MBA RESEARCH PROPOSAL

Title: The governance relationship between shareholder, board and executive in a SOC (A Study in the ability of an SOC to comply with King IV)

By

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RESEARCH METHODOLOGY- MBAA 874

RESEARCH PROPOSAL EXAMINATION
EVALUATION FORM
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ASPECT TO BE EVALUATED	**WEIGHT**	**MARK ALLOCATED**	
		Examiner 1 (supervisor)	Examiner 2
Technical care • Layout of title page /1 • Spelling and grammar /3 • Other technical care aspects /2 • Correct in-text references and list of references (Harvard method) /4	**10**	**5**	
Proposed **title and introduction (incl. problem statement and objectives)** Title of the research /2 The research problem /8 Primary research question /2 Research objectives /3	**15**	**7**	
Delimitations and assumptions	**5**	**2**	
Definitions of key terms and list of abbreviations	**5**	**2**	
Literature review	**20**	**13**	
Research design and methods • Description of overall research design and Unit of analysis /5 • Sampling design /5 • Data collection and Data analysis including the 1st draft of the data collection instrument in Appendix A (where applicable /10 • Managerial implications of the research /5 • Assessing and demonstrating the quality and rigour of the proposed research design /5 • Research ethics (including Appendices B and C) /10	40	**18**	
Suggested time frame/Project plan	**5**	**3**	
TOTAL	**100**	**50**	

See supervisor’s/examiner’s comments in the text. Marked by:
__Prof Ravinder Rena
________________Signature of supervisor _______________________ Signature of Examiner

Approved by School Research Committee: ....
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1 INTRODUCTION

1.1 BACKGROUND

State-owned entities (SOEs) play an important role in enhancing development, mostly in developing countries (Mbo, 2017). South African SOEs has a potential function of rendering services to South Africans and it also play a vital role of improving the economy of the country. Currently there is a great concern regarding the issue of huge amount of salaries paid to the SOE executives due to their poor performance and the high significant gap of wages between executives and lower –level employees (Bussin & Ncube, 2017). Moreover, the remuneration of senior executives is not consistent amongst SOEs, without the significant explanation of why the Chief Executive officers of some SOEs get huge salaries as compared to others.

The four largest local SOEs are Transnet, Denel, Telkom and Eskom (Wendy Owens & Associates, 2013). The State-owned enterprises do not get the same amount of revenues from the National treasury as the private companies and they are expected to be the first ones to provide services to the public (Bezuidenhout, Bussin, & Coetzee, 2018). The main function of the Boards of directors is to correct the inaccuracy of the systems and processes that direct, control, and govern an organization’s strategy, leadership decisions, regulatory compliance, and overall performance (Mowbray, 2014). Principle 1.1 of the King IV Report (2016:33) states, “the governing body should have the ethical and effective leadership characteristics.

1.2 PROBLEM STATEMENT AND CORE RESEARCH QUESTION

Corporate governance serves as the internal connection of the interactions amongst the organization management, its board stakeholder groupings through the formation of objectives and their means of achievement and with the performance monitoring in a way that they are ethically defensible (Fleming and McNamee, 2005).

Since the government owns the major shares in the SOEs, it puts more effort in ensuring that they are governed and managed properly in order to address the imbalances arisen from the historical apartheid and make sure that the SOEs deliver in an effective and successful manner. South African SOEs are under a thread of governance contraventions that are well reported in the literature and this pose a serious effect on the economy as a whole (Furlonger, 2010).

As reported in the literature the governance of SOEs faces challenges as reported in the literature such as Poor leadership due to conflicts between Chairman and CEO (Klein, 2010), Poor succession planning, lack of stability in senor leadership, rewards given to the members that are not performing accordingly such as excessive pay and benefits given to executive managers and board member, Mismanagement and poor financial accountability (Naidu, 2009) lack of transparency, and fruitless or wasteful expenditure (Sergeant, 2009). This has resulted in giving the investors the ideas of withdrawing and loss of confidence in SOEs by broad stakeholders (Pressly, 2009). In spite of increasing legislative measures, little information exist on the improvement of South African SOEs governance over time. Hence, the study is intending to investigate the governance relationship between shareholder, board and executive in a SOC in South Africa.

1.3 SPECIFIC RESEARCH QUESTIONS

Primary research question

How is the governance relationship between shareholder, board and executive in a SOE?

Research questions

- How is the governance relationship amongst shareholder, board and executive in the two South African SOEs?
- How are the performance of the board directors monitored and evaluated?
- How is the leadership relationship between the chairman and the CEO?

- To what extend the board is transparent in terms of the SOEs objectives?

- How does the SOE ensure that there is proper utilization of funds?

1.4 IMPORTANCE AND BENEFITS OF THE PROPOSED STUDY

The study will help in finding the solutions to the challenges encountered in corporate governance and give recommendations on how to improve the developmental strategies within the organization. The study will recommend the strategies to make sure that threre is ethical and effective leadership by the governing team to make sure that the SOEs in the study achieve an improved performance, ethical culture, effective control and legitimacy. The goal of the study will be met by the implementation of King iv.

2 DELIMITATIONS AND ASSUMPTIONS

2.1 DELIMITATIONS (SCOPE)

The researcher will have direct access to the two SOEs and the target population and management has recognized and approved this study. It is therefore possible to conduct continuous structured and unstructured observations within the organizations. The researcher will have access to the data required to complete the mini - dissertation. The research will not extend to the level of the participants as that will involve special legal considerations; it furthermore falls outside the scope of this study. The employees of the organization are adults and they have the opportunity to agree or decline participation as majors. There is a high probability that the organisation’s processes, cultures, people, programs and managers will be available to the researcher, through permission obtained by management and employees to conduct the investigation.

The focus of the research: the organizational culture and effects on employees, is directly available to the researcher on a daily basis.

The mini – dissertation will provide management of the business with insight as to how a takeover affects its employees and how they can use this knowledge as a competitive advantage by employing management styles that encourage employee buy-in during the storming phase.

2.2 ASSUMPTIONS

Assumptions are things that cannot be controlled by a researcher however if they can be excluded the study will not be successful. In this study the researcher, assume that the participants will answer every question honestly. The researcher will provide the participants with a consent form to ensure the confidentiality of data to be collected.

3 DEFINITION OF KEY TERMS

Table 1: Abbreviations used in this document

Abbreviation	Meaning
SOE	State Owned Enterprises
CEO	Chief Executive officer

4 LITERATURE REVIEW

SOEs are legal bodies founded by the government in order to participate in commercial activities on its behalf. Most of its monopolies and infrastructure such as strategic goods and services (mail, weapons), railways and telecommunications, natural resources and energy, demerit goods (alcohol), broadcasting, and merit goods (healthcare) are owned by the state (Matsiliza, 2017). The SOE could be fully or partially owned by government and is profoundly reserved solely to participate in commercial activities. In the context of the SOEs, The boards are in charge to oversee the corporate governance and signify the shareholder and other stakeholder's interest to ensure developmental and economic goals.

In South Africa the strategy used to govern SOEs is through the use of King III, Company's Act and other financial prescripts that are principle based. King III enforces compliance, adherence of rules and accountability whereas king IV implementation of all principles and requires the companies/ organisations to explain how they have applied the principles of corporate governance (King IV Report, 2016).

Corporate governance can be regarded as an organisation of directing and controlling companies and it focuses mainly on the structures and processes linked with management , decision –making and control in organisations (Wixley and Everingham , 2002). Lazenby (2014: 71) mentioned that 'corporate governance' refers to an approach of directing, administering and governing the organisation in order to achieve its objectives. The most important and critical tool to elevate development in the world is the quality of governance. This refers to the understanding of the legislative and regulatory environment, processes and procedures – essentially rules of engagement deal with corporate governance principles such as responsibility, honesty, accountability and transparency. According to Lipman and Lipman (2006), the government reputation could be maintained; mismanagement and fraud could also prevented through good corporate governance. It has been revealed that good corporate governance encourages economic benefits to the organisation.

It has been reported that the corporate governance scandals revealed at the SABC and Eskom are because of misalignment between the interests of different role players; hence the legitimacy of these SOEs has been challenged. Researchers such as Frederick, (2011) reported that it can be argued that the governance problems arising are the results of poor pronunciation. The board directors play major roles in governing, decision making and delegating authority to board committee to get information (Mbhele, 2015).

It has been reported that the way the board is taking decision has been critiqued for being biased on the appointments of senior executive managers of the corporation (State Capture Report, 2016). Some researchers has imposed a blame to the board of directors for the interference of politics in some SOEs in Some scholars blamed the board of directors in some SOEs for allowing political interference in the main decisions of their organisations (Khanyane & Sausi, 2015). In that regard the stability of some SOEs has been affected in South Africa. Currently, there is a conflict of interest in the appointment of the members of the board of directors, their remunerations and bonuses, and how they are required to perform in as far as corporate governance ((Matsiliza, 2017).

However, the 2010 report of Transparency International (2010) ranks South Africa in 54th place within a sample of 178 countries in terms of perceived corruption. Thomas, (2012). Reported the internal governace problems which includes the following:

- Poor leadership, evident in conflict between the Chairman and CEO (Klein, 2010), senior leadership vacancies and a lack of succession planning (Williams, 2010), instability in executive leadership (Klein, 2010), delays in senior appointments (Ensor, 2010) and political appointments and cronyism (Kenny, 2010).
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- Inappropriate rewards including excessive pay and benefits to executive managers and board members in spite of SOE underperformance (Theunissen, 2010).

- Mismanagement of resources evident in poor long-term strategy development (Kenny, 2010), poor financial accountability (Naidu, 2009) and fruitless or wasteful expenditure (Sergeant, 2009).
- Board irregularities demonstrated in apathy or ignorance of company affairs (Cutting and Kouzmin, 2000), irregular attendance at meetings and excessive concurrent board appointments (Webb, 2007), lack of adherence to fiduciary duties (Cutting and Kouzmin, 2000), bribery and corruption (Brown, 2009), conflicts of interest (Mkhabela, 2009), tender rigging (Mkhabela, 2009), and lack of regular board appraisal (Ingley and Van der Walt, 2002).

However, the challenges encountere encountered in corporate governance in the two State Owned Enterprises (SAA and Eskom) in South is not well documented in the literature. Hence, the aim of the study is to investigate the challenges faced in corporate governance in the two State owned Enterprises.

How is the governance relationship amongst shareholder, board and executive in SOEs including SAA and Eskom

South African Airways (SAA), in turn, has had seven CEOs in less than four years, has had to be bailed out at a cost of R550 million, and has in addition been granted a R5 billion guarantee by the shareholder for a restructuring exercise. The function of the board of directors in SOEs is to appoint the CEO forn the purpose of leading the company in order to reach its corporate goals(Shaw, 2011). The main 8 responsibilities of the CEOs in SOEs as reported by Mascarenhas (2009) are developing growth avenues, raising productivity, competing for talent, managing diverse risks, tightening corporate governance, incorporating sustainability, creating innovation models and building new infrastructure.

Other SOEs such as Eskom, the Post Office and Telkom have also experienced high board and executive management turnover, perennial underperformance necessitating regular bailouts, and challenges regarding the division of power between their boards and the various shareholder ministers (Thabane,2018). Another issue that seems to plague South Africa's SOCs is the appointment of board members and executive officials with questionable qualifications. At the centre of the corporate governance the Board should be in charge..The CEO and the Chairman must be appointed by the board.; who should be an independent non-executive director.The other duty of the Board is to make it a point that the SOEs have the effective risk based internal audit and the control of internal finances.• Shareholders (or in the context of most SOEs, the shareholder) are responsible for the arrangement of the board. However, a nomination committee must be involed in the process of appointing the board. The executive and non executive directors should be balanced when appointing the board members with the majority of non- executive directors. The non executive directors must rotate. The (. Rotation of non-executive directors is recommended to ensure that one third of the nonexecutive directors retire each year, by rotation; • The board should be led by a non-executive chairman who should not be the CEO of the company. There should be a reappointment of a chairman each year (King III Principles. The primary task of the Board is to ensure that management is acting in the interests of the shareholders, through an advisory and monitoring role (Vagliasindi,2012)

How is the performance of the board directors monitored and evaluated?

The board of directors play an important role in a company by monitoring and protecting the interests of shareholders hence they regarded as one of the prominent corporate governance mechanisms (Kassim *et al.,* 2013). The effectiveness of the Board of directors is associated with the successful performance of the organisation (Asahak et al., 2018). Board directors are the main contributors of the SMEs mainly in high technology start-up and rapid growing companies (Oswald, 2011). Board of directors consists of experienced businessperson, investors and source of investors and expertise in a specific business direction (Mayor, 2017). The accountability insurance is the main role of the Board directors in SMEs.

Globally, on most companies board evaluation is an activity that take place done annually by either choice or stated by policy regulations. The process of evaluation can be adjusted and differ with locations and companies. The process depend on the company requirements, the current situation of the company, and the stage of the company's lifecycle, the corporate structure, the Board culture and the embedded processes. However, there is no common format, which is universally acceptable and applicable to all companies. The evaluation that happens internally have many advantages but they come with specific outcome seeking assistant from the independent expert from the outside to assist with the board evaluation to work better. The advantage of involving the external independent evaluation is more transparent and independent evaluation process. Internal evaluation tends to become mechanical, while an external evaluator could bring in fresh perspectives and approaches.

The Board evaluation in most countries e ranges from informal evaluations by the Chair to more formal self-evaluations, to formal evaluations conducted by external experts and facilitators. Countries and companies also differ in respect of whether they merely evaluate the board as a whole or meter out individual evaluations of each board member and the chair. It is confirmed widely that boards are under increasing pressure to make sure that they sustain the organizational success and competitive advantage (Buchwald and Thorwarth, 2015). Governments as shareholders in SOEs encourages the evaluation of boards as a strategy to maximise board performance and minimising risks. Carter et al. (2010) and Babi’c et al. (2011) reported that the effectiveness of the Board most of the time has been evaluated by means of financial metrics such as return to shareholders, return on investment or return on assets effective boards also effectively oversee and challenge management’s strategic, compliance, and operational. Systematic evaluation is a crucial tool in improving SOE board professionalism, since it underlines the responsibilities of the board and the duties of its members. It is also helpful in recognising necessary competencies and board member profiles. The type of Evaluation processes in SOEs are as follows:

Evaluation by ownership function

The evaluation of the board could be done at the ownership level as a form of top down review, and in a minority of jurisdictions This is the major way of assessing the performance of the board in a company. When this approach is chosen, the board evaluation is usually linked to the fulfilment of overall corporate objectives: boards are monitored against their ability to agreed objectives and corporate strategies. In fact, this is an off-overlooked aspect of top-down board evaluation: it cannot be performed in a meaningful way unless the State communicates non-commercial (as well as commercial) objectives that an SOE is expected to pursue in a transparent manner. A board of directors “is not better than its objectives” and absent this condition it is not clear against what benchmark the board is being evaluated. National approaches differ, however, in respect to whether the ownership function limits itself to this performance review, or goes beyond it to try to assess the board functioning as an entity and/or including the efforts of individual directors. Whether this is done by outsourcing evaluations or supported by the involvement of external/internal audit bodies differs. Some national approaches are described below. Board evaluations should favour focus on performance of the board as an entity. They should not be limited to “box-ticking” exercises.

Board self –reviews

In many countries SOE boards are required to carry out self evaluations. The outcomes of the appraisal are generally communicated to the ownership entities, and in some cases also board nomination committees. The use of self reviews may co-exist with evaluations by the ownership function, but it is more common where no top-down reviews are in place. The degree to which the ownership function is involved in co-ordinating or participating in the review, and in receiving the results of the review varies quite markedly among jurisdictions. The board evaluation serves primarily the board itself particularly through the round up discussion, teaching the members to cooperate more efficiently and to perform better during the following fiscal year. Some examples of national practices are provided below.

The use of external facilitators can be useful to structure the discussion of board performance. In some cases, the reviews are conducted with the participation of the external auditors or the state audit authority. In the Czech Republic, self-reviews by the board and augmented by external reviews, where auditors are engaged to conduct reviews of Supervisory Board performance on an ad hoc basis. It has been reported thar the annual review is the most commonly recommended form of assessment, with some regulators, such as APRA, mandating annual or biennial reviews(Klein et al., 2005).

The research study showed that on the national carrier, SAA is arguably one of the worst underperformers. At one stage the corporation developed eight turnaround strategies within a period of six years but implemented none (Landu, 2013). SAA has had seven CEOs within a period of four years (McGregor, 2015).

How is the leadership relationship between the chairman and the CEO?

Swensen, Gorringe, Caviness and Peters (2016:550) describe leadership as a social process that engages employees to work together in accomplishing the mission aligned to goals. The South African SOEs such as Eskom is faced with leadership challenges including Poor leadership, evident in conflict between the Chairman and CEO (Klein, 2010), senior leadership vacancies and a lack of succession planning (Williams, 2010). It has appeared that the board's decision-making has been criticised for being biased on the appointments of senior executive managers of the corporation (State Capture Report, 2016).

To what extend the board is transparent in terms of the SOCs objectives?

However, the 2010 report of Transparency International (2010) ranks South Africa in 54th place within a sample of 178 countries in terms of perceived corruption. The results of the study conducted by Asahak et al. (2018) showed that there is Communication and teamwork whereby the board works as a team, board members trust and respect each other, and board discussions are positive, productive and constructive Furthermore the results of their study revealed positive results such as effective internal communication and teamworking, effective leadership by the Chair, effective committee leadership and management, effective meeting management and record keeping, effective information management, effective self-assessment of board functioning, effective internal performance management of board members, clarity of board member roles and responsibilities, risk and compliance management, oversight of strategic direction, and remuneration management.

How does the SOE ensure that there is proper utilization of funds

Bussin and Ngube (2017) further noted that the increasing income gap in South Africa between rich and poor, split alongside racial lines, has caused various questions to be raised about the apparently excessive top management compensation. Despite financial constraints, and in some cases major losses, chief executive officers (CEOs) in these SOEs receive compensation packages that are up to 11 times more than the average salary of employees (BusinessTech, 2017).

There are a variety of ways in which SOEs can be financed. State-owned companies themselves raise revenue through operations and borrow from local and international capital markets. Ability to borrow depends in part on the SOC's assets and expected future revenue flows. If funds are under- or over-utilized or mismanaged, it will be detrimental to the sustainability, viability and growth of the organization, which may even have to shut down operations as a result. This is because the capital needs of the organization are met through external sources in most cases and if the organization is letting the funds sit idle, it is not earning to its maximum capacity.
The South African State-Owned Enterprises (SOEs), as institutions partially or fully owned by the state established to contribute to the country's economic recovery and to ensure enterprise and innovation opportunities, have an obligation to effectively manage their finances. SOEs play a central role in government's infrastructure plans, with investments financed on the strength of their own balance sheets and therefore the finances of SOEs need to be healthy and well managed (Republic of South Africa, 2014). Historically, SOEs in South Africa encounter financial challenges, which affect the strength of their balance sheet to attract investors for expansion of business operations. Therefore, it becomes imperative that SOEs manage finances in a way that could yield better returns and enhances their financial self-sustainability (Republic of South Africa, 2012).

Maidoki (2013) concurs by stating that managers need timeous financial reports in order to make well-informed decisions.

5 RESEARCH METHODOLOGY

5.1 DESCRIPTION OF OVERALL RESEARCH DESIGN

The study will be approached using qualitative method. When the qualitative method is used in the study the one on one interview method is used to collect data. This involves the non-numerical data and interaction with the people who are going to be interviewed by asking those questions relevant to the study objectives. Their answers according to their social behaviours, believes and viewpoints are being described, assessed and analysed The qualitative research is the process used to find out about the social activities and their impacts on building a complex, holistic picture, formed with words, reporting detailed views of informants and conduct a natural setting (Bryman and Bell (2016).

It has been reported that the qualitative research does not use the approach of using specific questions or a hypothesis to test. Then focus of the research is developed during the data collection. Qualitative research also is regarded as the research that creates the descriptive data of what has been spoken or written by people and their observable actions/behaviours (Mbalati and Matsaung, 2010).

5.2 SAMPLING

Sampling can be defined as a selection of individual from a sample population as a representative for that population. In this study the senior government officials, Board members and executive managers of SAA and Eskom will be involved in a semi – structured interviews. This will help in investigating the corporate governance from different perceptions. A total of 36 Board members and executives from SAA and Eskom respectively will be interviewed in this study. It has been stated that sampling is selected to represent a population (Shipman, 1997:57). Non probability sampling method will be used in this study because it does not give an obligation to select everyone in the target population. When choosing participants by judging them (judgemental sampling) has an advantage of getting useful information from the response, which will address the objective of the study (Matinez-Mesa, 2016). The participants will be purposely selected by judging them on the type of information they would provide (information rich). The Eskom offices that will be selected are located in Gauteng Province. The organisations are selected because there are easily accessible and have the location knowledge of the study locations. No qualification will be taken in to consideration

5.3 DATA COLLECTION

.The data collection in this study will be done using the interview method. The method was implemented based on Cohen and Manion’ (1991:307). The interview in this study will be a one- on – one interview conversation introduced by the interviewer or the researcher aiming on obtaining the useful information for the research. During the interview the researcher will be asking question that are relevant to the objectives of the study. The purpose of asking those questions will help in addressing problem of the research and also evaluating the specific objectives of the research.

In this study the unstructured method of interview will be used since researchers such as McMillan and Schumacher (1993:252) reported that it allows the researcher to ask as many questions in any way that he/she think is proper. In that regard there will be no fixed design of asking interviewee questions. The situation that will arise during the course of the interview will guide the interviewer on which questions to ask and how. The unstructured interview was shown to be advantageous because it does not restrict the research on asking question because is an open situation, having greater flexibility and freedom as compared to structured. Moreover, the unstructured interview has an advantage because the interviewer is allowed to re arrange the question in a way that the interview will understand if he/she does not understand the question. The method is supported by Creswell (2002:205) who reported that researchers are allowed to ask open – ended in order to get many possible responses from the participants. The questions that will be included in the questionnaire are as follows:

- What are challenges encountered in corporate governance in the two South African SOEs?
- How is the performance of the board directors monitored and evaluated?
- How is the leadership relationship between the chairman and the CEO?
- To what extend the board is transparent in terms of the SOEs objectives?
- How does the SOE ensure that there is proper utilization of funds?
- Is there a good relationship amongst shareholders, board members and executives?
- Do the board members consider qualifications when appointing the executives?

The participants will be informed on time before the interview could take place. This will be done to make the interviewees prepared to be interviewed and to arrange the time and the date of the interview that will not affect their schedule. The steps are supported by

Wiersma (1995:458) who suggested that interviews should have flexible schedule. The participating teachers will be interviewed separately so that they can be free to express their feeling freely and for the confidentiality of which the information will be treated. The time frame for the interview will be 45 minutes for each participant. The reason for the suggested time is to give the interviewees enough time to express their views on the various problems without being restricted by time.

5.4 DATA ANALYSIS

Henning et al. (2001) reported that before the data could be analysed, the researcher should start by collecting data which could be done by using various methods such as transcript interview. The method is proposed to be used in this study. Henning et al. (2001) reported that the transcription to be verbalism however does not need the type of information required for the conversation analysis texts. In this study the verbal data will be used since the data will be collected using interviews.

The qualitative method of analysis involves the open coding where the researcher as an analyst reads through the entire text in order to get the global impression of the context. It has been reported that some of the researchers as analysts prefer to go through the transcripts of all the interviews (Henning et al. 2001). For the analysis of data, a researcher should make a list codes and read the whole text to check if the codes are related to the research question (Henning et al, 2001). Codes are formed literally as the researcher go through the data. It is important for a researcher to know the data and that could be achieved if the researchers are the one working on their own transcription. After coding the research need to transfer the code to categories. The purpose of categorising is to show the themes that will be formed from the data and be used to discuss the results. Moreover, coding is very important as the process from the raw data to the findings through it needs the broader context. Lastly after the data has been coded and categorised the researcher still have the important work of looking at the whole transcripts to check things such as the ‘’relationship s in meaning between these categories’’ etc (Henning et al, 2001).

5.5 ASSESSING AND DEMONSTRATING THE QUALITY AND RIGOUR OF THE PROPOSED RESEARCH DESIGN

This part is consist of problems related to the quality of the data that will be collected via interviews from the participants in this study. Reliability and validity measurements of the study is also included in this section. The quality of a survey method enquiry in a structured questionnaire is determined by the reliability and validity of the scale of measurement used.

Validity

Validity is defined as an accurate measurement of a concept in a quantitative study (Heale and Twycross, 2015). For the results to be valid they require the questionnaire or research instrument that measure the concept of the study correctly (Pallant, 2011). When the quality of the study is measured repeatedly it is called reliability of an instrument. Blumberg et al. (2005) reported that reliability can be defined as the consistency of the results after the repetition of the experiment or research work. This means when conducting a study at the same place twice or more and getting the same results then the results are reliable.

Reliability

The consideration of validity and reliability are vital when conducting a research study. Reliability is the measure of consistency, precision, repeatability, and trustworthiness of a research [Chakrabartty, 2013]. It has been reported that when subjectivity is used in a study the reliability of the work is going to be compromised (Wilson, 2010). If the reliability is performed well the results become more precise which results in an increased chance the right decision making in research. When the degree at which all the scientific research requirements methodology is followed during the process of generating research finding then the research is said to be valid (Oliver, 2010). Moreover, a combination of interviews (semi-structured interviews and structured interviews) and documentary analysis methods will be used to strengthen reliability and validity in this study (Creswell, 2003; Neuman, 2006).

5.6 RESEARCH ETHICS

5.6.1 Ethical Considerations

Resnik, D.B (2015) defined ethics considerations in research as a method, procedure, or perspective for deciding how to act and for analysing complex problems and issues. The writer further listed some ethical principles that various professional associations and universities subscribe to. According to Saunders et al (2016:726) research ethics refers to the standards of the researcher's behaviour in relation to the rights of those who become the subject of a research project or who are affected by it. Below are the ethical principles and how each will be applied in the context of the proposed study.

5.6.2 Ensuring participants have given informed consent

Obtaining informed consent is very important in any research. It will be the responsibility of the researcher to ensure that he carefully communicates to the participant what the research is about and what it entails. Therefore, the researcher will correctly and adequately explain to the participants what the research is about and what it will entail. This will be achieved through the completion of a consent form provided by the researcher, which will contain all vital information about the study.

5.6.3 Ensuring no harm comes to participants

It is vital for the researcher to ensure that no harm comes to the participants during the research (Van Zyl, 2014:85). There are various forms of harm, and these include physical, psychological, and emotional harm. In order to do so, the research is expected to take measures in ensuring that he avoids asking questions which may be derogative to the participants. Further to this, the researcher will ensure that the participants do not feel any form of pressure when they participate in the study.

5.6.4 Ensuring confidentiality and anonymity

The researcher has the responsibility of ensuring confidentiality, and this is usually achieved by maintaining anonymity. Van Zyl (2014: 84) defines anonymity as when one withholds the identity of the participant so that those who see the results will not be able to ascertain which participant expressed which view (Van Zyl, 2014:87). In this study, the researcher will maintain anonymity by the deliberate omission of questions which involve the use of the name of the respondent. In addition to this, the participant will also make use of safeguarding tools such as the use of a digital password over data collected.

5.6.5 Ensuring that permission is obtained

The researcher has sought permission from the Company before conducting the research. This permission letter has been submitted to the Company, which has responded positively with a signed letter of permission.

6. PROPOSED CHAPTER LAYOUT

Chapter 1: Introduction and background of the research, that includes the problem statement, research objectives, aim of the study, the research questions on the impact of leadership styles of employee performance.

Chapter 2: Literature Review**,** discusses some of the major styles of leadership with definitions of leadership styles and leadership itself. We continue to discuss employee performance and the factors of employee performance. Then express the correlation of leadership on employee performance based on published literature.

Chapter 3: Research Methodology, shares details of the research approach and positivism philosophy, research strategy and the collection of data that is discussed.

Chapter 4: Data Analysis gives details to the data obtained, analysed and compared to studies previously carried out.

Chapter 5: Conclusion and Recommendation, indication of the research findings, recommendations of the research objectives and where conclusions are drawn.

7. PROPOSED PROJECT PLAN FOR DELIVERY

	Time in Months From November 2020 to August 2021															
DESCRIPTION	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**				
CHAPTER 1: INTRODUCTION	**X**															
CHAPTER 2: LITERATURE REVIEW	**X**	**X**	**X**	**X**												
CHAPTER 3: RESEARCH METHODOLOGY					**X**	**X**	**X**	**X**								

CHAPTER 4: RESULTS, DISCUSSION AND INTERPRETATION OF FINDINGS									**X**	**X**	**X**					
CHAPTER 5: CONCLNS/RECOMMENDATIONS												**X**				

8. LIST OF REFERENCES

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APPENDIX A

- Data collection instrument(-s) -

General comments: All appendices

- All the pages of an appendix must be numbered as is shown in this template.

Insert the first draft of your data collection instrument(-s) Or interview guide here. You should use single line spacing in this appendix to save space.

APPENDIX B
- Informed consent form -

INFORMED CONSENT

Dear Participant

This **Informed Consent Statement** serves to confirm the following information as it relates to the officially approved research project at the North-West University on The governance relationship between shareholder, board and executive in a SOC (A Study in the ability of an SOC to comply with King IV).

1. The sole purpose of this study is to obtain information from customers like yourself to determine the nature of your everyday green buying behaviour experience related to the research topic.
2. Participation is completely voluntary and you may opt-out at any time. You may also decide not to answer specific questions.
3. The procedure to be followed is quantitative research design, which entails a questionnaire. Basic background information will be asked e.g. your age, function and related experience to the topic.
4. Confidentiality of the data is guaranteed and only the combined results will be used for research and publication purposes.
5. The data gathered from the questionnaires will only be used for research purposes.
6. Please note that there are four classifying variables in Section 5 (age, employment, gender and ethnicity) which will be used only to profile the respondents who partook in this study. It will be used in comparative analysis to distinguish green customer behaviour among different customer profiles. Note that only the combined results will be used and at no stage can any specific respondent or his/her data entry be isolated and analysed. (You may also select the option not to answer the specific question should you feel like it.)
7. Also note that this study does not have a correct or incorrect answer to any of the questions. This means that in comparing profiles of respondents, there is not a correct or incorrect behavioural profile. The study merely analyse green consumer behaviour as is.

Please indicate your consent

I hereby give my consent after having read the above information that my data may be used as stated above.	**YES**	**NO**
I hereby give my consent that my demographic data may be used to develop a profile for green consumer behaviour	**YES**	**NO**

Thank you for your time.

The researcher

APPENDIX C

- Application for ethical clearance –

Obtain form for School of Business and Governance Research Office or on eFundi

Insert the complete version of the application form for ethical clearance here. You should use single line spacing in this appendix to save space. You do **not** have to sign the form at this stage, but do make sure that the form is completed correctly so that your supervisor can double-check your work.