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Corporate governance in a weak legal environment: a systematic review focusing on Zimbabwe

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Abstract

Purpose – Literature shows that corporate governance matters more in countries with weak legal environments. The purpose of this study is to synthesise and map research that has been done so far on corporate governance in Zimbabwe, a country that has been characterised by weak legal systems and lack of respect for property rights.

Design/methodology/approach – A systematic review and bibliometric analysis of 20 articles indexed in the Scopus and Web of Science databases was carried out to establish the trends and evolution of corporate governance in Zimbabwe.

Findings – The articles reviewed looked at the association between corporate governance attributes and firm performance, disclosure of information and economic growth. The proportion of independent directors was found to significantly affect firm performance and information disclosure in most of the studies. The majority of the studies used descriptive statistics and simple regression in their methodologies. The stakeholder theory is the most used in the studies reviewed.

Originality/value – The study highlights the need to strengthen the state infrastructure that enhances corporate governance at the firm level. When state-owned companies adhere to good corporate governance practices, this can cascade to the private sector.

Keywords Bibliometric analysis, Corporate governance, Zimbabwe, ZSE

Paper type Research paper

1. Introduction

The past few decades have seen the proliferation of studies on corporate governance. The majority of these studies have shown that the effect of corporate governance practices on firm characteristics depends on the circumstances of the firms and the environment of the country from which study samples are selected (Arslan and Alqatan, 2020). Firm-level corporate governance is especially important in a country such as Zimbabwe which has undergone severe economic and political setbacks (Raftopoulos, 2006). Firstly, the continuing economic and political impasse between Zimbabwe and the European Union as well as the USA makes Zimbabwean companies different compared to countries that are not disenfranchised from the international community (Sun *et al.*, 2021). Black *et al.* (2012) investigate the effect of good corporate governance on firm value in Brazil, India, Russia and Korea and report that good corporate practices depend on the country and firm characteristics. Secondly, the Zimbabwean legal environment has often been labelled as partisan and captured by the state

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(Chiduza, 2014), and in such an environment, investors place their hope on good corporate governance practices for their protection. Klapper and Love (2004) provide evidence that firm-level corporate governance matters more in countries with weak legal environments.

Since its controversial land reform programme in 2000, which culminated in the country being placed under the radar of punitive economic sanctions by Western countries, the economy of Zimbabwe has been facing various macroeconomic and political challenges (Nyakurukwa, 2021). These macroeconomic and political challenges have impeded and weakened most state institutions, including the legal system. According to the World Justice Project (WJP) 2021 rule of law index, Zimbabwe is in the bottom ten (ranked 134 out of 139 countries)[1] in terms of rule of law and strength of its legal system. This has warded off foreign direct investment as well as foreign participation on the Zimbabwe Stock Exchange (ZSE). In a country where it is difficult to rely on the legal system for recourse, especially after the arbitrary policy to expropriate land without compensation (Adekoye, 2019) as well as the unilateral indigenisation law (Murombo, 2010), most investors rely on good corporate governance practices of individual firms.

Over the past few years, the regulatory authorities have been working hard to place the corporate governance practices in Zimbabwe within international best practices (Nyakurukwa, 2021). This has been done through, for example, revamping the Companies Act as well as the codification of corporate governance in Zimbabwe. In light of the corporate scandals that have rocked the Zimbabwean companies in the past few years, the lack of investor protection and the recent efforts towards reforming corporate governance in Zimbabwe, it is essential to synthesise research done so far so as to identify the research gaps that can drive future research. This study therefore seeks to address the following research questions:

RQ1. What is the current trend of research on corporate governance in Zimbabwe?

RQ2. Which are the leading, influential and impactful sources and contributors to literature on Zimbabwe?

RQ3. Which are the most influential articles in this research domain?

RQ4. What are the prominent themes prevailing in this area of research?

RQ5. What is the scope for future research?

The majority of the systematic reviews on corporate have tended to concentrate on the developed (Di Vito and Trottier, 2021) markets and emerging markets (Almaqtari *et al.*, 2020) and frontier markets (Alex, 2021). Less has been done on synthesising literature on corporate governance using "standalone [2]" markets as well as fragile markets. It is therefore essential to explore mechanics of corporate governance in a country such as Zimbabwe which is characterised by a weak legal system, high episodes of hyperinflationary periods and political instability. This will help in determining whether adherence to good corporate governance mechanisms will add value in a highly fluctuating environment.

The results from the review of the literature and bibliometric analysis show that most of the studies have examined the association between corporate governance and firm performance, information disclosure as well as how bad corporate governance led to the Zimbabwean banking crisis of 2003/04. Methodologically, most of the studies have used simple descriptive statistics and ordinary least squares-based estimators. Future studies can therefore concentrate on issues such as the effects of the recent corporate governance reform as well as the use of other sophisticated methods such as quantile regression to measure the outcome across the distribution of a variable in the context of corporate governance.

The study proceeds as follows: Section 2 looks at the methodology used in the study; Section 3 presents the results as well as the discussion thereof while Section 4 concludes.

2. Methodology

The study uses a combination of a systematic and critical review of literature as well as bibliometric analysis of the studies done on corporate governance in Zimbabwe. The study uses only peer-reviewed articles that are indexed in the Scopus and Web of Science (WoS) databases, which are the most used databases for systematic literature reviews and bibliometric analysis studies (AlRyalat *et al.*, 2019).

2.1 Database

In coming up with the sample of studies that were used for this study, peer-reviewed articles indexed in the Scopus and WoS databases were used. Most bibliometric analysis studies done in the broad area of corporate finance use one of the two databases, but usually not both. This study uses a comprehensive database that contains peer-reviewed articles indexed in both the Scopus and the WoS databases. The final merged database removes studies that are duplicated in both databases. Because the Scopus database contains most of the studies on corporate governance in Zimbabwe, in cases where an article is indexed in both databases, the study uses metrics from the Scopus database.

2.2 Search strategy

The most common challenge that is cited in bibliometric analysis studies and systematic literature reviews is coming up with an appropriate search query that strikes a balance between getting the maximum articles while at the same time minimising the frequency of irrelevant articles (Romanelli *et al.*, 2021). To come up with the appropriate search query, this study reviewed previous studies that have been done on the systematic and bibliometric analysis of corporate governance studies (such as Alex, 2021; Almaqtari *et al.*, 2020; Di Vito and Trottier, 2021). The final search string formed, guided by previous literature, was {corporate governance} OR {board structure} OR {board composition*}. Curly brackets were used to make sure that the words searched appeared as phrases rather than independent words. Asterisks were included in certain words to include more variations of the words under consideration. The words used in the search query were searched from the keywords, abstracts as well as titles of the articles that formed part of the sample of the study. The Boolean operator "OR" is used to find documents that contain any of the terms in the search query. The results from the search as outlined above were scrutinised by reading each abstract to see whether the content of the manuscripts was related to corporate governance. The search query is refined to include only articles that were based on Zimbabwe. After merging the documents from both databases and removing duplications, the final database for this study contained 20 documents comprising only peer-reviewed articles. The 20 articles that formed part of the sample relate to the articles extracted as of 30 October 2021. A flowchart that was used to extract the documents used in the study is shown in Figure 1.

The distribution of the number of articles published on corporate governance per year in the Zimbabwean context is shown in Figure 2:

As shown in Figure 2, the first articles on corporate governance in the merged database were published in 2006 while the latest articles were published in 2021. Figure 2 shows no particular trends in the publication of articles on corporate governance in Zimbabwe. Most articles were published in 2014 as well as 2021.

2.3 Bibliometric indicators

Different bibliometric indicators that have been used in other studies in the broad area of finance are also used in this study. One of the extensively used metrics in bibliometric studies is co-citation analysis. Small (1973) defines co-citation as two publications that are

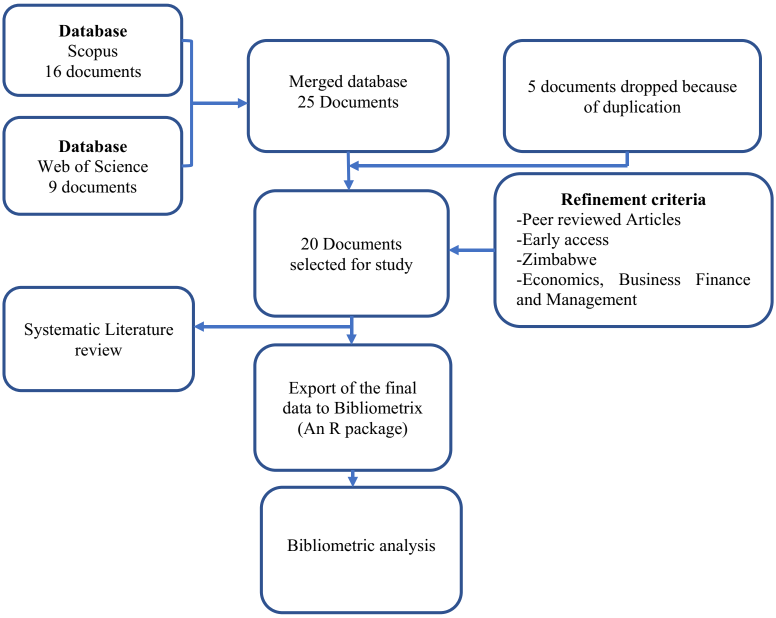
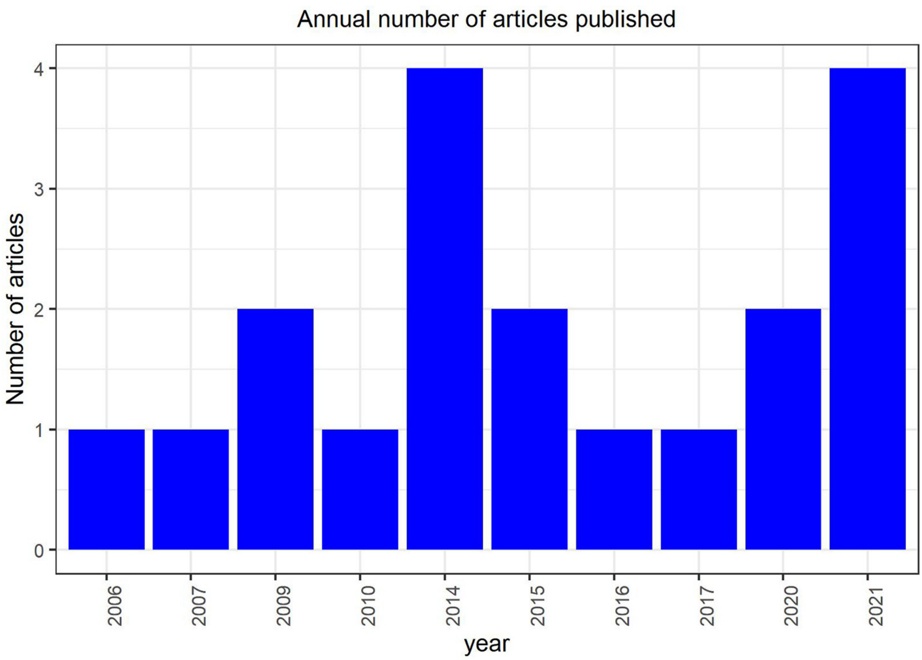


Figure 1.
Flowchart for selection of documents



Note: Publications for 2021 are as at 30 October 2021

Figure 2.
Distribution of articles per year

cited together in a single study. This metric is important as explained by Benckendorff and Zehrer (2013), who argues that when two studies are habitually cited together, chances are that these studies have something in common. For this study, co-citation is implemented using the RStudio package Bibliometrix. According to the Bibliometrix package, a co-citation network can be obtained using the general formulation:

$$C = A^T \times A$$

where A is a bipartite network. The main diagonal of C contains the number of cases in which a reference is cited in a dataframe. In other words, the diagonal element c_i is the number of local citations of reference i.

Chang *et al.* (2015) argue that though co-citation analysis provides the basis on which most bibliometric studies are based, it does not provide a content picture of the research topics inherent in the studies reviewed. To this end, co-word analysis is often used to circumvent this anomaly. The principle of co-word analysis is based on the examination of the frequency of co-occurrence of keywords, that is, the number of papers in which two keywords appear together. Co-word analysis is therefore useful as it can reveal the interactions between keywords through visualisation of the strengths of the interactions. The use of keywords helps readers in searching for an article and usually shows the core of a research article. As such, co-word analysis can be used to diagnose the concept network of research topics and can also show the emerging trends within a particular research field. Another bibliometric indicator used in this study is bibliographic collaboration. A scientific collaboration network is created where nodes are authors and links are co-authorships. In the Bibliometrix package, an author collaboration network collaboration can be attained using the following general formulation:

$$AC = A^T \times A$$

where A is a bipartite network $Manucsripts \times Authors$. The diagonal ac_i is the number of manuscripts authored or co-authored by researcher i.

3. Results and discussion

3.1 Systematic literature review

The results of the systematic literature review are presented in this section. The reviewed articles are outlined following the following categories: those that look at the impact of corporate governance on the Zimbabwean banking crisis of 2003/04, those that look at the association between information disclosure and corporate governance, those that look at corporate governance in the public sector, those that look at the effect of corporate governance on firm performance and, finally, those that do not fit in any one of the above-mentioned categories.

3.1.1 Corporate governance and the Zimbabwean banking crisis of 2003/04. A significant number of articles on corporate governance in Zimbabwe have mostly looked at the banking sector. This is mainly a result of the 2003/04 banking crisis in Zimbabwe which led to the demise of several banking institutions. Two studies dedicated to the case studies on the state of corporate governance in the banking sector during that time appear in the database that was used in this study. A little background on the banking system around the time of the banking crisis is important to understand the context. Economic deregulation in Zimbabwe, which started in 1991, saw a significant number of players entering the banking sector, most of who were indigenous, thereby breaking the dominance of mostly international banks in the sector. The increased number of players in the sector led to increased competition which led to some players resorting to "hook and crook" methods to get profits for their shareholders. Good corporate governance practices were overlooked in pursuit of profit. According to Muranda (2006), at the epitome of the Zimbabwean banking crisis of 2003/04, five banks were placed under curatorship, two banks were under liquidation and four were under the Troubled Bank Fund.

Muranda (2006) reflects on the association between corporate governance and financial distress in the Zimbabwean banking sector using the case study method. The corporate governance attributes examined include the ownership structure, board chairmanship, corporate ethics, board decision-making process, regulatory authority responses and organisational systems adequacy. In the results of the study, it was reported that out of eight distressed financial institutions investigated, only one institution had a semblance of board independence, thereby creating an epicentre of corporate governance failures. Around the time of the crisis, the study found that five out of eight of the financial institutions had overbearing executive chairmen of the boards, some of who possessed enough power to disregard other board members. In some of the banks, the study reported a lack of robust risk management systems which exposed the banks to fraudulent activities.

Pfumorodze and Nzonzo (2010) also give a reflection of the 2003/04 Zimbabwean crisis using content analysis of the reports published by the Reserve Bank of Zimbabwe. Some of the corporate governance malpractices identified in the case study include the absence of separation of ownership and control, boards of holding companies being boards of all subsidiaries, excessive insider loans and poor risk management practices. The authors give a summary of how the regulatory authorities responded to the demise of these banking institutions as a result of failure to embrace and comply with good corporate governance practices. In the short term, the authors assert that some of the financial institutions were placed under curatorship while others were wound up. A Troubled Bank Fund was also initiated by the Reserve Bank of Zimbabwe to recapitalise some of the banking institutions under financial distress. Several long-term solutions were also proffered to circumvent a repeat of the events leading up to the Zimbabwean banking crisis of 2003/04. A major event towards this was the promulgation of the Financial Laws Amendment Act No. 16 of 2006, which placed all licencing and regulatory authority of financial institutions under the ambit of the Reserve Bank of Zimbabwe. Before this, these activities were the preserve of the Ministry of Finance and Economic Development.

3.1.2 Disclosure and corporate governance. A spate of global corporate governance scandals that took place around the 2000s, which included Enron and Worldcom, led to regulatory authorities imposing stringent disclosure requirements. Sarbanes-Oxley, for example, required more and better quality information as well as penalising misreporting. Some of the information made mandatory for reporting purposes includes off-balance-sheet financing as well as special purposes entities (Hermalin and Weisbach, 2012). In the Zimbabwean context, several studies have also been done that show the role of information disclosure by public companies in the context of corporate governance.

Foreign investors depend on information disclosed by firms, especially in a developing country such as Zimbabwe where important information is elusive. Also, in a country with volatile macroeconomic fundamentals such as Zimbabwe, domestic investors are likely to have cheaper access to information about the companies compared to their foreign counterparts. Mangena and Tauringana (2007) examine the association between foreign share ownership and firm-level disclosure using companies listed on the ZSE. The findings from the study revealed that foreign share ownership is positively related to voluntary information disclosure as well as the proportion of non-executive directors, institutional share ownership and audit committee independence.

While Mangena and Tauringana (2007) used a population of all listed stocks on the ZSE in their study, Dzomira (2015) restricted their study to commercial banks. Given a wave of corporate scandals that ravaged the banking sector in Zimbabwe in the early 2000s, this study examined the level of disclosure of information related to, among other things, voting rights, ownership structure and financial situation. Overall, the results showed an appreciation of information disclosure by most commercial banks. The study also disclosed that the least disclosed items among the commercial banks included voting rights as well as the ownership structures of the banks.

Buertey and Pae (2021) examined the effects of corporate governance mechanisms on the disclosure of forward-looking information using 2013 cross-sectional data of firms listed on the ZSE. Given the volatile macroeconomic environment that has been characteristic of Zimbabwe, decision-making using only historic data is not ideal for investors. Forward-looking information as described by Buertey and Pae (2021) includes such issues as financial forecasts, anticipated cashflows and other forms of non-financial data that incorporate uncertainties that may affect the performance of a company. Their results show inadequate reportage of forward-looking information by the listed firms on the bourse. The few firms that reported forward-looking information also attached disclaimer notes to protect themselves against liability. The econometric models used to examine the impact of corporate governance mechanisms on forward-looking disclosure also showed that the proportion of independent directors influences the extent of forward-looking disclosure. Though the authors attribute the dearth in forward-looking disclosure to the volatile economic environment which made forecasting difficult, it is important to note that it is in such environments that investors, especially foreign, use the forward-looking information as companies are better placed to make future forecasts compared to individual investors. It is also interesting to note that the presence of independent directors was associated with increased forward-looking disclosure. This justifies the importance of independent directors as enshrined in the new code on corporate governance in Zimbabwe (ZIMCODE).

From the three studies that examine information disclosure in the context of corporate governance, it is clear that the findings mostly reveal inadequate information disclosure except for commercial banks. The fair disclosure of corporate governance information reported by Dzomira (2015) could be attributed to the sample that was chosen by the author. Commercial banks usually have additional stringent regulatory requirements on disclosure that are enforced through the Reserve Bank Act, Companies Act and Banking Act, which nonfinancial firms are not obliged to follow. Mangena and Tauringana (2007) remove the nonfinancial firms while Buertey and Pae (2021) use a sample that contains both financial and nonfinancial companies.

3.1.3 Corporate governance in state-owned companies. Besides the unfavourable macroeconomic conditions obtaining in Zimbabwe, a great deal of the collapse of state-owned companies can be attributed to inadequate corporate governance mechanisms in the sector. Several public utilities have appeared in the media for gross mismanagement of resources by the board members, fraudulent activities and interference by political players. This has negatively affected the operational effectiveness and efficiency of these state-owned companies pushing most of these to the brink of collapse. Two studies in the database used in this study address the corporate governance issues in the context of state-owned companies in Zimbabwe. Chigudu (2020) notes that most of the challenges in the public sector corporate governance in Zimbabwe emanate from heavy political interference. The boards of directors for public sector companies are appointed by political agents, and as a result, the politics of patronage may stifle efforts towards reform. Chigudu (2020) also suggests that the "explain or comply" principle of corporate governance does not work for public sector companies as there should be robust legislative and legally binding code for public utilities. Though the Zimbabwe Anti-Corruption Commission (ZACC) was established to stem some of the corporate governance scandals the country is experiencing by prosecuting perpetrators, Chigudu (2020) notes that there is interference in the prosecution processes by political actors which makes the process ineffective. Chigudu (2020) also notes that in a country where corporate governance compliance is voluntary, there is a need to entice whistle-blowers to volunteer information on violations of basic corporate governance principles. The question is whether the whistle-blowers are willing to volunteer information in a system that is controlled by political actors who can deploy state resources to frustrate any efforts to comply.

Instead of looking at the wholesale state of corporate governance in the public sector, Chigudu (2021) separates one state-owned company, the National Railways of Zimbabwe, to identify the corporate governance challenges confronting the company. Chigudu (2021) finds that some of the issues negatively affecting the National Railways of Zimbabwe in the context of corporate governance include low compliance to good corporate governance principles, lack of harmony among the various statutes that govern state-owned corporations as well as the prevalence of fraudulent activities often committed by senior management in collaboration with government officials. Chigudu (2021) recommends the appointment of members of the board on merit and increasing the oversight role of the government in the activities of state-owned companies. Future studies can directly examine the effect of corporate governance on the financial performance of state-owned companies.

3.1.4 Corporate governance and firm performance. Several studies have been done on whether corporate governance compliance affects firm performance globally with different proxies of firm performance being used. In the Zimbabwean context, the studies done have mostly concentrated on specific sectors while a few use databases with heterogeneous sectors in their studies. Mangena *et al.* (2012) examine the effect of corporate governance and ownership structure on firm performance in an environment of severe political and economic crisis. They chose a sample period that runs from 2000 to 2005, which is further split into the pre-presidential election subperiod (2000–2002) and the post-presidential election subperiod (2003–2005). Firm performance [Tobin's Q and return on assets (ROAs)] is positively related to board size and ownership concentration in the post-presidential election period, but not in the pre-presidential election period. A key takeaway of the results is that corporate governance regulations should not use a one-size-fits-all approach but should take cognisance of the environment. Shungu *et al.* (2014) examine the effect of corporate governance on a sample of five commercial banks listed on the ZSE. Corporate governance provisions used in the study include the board size ratio, the board composition ratio, the internal board composition ratio as well as the board diversity ratio. Bank performance is measured using the return on equity (ROE). The authors find that all the four provisions used in the study were positively associated with bank performance as measured by the ROE.

Siwadi *et al.* (2015) use a final sample of 62 companies (mostly privately owned) to examine how various corporate governance mechanisms are related to firm performance. The study only uses firms in the manufacturing sector operating at more than 80% capacity. The ROAs is used as a proxy for firm performance. A total of 16 variables representing ownership structure, board structure, board size, board procedure and ethical conduct, as well as disclosure, were used as the potential predictors of firm performance. The study reports that the only significant independent variables out of the 16 used were shareholder concentration, the proportion of independent directors, board tenure and access to financial statements. The study shows the importance of information disclosure and independent directors in influencing firm performance.

Nyakurukwa (2021) departs from using individual corporate governance provisions as used in the above studies and instead constructs a corporate governance index from the provisions of the ZIMCODE. Two proxies of firm performance are used: the ROAs (signalling performance from the perceptive of the manager) and Tobin's Q (signalling performance from the perspective of the investor). He uses a sample that only includes non-financial firms for the main model and includes financial firms to check the robustness of the results. The study aimed to examine if a set of corporate governance provisions as provided by the ZIMCODE had significantly improved firm performance, as measured by the ROAs and Tobin's Q. The author reports no significant relationship between corporate governance and the market-based measure of firm performance (Tobin's Q) while ROA was positively associated with corporate governance at the 5% significance level. The author concludes that corporate governance is valued more by managers than it is valued by investors for firm performance. The main recommendation given was for the responsible authorities to revisit some provisions of the ZIMCODE and twerk them in line with international best practices while taking cognisance of the volatile macroeconomic and political environment in Zimbabwe.

The three studies outlined above that examined the effect of corporate governance on firm performance used three proxies for firm performance: ROAs, Tobin's Q and ROE. This is in line with other empirical studies as these are the most used measures of firm performance in the context of corporate governance. There are some interesting connections between the results on the effect of corporate governance and firm performance reported in this section, and the role of corporate governance provisions on information disclosure reported in Section 3.1.2. Buertey and Pae (2021) report that the proportion of independent directors is directly associated with forward-looking information disclosure. Siwadi *et al.* (2015) show that access to financial statements (a proxy for disclosure) and the proportion of independent directors are significantly associated with ROA for manufacturing firms. Shungu *et al.* (2014) report that the proportion of independent directors is significantly associated with bank performance as measured by ROE. These three studies produce results that can be visually displayed as in Figure 3.

As shown in Figure 3, the three studies outlined above reveal the importance of independent directors for firm performance and information disclosure. Disclosure of pertinent firm information to investors also affects the performance of a company. Independent directors are normally recruited for their expertise and are likely to be objective in their decisions and representing the shareholders and are likely to ensure disclosure of important company information. It is refreshing to note that the new code on corporate governance has codified the inclusion of enough independent directors in the boards of companies.

3.1.5 Other issues related to corporate governance covered. Besides issues to do with information disclosure, firm performance and the Zimbabwean banking crisis of 2003/04, various other issues are also examined in relation to corporate governance. Maune (2017) uses

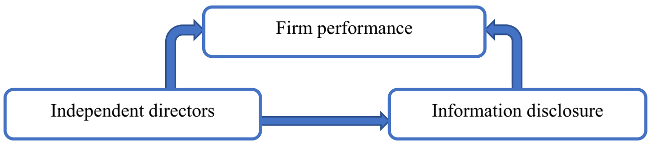


Figure 3.
Interconnections of results

some macroeconomic variables to establish how they are associated with corporate governance. Using a database that stretches from 1968 and 2015, the study establishes that good corporate governance practices are positively and significantly associated with economic growth. Mugova and Sachs (2016) investigate the role of government infrastructure in corporate governance. The authors conclude that corporate governance practices in the private sector are closely intertwined with the state of corporate governance in the public sector. Non-compliance in corporate governance provisions in the public sector is therefore likely to cascade to the private sector. The authors recommend a raft of measures by the state that can enhance good corporate governance practices in the private sector. These include legislating the new code on corporate governance (ZIMCODE), reforming the judicial system as well as protecting property rights.

3.1.6 Methods used. Global literature on corporate governance has used different and sometimes novel econometric models to examine the effect of corporate governance practices on a host of variables. In the sample that was used as part of this study, several empirical studies used different econometric models, as shown in Table 1.

In terms of the size of the sample, the greatest number of companies used in a single study was 67 (Mangena and Tauringana, 2007) and the least number of companies was 5 (Shungu *et al.*, 2014). In terms of the sample period, Nyakurukwa (2021) and Mangena *et al.* (2012) used the longest sample periods in their studies (six years) while the shortest period was one year (Siwadi *et al.*, 2015). In terms of the analyses used in the studies, the majority of

Table 1. Methods used in selected empirical studies

Authors	Sample size	Corporate governance	Analysis	Sample period
Mangena and Tauringana (2007)	67 Non-financial companies	Board size, the proportion of non-executive directors, institutional share ownership, audit committee and top-10 shareholders	Ordinary least squares	2002–2003 [2]
Mangena, Tauringana and Chamisa (2012)	53 Listed non-financial firms	Board size, proportion of non-executive directors, executive directors' shareholding, concentrated share ownership	System-generalised method of moments	2000–2005 [6]
Shungu, Ngirande and Ndlovu (2014)	5 Listed commercial banks	Board size ration, board composition ratio, board committee ratio, board diversity ratio	Ordinary least squares and Granger causality	2009–2012 [4]
Siwadi, Miruka and Ogutu (2015)	62 Manufacturing companies	16 Variables representing ownership structure, board structure, board size, board procedure and ethical conduct as well as disclosure	Random effects OLS	2012 [1]
Nyakurukwa (2021)	48 Listed non-financial firms	Corporate governance index created from 23 provisions of the ZIMCODE	Least absolute value (LAD) regressions	2013–2018 [6]
Buertey and Pae (2021)	50 Listed companies	Board size, board independence and institutional ownership	Ordinary least squares	2013 [1]

Note: The last column shows the sample period covered in each article while the number of years is shown in square brackets the studies used methods based on the ordinary least squares' (OLS) estimators. Nyakurukwa (2021) uses the least absolute value estimators which are robust in the face of outliers and nonlinearities. Shungu *et al.* (2014) augmented the OLS with Granger causality. However, a panel of of 16 observations used for Granger causality by Shungu *et al.* (2014) might be inadequate for the purposes of reporting unbiased results.

3.2 Bibliometric analysis

According to Strozzi *et al.* (2017), author keyword analysis is of paramount importance in bibliometric analysis as it reflects on the paper content as well as the association of the article with the research question of an article. Author keyword co-occurrence is when two or more author keywords are used together in an article. Author keyword co-occurrence signals the possibility that different articles have a common research theme that could give a reflection of the research trend in a particular domain. This study uses author keyword co-occurrence to establish the research trends in the corporate governance domain in the context of Zimbabwe. Because of the small number of peer-reviewed articles that formed part of the analysis of this study, a threshold of two minimum co-occurrence of keywords was set. The results from the author keyword co-occurrence analysis are visualised in Figure 4.

The author keyword that co-occurred the most with other keywords is "corporate governance". "Corporate governance" occurred the most alongside "Zimbabwe Stock Exchange". Some of the other author keywords that co-occurred alongside "corporate governance" include "financial performance", "forward-looking information", "banks" and "accountability". This cluster of author keyword co-occurrence reflects the objective of the study. It can also be noted that in the articles analysed, the primary objectives were to examine the linkages between corporate governance *vis-à-vis* a host of other variables, including financial performance, the banking crisis as well information disclosure.

The second cluster of author keyword co-occurrence shown in the network in Figure 4 reveals that the most occurring author keyword is "transparency", which occurs alongside "commercial banks", "disclosure requirements" and "stakeholder theory". "Transparency" co-occurring several times with "disclosure requirements" reflects the importance of information disclosure in transparency. The author keyword "stakeholder theory", the only keyword relating to the theories on corporate governance that co-occurs with other author keywords, occurs regularly with "transparency", showing the importance of transparency for all stakeholders. Another cluster of author keywords that occur together include "investor protection", "economic growth", "economic development" and "gross domestic product". This reflects the importance of investor protection on economic development and economic growth as measured by the gross domestic product. In terms of the most productive countries, most of the studies that formed part of the sample used in the study were written by authors at institutions affiliated to South Africa (7) followed by Zimbabwe which had only two articles, as shown in Figure 5.

All the articles in the merged database were single-country publications as there are no multiple country publications. The findings on the most productive countries show that institutions of higher learning in Zimbabwe should be capacitated so that they produce more peer-reviewed articles on issues pertaining to Zimbabwe as they have first-hand information on the prevailing situation in the country and can therefore drive the research agenda.

One of the extensively used metrics in bibliometric studies is co-citation analysis. Small (1973) defines co-citation as two publications that are cited together in a single study. This metric is important as explained by Benckendorff and Zehrer (2013) who argue that when

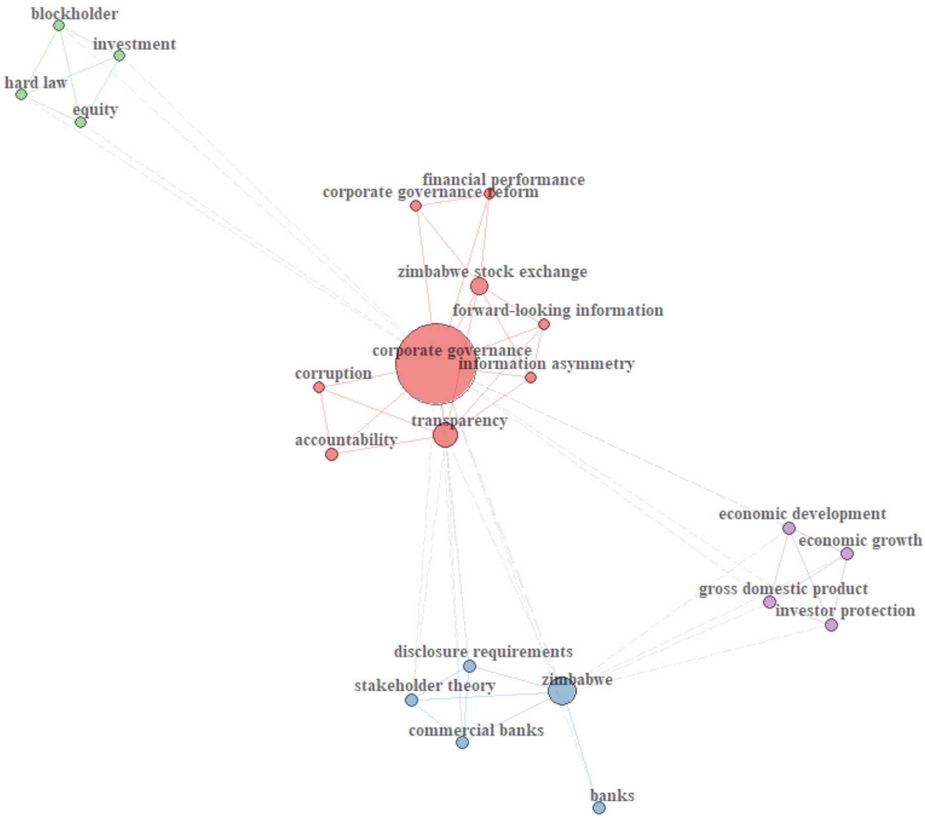
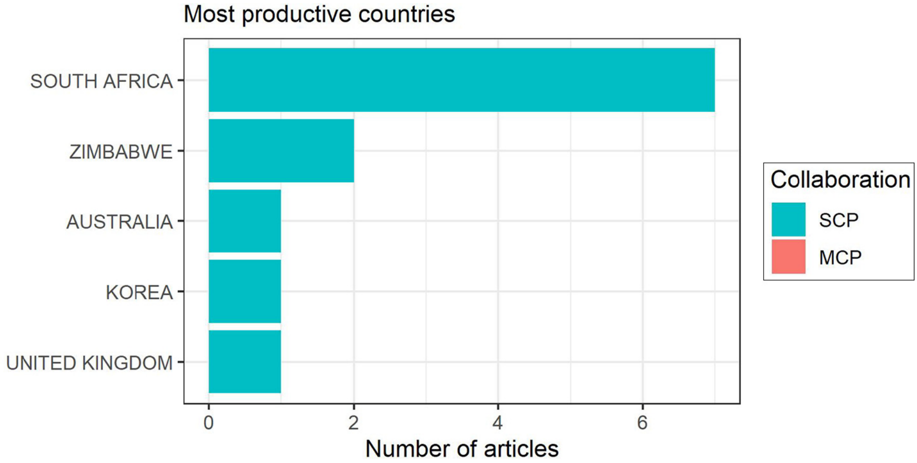


Figure 4.
Author keyword co-occurrence network

Notes: Each node represents a keyword; the size of the node indicates the number of occurrences of the keyword; and the link between nodes represents the relationship between two keywords

two studies are habitually cited together, chances are that these studies have something in common. A co-citation network of the articles used in this study is shown in Figure 6.

Three clusters can be seen from the co-citation network in Figure 6. The first cluster comprises mostly seminal work on corporate governance. For example, in the first cluster, there is Jensen's (1993) seminal work on the modern industrial revolution and the failure of internal control systems, which is also co-cited with Jensen and Mecking's (1976) work on the theory of the firm. The second cluster comprises mostly empirical work that has been on corporate governance in Zimbabwe. It is interesting to note that these empirical studies on Zimbabwe are co-cited with Cadbury (1992). Cadbury (1992) was one of the first efforts that was initiated in the United Kingdom on corporate governance after the fall of several companies as a result of non-compliance with good corporate governance practices. The third cluster comprises empirical studies done on corporate governance in other countries. This includes Black *et al.* (2012) who examine the effect of corporate governance on firm performance using samples of firms in Brazil, India, Korea and Russia. The co-citation network, therefore, shows the most co-cited seminal work on corporate governance, empirical



Notes: SCP: single country Publication; MCP: multiple country publications

Figure 5. Most productive countries

studies done on Zimbabwe as well as empirical studies done on other countries. The most influential studies done on corporate governance in Zimbabwe are shown in Table 2.

As shown in Table 2, the most influential article is on disclosure, corporate governance and foreign share ownership on the ZSE (Mangena and Tauringana, 2007). With the reluctance of foreign investors to buy stocks on the ZSE after evidence of lack of investor protection emanating from the policy of expropriation of land without compensation, the study confirmed Klapper and Love's (2004) hypothesis that in a country with weak legal systems, companies augment this weakness in the state institutions by adhering to good corporate governance practices to give foreign investors assurance of the safety of their investments. Mangena, Tauringana and Chamisa (2012) is the second most influential article, emphasising the effect of corporate governance in a

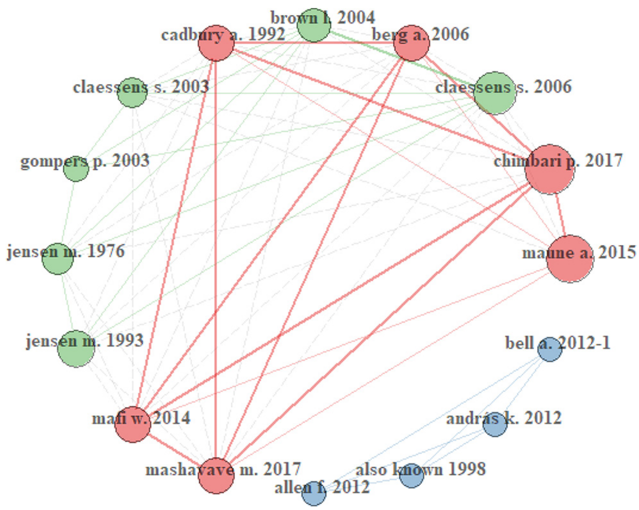


Figure 6. Co-citation network

Table 2. Most influential articles

Authors	Article title	TC	TC/Y
Mangena and Tauringana (2007)	Disclosure, Corporate Governance and Foreign Share Ownership on the Zimbabwe Stock Exchange	72	4.8
Mangena, Tauringana and Chamisa (2012)	Corporate Boards, Ownership Structure and Firm Performance in an Environment of Severe Political and Economic Crisis	56	5.6
Muranda (2006)	Financial distress and corporate governance in Zimbabwean banks	13	0.92

Notes: TC shows the total citations per article while TC/Y shows the total citations per year for each article. Only articles with more than 10 total citations are included

severe political and economic environment. Muranda (2006) is the third most influential article as it is the first paper to explore the effect of corporate governance on financial distress in Zimbabwean banks.

4. Conclusion

The aim of the study was to examine the evolution of the concept of corporate governance in Zimbabwe using a systematic review and bibliometric analysis of studies extracted from the Scopus and WoS databases. A total of 20 studies formed part of the sample used in the study using specific search words. The systematic review shows that the most significant violation of corporate governance provisions took place in the banking sector, culminating in the Zimbabwean banking crisis of 2003/04. Good corporate governance is generally reported to be significantly associated with firm performance. The proportion of independent directors comes out as an important attribute of corporate governance, positively affecting both firm performance and information disclosure. The bibliometric analysis shows that the theory that co-occurs with other author keywords is the stakeholder theory. In terms of empirical methodologies used in the studies, the OLS-based estimates are the most used specifications in the models.

Based on the trends seen from the systematic review as well as the bibliometric analysis, various recommendations are given. Firstly, because most studies are based on OLS estimates, future studies can examine the relationship between corporate governance and other variables across the distribution of the dependent variables using quantile regression, rather than concentrating on the association at the mean. Future studies could also use longer sample periods in empirical studies rather than shorter periods. Future studies could also concentrate on the effectiveness of the corporate governance reform through the ZIMCODE and how the ZMCODE can be strengthened. Various policy implications can be inferred from this study from the perspective of various stakeholders. Firstly, the systematic review has shown that the regulation of corporate governance compliance depends on the prevailing environment. It is the onus of the government and the regulatory authorities, in a volatile economy such as Zimbabwe, to be fluid so that weaknesses in the current corporate governance codes can be plugged. Secondly, most studies have revealed the importance of strengthening the infrastructure that enhances corporate governance such as the protection of investors as well as clamping down corruption. To that effect, the work of the ZACC should be revamped and reformed to avoid future corporate scandals such as those happened prior to the Zimbabwean banking crisis of 2003/04. Finally, the bibliometric analysis has shown that most of the studies written on corporate governance in Zimbabwe have been written by authors affiliated with institutions outside Zimbabwe. The government and institutions of higher learning are recommended to strengthen their research capacities to increase the pool of sources from which policy recommendations can be made. The results have largely shown that the financial sector is the most vulnerable to bad corporate governance mechanisms. Regulatory authorities should therefore tighten the requirements for good corporate governance for financial institutions to prevent the spillover of the failure of these companies to the real economy. A limitation of this study is that several articles written on corporate governance in the Zimbabwean context are not indexed in the Scopus and WoS databases. Future studies could use a database such as google scholar to get more articles, though there is a risk of including predatory journals.

Notes

1. Available at: www.newsday.co.zw/2022/01/zim-ranked-among-the-worst-on-rule-of-law-report/#:~:text=ZIMBABWE%20has%20been%20ranked%20among,with%20lawyers%20and%20other%20experts
2. Standalone markets are stock markets which cannot be classified as developed, emerging or frontier using a classification methodology used by MSCI.

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