African Journal of Public Administration and Environmental Studies (AJOPAES)

ISSN 2753-3174 (Print) ISSN 2753-3182 (Online)
indexed by IBSS, EBSCO and SABINET. It is accredited by DHET (the South African regulator of Higher Education)

Volume 5, Number 2, June 2026

Pp 157-178

The Performance of State-Owned Enterprises in South Africa: King IV Imperatives for Leadership and Communication Approaches

DOI: https://doi.org/10.31920/2753-3182/2026/v5n2a7

Udoh James Akpan
Post-Doctoral Fellow
Department of Media, Language and Communication
Steve Biko Campus
Durban, KZN
South Africa
udohja2000@yahoo.com; udoha@dut.ac.za

&

Sam Erevbenagie Usadolo
Department of Media, Language and Communication
Steve Biko Campus
Durban, KZN
South Africa

Abstract

This paper reviewed the extent to which corporate governance practices are being implemented in state-owned companies (SOEs) and whether these practices have a positive relationship with their performance. This is imperative because they were set up to provide service delivery to 59.39 million (2021 estimate) South Africans across the nine provinces. However, the SOEs have not been able to deliver on this mandate; rather, they have created more frustration for the people, and this has negatively affected the economy of South Africa. To appreciate this challenges of the SOE, examine the ethical capacity of the leadership role in relation to its management of the SOE. Being a secondary date qualitative research, the paper mobilised text from search engines like Google Scholar, EBESCO, and Science Direct. Over 50 texts were downloaded using a purposive selection based on the exclusion and inclusion criteria as outlined in the keyword. The CRAAP method (Currency, Relevance, Authority, Accuracy, and Purpose) was used to assess the objective reliability of the information sources. Using stakeholder theory, the study identified challenges to effective governance while concluding that robust leadership and communication practices significantly enhance the performance of state-owned companies.

***Keywords**: King IV Report, Corporate Governance, State-Owned Enterprises, Leadership, Communication*

Introduction

This study is to address corporate governance and the performance of state-owned-enterprise in South Africa. It is worthy to appreciate that South Africa has numbers of state-owned companies, otherwise called state-owned enterprises (SOE) set up by laws to participate in commercial activities on the government's behalf and deliver service to the citizens. However, many of these SOEs have not lived up to the objectives of their being set up and therefore have a performance deficit, which is majorly driven by poor corporate governance, a system of rules, practices, and processes by which an organisation is directed and controlled through a framework of policies and guidelines and hinged on accountability, transparency, fairness, and responsibility while using the King IV report on corporate governance as guidelines. (IoD, 2016)

Therefore, this study intends to probe into the reasons why corporate governance in SOEs is problematic in South Africa, which has negatively affected their performances and failed to deliver on their objectives. Therefore, it is important to appreciate the history of South Africa before exploring the reason SOEs fail in South Africa.

Historical, Socio-Political, and Attitudinal Disposition of South Africa's Leadership and Management Conundrum

South Africa's first known inhabitants have been referred to as the Khoisan, the Khoekhoe and the San. Starting in about 1,000 BCE, these groups were then joined by people who migrated from Western and Central Africa during what is known as the Bantu expansion southwards through Africa.

According to the South African government website , the first European settlement in southern Africa was established by the Dutch East India Company in Table Bay (Cape Town) in 1652. Created to supply passing ships with fresh produce,[1] the colony grew rapidly as Dutch farmers settled to grow crops. Shortly after the establishment of the colony, slaves were imported from East Africa, Madagascar, and the East Indies.

The first British Settlers, known as the 1820 Settlers, arrived in Algoa Bay (now Nelson Mandela Bay) on board 21 ships, the first being the Chapman. They numbered about 4,500 and included artisans, tradesmen, religious leaders, merchants, teachers, bookbinders, blacksmiths, discharged sailors and soldiers, professional men, and farmers.

Christopher Muscato, in his lecture presentation , argued that European exploration of the African coast began in the 13th century when Portugal sought an alternative route to the Silk Road to China. In the 14th and 15th centuries, Portuguese explorers travelled down the west African coast, detailing and mapping the coastline, and in 1488 they rounded the Cape of Good Hope. The Dutch East India Company established a trading post in Cape Town under the command of Jan van Riebeeck in 1652, and this effectively was the commencement of European powers in South Africa.

As the European powers settled and distributed themselves in the course of history, Thompson (2001) narrates how other European powers eventually settled alongside the Dutch and fought several wars of dominance in the land that was far from their homestead. As they proceed to reconcile themselves on how they will live and take advantage of the resources of the land, they exclude the indigenous people made up of the Khoisan, the Khoekhoe, the San, and other Bantu ethnic groups like the amaZulus, the amaXhosa and the Basotho people (Akpan & Mkize, 2022), who migrated mostly from present-day Nigeria and Cameroon . The dominance of the land and exclusion of the indigenous people in the governance and socio-economic structure finally led to a policy of apartheid, translated from the Afrikaans meaning 'apartness'. Apartheid was the ideology supported by the National Party (NP) government and was introduced in South Africa in 1948, and it called for the separate development of the different racial groups in South Africa.

South Africa held its first democratic election in April 1994 under an interim Constitution. The ANC emerged with a 62% majority. South

[1] https://www.gov.za/about-sa/history - Accessed 4th October 2025

[2] https://study.com/academy/lesson/portuguese-dutch-exploration-of-south-africa.html – Accessed 30th September, 2025

Africa was divided into nine new provinces to replace the four existing provinces and 10 Black homelands. Under the provisions of the interim Constitution, the National Party (NP) and the Inkatha Freedom Party joined a government of national unity led by President Nelson Mandela,[2] the first democratically elected leader of South Africa. With this, South Africa restructured its State-Owned Enterprises (SOE) to become what it is today.

Literature Review

An online Daily Maverick article asked that "…if putting all South Africa's state-owned enterprises into a single pot make it boil? Or if this will be another complicated reshuffling of the deckchairs on the ships that will not keep them from sinking?" (Cohen, 2016). This rhetorical question raises a notion that there is an issue with State-Owned Enterprises (SOEs) in South Africa, especially since he interrogated the major SOEs like Transnet, ESKOM, the Post Office, and Telkom. These SOEs are major players in South African society and economy from an administrative and legal point of view.

Research by Leutert (2016) agrees that SOEs are administrative entities but argues that Beijing, China, had tried to overhaul their SOEs for better efficiency but met with major obstacles like determining how and when to give market forces a greater role, aligning mismatched executive incentives, and overcoming complicating factors within them. These impediments can also be legal, as argued by Willemyns (2016), who states that state-owned enterprises (SOEs) are legal entities that are created by a government to partake in commercial activities on the government's behalf. It can be either wholly or partially owned by a government and is typically earmarked to participate in specific commercial activities. To this end, SOEs can be problematic to reform because of their administrative and legal complexities as they affect ownership and service delivery to the public.

In his work titled OECD Corporate Governance Working Papers No. 13 on State-Owned Enterprises, prepared at the request of the Southern Africa Network on Governance of State-Owned Enterprises, a regional cooperation initiative aimed at improving the corporate governance of SOEs, and mainly covering the member economies of the

3 https://www.sahistory.org.za/article/pre-colonial-history-southern-africa - Accessed #0th September 2025

SADC region in Southern Africa, Balbuena (2014) stated that SOEs play a vital role in terms of the direct services they provide. The population's access to water, electricity, sanitation, and transportation is in most developing economies almost entirely dependent on the state, operating through corporate vehicles. In addition, SOEs are among the main sources of urban employment in developing countries. While the state's enterprises should not play a role as "employer-of-last-instance", they can play an important role in upgrading labour skills and raising social standards through appropriate policies of corporate responsibility.

Their importance (and, as a corollary, the importance of having well-governed SOEs) is further compounded by the fact that they tend to be concentrated in "strategic" sectors, including infrastructure and utilities (e.g., air and rail transport, electricity, gas, and water supply, broadcasting, natural resource extraction, and telecommunications), in addition to finance (e.g., banking and insurance), which are crucially important to the competitive position of most of the private sector economy.

In their study, Bruton, Peng, Ahlstrom, Stan, and Xu (2015) argue that SOEs are hybrid organisations globally and that they represent 10% of global Gross Domestic Products (GDP) and conclude that the type of ownership structure varies from country to country and there is a need for more nuanced study to understand their management structure. Lin, Lu, Zhang, and Zheng (2020) seem to have agreed from the perspective that SOEs are important, and though they may not have been successful in other countries, in China, they have been highly successful given the success of China's economy in the last 40 years. They concluded that SOEs are important to the future of Chinese society and economy. In his work, Chinese state-owned enterprises in Africa: ambassadors or freebooters? Yi-Chong (2014) admits that Chinese SOEs played an important role in Chinese diplomacy in Africa as they pioneered the in-road into the continent through the construction of infrastructure like railways and seaports.

Failures of SOEs in South Africa

In his own postulation, Edoun (2015) reinforces the notion that State-Owned Enterprises (SOEs) are expected to be engines in social transformation on the African continent by leading to socio-economic development but acknowledges that they have not lived up to that billing. In his submission, he attributes the challenges of SOEs in Africa to lack of leadership, maladministration, and corruption, which are the enemies of good governance. Aligning with the perspectives of Edoun[3] (2015), another scholar identifies the downfall of state-owned enterprises (SOEs) in Africa as resulting from political patronage, the appointment of executives based on loyalty rather than merit, and a general disregard for stakeholder interests (Munduga, 2014).

These reasons, which have led to non-performance of SOEs in Africa, are in total opposition to how the Chinese SOEs function to the extent that it has become a veritable tool of diplomacy for the Chinese government in Africa. As a matter of fact, Tan-Mullins and Mohan (2013) posit that Chinese SOEs are so efficient and effective that their practices are even environmentally friendly in the sensitive sectors they operate in through initiatives like Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) initiatives. Though and Tefera (2020), in their analysis in Zimbabwe, South Africa, and Ethiopia, said that it is possible for African SOEs to be efficient, but that their success is underpinned by the response of the central government to the challenges of SOEs. Initiatives like structural reforms, good governance, clear objectives, and efficiency require governments to take a decisive position. However, political leadership in Africa often views the management of SOEs through a lens of patronage, frequently overlooking the long-term socio-economic benefits these entities should provide to the country.

Corporate Governance as a Necessity in Managing SOEs in South Africa

"Corporate governance" is a term used to describe the way that organisations direct and control what they do (Mallin, 2016). In his own submission, James Chen (2023), writing for Investopia sees corporate governance as the structure of rules, practices, and processes used to direct and manage a company. To put this in perspective, it is important to unpack the words that make up the phrase. "Corporate" is something that is shared by a whole group and not just a single member, like an organisation, and "governance" is the action or manner of governing or superintending over a state, organisation, etc. It therefore suggests that there are rules and regulations enacted as a guideline to preside over the organization. Therefore, corporate governance can be guidelines that

[4] https://www.dailymaverick.co.za/article/2023-06-11-after-the-bell-south-african-soes-one-corporate-ring-to-rule-them-all/ - Accessed on the 7th August 2025

have been agreed upon by a group of people to manage the organisation that they all belong to.

From the failures of SOEs as enumerated above, it is important for laid-down regulations to be in place for them to succeed. In this case, the corporate governance must be enacted by laws, and it should cover all aspects of the organisation like finance and accounts, operations, legal, corporate communication etc. According to the Chartered Governance Institute of the United Kingdom and Ireland , corporate governance refers to the way in which companies are governed and to what purpose. It identifies who has power and accountability and who makes decisions. It is, in essence, a toolkit that enables management and the board to deal more effectively with the challenges of running a company. Corporate governance ensures that businesses have appropriate decision-making processes and controls in place so that the interests of all stakeholders (shareholders, employees, suppliers, customers, and the community) are balanced and, in the case of state-owned enterprises, the state.

Corporate governance deals with the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment (Shleifer & Vishny, 1997). Though public enterprises focus most of the time on delivery of services to the people, there is still a need that some level of accountability in its governance process so that it would fulfill the reason why it was set up. Becht, Bolton, and Röell (2003) posit their perspective on corporate governance as concerned with the resolution of collective action problems among dispersed investors and the reconciliation of conflicts of interest between various corporate claimholders.

In other words, corporate governance is essential for any organisation to withstand and overcome challenges arising from either human actions or external circumstances. In a paper done by Okeahalam & Akinboade (2003), they argued that for effective corporate governance to be instituted, it has to be carefully analysed, and implemented in the context of appropriate institutions. There are several challenges that must be addressed in Africa if corporate governance is to be the silver bullet. However, they noted that should African institutions adopt corporate governance principles, it will be a huge step towards curbing corruption and safeguarding against mismanagement, and it will promote transparency. They believe that it will open the space for improved capacity and enable government and civil society to develop systems and effectively monitor compliance.

Another study done by Negash (2013) titled, "Corporate Governance and Ownership Structure: The Case of Ethiopia," concluded that the absence of separation of powers in the institutional settings of the country and weak corporate laws are serious voids for complying with international corporate governance standards. In other words, interference by politicians or political officeholders is a major hindrance in corporate governance, and this is also the case in South Africa. Reviewing from the thesis of Mekwe (2015) titled A Critical Review of Corporate Governance Reforms Relating to South African State-Owned Enterprises, he argues that corporate governance reform is an important aspect of broader reforms aimed at securing an environment attractive to both domestic and foreign investors and that enhances the benefits of investment to society. He concludes that of particular relevance is the relation between corporate governance practices and the increasingly international character of investment, and that if South Africa decides to reap the full benefits of the global capital market and if it decides to attract long-term patient capital, good corporate governance arrangements must be credible, well understood across borders, and adhere to internationally accepted principles.

According to Fourie (2001), South Africa possesses more than 300 state-owned enterprises (SOEs) engaged in a diverse array of activities, some of which extend beyond the nation's borders and contribute significantly to the country's socio-economic development. However, in recent times, the SOEs have been plagued by all kinds of financial, structural, and operations issues stemming from corruption, traditional modes of operation, and outdated management practices, coupled with a limited human resource base, which have given rise to considerable discussion about the place and role of SOEs in the country's mixed economy and evolving system of democracy.

According to an article on BusinessTech in June 2023 , billions of rands (South African currency) have been spent on bailouts for state-owned enterprises (SOE), and the government has received almost nothing in return. According to the figures published in the article, the government has pumped R233.6 billion in bailouts for its SOEs over the last five years whilst only receiving a dividend payout of R1 million from one SOE. This means that the government’s return on equity for the past five years equates to 0.0004% for all SOEs under the Public Enterprises portfolio.

At present, especially in the wake of the state capture revelations, the necessity for overhauling the governance and operations of South African SOEs is undeniable. Madonsela (2019), in the released Public Protector report on state capture, argues that institutionalised state corruption has morphed into a phenomenon level. She sees state capture as the re-purposing of the country's institutions towards private individual interests. In the process, public interest is jettisoned in favour of private material gain for select connected individuals in the private and public sectors.

This study is to further interrogate this challenge that might arise given the experiences of SOEs in South Africa and also to explore ways that can hold the leadership of SOEs accountable still within the framework of the King IV report.

King IV Report

The King Committee published the King IV Report on Corporate Governance for South Africa 2016 (King IV) on 1 November 2016 , and the custodian of the report is the Institute of Directors in Southern Africa (IoD). Since the publication of the first King report, South Africa has maintained a tradition of corporate governance, seemingly, but it is more on the private sector. King IV is the fourth iteration of that report and sets out the philosophy, principles, practices, and outcomes that serve as the benchmark for corporate governance in South Africa.

The objective of the King IV Report is to promote corporate governance as integral to running an organisation and delivering governance outcomes such as an ethical culture, good performance, effective control, and legitimacy, broaden the acceptance of the King IV by making it accessible and fit for implementation across various sectors and organisational types; reinforce corporate governance as a holistic and interrelated set of arrangements to be understood and implemented in an integrated manner; encourage transparent and meaningful reporting to stakeholders; and present corporate governance as concerned with not only structure and process but also with an ethical consciousness and conduct.

Theoretical Framework

This paper adopted the stakeholder theory to examine the role the stakeholders, both internal and external, can play in ensuring that corporate governance is instituted in the SOEs and how it should be implemented. To also guide in the monitoring and evaluation of the system, this study will also mobilise the technology determinism theory which is a reductionist theory that assumes that a society's technology progresses by following its own internal logic of efficiency while determining the development of the social structure and cultural values.

Stakeholder Theory

The stakeholder's theory propounded by Edward Freeman in 1984 is a theory of organisational management that addresses values and morals in managing an organisation (Lin, Ho, and Shen 2018). It shows that an organisation has different stakeholders, and they are external and internal stakeholders. The aim of this study is to explore and appreciate the challenges, either human or systems, that have hindered the ethical corporate governance model and performance of SOEs in South Africa and to suggest strategies for improving the ethical corporate governance and performance of SOEs in South Africa.

To this end, for SOEs to function in their operations, they must have the ownership and management structure and also employees. These stakeholders are internal stakeholders and are important in the daily operations of the SOE. By clearly defining these distinct stakeholder groups, each party can gain a more comprehensive understanding of their specific responsibilities in ensuring that SOEs operate effectively and fulfil their original mandates to the public. It will also enable the government to evaluate the performances of the SOEs with a view to making better policies from their monitoring and evaluation activities and results and also feedback from the public. This will lead to benefits and incremental changes in their public policy analysis and development using the help of technology, including the modern technology of social media (Rajagopalan and Rasheed, 1995; Dunn, 2015).

Technology Determinism Theory

It is incumbent upon the government that founded these SOEs to mandate and facilitate investment in information technology to enhance their functional efficiency. The management of the SOEs should not only invest in technology, its devices, and internet services, including setting up social media platforms, but should also ensure they are operational in all its branches across the nine provinces of South Africa and down to the municipalities. The stakeholders who are owners and management should make this a policy and an utmost task.

The technology determinism theory is a reductionist theory that assumes that a society's technology progresses by following its own internal logic of efficiency, while determining the development of the social structure and cultural values. In other words, technology shapes social change. It determines our future and our society and, to a large extent, how an individual thinks in the society. A good example is an argument put forward by Azam, Shakirullah, Sadaf, Owais, and Khan (2020) that the advent of social media has led to social change, and individuals interact more through social media. In the same understanding, the moment it dawns on policymakers and stakeholders in SOEs that the technology called the internet has become necessary in the 21st-century accountability process, they will vote for a budget to fund the availability of hardware accessories like laptops and internet connectivity for all departments. With this provision, corporate governance and ethics will enhance accountability, and in the event of any drop in the standard of service delivery, they can brief the public as to the reason through an educative and learning process, and the public can also vent their grievances and insist on standards on their platforms Mujtahid, Berlian, Vebrianto, Thahir, and Irawan (2021)

Research Methodology

This study adopted a qualitative approach, which is a scientific method of observation to gather non-numerical data (Chong & Yeo, 2015; Bhandari, 2020), and a secondary approach to collect data. It used the purposive sampling method to select articles from different search engines such as EBSCO, ScienceDirect, and Google Scholar. The articles selected were based on the keywords. In pursuit of this objective, the researcher employed the CRAAP test as a tool for verifying the reliability and objectivity of sources across diverse academic areas.. CRAAP is an acronym for Currency, Relevance, Authority, Accuracy, and Purpose. According to the Californian State University Library , the test is a list of questions and, in this case, keywords to help you evaluate the information that will be resourceful for research.

This research mobilized document analysis to review the King IV Report. Document analysis is a form of qualitative research that uses a systematic procedure to analyze documentary evidence and answer the research questions that have been raised. It involves reading the document selected for analysis for a better, nuanced understanding before providing answers to the questions raised in the research. It provides the background information to understand and appreciate the sociocultural, political, and economic context in which SOEs are organised and managed and why they have not totally achieved the objectives they were set up to achieve. It also helped in appreciating the role citizen participation as stakeholders can play in the performance and efficiency of the SOEs.

Discussing, Analysing, and Evaluating the Themes from the King IV Report

From the documents selected for analysis based on the systematic review, there are four themes that came out after the process of iteration and synthesis. The four themes are compliance as a leadership skill, corporate governance as a management imperative, structure of the organisation and disclosures and accountability in making a report to the public.

Compliance as a Leadership Skill

In their study on compliance in management, Parker and Gilad (2011) identified structure, agency, and culture as the basis for further empirical research and conceptual work on compliance management and suggested that regulation directly influence the adoption of formal compliance systems. While this position is administratively and legally correct, it has not necessarily worked with the experience of SOE management in South Africa. The King IV report offers South African corporations ethical codes to bring to bear in leadership skills, and scholars like Edoun (2015) attribute the failure of SOEs in South Africa to maladministration.

The King IV report has 17 principles on corporate governance, according to Esser and Delport (2018), and in their review of the report, they divided the principles into various categories, with the first category focusing on leadership, ethics, and corporate citizenship. The principles under this category are: Principle 1: The governing body should lead ethically and effectively; Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture; and Principle 3: Responsible corporate citizenship

While this principle agrees with Parker and Gilad's (2011) argument of compliance structure for leadership in corporate governance, it is not the case practically. Racz, Weippl, and Seufert (2010) argued that information technology should be mobilised for governance, including risk management and compliance processes, to enable integration and management, but it goes back to the identification of themes by Parker and Gilad (2011) that structure, agency, and culture need to be addressed. These three themes are critical to the success of any organisation. Akpan (2021) in agreeing with Dutta (2015) argues that culture must be considered for any process to be successful because of the ecological attributes.

Within this context, it is essential that all stakeholders participate in fostering ethical leadership within SOEs to ensure the achievement of efficient service delivery. Lin, Ho, and Shen (2018) in their work around the theory of stakeholder management said that stakeholders are both internal and external. Cornelissen (2004) ranks these stakeholders, management staff, and employees as internal, while external stakeholders are most importantly the consumers of the services of the organizations, and this is the public.

Therefore, as compliance is a leadership skill effective according to the King IV report, the public as a stakeholder must be involved. Also, as suggested by Racz, Weippl, and Seufert (2010), technology must be an integrated part of this compliance, but because of the experiences of SOEs in South Africa, which has a culture of maladministration and political interference, the public must serve as a watchdog to make the management more compliant and accountable.

Corporate Governance as a Management Imperative

In summarising the corporate governance principles of the King IV report, PwC South Africa (2016) noted that it is imperative. Also, the Institute of Directors of Southern Africa (IoD, 2016), in their King IV: Report on Corporate Governance for South Africa, 2016, agrees that corporate governance is important and critical in the success of an organisation, either private or public.

The basis of the King codes and the King reports I, II, III, and IV is based on corporate governance. Esser and Delport (2018) agree that corporate governance is important but worry about the South African context given the prevailing culture of corruption, maladministration and political interference that has led to the underperformance or failures of some of the SOEs. Chaukem (2019), in his work on the critical analysis of King IV reports, agrees that the concept of good corporate governance is principally about effective, ethical leadership and, in fact, said that the report has taken corporate governance to prominence and unprecedented heights in South Africa, which is important for ethics and moral leadership, but concluded that it is up to organisations to turn the words in King IV into practice and ensure that they lead ethically and ensure that they also inculcate the ethical culture in the organisation that they serve. He further asserted that without effective leadership and sound governance across private, public, and civic organisations, it is arguably impossible to achieve or maintain efficient administration, as demonstrated by experiences within both sectors in South Africa.

This is the point that this study is making, and it is important to note the nuances and culture in an environment to determine if compliance with ethical leadership can be followed unsupervised. The result in the South African context was succinctly put by Cohen (2016) of the Daily Maverick article in June 2023, where he wondered over the performance of the SOEs and queried the continuous monetary investments in them. Scholars like Munduga (2014) and Edoun (2015) had also voiced their reservations over the failings of SOEs in South Africa. Robinson, Sun, and Arrigoni (2020) say that there have been four King reports issued in 1994 (King I), 2002 (King II), 2009 (King III), and 2016 (King IV), and the reports have become the corporate governance codes applied in South Africa, and the reports are indicative of the fact that organisations do not exist for themselves but for society and, by inference, the public.

This submission by Robinson et al. (2020) brings the public into focus again and places them as a stakeholder. This study has therefore mobilised the stakeholder theory as one of its theories of organisational management that addresses values and morals in managing an organisation (Lin et al., 2018). From South Africa's context, it will be expedient for SOEs to recognise the members of the public as one of their major stakeholders, and that will give them a sense of accountability that will spur performance. Aside from making their report publicly available, the SOEs should also, through technology, make themselves accountable to the public. In theorising technological accountability from the public, the researcher mobilised the technology determinism theory with a central argument that technology shapes social change and, that it determines the future and the society and to a large extent, how an individual thinks in the society. Azam, Shakirullah, Sadaf, Owais, and Khan (2020) go further to argue that the advent of social media has led to social change, and individuals interact more through social media. This technology-based interaction between SOEs and the public has the potential to usher in a new era for state-owned enterprise performance and their delivery of services to the community

In a study done by Mare (2014), he reviewed the role of social media during the Occupy Grahamstown (South Africa); the 20 July 2011 protests (Malawi); the 10 September 2010 food riots (Mozambique); the 1 April 2012 demonstrations in Swaziland; and the flash demonstrations by WOZA and Mthwakazi in Zimbabwe. He concluded that social media have become the drums of protest in Southern Africa. This background ensures that those overseeing SOEs understand the possibility of public backlash, and this awareness can prompt a more careful and considered approach to management.

Structure of the Organisation

The structure of an organisation is important as it affects the management of the organisation. The KPMG summary report of 2016 dwells on the structure of the organisation being important and argues that the codes should be applied proportionally to the organisation based on the size and complexities of the organisation. According to the KPMG 2016 report, the most significant difference between the King III and King IV is that the code of the latter is outcome-oriented. It places accountability on the governing body (e.g., the board in companies) to attain the governance outcomes of an ethical culture, good performance, and effective control within the organisation and legitimacy with stakeholders. It also highlights that the King IV reports fit into the structure of municipalities, non-profit organisations, retirement funds, small and medium enterprises and state-owned enterprises.

In their work on the governance structure of SOEs with a focus on marine and port services, Mthembu and Chasomeris (2023) argue that while SOEs are critical to the development of the country, the structure does not allow them to function efficiently and ended up calling for private sector participation in the sector to improve efficiency in the port operations. Willemyns (2016) had, however, concluded that bottlenecks synonymous with SOEs are both administrative and legal. SOEs are set up by the laws of the parliament, and the main aim is for them to provide services to the public. Establishing these entities by law confers upon them a legal personality, with management staff subsequently appointed to oversee the administration of SOEs. A significant drawback of this structure is that the majority of directors are selected by politicians and government officials.

In their submissions of SOEs in Africa, and indeed South Africa, Edoun (2015) and Munduga (2014) attribute the failure of SOEs in Africa to political patronage and appointment of executives who may not necessarily hold their allegiance to the public but to the individuals or group of individuals that appointed them. This is a panacea for corruption and weak internal control. Phaladi and Ngulube (2022) posit in their own argument that knowledge management is essentially lacking in the SOEs' structures. Their human resources practice and management are low because the management is not necessarily accountable to the public who are supposed to benefit from their services but to other persons who may have appointed them.

It boils down to lack of identification and appreciation of the stakeholders, especially the external holders. If this were not the case, the management of the SOEs would have identified and ranked the stakeholders and would have known that the customers/public are critical. This study believes that the involvement of external stakeholders would assist in curbing the excesses of the managers and administrators who may not have the capacity to run the organisation or may be involved in any kind of maladministration or corrupt practice to the detriment of service delivery.

Negash (2013) could not agree less, as he concluded in his study that the absence of separation of powers in the institutional settings of the country and weak corporate laws are serious voids for complying with international corporate governance standards. A weak structure cannot produce results in an organisation, especially like the SOEs.

Accountability and Transparency in Public Reporting

The 2022 Southern African Accounting Association National Virtual Conference Proceedings points out the changes in the extent of sustainability disclosure in integrated reports resulting from the implementation of King IV. Papu and Herbert (2022) insist on the adoption of integrated reports as the most appropriate report to assess how an organisation sustainably creates value. Ryan, Stanley, and Nelson (2002) say in their study that an annual report and information disclosure is necessary to discharge public sector accountability.

Montecalvo, Farneti, and De Villiers (2018), writing on integrated reporting (IR), conclude that while IR has the potential to enhance public sector sustainability reporting, there was no consideration of intergenerational equity reporting. In reviewing the performance of SOEs and the continuous investment by the government in their operations, Cohen (2016) of Daily Maverick had questioned the rationale of the investment when the result is not sterling. Kgobe and Chauke (2018) argue that South Africa is grappling with fitting in the notion of ethos and accountability. They concluded that SOEs are antagonised and branded by unethical leaders and public accountability challenges. At this juncture, the SOEs are faced with poor fiscal coordination and management. They also showed that SOEs are immersed in substantial debt, leading to recommendations for the strengthening and reform of all laws overseeing SOEs. Interestingly, the scholars call on public administrators to avoid incubating politicians, as it creates the ground for corruption and various types of ethical dilemmas.

However, this call seems not to be taken seriously by the managers of SOEs as established in this study. Managers and public administrators appointed by the government to provide services to the citizenry are currently disconnected from the general public. The senior managers are not only incubating with politicians but are already in bed with them and owe favours to them since many came in through their appointments or recommendations. The junior public administrators owe allegiance to their bosses; it therefore creates a dilemma.

It is imperative that the public, who are supposed to be the consumers of these services, get involved in the performance of these SOEs and carry out their own monitoring and evaluation. It is also important for the government in the on-boarding of the staff of the SOEs to point them to the fact that they work for the SOEs because of the public and ensure that they publish their reports publicly periodically. This notion is corroborated by Bertocchim (2017), who argues that the Italian government insists on publishing SEOs' accounts as part of transparency, integrated with corruption prevention measures, which is an international guideline formulated by the Organisation for Economic Co-operation and Development (OECD) that SOEs in member countries should follow the same standards of transparency and disclosure adopted by listed companies. SOEs in South Africa can adopt this approach also.

Conclusion

The study concluded that though the intention of the King IV report is noble by providing corporate governance ethical codes and principles needed by the leadership of SOEs to deliver service to the public, the result is not consistent with the intention, either in law or operations of the SOEs. The challenges faced by the SOEs range from the structure, which is not as organised as the private sector. There is political interference from high governmental officials, and that has also made the management of the SOE compromise. Therefore, there is a need for government to stress compliance as a leadership skill, corporate governance as a management imperative, proper structuring of the organisation, anddisclosures and accountability in making a report to the public. The government should mandate that state-owned enterprises (SOEs) invest in information technology and establish social media platforms, enabling the public to subscribe and participate in two-way communication.

References

Akpan, U.J., 2021. The role of communication in addressing sociocultural factors that influence pregnant women to drink alcohol in Durban, KwaZulu-Natal (Doctoral dissertation).

Al-Ababneh MM. Linking ontology, epistemology and research methodology. Science & Philosophy. 2020 Jun 1;8(1):75-91.Bhandari, P., 2020. An introduction to qualitative research.

Aromataris, E. and Pearson, A., 2014. The systematic review: an overview. AJN The American Journal of Nursing, 114(3), pp.53-58.

Azam, J.A.N., Shakirullah, S., Sadaf, N.A.Z., Owais, K.H.A.N. and Khan, A.Q., 2020. Marshal McLuhan's technological determinism theory in the arena of social media. Theoretical and Practical Research in the Economic Fields, 11(2), pp.133-137.

Becht, M., Bolton, P. and Röell, A., 2003. Corporate governance and control. In Handbook of the Economics of Finance (Vol. 1, pp. 1-109). Elsevier.

Bertocchi, M., 2017. Transparency in Local State-Owned Enterprises in Italy. Symphonya. Emerging Issues in Management, (2), pp.31-46.

Bhandari, P., 2020. An introduction to qualitative research.

Blakeslee, S., 2004. The CRAAP test. Loex Quarterly, 31(3), p.4.

Blakeslee, S., 2004. The CRAAP test. Loex Quarterly, 31(3), p.4.

Bowen, G.A., 2009. Document analysis as a qualitative research method. Qualitative research journal, 9(2), pp.27-40.

Bowen, G.A., 2009. Document analysis as a qualitative research method. Qualitative research journal, 9(2), pp.27-40.

Bruton, G.D., Peng, M.W., Ahlstrom, D., Stan, C. and Xu, K., 2015. State-owned enterprises around the world as hybrid organizations. Academy of Management perspectives, 29(1), pp.92-114.

Busetto, L., Wick, W. and Gumbinger, C., 2020. How to use and assess qualitative research methods. Neurological Research and practice, 2, pp.1-10.

Chauke, K.R., 2019. Critical analysis of principle one and two of king iv report on corporate governance: leadership and ethics. International Conference on Public Administration and Development Alternatives (IPADA).

Chauke, K.R., 2019. Critical analysis of principle one and two of king iv report on corporate governance: leadership and ethics. International Conference on Public Administration and Development Alternatives (IPADA).

Chong, C.H. and Yeo, K.J., 2015. An overview of grounded theory design in educational research. Asian Social Science, 11(12), p.258.

Cornelissen, J.P., 2004. What are we playing at? Theatre, organization, and the use of metaphor. Organization Studies, 25(5), pp.705-726.

Denzin, N.K., Lincoln, Y.S. and Giardina, M.D., 2006. Disciplining qualitative research. International journal of qualitative studies in education, 19(6), pp.769-782.

Dunn, W.N., 2015. Public policy analysis: An integrated approach. Routledge.

Dutta, M.J., 2015. Decolonizing communication for social change: A culture-centered approach. Communication Theory, 25(2), pp.123-143.

Edoun, E.I., 2015. The impact of governance on state owned enterprises (SOEs) in Africa. Mediterranean Journal of Social Sciences, 6(1), p.352.

Esser, I.M. and Delport, P.A., 2018. The South African King IV Report on corporate governance: is the crown shiny enough?. Company lawyer, 39(11), pp.378-384.

Ferguson, C.S., 2019. Assessing the KING IV Corporate Governance Report in relation to business continuity and resilience. Journal of Business Continuity & Emergency Planning, 13(2), pp.174-185.

Fielding, J.A., 2019. Rethinking CRAAP: Getting students thinking like fact-checkers in evaluating web sources. College & Research Libraries News, 80(11), p.620.

Fielding, J.A., 2019. Rethinking CRAAP: Getting students thinking like fact-checkers in evaluating web sources. College & Research Libraries News, 80(11), p.620.

Fourie, D.J., 2001. The restructuring of state-owned enterprises: South African initiatives. Asian Journal of Public Administration, 23(2), pp.205-216.

Balbuena, S.S., 2014. State-owned enterprises in Southern Africa: A stocktaking of reforms and challenges

Goddard, W. and Melville, S., 2004. Research methodology: An introduction. Juta and Company Ltd.

Guest, G., Namey, E. and Chen, M., 2020. A simple method to assess and report thematic saturation in qualitative research. PloS one, 15(5), p.e0232076.

Institute of Directors (South Africa), 2010. King Report on Governance for South Africa 2009: King Code of Governance Principles for South Africa 2009; Companies Act 71 of 2008. Juta and Company Ltd.

Kgobe FK, Chauke KR. Ethical leadership and public accountability: Problematiques of South Africa's State-Owned Enterprises. Technium Soc. Sci. J.. 2021;26:45.

Leutert, W., 2016. Challenges ahead in China’s reform of state-owned enterprises. Asia policy, (21), pp.83-100.

Lin, K.J., Lu, X., Zhang, J. and Zheng, Y., 2020. State-owned enterprises in China: A review of 40 years of research and practice. China Journal of Accounting Research, 13(1), pp.31-55.

Lin, X., Ho, C.M.F. and Shen, G.Q., 2018. For the balance of stakeholders’ power and responsibility: A collaborative framework for implementing social responsibility issues in construction projects. Management Decision, 56(3), pp.550-569.

Madonsela, S., 2019. Critical reflections on state capture in South Africa. Insight on Africa, 11(1), pp.113-130.

Mallin, C.A., 2016. Corporate governance. Oxford university press.

Mare, A., 2014. Social media: The new protest drums in Southern Africa?. Social media in politics: case studies on the political power of social media, pp.315-335.

Marimuthu, F., 2020. Government assistance to state-owned enterprises: a hindrance to financial performance. Investment Management and Financial Innovations, Vol. 17, Issue 2.

Mekwe, L.P., 2015. A critical review of corporate governance reforms relating to South African state-owned enterprises (Doctoral dissertation, University of the Western Cape).

Montecalvo, M., Farneti, F. and De Villiers, C., 2018. The potential of integrated reporting to enhance sustainability reporting in the public sector. Public Money & Management, 38(5), pp.365-374.

Mthembu, S.E. and Chasomeris, M., 2023. An evaluation of the governance structure of marine services in South Africa’s ports system. Journal of Shipping and Trade, 8(1), pp.1-22.

MUJTAHID, I.M., BERLIAN, M., VEBRIANTO, R., THAHIR, M. and IRAWAN, D., 2021. The development of digital age literacy: A case study in Indonesia. The Journal of Asian Finance, Economics and Business, 8(2), pp.1169-1179.

Munduga, P., 2014. An analysis of the poor performance of state-owned enterprises in Africa.

Mutize, M. and Tefera, E., 2020. The Governance of State-Owned Enterprises in Africa: an analysis of selected cases. Journal of Economics and Behavioral Studies, 12(2 (J)), pp.9-16.

Negash, M., 2013. Corporate governance and ownership structure: The case of Ethiopia. Ethiopian E-Journal for Research and Innovation Foresight (Ee-JRIF), 5(1).

Ngwenya, S. and Khumalo, M., 2012. CEO compensation and performance of state owned enterprises in South Africa.

Okeahalam, C.C. and Akinboade, O.A., 2003, June. A review of corporate governance in Africa: Literature, issues and challenges. In global corporate governance forum (Vol. 15, No. 1, pp. 1-34).

Padayachee V. King IV is here: corporate governance in SA revisted. New Agenda: South African Journal of Social and Economic Policy. 2017 Jul 28;2017(66):17-21.

Padayachee, V., 2013. Corporate governance in South Africa: from'Old Boys Club'to'Ubuntu'?. Transformation: critical perspectives on southern Africa, 81(1), pp.260-290.

Papu, K. and Herbert, S., 2022 Southern African Accounting Association National Virtual Conference.

Parker, C. and Gilad, S., 2011. Internal corporate compliance management systems: Structure, culture and agency. Explaining compliance: Business responses to regulation, pp.170-197.

Petersen, R.A., 2019. The role of the internal auditor in enhancing corporate governance in state-owned Enterprises in South Africa (Doctoral dissertation, Cape Peninsula University of Technology).

Phaladi, M. and Ngulube, P., 2022. Mitigating risks of tacit knowledge loss in state-owned enterprises in South Africa through knowledge management practices. South African Journal of Information Management, 24(1), p.1462.

Plecka stlund, M., Marsk, R., Stockeld, D., Lagergren, J., Rasmussen, F. and Naslund, E., 2011. The Risk of Alcohol Dependence is Increased After Gastric Bypass Surgery. Gastroenterology-Orlando, 140(1), p.S.

Podsakoff, P.M., MacKenzie, S.B. and Podsakoff, N.P., 2012. Sources of method bias in social science research and recommendations on how to control it. Annual review of psychology, 63, pp.539-569.

Pollock, A. and Berge, E., 2018. How to do a systematic review. International Journal of Stroke, 13(2), pp.138-156.

Racz, N., Weippl, E. and Seufert, A., 2010, July. A process model for integrated IT governance, risk, and compliance management. In Proceedings of the Ninth Baltic Conference on Databases and Information Systems (DB&IS 2010) (pp. 155-170).

Rajagopalan, N. and Rasheed, A.M., 1995. Incremental models of policy formulation and non-incremental changes: Critical review and synthesis 1. British Journal of Management, 6(4), pp.289-302.

Robinson, S., Sun, W. and Arrigoni, A., 2020. Commentary on King Reports on corporate governance. Journal of Global Responsibility, 11(2), pp.113-121.

Robinson, S., Sun, W. and Arrigoni, A., 2020. Commentary on King Reports on corporate governance. Journal of Global Responsibility, 11(2), pp.113-121.

Ryan, C., Stanley, T. and Nelson, M., 2002. Accountability disclosures by Queensland local government councils: 1997–1999. Financial Accountability & Management, 18(3), pp.261-289.

Saunders, M.N., Lewis, P., Thornhill, A. and Bristow, A., 2015. Understanding research philosophy and approaches to theory development.

Shleifer, A. and Vishny, R.W., 1997. A survey of corporate governance. The journal of finance, 52(2), pp.737-783.

Silverman, D., 2013. A very short, fairly interesting and reasonably cheap book about qualitative research. Sage.

Somekh, B. and Lewin, C. eds., 2005. Research methods in the social sciences. Sage.

Tan-Mullins, M. and Mohan, G., 2013. The potential of corporate environmental responsibility of Chinese state-owned enterprises in Africa. Environment, Development and Sustainability, 15, pp.265-284.

Udoh, J.A. and Mkhize, S.M., 2022. Mobilizing Ubuntu as the unifying language for the descendants of Bantu during xenophobic/afrophobic attacks in South Africa. African Journal of Peace and Conflict Studies, 11(1), p.45.

Varpio, L., Paradis, E., Uijtdehaage, S. and Young, M., 2020. The distinctions between theory, theoretical framework, and conceptual framework. Academic Medicine, 95(7), pp.989-994.

Willemyns, I., 2016. Disciplines on state-owned enterprises in international economic law: Are we moving in the right direction?. Journal of International Economic Law, 19(3), pp.657-680.

Yi-Chong, X., 2014. Chinese state-owned enterprises in Africa: ambassadors or freebooters?. Journal of Contemporary China, 23(89), pp.822-840.