three female participants.

In terms of tenure, the participants had varying lengths of service within their respective SOEs, ranging from as little as six months to as much as 28 years. On average, the participants had worked in their current roles for approximately 10 years. It was however observed that served little time in their current roles had extensive leadership experience within SOEs from their previous organisations. Many of the respondents also held additional responsibilities, such as board memberships in other institutions.

The participants' educational qualifications were equally diverse, with the majority holding postgraduate degrees in disciplines such as accounting, finance, engineering, and public policy. Some participants had advanced qualifications such as doctorates and MBAs, thereby enhancing their strategic capabilities in their respective fields. All participants had at least one professional designation issued by respected bodies, including the South African Institute of Chartered Accountants (SAICA), the Institute of Directors Southern Africa (IODSA), the South African Institute of Electrical Engineers (SAIEE), and the Institute of Chartered IT Professionals (CIO). THE ten participants they were affiliated to 11 different professional different professional bodies, increasing the diversity and richness of their views. All participants confirmed that their memberships in these professional bodies were up to date.

The table below summarises the professional background of the participants, including their current SOE employer, position, and professional body membership.

**Table 3: Overview of Interviewed Participants**

Participant	Current SOE	Position	Professional Body	Membership Duration (years)
Participant:C1	Johannesburg Social Housing	Chief Finance Officer, Board Member	<ul style="list-style-type: none"> <li>• South African Institute of Chartered Accountants</li> </ul>	14
Participant:C2	Tshwane Housing Company	Chief Operating Officer	<ul style="list-style-type: none"> <li>• The South African Council for Planners (SACPLAN)</li> </ul>	4
Participant:C3	National Housing Finance Corp	Credit Risk Executive	<ul style="list-style-type: none"> <li>• South African Institute of Chartered Accountants</li> <li>• Chartered Instituted of Management Accountants</li> </ul>	16
Participant:C4	Eskom	Executive Manager - Asset Creation	<ul style="list-style-type: none"> <li>• Engineering Council of South Africa</li> </ul>	28
Participant:C5	Water Institute of Southern Africa	Chief Executive Officer	<ul style="list-style-type: none"> <li>• The Institute of Directors South Africa</li> <li>• The Water Institute of Southern Africa (WISA)</li> </ul>	10
Participant:C6	Railway Safety Regulator	Board Member, Chief Director – Department of Transport	<ul style="list-style-type: none"> <li>• The South African Council for Planners (SACPLAN)</li> </ul>	18
Participant:C7	South African Maritime Safety Authority	Head of Finance	<ul style="list-style-type: none"> <li>• South African Institute of Chartered Accountants</li> <li>• Chartered Instituted of Management Accountants</li> </ul>	1.3
Participant:C8	Energy and Water Sector Education and Training Authority	Executive, Skills Delivery, former CFO	<ul style="list-style-type: none"> <li>• South African Institute of Chartered Accountants</li> </ul>	3.5
Participant:C9	Food and Beverages Sector Education and Training Authority	Chief Information Officer	<ul style="list-style-type: none"> <li>• The Institute of IT Professionals South Africa (IITPSA)</li> </ul>	3
Participant:C10	The South African National Energy Development Institute (SANEDI) / EWSETA	Executive -Planning, Monitoring and Evaluation (EWSETA) Previous Acting General Manager (SANEDI)	<ul style="list-style-type: none"> <li>• South African Institute of Electrical Engineers,</li> <li>• The Institute of IT Professionals South Africa (IITPSA)</li> <li>• The Project Management Institute</li> </ul>	0.6

#### **5.4.1 Are you familiar with legislation and reporting requirements pertaining to SOEs?**

This question aimed to gauge participants' knowledge of legislative and reporting frameworks that govern their respective SOEs, revealing how well-informed SOE leaders are regarding these regulations. Table 1 below provides a summary of the themes that emerged, with PFMA and King IV as the most frequently referenced frameworks.

**Table 4: Familiarity with Legislation and Reporting Requirements**

<b>Theme</b>	<b>Frequency</b>
Public Finance Management Act (PFMA)	8
Companies Act	6
Sector-Specific Laws such as Skills Development Act, Social Housing Act	4
King IV Report on Corporate Governance	8
National Treasury Regulations	5
Municipal Finance Management Act (MFMA)	2

Participants demonstrated a high level of familiarity with legislation and reporting requirements governing South African State-Owned Enterprises (SOEs). The Public Finance Management Act (PFMA) and the King IV reporting standards on corporate governance had the highest frequency score of 8 indicating that it was widely recognised and applied in all SOES. Participants also referenced their sector-specific laws applicable to their organisations, such as the Skills Development Act for SETAs, and the Social Housing Act for entities within social housing industry. Additionally, participants cited to Companies Act, Financial Reporting Standards, National Treasury Regulatory amongst others.

Overall, the participants demonstrated a sound understanding of these legislative frameworks and acknowledged which speaks to their professional competence and highlighting the role of professional bodies in promoting awareness and compliance with regulatory standards.

#### **5.4.2 Are you familiar with the requirements of your professional body for you to maintain your professional standing and ensure accountability as a member of the body?**

This question sought to understand participants' awareness of the professional requirements set by their affiliations, including ethical obligations, CPD, and adherence to codes of conduct.

Participants consistently affirmed their understanding of the requirements set by their respective professional bodies to maintain professional standing and uphold accountability. These requirements include ongoing compliance with ethical standards, completion of continuous professional development (CPD) activities, and adherence to a code of conduct designed to safeguard the integrity of the profession. Participants also highlighted the obligation to keep up with industry standards through attending regular training sessions and workshops, often mandated by professional bodies like the South African Institute of Chartered Accountants (SAICA) and the Institute of Directors in Southern Africa (IoDSA).

The table below summarises the key themes related to participants' knowledge of professional body requirements.

**Table 5: Knowledge of Professional Body Requirements**

Theme	Frequency
Continuous Professional Development	9
Adherence to Code of Conduct	8
Regular Training and Workshops	7
Alignment with Industry Standards	6
Ethical standards	8

The Participants recognised that these requirements were essential for promoting accountability and upholding professional integrity. Participants also acknowledged that these standards provided a guiding framework for their roles in SOEs, aligning personal conduct with the broader expectations of the profession. With most recognising that these requirements reinforced both their professional standing and their roles within SOEs.

#### **5.4.3 Are you familiar with the disciplinary implications for non-conformance of those professional requirements as a member of your professional body?**

This question evaluated participants' awareness of disciplinary actions for failing to meet professional standards, which reinforces their commitment to accountability within SOEs. All participants acknowledged that they were aware the disciplinary measures enforced by professional bodies in cases of non-compliance with professional standards and requirements. Most participants indicated that disciplinary actions, ranging from suspension to expulsion, could be imposed on members who fail to meet the ethical or professional standards set by their professional bodies. For example, participants C6 from SAICA highlighted that “non-compliance is not an option, as it affects both my career, and the trust

vested in me by the public”. This indicated the severity and repercussions of the disciplinary implications on employability and professional credibility.

The participants emphasised that the possibility of facing disciplinary action reinforced their commitment to maintaining high standards of accountability, not only to avoid sanctions but also to uphold the credibility of their professional affiliations and the public trust vested in them as SOE leaders.

#### 5.4.4 Conclusion on the background of participants

The diversity in the professional backgrounds of the participants provided a rich perspective on the governance and operational oversight within SOEs. The responses confirm a high level of awareness among SOE executives about the regulatory, ethical, and disciplinary standards expected within their roles. Additionally, adherence to the ethical and professional standards set by their respective professional bodies supports a culture of accountability and integrity. This understanding of potential disciplinary repercussions further strengthens their commitment to maintaining professional conduct, which is crucial for upholding public trust in SOEs.

#### 5.5 Presentation of results

The results below are mapped out as per the four research questions presented in Chapter 3 and the six main interview questions mapped out below.

**Table 6: Research Questions and Interview Questions Mapping**

Research Question from Chapter 3	Interview Question
Research Question1: What role do professional bodies play in holding their members accountable in SOEs?	<ul style="list-style-type: none"> <li>• <b>Q8:</b> How do you perceive professional bodies' role in shaping executives' accountability in SOEs?</li> <li>• <b>Q10:</b> Do you believe that membership of a professional body influences your decision-making process regarding accountability? If so, how?</li> <li>• <b>Q11:</b> Can you describe any specific instances where your professional body's guidelines or code of conduct directly influenced your actions or decisions related to accountability in the SOE?</li> </ul>

<p><b>Secondary Research Question 1:</b> How effective are the current accountability mechanisms employed by professional bodies in holding their members accountable?</p>	<ul style="list-style-type: none"> <li>• <b>Q14:</b> In your opinion, how effective are the mechanisms currently in place to hold executives in SOEs accountable? What role do professional bodies play in these mechanisms?</li> <li>• <b>Q12:</b> How do you believe professional bodies can better support executives in SOEs in navigating challenges related to accountability?</li> <li>• <b>Q15:</b> Do you believe professional bodies should have more regulatory/disciplinary power to enforce accountability among their members working in SOEs? Why or why not?</li> </ul>
<p><b>Secondary Research Question 2:</b> In what ways can professional bodies influence the improvement of governance practices and reduce corruption within South African SOEs?</p>	<ul style="list-style-type: none"> <li>• <b>Q13:</b> What potential conflicts of interest do you foresee, or have you experienced, as an executive in an SOE who is also a member of a professional body? How do you navigate these conflicts?</li> <li>• <b>Q16:</b> How can the relationship between professional bodies and SOEs be strengthened to promote accountability and good governance?</li> </ul>
<p><b>Secondary Research Question 3:</b> How can the integration of professional bodies into governance frameworks of SOEs improve financial management, ethical conduct, and public service delivery?</p>	<ul style="list-style-type: none"> <li>• <b>Q9:</b> What motivates you, as an executive and a member of a professional body, to uphold accountability in your role at the SOE?</li> <li>• <b>Q16:</b> How can the relationship between professional bodies and SOEs be strengthened to promote accountability and good governance?</li> <li>• <b>Closing Question:</b> Can you provide any additional examples or experiences that illustrate the role of professional bodies in your SOE?</li> </ul>

The primary research question will focus on the broad role of professional bodies, while the secondary questions will delve deeper into specific aspects like the effectiveness of accountability mechanisms, governance improvements, and the role of professional bodies in addressing corruption and ethical issues within SOEs.

### **5.5.1 Results for the primary research question 1: What role do professional bodies play in holding their members accountable in SOEs**

This question explores the extent to which professional bodies influence governance and accountability within SOEs by enforcing ethical standards, ensuring compliance with

governance frameworks, and regulating professional conduct. The focus is on whether professional bodies can serve as external accountability mechanisms to enhance transparency and ethical governance, addressing issues such as financial mismanagement and corruption. The interview questions 8, 10 and 11 were clustered together, to gather insights on the primary research question – what role professional bodies play in holding their members accountable in SOEs. The analysis of the responses received from these questions revealed some perplexing and confusing themes as detailed below:

### 5.5.1.1 How do you perceive professional bodies' role in shaping executives' accountability in SOEs?

This question aimed to understand how participants view the role of professional bodies in fostering accountability among executives in SOEs. It is critical to assess whether executives perceive these bodies as merely regulatory or as integral to their ethical conduct, which is essential for understanding how professional memberships impact accountability at the executive level. The figure below captures some of the perceptions observed by the participants on the role of professional bodies in shaping executives' accountability

**Figure 3: Perceptions of Professional Bodies' Influence on Executives' Accountability**



The majority of the participants perceived their professional bodies as essential in setting a framework for ethical behaviour, with some noting that membership adds a layer of personal responsibility to uphold professional standards. For instance, participant C7 commented that "being part of a professional body inherently encourages executives to maintain ethical conduct, as they represent not only their SOE but the reputation of their profession." Participant C1, and a member of SAICA, indicated that her membership constantly reinforces her commitment to ethical behaviour by indicating that "being part of a professional body

reminds me of my responsibility to uphold the highest ethical standards”. This highlighted that the connection cultivates a culture of accountability.

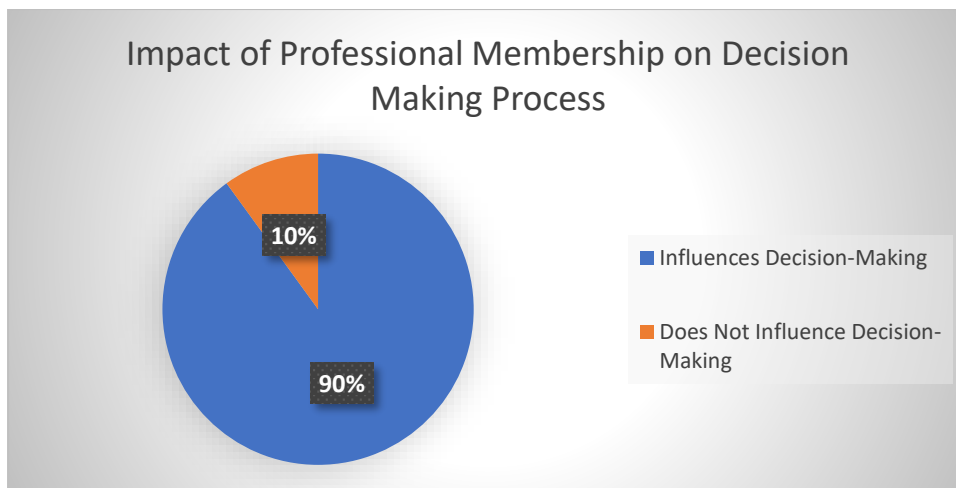
Similarly, Participant C5, remarked that “the three principles of being a professional—continuous development, adhering to a code of conduct, and ethical standards serve as essential components for ensuring accountability in SOEs. However, participant C4 felt that his professional body was “more like policy than being an empowering body” This alignment with professional bodies ensures executives maintain transparency and uphold trust, crucial factors for public-serving entities like SOEs.

In summary, participants generally acknowledged the influential role of professional bodies in promoting accountability standards among SOE executives. These bodies play a significant role in establishing accountability frameworks for SOE executives, with most participants viewing them as essential for maintaining ethical standards. These bodies provide a foundation for ethical conduct and a commitment to public trust, though some participants feel that their role could be expanded to offer more direct empowerment.

#### **5.5.1.2 Do you believe that membership of a professional body influences your decision-making process regarding accountability? If so, how?**

This interview question probes the impact of professional body membership on decision-making processes, seeking to understand if the influence of these bodies extends to the practical, day-to-day accountability decisions. Understanding this influence is essential, as it reveals whether ethical frameworks provided by professional bodies affect everyday accountability-related decisions within SOEs. The results as depicted in figure 4 below, revealed a broad consensus among SOE executives, with 90% of the participants confirming that their professional body memberships significantly impact their approach to accountability in decision-making, whereas 10% of the participants felt otherwise.

Figure 4: Impact of professional membership on decision making process



Membership is often seen as a reinforcing mechanism for ethical behaviour, aligning personal actions with the stringent standards set by professional organisations. Participant C7, a member of SAICA, noted that his affiliation serves as a constant reminder to uphold integrity in every decision. He highlighted that the stakes associated with membership such as the risk of losing professional status due to misconduct, encourages him to prioritise ethical considerations consistently. Participant C8 affirms that membership of a professional body significantly influences her decision-making around accountability and explains that this influence comes from the exposure to a "body of knowledge" that goes beyond technical training for roles like accounting or finance. Participant C7 further indicates that membership instils professional standards that shape how members exercise due care and uphold standards highlighting that this framework is integral to her daily and strategic decision-making processes, ensuring professionalism. In contrast, she suggests that individuals without professional body membership may lack this perspective and thus might approach decisions differently.

Another theme that emerged was the role of professional bodies in providing compliance frameworks and best practices, which serve as guiding principles for decision-making. Many respondents indicated that their professional bodies offer a valuable foundation for understanding and implementing accountability, especially within the governance-focused environment of an SOE. For example, participant C10, explained that the standards set by his professional organisation align with the SOE's governance structures, providing a dual framework that shapes his approach to ethical decision-making.

It is also observed that the implications for not conforming with the professional body's code of conduct and ethical standards resulted in potential for disciplinary actions against members in transgression, which acts as a deterrent to misconduct, further influencing decision-making

processes. Participant C5 pointed out that the possibility of sanctions, such as suspension or expulsion, discourages unethical behaviour and cultivates a culture of accountability. This layer of oversight is perceived by participants as an essential factor in maintaining transparency and ethical behaviour, especially given the high visibility of their roles in SOEs. The researcher also noted a sense of commitment to upholding public trust and preserving members' professional credibility. This also resonates with participant C10 who shared the same sentiment of upholding public trust. Participant C1 emphasised that her decisions are influenced by her awareness that her actions reflect on the reputation of her professional body, beyond her immediate organisation.

In conclusion, professional body membership has a substantial impact on SOE executives' decision-making processes concerning accountability. The affiliation reinforces ethical standards, provides guiding frameworks, acts as a deterrent against misconduct, and fosters a commitment to public trust. This multidimensional influence ensures that executives' decisions reflect principles of integrity and transparency, aligning both with the interests of the SOE and the values of their professional communities.

**5.5.1.3 Can you describe any specific instances where your professional body's guidelines or code of conduct directly influenced your actions or decisions related to accountability in the SOE?**

This interview questions sought to obtain a deeper understanding by capturing examples from participants where guidelines or codes from professional bodies influenced actions, providing tangible evidence. It was vital to gather tangible examples, as they provided evidence of the practical impact of professional guidelines on decision-making and accountability practices.

Table 5 below captures some of the specific instances of professional bodies' influence on accountability decisions.

**Table 7: Frequency of Responses on Instances Where Professional Body Guidelines Influenced Accountability**

Theme	Frequency
Financial Transparency and Reporting	4
Conflict of Interest Management	3
Confidentiality and Trust	3
Ethical Decision-Making Framework	6

Respondents described various scenarios where their professional body's guidelines served as critical references when making decisions. For instance, Participant C5 recalled an incident involving financial reporting, where SAICA's strict ethical requirements compelled him to insist on transparency in his department's financial statements, even when faced with organisational pressure to withhold certain data.

Similarly, conflict-of-interest management was also frequently cited, particularly when respondents had to navigate personal relationships or external pressures. Participant C6 cited a case in which the disciplinary standards of his professional body influenced his approach to a conflict-of-interest situation, helping him navigate it with integrity, something also observed with participant C8 who handled professional conflict with auditors according to the professional principles. Furthermore, participant C9 shared that these ethical standards helped him resist pressures to share information improperly and reinforced his commitment to protect stakeholder trust by adhering to confidentiality requirements

In summary, the participants' examples demonstrated that professional bodies significantly influence SOE executives' actions, particularly in situations where ethical judgment is paramount. The guidelines provided by these bodies offer executives a structured framework for making accountability-oriented decisions that align with both public sector demands and the ethical standards of their professions.

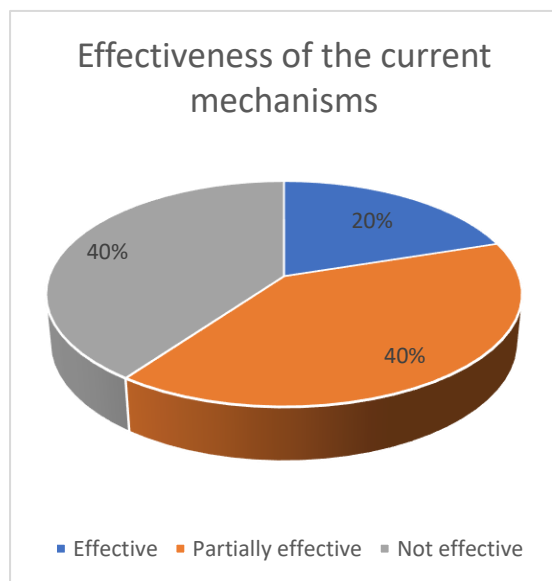
#### **5.5.2 Results for secondary RQ1: How effective are the current accountability mechanisms employed by professional bodies in holding their members accountable?**

This question investigates how effective the current mechanisms are, assessing whether they adequately meet accountability requirements or if improvements are needed. This will also determine if the accountability mechanisms address key issues like corruption and financial mismanagement. The interview questions 12, 14 and 15 were clustered together to gather collective insights to the research question – how effective the current accountability are mechanisms employed by professional bodies in holding their members accountable. The analysis of the responses received from these questions revealed some intriguing themes as detailed below:

### 5.5.2.1 In your opinion, how effective are the mechanisms currently in place to hold executives in SOEs accountable? What role do professional bodies play in these mechanisms?

This question sought to gather opinions from participants on the current accountability mechanisms' effectiveness, specifically aiming to uncover gaps and strengths, as well as the unique role professional bodies may play within these frameworks. The results on the effectiveness of accountability mechanisms within SOEs show a varied perspective among participants affiliated with different professional bodies. Only 20% of respondents viewed the mechanisms as effective, suggesting that the existing frameworks work to some degree but are limited in scope. Meanwhile, 40% found the mechanisms partially effective, recognising their foundational value, but calling for improvements in consistency and enforcement. The remaining 40% rated the mechanisms as ineffective, highlighting significant gaps in their ability to uphold accountability. Below is a summary of the findings:

Figure 5: Perceived Effectiveness of Current Mechanisms for Holding Executives Accountable



This distribution reflects the diversity of professional affiliations among participants, each bringing unique standards and expectations. This diversity highlights the need for accountability frameworks within SOEs that can integrate and adapt to a range of professional standards, ultimately creating a more comprehensive and effective system.

A detailed analysis of the participants views identified the following with respect to their opinions on the effectiveness of these mechanisms and the role the professional bodies play:

#### a. Foundational but Inconsistent Accountability Mechanisms

Many respondents noted that accountability mechanisms in SOEs, such as compliance with the Public Finance Management Act (PFMA) and internal governance structures, create a

basic framework for transparency and oversight. However, a significant number felt these mechanisms are inconsistently enforced, leading to varying levels of effectiveness. For example, participant C7 pointed out that while PFMA sets standards for financial accountability, the application of these standards is often inconsistent across departments, which weakens the overall impact of the accountability framework. This view highlights a gap between policy and practice, where mechanisms are established but not uniformly applied.

#### **b. Role of Professional Bodies in Ethical Oversight**

Respondents generally agreed that professional bodies contribute to accountability mechanisms by promoting ethical standards and providing guidelines for executive conduct. Membership in a professional body offers an additional layer of accountability, as members are bound by codes of conduct and are subject to disciplinary measures for non-compliance. For instance, participant C10 mentioned that his affiliation with the South African Institute of Electrical Engineers (SAIEE) reinforces his commitment to transparency and compliance, as any breach of conduct could lead to professional consequences. This external oversight creates an environment where executives are encouraged to adhere to accountability standards beyond the SOE's internal policies.

#### **c. Limitations in Disciplinary and Regulatory Authority**

Several respondents highlighted the limited power that professional bodies hold in enforcing accountability within SOEs. While professional bodies can impose disciplinary actions like suspension or expulsion, their regulatory reach within SOEs is restricted to ethical standards rather than operational oversight. Participant (C8) emphasised that while her membership with SAICA motivates her to uphold accountability, the professional body's influence is indirect and does not directly enforce operational standards within the SOE. This lack of regulatory authority limits the scope of professional bodies in driving comprehensive accountability in SOEs.

#### **d. Need for Stronger Collaboration Between SOEs and Professional Bodies**

Some respondents suggested that closer collaboration between SOEs and professional bodies could strengthen accountability mechanisms. They proposed regular engagement, joint training initiatives, and shared oversight on key governance areas as ways to enhance accountability. Lester highlighted that increased partnerships between professional bodies and SOEs could align standards and promote a more cohesive approach to enforcing

accountability. Such collaboration could potentially bridge the gap between professional ethics and operational practices within SOEs, thereby making accountability mechanisms more effective.

New insights also emerged regarding the effectiveness of current accountability mechanisms. Participant C6 pointed out a critical gap in holding executives accountable for the success or failure of strategic decisions within public SOEs. Participant C7 echoed this sentiment, highlighting the need for improvement in the oversight of professionals in critical governance positions. However, participant C7 also acknowledged the limitations, emphasising that professional bodies cannot realistically monitor every decision or action taken by their members

## **Conclusion**

In conclusion, the varied professional backgrounds highlighted the need for accountability mechanisms that are adaptable and inclusive of diverse ethical standards, ensuring relevance across different fields. Overall, while current mechanisms lay a foundational framework, the results suggest a significant opportunity to enhance effectiveness by incorporating proactive governance practices and leveraging the unique strengths of different professional bodies to foster a more comprehensive and consistent approach to accountability. Many participants emphasised that greater collaboration between SOEs and professional bodies could strengthen accountability structures, aligning them with the rigorous standards upheld by these professional organisations.

### **5.5.2.2 How do you believe professional bodies can better support executives in SOEs in navigating challenges related to accountability?**

This question aimed to gather suggestions from participants on how professional bodies could enhance their support for SOE executives. Understanding these perspectives was crucial for identifying actionable recommendations that can improve accountability frameworks and governance practices.

Participants suggested various ways in which professional bodies could better support SOE executives. A recurring theme was the need for practical training and workshops. Participant C10 recommended "practical training and workshops on real-world ethical dilemmas faced in SOEs," indicating that tailored learning experiences could provide executives with practical

tools for navigating complex situations. This was supported by participant C7, who called for "scenario-based training that addresses specific governance challenges."

Mentorship programs were another suggestion. Several respondents proposed that experienced members could serve as mentors, offering guidance to newer executives. participant C8 noted, "Mentorship can help bridge the gap between theory and practice, providing real-world insights on accountability." Such programs could foster a culture of continuous learning and ethical leadership, supporting more effective governance within SOEs.

Respondents also highlighted the need for professional bodies to provide clear guidance on compliance with ethical standards, beyond general principles. Participant C5 mentioned that "more tailored guidelines specific to the public sector context would help executives navigate complex governance issues," pointing to the need for nuanced advice that considers the unique challenges of SOEs.

Professional bodies can enhance their support for SOE executives by offering practical training, mentorship programs, and specific guidance tailored to public sector challenges. By providing targeted resources and advice, these bodies can help executives better navigate accountability issues, reinforcing a culture of ethical leadership and transparent decision-making.

### **5.5.2.3 Do you believe professional bodies should have more regulatory / disciplinary power to enforce accountability among their members working in SOEs? Why or why not?**

This question explores participants' views on whether professional bodies should be granted more regulatory and disciplinary authority. It is important to understand whether increased enforcement capabilities could enhance accountability or whether it might lead to unintended consequences.

A strong majority of participants supported increasing the regulatory power of professional bodies. Participant C9 argued, "Without more authority to sanction or investigate members within SOEs, professional bodies cannot adequately fulfil their role in ensuring accountability." This view suggests that limited regulatory reach prevents these bodies from fully enforcing accountability standards.

Participants felt that increased disciplinary power could serve as a stronger deterrent to unethical behaviour, potentially addressing gaps in the current accountability frameworks. Participant C1 suggested that "enhanced authority would allow professional bodies to impose more meaningful consequences for misconduct," which could create a more robust system of checks and balances.

However, some participants expressed concerns about potential overreach. Participant C3 cautioned that "granting too much power to professional bodies could complicate existing governance structures and lead to conflicts of interest." This perspective highlights the need for a balanced approach that strengthens accountability without creating overlapping regulatory burdens.

This indicates that there is substantial support for granting professional bodies increased regulatory authority, as participants believe this could improve the effectiveness of accountability mechanisms. Researcher identified that enhanced enforcement capabilities could provide a stronger deterrent against misconduct, ensuring that executives adhere to professional standards. However, a cautious approach is recommended to avoid potential conflicts with existing governance frameworks.

### **5.5.3 Results of secondary RQ2: In what ways can professional bodies influence the improvement of governance practices and reduce corruption within South African SOEs?**

This question focuses on the proactive influence professional bodies might have in promoting good governance and reducing corruption by reinforcing ethical standards. The interview questions 13 and 16 were clustered together to gather insights to the research question – in what ways can professional bodies influence the improvement of governance practices and reduce corruption within South African SOEs. The analysis of the responses received from these questions revealed some intriguing themes as detailed below:

#### **5.5.3.1 What potential conflicts of interest do you foresee, or have you experienced, as an executive in an SOE who is also a member of a professional body? How do you navigate these conflicts?**

This question investigates the potential conflicts of interest that SOE executives encounter, examining how professional bodies can assist in managing such conflicts. Understanding these conflicts is essential to explore how professional bodies might reinforce ethical

standards, particularly in sensitive areas like procurement and financial management.

Participants frequently encountered conflicts of interest, often in procurement or financial oversight roles. Many relied on professional guidelines to navigate these situations. For example, Participant C7 noted that his professional affiliation encouraged him to "prioritise transparency," which helped him avoid potential ethical pitfalls. Similarly, Participant C10 described how professional guidelines allowed him to "make unbiased choices without external pressures," highlighting the importance of ethical standards set by professional bodies.

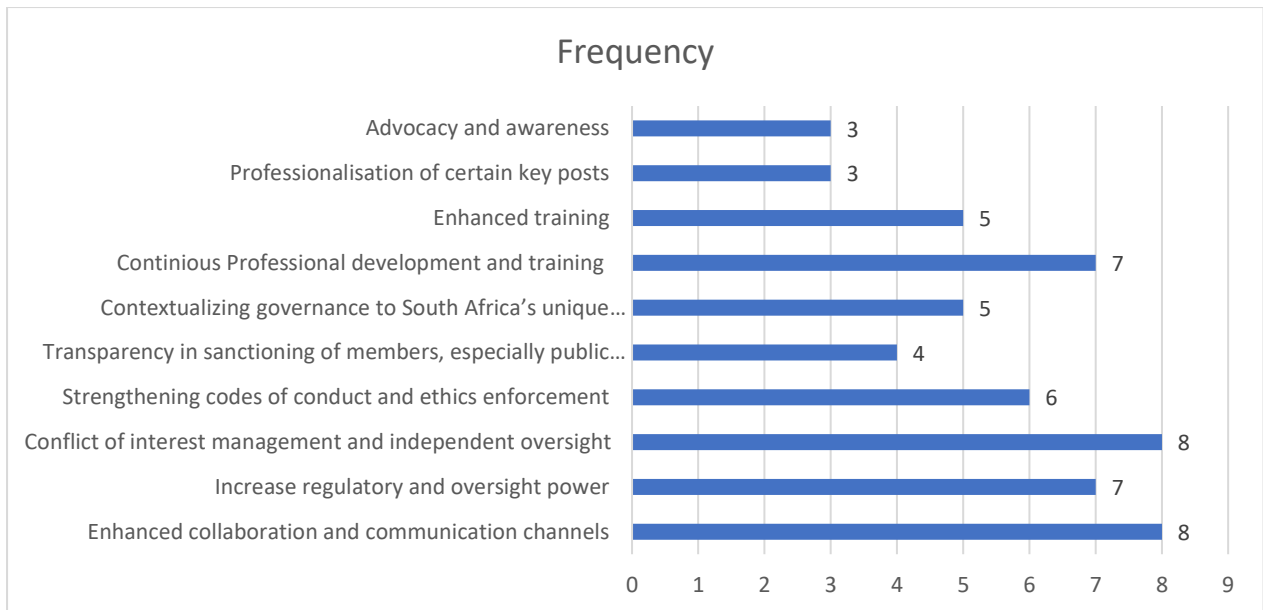
Several participants emphasised the need for clearer conflict-of-interest guidelines from professional bodies, tailored to the unique challenges of SOEs. Participant C4 commented on the importance of "external oversight" to ensure objectivity, while Participant C3 expressed concerns about the complexity of enforcing external oversight, arguing that SOE governance structures should focus on strengthening internal systems.

These findings indicate that professional bodies play a crucial role in supporting SOE executives in navigating conflicts of interest. However, participants also see the need for clearer guidelines and a balance between internal and external oversight.

#### **5.5.3.2 How can the relationship between professional bodies and SOEs be strengthened to promote accountability and good governance?**

This question considers how collaboration between professional bodies and SOEs might promote accountability and good governance, looking for ways to enhance this relationship for mutual benefit. The frequency chart below displays some of the key recommendations for how professional bodies can strengthen accountability and good governance within SOEs.

*Figure 6: Frequency of Recommendations for Enhancing Professional Body Influence in SOEs*



**Table 8: Summary of key insights from the data are summarised and analysed below:**

Theme	Recommendation
Collaboration and Communication	Enhanced collaboration and communication channels
Regulatory and Oversight Power	Increase regulatory and oversight power
	Conflict of interest management and independent oversight
Governance and Accountability Standards	Strengthening codes of conduct and ethics enforcement
	Transparency in sanctioning of members, especially public profiles
	Contextualising governance to South Africa's unique characteristics in the public sector
Professional Development and Learning	Continuous Professional development and training
	Enhanced training
	Professionalisation of certain key posts
Advocacy and Awareness	Advocacy and awareness

**a. Enhanced collaboration and communication**

With a frequency of 8, "Enhanced collaboration and communication" emerged as the most frequently cited area for improvement. For instance, participant C7 emphasised that professional bodies and SOEs should establish regular forums and meetings to discuss accountability standards, stating, "Only through consistent communication can we align on best practices and address gaps in accountability". Similarly, participant C8 supported the idea

of structured collaboration, suggesting that joint workshops could be beneficial in maintaining ethical alignment across both entities.

Participant C2 pointed out that professional bodies should collaborate more with SOEs to ensure that executives are well-equipped to handle governance challenges. Participants also felt that increased dialogue would create an environment where both entities understand and support each other's accountability goals, reducing the likelihood of corruption and promoting a shared commitment to governance. Respondents widely believed that such collaborations would enhance SOEs' accountability and service delivery. However, participant C10 expressed reservations about frequent collaborations, arguing that it may lead to bureaucracy and inefficiency if not managed carefully. This view highlights a potential downside of overly frequent interactions, suggesting a balanced approach may be necessary.

This indicates a strong consensus among participants that professional bodies and SOEs should establish clear and consistent communication channels to ensure accountability frameworks are understood and upheld.

#### **b. Professionalisation of the public sector**

The professionalisation of key posts was recommended as a strategy to strengthen accountability a view that was expressed a few participants. Participant C5 felt that the state was on the right direction to professionalise the public sector by professionalising political appointments and key posts, a view that was alluded to by participant C6 who suggested that critical roles like finance and compliance should be professionalised. Participant C10 who added that having professionally certified individuals in key roles could enhance transparency and decision-making quality.

In contrast, participant C7 expressed concerns that professionalising certain roles might limit flexibility and exclude capable individuals who lack formal memberships but have relevant experience. He suggested that professionalisation should be balanced with practical experience considerations.

#### **c. Focus on Conflict-of-Interest Management**

"Conflict of interest management and independent oversight" also received high attention, with a frequency of 8. Participant C4 provided an example where his professional body's conflict of interest guidelines helped him navigate a complex decision involving procurement. "Having

external oversight ensured that I could make unbiased choices without external pressures,”. Participant C10 similarly advocated for independent oversight, suggesting that professional bodies should establish protocols for executives to consult when facing potential conflicts.

However, participant C3 expressed scepticism about the feasibility of independent oversight, arguing that it might add another layer of complexity without significantly improving accountability. He felt that governance structures of SOEs should focus on internal systems rather than relying on external oversight for conflict management.

These views suggests that respondents see managing conflicts of interest as crucial to maintaining integrity within SOEs. Effective conflict of interest management mechanisms are viewed as essential to reinforce ethical decision-making and prevent situations that could undermine accountability.

#### **d. Increase regulatory power and oversight power**

Increased regulatory and oversight power of professional bodies" had frequencies of 7, indicating substantial support for strengthening the regulatory role of professional bodies. Participants agreed that professional bodies should have greater regulatory power, with emphasis on reviewing governance committees and addressing conflicts of interest. These areas underscore the need for professional bodies to enforce standards while equipping SOE executives with the skills needed to navigate accountability challenges. There were several mentions of the need for professional bodies to play a more proactive role in instituting consequence management to its members in transgression within SOEs.

#### **e. Contextualising Governance to South Africa's Unique Environment**

Contextualising governance to South Africa's unique characteristics was also frequently mentioned with a frequency score of five. Respondent C8 emphasised the importance of tailoring governance practices to South Africa's unique environment, particularly within the public sector. They highlight that South Africa's context differs significantly from Western, private-sector models, suggesting that governance frameworks should be adaptable to local nuances. They further gave a highlighted that in the realm of ethics, a person's background whether from a rural, religiously diverse community or an urban setting can influence ethical perspectives. This implies that governance models should consider cultural, religious, and regional differences to better align with South Africa's diverse social landscape. Participant C10 also alluded by highlighting the challenges of applying generic governance standards to

SOEs, noting, “SOEs face unique socio-economic pressures, and governance practices should reflect these realities to be effective”. An idea that was also supported by participant C7.

Participant C2, however, felt that standardisation across sectors is more beneficial, arguing that accountability should be upheld by universal standards rather than tailored to specific sectors. They suggested that too much customisation could dilute the effectiveness of governance practices. This finding reflects a recognition that governance standards and accountability frameworks should be tailored to the distinct socio-economic and regulatory landscape of South Africa, acknowledging the unique challenges faced by SOEs in the public sector.

#### **f. Continuous professional development and training**

Continuous professional development was frequently recommended to strengthen accountability. Participant C7 suggested that professional bodies should offer regular training sessions focused on governance, compliance, and ethics, highlighting that, “Continuous learning is essential for staying updated on accountability best practices”. Participant C6 also emphasised the importance of CPD, particularly in addressing governance challenges that evolve with changes in policy and technology, a need that could help align executives’ skills with the evolving governance requirements of SOEs as supported by participant C5.

Participant C3 offered a slightly different view, arguing that while CPD is valuable, it should be more targeted towards immediate job responsibilities rather than generic governance training. They suggested that specific, scenario-based training would be more effective for SOE executives.

This comprehensive analysis, enriched with participants’ quotes and contrasting viewpoints, highlights the range of recommendations participants made for improving accountability in SOEs. Each recommendation reflects a thoughtful approach to strengthening ethical governance and adapting accountability frameworks to meet the unique demands of South Africa’s public sector. Professionalisation of key roles was also seen as a key measure for ensuring better accountability.

#### **g. Strengthening of governance and accountability standards**

The need to strengthen governance and accountability was also a common theme. Participants called for stronger codes of conduct tailored to the public sector, with clear enforcement mechanisms. Participant C7 shared an instance where his professional body's code of conduct helped him maintain transparency in decision-making, emphasising, "A strict code of conduct allows us to make tough decisions without compromising our ethical responsibilities". Participant C8 supported this idea, advocating for stringent ethical guidelines specific to SOE contexts to help executives make accountability-focused decisions.

However, participant C5 argued that codes of conduct should be adaptable rather than strictly enforced. He believes that overly rigid codes could stifle decision-making flexibility, particularly in complex situations unique to the public sector. These areas emphasise the need for clear ethical standards and transparent disciplinary processes that hold executives accountable, especially in roles with public visibility.

#### **h. Focus on Advocacy and Awareness**

While mentioned less frequently, advocacy and awareness were still regarded as important for promoting accountability. Participants suggested that professional bodies could run public awareness campaigns to emphasise the importance of accountability in SOEs, which could encourage ethical behaviour across the organisation. A view that was supported participant C4, noting that advocacy efforts could also educate the public on the roles and responsibilities of SOEs, fostering a culture of accountability from both within and outside the organisation. Participant C4 also expressed their views of increasing awareness and aligning the profession's image with the stakeholder environment.

Participant C2, however, felt that advocacy is secondary and that professional bodies should focus more on concrete actions like enforcement and training rather than public campaigns. They argued that direct, actionable support is more effective for immediate accountability improvements.

#### **i. Transparency in Sanctioning of Members, Especially Public Profiles**

Transparency in disciplinary actions, particularly for public profiles, was highlighted as essential for accountability. Participant C6 suggested that professional bodies should openly communicate sanctions for ethical violations, which was supported by participant C9 who stated that transparency in disciplinary actions deters misconduct and reinforces public trust in SOEs". Participant C4 echoed this sentiment, emphasising that visible disciplinary actions

help establish a culture of accountability by illustrating the repercussions of unethical behaviour.

On the other hand, Participant C1 expressed concerns that too much transparency could harm reputations unnecessarily, particularly in cases where allegations are later proven false. She suggested that while transparency is important, it should be balanced with privacy considerations to protect individuals' reputations .

In summary, the results of the interviews indicate that while professional bodies play an essential role in shaping accountability and governance within SOEs, there is room for improvement in the effectiveness of the current accountability mechanisms. Participants acknowledged that professional bodies set important standards for ethical conduct, but enforcement is often lacking, and professional bodies are perceived as reactive rather than proactive in addressing governance issues. Strengthening the relationship between SOEs and professional bodies through enhanced training, more robust consequence management, and greater collaboration could improve governance practices and reduce corruption in South African SOEs.

#### **5.5.4 Results for secondary RQ3: How can the integration of professional bodies into governance frameworks of SOEs improve financial management, ethical conduct, and public service delivery?**

This question aims to explore the broader impact of professional bodies within governance frameworks, including potential improvements in financial practices, ethical behaviours, and alignment with public service objectives. This will also determine if the accountability mechanisms address key issues like corruption and financial mismanagement. The interview questions 9 and 16 were clustered together to gather insights to the research question – how the integration of professional bodies into governance frameworks of SOEs can improve financial management, ethical conduct and public service delivery. Although interview question was covered already under the secondary research question 2, it further enhances the discussion under this section the results will not be repeated however, the researcher focused on presenting new insights that from the analysis of the responses received from the interview questions 9 as detailed below:

##### **5.5.4.1 What motivates you, as an executive and a member of a professional body, to uphold accountability in your role at the SOE?**

This interview question addresses intrinsic motivations for accountability, revealing the role

professional bodies play in cultivating a sense of duty and adherence to standards, especially in critical areas requiring ethical decision-making. The analysis of responses to the question reveals several key motivations among SOE executives for maintaining accountability in their roles. These motivations include a commitment to ethical standards, responsibility to public trust, career integrity, and personal values. However, there are also some contradictions in how these motivations are prioritised, with a few participants offering alternative perspectives on the role of accountability in their work. The key themes that emanated from the analysis are detailed below.

#### **a. Commitment to Ethical Standards**

Respondents commonly cited their commitment to professional ethics and public trust as primary motivators. Participant C7, a member of SAICA, explained that his membership requires him to adhere to high ethical standards, which directly influences his actions within the SOE. He stated, “I am constantly reminded that I represent my professional body, and this keeps me aligned with ethical practices”. Participant C2 explained that being accountable to a professional body “keeps me mindful of my responsibility to uphold both public and organisational trust.” This sentiment was echoed across interviews, with many respondents noting that their affiliations provided a sense of duty toward ethical leadership and effective public service.

Similarly, participant C6 mentioned that his professional affiliation acts as a “moral compass” that guides his decision-making process, particularly in challenging situations where accountability is crucial. However, participant C3 provided a slightly different perspective, noting that while ethical standards are important, he doesn’t rely solely on his professional body’s guidelines to drive accountability. Instead, they emphasised the role of personal judgment and experience in ensuring accountability, suggesting a more flexible approach than strict adherence to professional standards.

#### **b. Responsibility to Public Trust**

Many respondents expressed a strong sense of duty to uphold public trust, recognising the unique role that SOEs play in serving the public. Participant C4 remarked, “As a public servant, I understand that my actions impact not just my organisation, but the lives of the people we serve,” indicating that his accountability is motivated by a responsibility to maintain the public’s confidence in the SOE. Participant C8 echoed this sentiment, explaining that her professional

body reinforces her commitment to transparency and accountability, which are essential to preserving public trust.

On the contrary, participant C1 argued that while public trust is important, the focus should be more on achieving operational efficiency within the SOE. They suggested that accountability should not be overemphasised at the expense of efficiency, pointing out that some accountability measures can slow down decision-making processes.

### **c. Career Integrity and Reputation**

The importance of career integrity and reputation was another common motivator. Participant C4 mentioned that his professional reputation, built over many years, depends on upholding accountability. They shared that, “membership with SAICA holds me to a standard that I cannot afford to compromise, as it would impact my professional standing and credibility”. This view was supported by participant C10, who noted that accountability is key to sustaining his long-term career prospects, as ethical breaches could lead to consequences that might affect his employment opportunities in the future.

In contrast, participant C2 took a more pragmatic approach, suggesting that career reputation is secondary to achieving tangible results within the organisation. While they acknowledged the value of accountability, they emphasised that results-driven success is ultimately what shapes his reputation, rather than strict adherence to professional body standards.

### **d. Personal Values and Beliefs**

Personal values and beliefs were also cited as intrinsic motivators for maintaining accountability. Participant C6 mentioned that his upbringing instilled in him a sense of integrity and accountability, which he carries into his professional life. They explained, “It’s not just about my professional body as accountability is something I value deeply on a personal level” . Participant C8 shared a similar view, noting that her commitment to accountability is tied to her personal belief in doing what is right, regardless of external pressures.

However, Participant C7 offered a contrasting perspective, suggesting that while personal values are important, they should align with organisational goals to be meaningful. He argued that, in some cases, too much focus on personal values could lead to conflicts if they are not compatible with the SOE’s objectives.

In summary, the motivations for upholding accountability among SOE executives stem from multiple sources: a commitment to ethical standards, responsibility to public trust, career integrity, and personal values. Most participants see their professional body membership as a reinforcing factor that aligns with these motivations. However, there are some contradictions in how these motivations are prioritised, with certain participants emphasising results and operational efficiency over strict accountability or viewing personal judgment as a more flexible approach than adherence to professional standards. Overall, the responses suggest a balanced yet complex motivation structure, where professional standards, public duty, career aspirations, and personal beliefs intersect to drive accountability in SOE roles.

## **6. CHAPTER 6: DISCUSSION OF THE RESULTS**

### **6.1 Introduction**

This chapter provides a thorough analysis of the research findings discussed in Chapter 5, linking them with the theoretical frameworks and prior studies explored in Chapter 2. The purpose of this chapter is to position the results within the existing body of literature, showcasing both the points of convergence and divergence from established theories and findings related to accountability in South African State-Owned Enterprises. By integrating insights from interview responses with previous research, this chapter illuminates how professional bodies impact governance and accountability structures within SOEs, a critical aspect in tackling governance shortcomings and fostering ethical practices.

Each research question was examined systematically, with a focus on the role of professional bodies in promoting accountability, the effectiveness of existing accountability mechanisms, and the potential of professional bodies to improve governance practices. For each question, the purpose was clarified, emphasising its significance to the research objectives and its grounding in the literature. Where interview insights aligned with or contradicted existing theories, these aspects were analysed in detail. Additionally, new insights that emerged from the interview data were highlighted, with an emphasis on novel findings that contributed to a deeper understanding of accountability within SOEs.

Through this discussion, Chapter 6 provides a nuanced interpretation of the results, drawing connections between empirical data and theoretical frameworks such as Principal-Agent Theory and Stewardship Theory. The insights gathered aim to offer actionable recommendations for integrating professional bodies more effectively into the governance structures of SOEs, enhancing transparency, ethical conduct, and public service accountability.

### **6.2 Discussion of results Research Question 1: What role do professional bodies play in holding their members accountable in SOEs?**

This section analyses findings related to the primary research question, examining how professional bodies promote accountability among their members within State-Owned Enterprises (SOEs). It assesses how professional bodies influence SOE executives' ethical standards, accountability mechanisms, and governance practices, exploring perceptions of their effectiveness, particularly in politically and bureaucratically complex environments.

The literature in Chapter 2 establishes that professional bodies like SAICA and ECSA play a key role in setting ethical standards and codes of conduct to guide members' behaviour, reinforcing accountability and governance expectations (Yunus, 2017). Shaukat (2021) posits that the mandate of professional bodies extends beyond regulation to advocacy and support for practitioners to foster professional growth and due care within their respective fields. Principal-Agent Theory further posits that professional bodies function as external accountability mechanisms, reducing agency risks by ensuring SOE executives, as agents, act in the public interest (Bernhold & Wiesweg, 2021). Similarly, Stewardship Theory supports the role of professional bodies in fostering a stewardship mentality that aligns members with long-term public goals (Schillemans & Bjurstrøm, 2020).

However, research suggests limitations in the impact of professional bodies due to external influences, such as political interference, which can undermine their ethical frameworks (Naidoo, 2020). Ackers (2022) indicate that while professional bodies foster a culture of accountability, their effectiveness within SOEs may benefit from more proactive measures and sector-specific guidance.

The following sections provide a detailed analysis of the responses to the interview questions under this primary research question.

### **6.2.1 Analysis of interview question: How do you perceive professional bodies' role in shaping executives' accountability in SOEs?**

This interview question aimed to capture SOE executives' perceptions on how professional bodies impact their accountability. This initial question provides foundational insights into how SOE leaders interpret the influence of their professional affiliations on their accountability practices. It explores whether mechanisms employed by these bodies' such as ethical standards, codes of conduct, and accountability mechanisms influence executive behaviour in a governance context specifically in fostering accountability. The responses provide insights into whether professional bodies are seen as active forces in promoting ethical conduct, transparency, and governance within SOEs, or if their role is perceived as limited or inconsistent.

The literature reviewed in Chapter 2 emphasised that professional bodies contribute to accountability by enforcing codes of conduct and establishing ethical standards (Ackers & Adebayo, 2022). These frameworks align with the principles of Principal-Agent Theory, where professional bodies act as external checks that ensure executives prioritise public interest (Bernhold & Wiesweg, 2021). However, prior research also identifies potential limitations, such

as the influence of political interference and insufficient enforcement power, which may hinder the impact of professional bodies in SOEs (Naidoo, 2020).

The responses to Interview Question 8 reveal several key findings and themes regarding the perceived role of professional bodies in shaping accountability within SOEs. These included:

a. Influence of Professional Bodies on Ethical Standards and Personal Accountability

Most participants acknowledged that professional bodies significantly shape their personal accountability by setting ethical standards. For example, Participant C1 noted that SAICA's guidelines serve as a "constant reminder of the professional standards I must uphold," aligning with Ackers & Adebayo's (2022) findings that professional bodies reinforce ethical behaviour. Participant C7 further emphasised that professional body membership instils a sense of duty to uphold high standards, even when facing organisational pressures, suggesting that these affiliations foster personal accountability.

b. Reinforcement of Accountability Through Disciplinary and Compliance Measures

Several participants highlighted the importance of disciplinary measures in reinforcing accountability. Participant C5 mentioned that potential sanctions, such as suspension or expulsion, serve as powerful deterrents against unethical actions, supporting Principal-Agent Theory's assertion of external mechanisms that align agent actions with public interests (Bernhold & Wiesweg, 2021). Conversely, participant C4 noted that "while disciplinary standards exist, their enforcement can sometimes be lax," especially given professional bodies' limited influence over day-to-day SOE operations. This aligns with Naidoo's (2020) suggestion that professional bodies may need stronger compliance frameworks to ensure accountability.

c. Constraints Due to External Pressures and Political Interference

External pressures, especially political interference, were frequently cited as barriers to accountability. Participant C3 noted that "political dynamics within SOEs sometimes overshadow professional guidelines," complicating accountability in practice. This view reflects findings by Mlambo and Makhonza (2022) who argue that political interference often compromises SOE accountability structures. Participant C6 agreed, emphasising that although his professional body offers a solid ethical framework, it lacks authority to counter external pressures, illustrating a gap between professional standards and practical enforcement in politically influenced settings.

d. Need for Proactive Engagement and Tailored Support

Participants expressed a desire for proactive engagement from professional bodies, particularly in addressing the specific accountability challenges of SOEs. Participant C8 suggested that

professional bodies could strengthen their role by offering training tailored to SOE environments. This aligns with Stewardship Theory's advocacy for a stewardship mentality that promotes long-term goals and aligns members' actions with societal benefits (Schillemans & Bjurström, 2020). Participant C10 further recommended regular interactions between professional bodies and SOE executives to reinforce accountability practices, suggesting that professional bodies could also serve as partners in fostering a culture of accountability.

In summary, responses indicate that SOE executives generally view professional bodies as influential in promoting ethical standards and personal accountability. The deterrent effect of disciplinary measures aligns with Principal-Agent Theory and findings from Ackers & Adebayo (2022) on reinforcing ethical behaviour. However, political interference and limited enforcement power weaken these standards' impact, underscoring a need for professional bodies to adopt more proactive, context-specific approaches to support SOEs in navigating unique accountability challenges.

### **6.2.2 Analysis of interview question: Do you believe that membership of a professional body influences your decision-making process regarding accountability? If so, how?**

This question examines whether and how professional body membership affects decision-making processes, especially regarding accountability. It aims to identify if professional standards, peer influence, and continuous learning foster accountability-driven decision-making among SOE executives.

The literature indicates that codes of ethics and professional standards from bodies like SAICA and ECSA provide structured guidance for accountable decision-making (Ackers & Adebayo, 2022). Professional memberships are shown to enhance accountability through regulatory compliance, ethical standards as postulated by Azmat, Jain and Michaux (2021), aligning with Principal-Agent Theory's focus on reducing agency risks (Bernhold & Wiesweg, 2021).

The analysis of responses identified key themes such as the following:

#### **a. Alignment with Professional Standards**

Participants noted that professional body standards act as a foundation for decision-making. For example, Participant C3 shared that their membership shaped their approach by setting standards for transparency and accountability," reflecting Ackers & Adebayo's (2022) findings that professional memberships enhance accountability. This theme emphasises that professional body membership provides an ethical framework, guiding executives to uphold accountability.

#### b. Peer and Regulatory Pressure

Several participants noted peer influence as a significant motivator. Participant C5 remarked that professional affiliations create external accountability pressures, explaining, “it’s the knowledge that you’re being watched by your professional peers,” reinforcing accountability. This aligns with new findings by Hansen and Kolstad (2023), who highlight the role of peer influence and regulatory oversight in deterring misconduct and promoting accountability.

#### c. Continuous Learning and Self-Regulation

Respondents highlighted that professional bodies’ continuous learning opportunities, such as workshops and courses, reinforce ethical decision-making. Participant C7 explained that such resources help keep him updated on best practices, which guides his choices in SOEs. This finding aligns with Smith and Martin (2021), who argue that ongoing professional development enhances executives’ accountability. Membership also encourages self-regulation; Participant C8 emphasised, “it’s about a commitment to my profession’s values,” underscoring that professional expectations shape executives’ intrinsic motivation for accountability (Rousseau & Fehr, 2022).

#### d. Network Influence and Reputational Motivation

Networking opportunities within professional bodies also support accountability, as cited by Participant C9, who valued mentorship guidance in ethical decision-making. This reflects Fox and Scarf (2022) who suggest that mentorship within professional networks fosters accountability. Reputational motivation also emerged as a strong theme, with Participant C1 noting that decisions are made with an awareness of reputational impact, consistent with Brown and Erickson (2023) who find that reputational considerations reinforce accountability.

The findings suggest that professional membership supports accountability-driven decision-making through ethical frameworks, peer and regulatory pressures, continuous learning, and reputation-building. However, for these frameworks to be effective in SOEs, alignment with personal values is essential, enhancing executives’ commitment to authentic accountability (Schwartz, 2012).

### **6.2.3 Analysis of Interview Question: Can You Describe Any Specific Instances Where Your Professional Body’s Guidelines or Code of Conduct Directly Influenced Your Actions or Decisions Related to Accountability in the SOE?**

This question sought concrete examples of how professional body guidelines influence accountability in practice. The literature suggests that codes of conduct provide valuable

guidance in navigating ethical dilemmas within SOEs, reinforcing accountability (Ackers & Adebayo, 2022).

Key themes from responses include:

a. Application of Codes of Conduct in Ethical Decision-Making

Participants shared specific cases where codes guided their decisions. For instance, Participant C5 referenced SAICA's financial reporting guidelines, which promoted transparency even under organisational pressure to obscure data. This aligns with Ackers & Adebayo (2022), who emphasise that professional guidelines reinforce ethical governance. Participant C7 noted how IoDSA's code of conduct helped him manage conflicts of interest, reflecting professional bodies' role as practical tools for ethical governance (Hernandez & Summers, 2024).

b. Challenges of Rigid Standards in Dynamic Environments

Some participants, like Participant C3, felt that codes of conduct sometimes lack flexibility, especially under political pressures unique to SOEs. This sentiment aligns with Pache and Santos (2019) who argue that professional codes can feel restrictive in politically charged environments. Participant C3 noted that "professional standards are helpful but sometimes too rigid for the SOE context," suggesting a need for adaptive guidelines.

In summary, professional body guidelines play a crucial role in promoting transparency, ethical governance, and conflict-of-interest management in SOEs. However, the responses suggest that these codes could be further adapted to the unique political and operational pressures within SOEs, enhancing their practical impact and aligning accountability more closely with executives' values (Ackers & Adebayo, 2022).

**6.2.4 Analysis of interview question: Can you describe any specific instances where your professional body's guidelines or code of conduct directly influenced your actions or decisions related to accountability in the SOE?**

This question aims to gather concrete examples of how professional body guidelines have influenced executives' decisions, providing insight into the practical application of these standards. The literature, including Ackers and Adebayo (2022), suggests that professional bodies establish codes of conduct to guide ethical decision-making. Examining real-world applications of these guidelines sheds light on whether these codes effectively promote accountability within SOEs.

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#### **6.2.5 Analysis of interview question: In your opinion, how effective are the mechanisms currently in place to hold executives in SOEs accountable? What role do professional bodies play in these mechanisms?**

This question assesses the perceived effectiveness of accountability mechanisms within SOEs and the specific role of professional bodies in these structures. According to the literature in Chapter 2, professional bodies contribute to accountability by enforcing standards and conducting disciplinary actions for breaches (Ackers, 2022). Understanding executives' views on these mechanisms highlights any gaps in current frameworks and identifies areas for improvement.

The responses reflected mixed views. Participant C5 felt that professional bodies provide an essential layer of oversight, supporting Ackers' (2022) argument that reactive accountability structures can limit the effectiveness of governance in the public sector. However, other executives, like Participant C6, argued that the mechanisms are often reactive rather than preventative, aligning only partially with literature expectations. This suggests that while professional bodies aim to enforce accountability, they may lack proactive measures that prevent issues before they arise.

Participant C5 highlighted that "the existence of professional body guidelines reinforces a commitment to transparency and responsibility, particularly in financial management." Professional memberships add an external layer of accountability, compelling executives to adhere to ethical conduct to avoid disciplinary action. This observation resonates with Bolden et al. (2020), whom emphasise that professional bodies create an accountability environment that influences decision-making beyond internal SOE policies. However, Naidoo's (2020) asserts that professional bodies in SOEs are constrained by limited enforcement capabilities, which can hinder accountability efforts.

Professional accountability mechanisms within the private sector have often emphasised preventative measures as key components of effective governance (Ackers & Adebayo, 2022). Scholars such as Greenwood and Freeman (2021) contend that regular training, frequent reviews, and more stringent disciplinary frameworks are integral to proactive accountability, which could be beneficial if adapted to SOEs. However, critics argue that a one-size-fits-all model may not work for SOEs given their unique socio-political constraints (Naidoo, 2020). Thus, professional bodies should consider tailoring accountability frameworks to address the distinct operational realities of the public sector.

The responses indicate that while existing accountability frameworks within SOEs provide a foundational structure, there is substantial room for improvement in terms of consistency and proactivity. Professional bodies play an influential but limited role due to their advisory capacity and the lack of direct enforcement power within SOEs. To enhance accountability in SOEs, there is a strong case for professional bodies to adopt more proactive accountability measures, such as regular audits, tailored training, and ongoing collaboration with SOEs. Aligning these efforts with the specific challenges and pressures faced by public entities could improve governance and build a more transparent and accountable culture in South African SOEs.

#### **6.2.6 Analysis of interview question: How can the relationship between professional bodies and SOEs be strengthened to promote accountability and good governance?**

The objective is to identify ways to enhance collaboration between professional bodies and SOEs to foster accountability and governance improvements. Chapter 2 suggests that professional bodies and SOEs can benefit from stronger partnerships, especially to address governance challenges (Mlambo & Makhonza, 2022). This collaboration is crucial for adapting accountability mechanisms to SOEs' unique needs which is echoed by Ackers (2022), who argue that

formalised frameworks help to clearly define accountability channels, thereby reducing ambiguities that might otherwise hinder governance efficacy. Ackers (2022) further emphasises that professional bodies play an integral role in promoting ethical standards and governance compliance through closer engagement with organisations. Other proponents such as Bolden et al. (2020) argue that professional bodies can provide essential oversight mechanisms and a governance framework that reinforce ethical conduct within organisations, supporting the view that a stronger relationship with professional bodies could benefit SOEs.

Respondents widely supported the idea of a strengthened relationship, with several executives, such as Participant C7, calling for professional bodies to engage more directly in SOE governance. This aligns with Mlambo and Makhonza's (2022) view on collaborative governance. However, the literature does not fully address the need for such partnerships to include regular, direct involvement, which was a common theme in responses.

Many respondents suggested that professional bodies could provide more extensive training programs focused on SOE-specific challenges. Participant C3 emphasised that professional bodies should adapt training to address public sector concerns. This view is supported by Greenwood and Freeman (2021) who highlighted the impact of tailored training programs that reflect the unique governance needs of SOEs. Some participants advocated for a more advisory and oversight-oriented role for professional bodies within SOEs asserting research by Naidoo (2020) similarly underscores the value of external advisory bodies in enhancing public accountability, suggesting that professional bodies could offer SOEs guidance on governance challenges unique to the sector

Executives suggested increasing direct interaction and contextual training from professional bodies tailored specifically to the SOE environment, which is not extensively discussed in the literature. This could involve dedicated resources or training that addresses SOEs' distinct governance challenges.

### **6.2.7 Conclusive findings for research question 1**

The findings indicate that professional bodies play an influential yet limited role in holding SOE executives accountable. While their ethical standards and codes of conduct shape decision-making and promote transparency, their influence is often restricted by external factors, such as political pressures and bureaucratic challenges. New insights from the interviews underscore the need for professional bodies to adopt proactive accountability measures and provide more contextualised support for SOE-specific challenges. Strengthening the relationship between

professional bodies and SOEs through tailored interactions and training could enhance the effectiveness of accountability mechanisms, offering a pathway for improved governance in the public sector.

### **6.3 Secondary Research Question 1: How effective are the current accountability mechanisms employed by professional bodies in holding their members accountable?**

This section addresses the first secondary research question by examining the perceived effectiveness of existing accountability mechanisms enforced by professional bodies. Interview responses are analysed to determine the practical impact of these mechanisms on SOE executives, with comparisons to the expectations set forth in the literature. Areas of support, divergence, and new insights are highlighted to provide a nuanced understanding of how effectively these accountability measures function in the context of SOEs.

#### **6.3.1 Analysis of interview Question: Are you familiar with the requirements of your professional body for you to maintain your professional standing and ensure accountability as a member of the body?**

This question assesses executives' awareness of the specific requirements set by their professional bodies, including codes of conduct, continuing professional development (CPD), and ethical standards, which are designed to maintain accountability. Chapter 2 highlights that professional bodies often mandate compliance with ethical standards, CPD, and other requirements to maintain professional standing (Naidoo, 2020). These mechanisms are expected to enforce accountability, with compliance playing a central role in governance and reducing unethical behaviour.

Findings from Chapter 5 indicate strong alignment with the literature, as all respondents confirmed their familiarity with professional requirements. For instance, Participant C1 shared that SAICA's requirements, such as CPD, are integral to maintaining her professional role and credibility, which supports Ackers and Adebayo's (2022) findings on the importance of ethical standards. However, some participants noted a lack of guidance on navigating the complex environments of SOEs, where accountability can be undermined by external factors such as political interference, an aspect not fully addressed in the literature.

An emerging insight was the need for professional bodies to provide tailored guidance on how to apply ethical requirements within the context of SOEs, especially in politically sensitive roles.

This indicates that while executives understand the formal requirements, additional support may be necessary to enhance real-world accountability.

### **6.3.2 Analysis of Interview Question: Are you familiar with the disciplinary implications for non-conformance of those professional requirements as a member of your professional body?**

This question explores executives' awareness of the consequences they face if they fail to meet the ethical and professional standards set by their respective professional bodies. As noted in Chapter 2, professional bodies utilise disciplinary measures, such as fines, suspensions, or revocations of membership, to enforce accountability and address non-conformance (Ackers, 2022). Understanding executives' familiarity with these implications helps gauge their perceived effectiveness as deterrents.

The findings showed consistent support with the literature, with participants generally expressing a strong understanding of the disciplinary actions that could be taken against them. Participant C4 highlighted that SAICA's potential for "naming and shaming" provides a powerful incentive for compliance, echoing findings from Ackers (2022) on deterrent mechanisms. However, some respondents felt that these measures are limited in their practical impact within SOEs, where internal governance challenges can overshadow the authority of professional bodies.

Respondents indicated that while professional disciplinary actions are effective deterrents, they are often limited in cases where SOEs face significant internal governance issues. This suggests a need for professional bodies to collaborate more closely with SOEs in order to ensure that disciplinary standards remain impactful in the context of public-sector challenges.

### **6.3.3 Analysis of Interview Question: How do you believe professional bodies can better support executives in SOEs in navigating challenges related to accountability?**

This question seeks to understand executives' perspectives on how professional bodies could enhance support mechanisms, particularly in the unique governance environments of SOEs. The literature review discusses the importance of professional bodies in providing support beyond ethical requirements, with guidance and resources aimed at strengthening governance practices (Mlambo & Makhonza, 2022). Understanding these needs helps identify potential improvements to accountability mechanisms.

Respondents largely supported the literature's emphasis on proactive support, with many highlighting the need for professional bodies to provide more contextualised resources. Participant C5 suggested that professional bodies could offer specific training tailored to public-sector governance, which aligns with Mlambo and Makhonza's (2022) advocacy for adaptive governance support. Some participants, however, noted that their professional bodies have traditionally focused on private sector practices, a limitation not fully discussed in existing literature.

There is a strong call for professional bodies to create resources addressing the unique political and operational challenges within SOEs, suggesting that tailored guidance could enhance accountability in such environments.

#### **6.3.4 Analysis of Interview Question: Do you believe professional bodies should have more regulatory/disciplinary power to enforce accountability among their members working in SOEs? Why or why not?**

This question assesses executives' views on expanding the regulatory authority of professional bodies to improve SOE accountability. Literature suggests that enhanced authority might improve enforcement of accountability, especially in complex governance environments (Naidoo, 2020).

Many respondents, such as Participants C5 and C7, acknowledged the importance of professional bodies in enforcing ethical standards. For example, Participant C6 felt that stricter oversight could discourage unethical behavior, aligning with Ackers and Adebayo (2022) who view strong accountability as essential for governance. CIOB (2023) also suggests that professional bodies foster integrity across sectors by aligning SOE practices with broader standards.

However, some respondents were concerned that increased disciplinary authority could lead to conflicts with SOE governance structures, potentially causing jurisdictional overlap with board committees and regulators. Mukinda et al. (2019) asserts that overlapping of accountability mechanisms could lead to "accountability overlap," resulting in an increase in compliance bureaucracy. Participant C3 noted that governance roles should be complementary rather than overlapping, echoing Majoni and Wandera (2019) on the importance of well-defined accountability structures. Participants, including C9 and C6, differentiated between individual accountability, which professional bodies promote, and broader organisational responsibility, which relies on legal frameworks such as PFMA (Govender & Reddy, 2022). This distinction highlights the limited scope of professional bodies' influence over broader SOE governance.

A notable gap is that some respondents perceived professional bodies' influence to be confined to individual ethics rather than organisational practices. Literature supports the potential for professional bodies to impact SOE operations indirectly by setting industry standards (Smith & Thomas, 2019). Limited awareness also existed regarding collaboration between professional bodies and other accountability structures like the National Treasury and the Auditor-General of South Africa (Schiemann & Meier, 2020).

Expanding regulatory power could enhance accountability but requires balancing professional authority with the specific governance dynamics within SOEs. Clarifying the complementary roles of professional bodies, regulators, and legal frameworks could address accountability gaps and create a more cohesive accountability ecosystem.

### **6.3.5 Conclusive findings for secondary research question 1**

The findings suggest that while professional bodies provide a solid accountability foundation, their effectiveness within SOEs is limited by challenges such as political interference and complex governance. Executives generally understand and comply with professional standards, yet unique SOE constraints can reduce the impact of these mechanisms. Key insights highlight the need for professional bodies to tailor resources and training to address SOE-specific governance complexities. Additionally, there is potential for adjusting regulatory power to ensure enforcement without conflicting with SOE structures.

In conclusion, adapting accountability mechanisms to SOE needs could enhance the role of professional bodies as external accountability agents, contributing to stronger governance across South Africa's public sector.

### **6.4 Secondary Research Question 2: In what ways can professional bodies influence the improvement of governance practices and reduce corruption within South African SOEs?**

This section explores the potential roles of professional bodies in enhancing governance practices and mitigating corruption in South African SOEs, based on insights from interview responses. These perspectives are compared with the literature to assess both supportive and contradictory viewpoints, while new insights provide direction for how professional bodies might more effectively drive ethical governance within SOEs.

#### **6.4.1 Analysis of Interview Question: What potential conflicts of interest do you foresee, or have you experienced, as an executive in an SOE who is also a member of a professional body? How do you navigate these conflicts?**

This question seeks to uncover conflicts of interest that executives encounter as SOE members affiliated with professional bodies and to explore strategies they use to manage these conflicts. The literature in Chapter 2 highlights that conflicts of interest are common in governance, where professional standards can sometimes clash with organisational or political demands (Ackers, 2022). Understanding these conflicts is essential for determining how professional bodies can support executives in mitigating such challenges, thereby promoting integrity and reducing corruption risks.

Chapter 5 findings largely align with the literature, as several respondents acknowledged facing conflicts between SOE pressures and professional standards. Participant C2 described how navigating political expectations while adhering to SACPLAN's guidelines can be challenging, aligning with Ackers' (2022) findings on the difficulty of upholding accountability under conflicting pressures. However, Participant C5 noted that professional bodies often provide insufficient guidance on how to manage these specific conflicts, which indicates a gap in the literature regarding proactive support for navigating conflicts of interest

An emerging insight is the need for professional bodies to offer specific training and guidance on handling conflicts of interest in politically charged environments, as these pressures are often unique to SOEs. This support could help executives better uphold ethical standards, even under conflicting organisational pressures, reducing the risk of corruption.

#### **6.4.2 Analysis of Interview Question: How can the relationship between professional bodies and SOEs be strengthened to promote accountability and good governance?**

This question aims to gather insights on how professional bodies and SOEs can enhance their collaboration, promoting more robust governance practices and reducing the risk of corruption. The literature review suggests that partnerships between professional bodies and SOEs could strengthen governance by providing frameworks for accountability and ethical conduct (Naidoo, 2020). Strengthening this relationship is seen as a strategy to address governance weaknesses within SOEs and foster an ethical culture resistant to corruption.

Respondents supported the literature's view, suggesting that increased collaboration could lead to more effective governance. For instance, Participant C7 emphasised the importance of regular engagements between professional bodies and SOEs to promote shared governance goals, which aligns with Naidoo's (2020) recommendation for partnership-based approaches. However, some participants noted that professional bodies sometimes maintain a "hands-off" approach, limiting their practical influence on SOE governance—a nuance not fully explored in the literature.

Executives proposed greater involvement of professional bodies in SOE governance activities, such as regular audits, training, and ethical workshops tailored to SOEs, as an effective way to reinforce accountability. This proactive involvement could provide SOEs with the necessary tools and oversight to reduce corruption risks, a recommendation that expands on existing literature.

### **6.4.3 Conclusive findings for research question 2**

The analysis indicates that professional bodies have a significant, albeit currently underutilised, potential to enhance governance practices and reduce corruption within SOEs. While the literature supports the idea that professional bodies can drive ethical standards, the responses suggest that a more hands-on approach, particularly around conflict-of-interest management and collaborative governance activities, could enhance this influence.

Professional bodies could amplify their impact by providing targeted support for SOE executives in managing conflicts of interest, particularly those arising from political pressures, which frequently challenge governance in SOEs. Additionally, respondents highlighted the value of regular interactions, tailored workshops, and direct involvement in SOE governance to reinforce ethical guidelines promoted by professional bodies. By adopting these strategies, professional bodies could play a more prominent role in curbing corruption and fostering sustainable governance in South African SOEs.

### **6.5 Analysis of Secondary Research Question 3: How can the integration of professional bodies into governance frameworks of SOEs improve financial management, ethical conduct, and public service delivery?**

This section explores how embedding professional bodies within the governance frameworks of SOEs could enhance financial management, strengthen ethical standards, and improve public service delivery. Responses are analysed to assess participants' perceptions of the impact of professional bodies on these areas, identifying both alignment with and divergence from existing

literature. New insights provide direction for enhancing the role of professional bodies in future governance frameworks.

### **6.5.1 Analysis of Interview Question: What motivates you, as an executive and a member of a professional body, to uphold accountability in your role at the SOE?**

This question examines the motivations that compel SOE executives, especially those associated with professional bodies, to maintain accountability. Understanding these motivations sheds light on how these values translate into improved financial practices, ethical governance, and public service outcomes. The literature in Chapter 2 posits that professional bodies promote accountability by embedding values that encourage ethical behaviour, robust financial practices, and a dedication to public service goals (Naidoo, 2020). These motivations are essential in determining the practical influence of professional standards on SOE governance.

Participants largely echoed the literature's emphasis on accountability. Participant C3, for example, cited their membership with SAICA as a driver for maintaining ethical financial practices, a view that aligns with Ackers & Adebayo's (2022) findings on the impact of ethical codes in guiding executives toward integrity. Participants C7 and C8 also emphasised that accountability is deeply rooted in individual values and beliefs, supporting Radhika's (2012) assertion that ethics is inherently value driven. However, Participant C6 pointed out that, although professional bodies emphasise accountability, they often lack direct incentives to reinforce this within SOEs, where external pressures frequently challenge accountability efforts. This observation highlights a gap between theoretical expectations and practical realities, suggesting that the influence of professional bodies on accountability may be less robust than literature suggests, especially in environments with external pressures.

A noteworthy suggestion from participants was that professional bodies could collaborate with SOEs to establish performance incentives linked directly to ethical and financial governance standards. Such incentives could be tailored specifically to SOEs, reinforcing executives' commitment to public service values and embedding accountability as a measurable standard. This insight suggests that professional bodies might increase their impact by focusing on context-specific motivations within SOEs, thereby enhancing accountability in meaningful and quantifiable ways.

### **6.5.2 Conclusive findings for research question 3**

The findings suggest that integrating professional bodies more comprehensively into SOE governance frameworks could significantly strengthen governance and public service delivery. While literature supports the idea that professional bodies advance accountability, the responses highlight that this impact could be improved by addressing the distinct needs of SOEs, as they face unique governance challenges. Responses indicate that customised performance incentives, aligned with professional body standards, could play a crucial role in strengthening accountability within SOEs. Participants also emphasised the importance of collaborative governance frameworks developed jointly by SOEs and professional bodies, focusing on accountability which could enhance transparency and improved service delivery, making accountability more sustainable. By implementing these strategies, professional bodies could enhance their role in advancing governance within South African SOEs, contributing to a more ethically oriented public sector that aligns closely with public service values.

## **7. CHAPTER 7: CONCLUSION AND RECOMMENDATIONS**

This final chapter synthesises the study's key findings, concluding that professional bodies significantly shape accountability within South African State-Owned Enterprises (SOEs) by influencing governance, ethics, and public service delivery. Addressing research gaps, the study enriches the discourse on SOE governance amid public sector challenges. The chapter integrates findings into concise conclusions that answer the research questions and offers recommendations for executives, professional bodies, and SOEs. It also discusses study limitations and suggests future research directions to further enhance accountability mechanisms in the public sector

### **7.1 Synthesis of the research findings**

This research examined the influence of professional bodies on accountability within South African State-Owned Enterprises (SOEs), particularly in governance enhancement, corruption reduction, financial management, and public service delivery. The study underscores the significance of professional bodies within the corporate governance and public accountability landscape, offering insights into the unique governance challenges faced by SOEs amidst South Africa's complex socio-political environment. Through qualitative data from SOE executives, the research aligns findings with existing literature on accountability in state-controlled entities, addressing research questions on the role and impact of professional bodies.

In the context of South African SOEs, where political dynamics and public mandates have been observed to shape governance, this study highlights the critical need for comprehensive implementable frameworks that enforce accountability while guiding ethical and financial management. While previous research notes that professional bodies support accountability through ethical standards and codes, this study addresses a gap by exploring their effectiveness within SOEs facing political pressures and organisational complexities. Findings suggest that, while professional bodies are influential in upholding ethical standards, they may require additional, sector-specific strategies and direction to effectively address accountability challenges unique to the public sector.

## **7.2 Recommendations**

The findings of this study highlight several targeted recommendations for enhancing accountability within SOEs, which are directed at the SOE shareholders, SOE executives, professional bodies, and SOEs as institutions.

### **7.2.1 Recommendations for SOE Executives**

Fostering a culture of ethical accountability begins with a personal commitment to professional standards and values. Executives are encouraged to engage actively with their professional bodies, leveraging resources, training, and ethical guidelines to support informed decision-making. To manage external pressures effectively, executives should advocate for practices that align SOE goals with public interests, upholding ethical standards even in the face of political or financial constraints. Networking and mentorship within professional bodies can offer valuable guidance, especially when addressing complex governance challenges.

Furthermore, there is a critical need for professional bodies to implement and publicly disclose sanctions against members who violate ethical standards. Establishing a central repository for transgressors, managed collaboratively across professional bodies, would address situations where members hold multiple designations with various organisations. Such a system would ensure that sanctions are applied consistently across all affiliated bodies if a member is found in transgression, strengthening the accountability framework within SOEs.

### **7.2.2 Recommendations for Professional Bodies**

It is essential to recognise the unique governance context of SOEs and provide support that addresses these specific needs. This includes developing tailored training programs on conflict-of-interest management, transparency, and political sensitivity, designed explicitly for the public sector. Professional bodies should consider enhancing their disciplinary frameworks to address the specific accountability challenges within SOEs, such as establishing protocols for responding to political interference. Regular, structured engagements with SOE stakeholders—through workshops, collaborative audits, or advisory roles—would deepen the integration of professional standards in SOE governance.

### **7.2.3 Recommendations for SOEs**

Institutional structures should reinforce the role of professional bodies by establishing formal accountability frameworks that align with professional standards. This might include integrating codes of conduct from relevant professional bodies into SOE governance practices or prioritising the appointment of executives with professional affiliations. Furthermore, to strengthen accountability, SOEs should implement regular ethics and compliance training, drawing on resources and guidance from professional bodies. In addition, governance committees should have oversight over the implementation of consequence management. SOEs can create a governance environment that encourages ethical conduct, actively reducing risks of corruption and fostering public trust by facilitating transparent reporting and feedback mechanisms. The adoption and enhancement of fraud prevention measures, such as whistleblowing mechanisms, to encourage the reporting of unethical or illegal activities will also add value. Establishing such mechanisms, along with transparent reporting and feedback systems, fosters a governance environment that supports ethical behaviour, actively mitigates risks of corruption, and builds public trust.

In summary, these recommendations suggest a collaborative approach where SOEs, executives, and professional bodies work in tandem to foster a culture of accountability that addresses the unique pressures and challenges of the public sector, ultimately enhancing transparency, reducing corruption, and improving public service outcomes.

### **7.2.4 Recommendations for future research**

Future research on accountability in SOEs could explore several key areas that build on the findings of this study.

- a. examining the impact of specific professional bodies across different sectors such as energy, finance, and healthcare
- b. Future studies could assess the effectiveness of integrated accountability frameworks that involve collaborations between multiple oversight bodies, including professional bodies, government regulatory agencies, and internal SOE governance units.
- c. Longitudinal studies tracking SOE performance and accountability practices over time could also offer significant contributions.
- d. Examining the role of digital and technological solutions in enhancing accountability within SOEs is another promising area.

- e. Exploring the interplay of personal values, professional ethics, and institutional pressures on accountability could yield valuable insights into how executives navigate complex moral landscapes in SOEs.

These suggested directions for future research would contribute to a richer understanding of accountability in SOEs, providing actionable insights for enhancing governance and fostering a sustainable culture of accountability in the public sector.

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## 9. APPENDIX 1: ETHICAL CLEARANCE FORM

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**Ethical Clearance Approved**

1 message

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**Masters Research** <MastersResearch@gibs.co.za>  
To: 23984181 <23984181@mygibs.co.za>  
Cc: Masters Research <MastersResearch@gibs.co.za>

26 August 2024 at 18:27

**Ethical Clearance  
Approved**

Dear ZVAUYA DICKSON KUTSAWA,

Please be advised that your application for Ethical Clearance has been approved.  
You are therefore allowed to continue collecting your data.  
We wish you everything of the best for the rest of the project.

[Ethical Clearance Form](#)

Kind Regards

This email has been sent from an unmonitored email account. If you have any comments or concerns, please contact the GIBS  
Research Admin team.

## 10. APPENDIX 2: INTERVIEW QUESTIONNAIRE

### 1. Understanding Accountability in SOEs:

- How would you describe the current state of accountability within your State-Owned Enterprise (SOE)?

- What are the primary challenges to achieving effective accountability in your SOE?
- How do you perceive the role of leadership in fostering accountability within SOEs?

## **2. Role of Professional Bodies:**

- Can you explain the role that professional bodies play in your industry, particularly concerning accountability?
- In what ways do professional bodies influence the accountability mechanisms within your SOE?
- Can you provide examples where professional bodies have either successfully promoted or failed to promote accountability in SOEs?

## **3. Effectiveness of Professional Bodies:**

- How effective are the existing accountability mechanisms enforced by professional bodies in ensuring SOEs meet their governance and performance goals?
- In what ways could professional bodies enhance their accountability mechanisms to better serve the interests of SOEs and their stakeholders?
- What role does transparency play in the relationship between professional bodies and SOEs, and how is it maintained or compromised?

## **4. Interaction with Governance Structures:**

- How do professional bodies interact with the governance structures within your SOE?
- To what extent do these interactions enhance or hinder the accountability processes?

## **5. Impact of Political Influence and Other External Factors**

- How does political influence affect the ability of professional bodies to enforce accountability within SOEs?
- Are there any external factors or pressures that hinder the ability of professional bodies to hold SOEs accountable? How do these factors impact the governance of SOEs?

## **6. Challenges and Barriers:**

- What challenges or barriers do professional bodies face in enforcing accountability within your SOE?
- How do these challenges impact the overall effectiveness of professional bodies in promoting accountability?

## **7. Theoretical Insights**

### **a. (Principle Agent Dynamics)**

- How do you see the relationship between professional bodies (agents) and the SOEs (principals) they are meant to serve?

- What mechanisms do professional bodies use to ensure that the interests of SOEs align with broader public interests, and how effective are these mechanisms?
- Have you observed instances where the interests of professional bodies conflicted with the objectives of the SOEs? How were these conflicts managed?

**b. Stewardship and Ethical Considerations**

- a. In what ways do professional bodies promote ethical behavior and stewardship among SOE executives and employees?
- b. How do you think professional bodies can balance their regulatory role with the need to foster a culture of ethical leadership within SOEs?

**8. Recommendations for Improvement:**

- c. What improvements would you suggest for professional bodies to enhance their role in fostering accountability within SOEs?
- d. How can SOEs better collaborate with professional bodies to strengthen accountability practices to ensure better alignment with the public interest and enhanced accountability?

**9. Future Outlook:**

- e. How do you see the role of professional bodies evolving in the next five to ten years regarding accountability in SOEs?
- f. What future trends or developments do you anticipate that could influence the accountability landscape in South African SOEs?

**Follow-up Questions:**

- Can you provide any additional examples or experiences that illustrate the role of professional bodies in your SOE?
- Are there any other stakeholders, besides professional bodies, that significantly impact accountability in your SOE?

**11. APPENDIX 3: SPECIMEN INFORMED CONSENT LETTER**



**Informed Consent**

## Consent Form for Participation in Research Study

**Researcher:** Dickson Zvauya Kutsawa

**Institution:** Gordon Business Institute of Business Science (GIBS)

**Study Title:** Assessing the Influence of Professional Bodies on Accountability in South African State-Owned Enterprises

**Introduction:** I am currently a student at the University of Pretoria's Gordon Institute of Business Science and conducting a research project in partial fulfilment of an MBA. To that end, you are invited to participate by completing this attached survey relating to my topic. My research study aims to gain an in-depth understanding of the influence of professional bodies on accountability in South African State-Owned Enterprises as perceived by various individuals (specifically executives of State-Owned Enterprises who are part of professional bodies), the interpretive/constructivist paradigm will be utilised.

**Procedures:** If you agree to participate, you will be interviewed for approximately 45-60 minutes. The interview will be conducted either via phone or online meetings in accordance with your preference, and it will be recorded for transcription and analysis purposes. You will be asked questions about your experiences, perceptions, and opinions on the financial feasibility of green solutions in social housing projects.

**Consent:** Your participation is voluntary and anonymous; only aggregated data will be reported. You can withdraw at any time without penalty. By completing the survey and signing below, you indicate that you voluntarily participate in this research, acknowledge that you have read and understood the information provided, and consent to participate in this study under the conditions outlined above.

**Contact Information:** If you have any questions or concerns about the study or your participation, please get in touch with me as indicated below.

Researcher: Mr. Dickson Zvauya Kutsawa

Supervisor: Dr. Len Konar

Email: 23984181@mygibs.co.za

Email: [lenkon@icon.co.za](mailto:lenkon@icon.co.za)

Phone: 083 629 6966

Phone: +27 82 554 3920

Signature of participant:

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Date:

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Signature of researcher:

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Date:

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