



National University of Science & Technology

EXECUTIVE MASTERS IN BUSINESS ADMINISTRATION

**The Impact of Corporate Governance on the Viability, Credibility and
Sustainable Growth of Local NGOs in Zimbabwe**

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Abstract

The research sought to interrogate the impact of corporate governance on the credibility, viability and sustainable growth of local NGOs in Zimbabwe. The research meant to accomplish the following objectives: to establish the current corporate governance practices and accountability systems in local NGOs in Zimbabwe, to establish the link between corporate governance, credibility and viability of local NGOs, to analyse the effectiveness of strategies employed by local NGOs to achieve sustainable growth as well as to establish the improved ways towards corporate governance best practices in local NGOs. Most previous studies carried out focussed mainly on the profit making organisations. In cases where the development sector is prioritised, International NGOs are mainly focused. Very few studies narrowed down to local NGOs in our local Zimbabwe context. This creates a knowledge gap on the real issues impacting on credibility, viability and sustainable growth of local NGOs. Prior studies have revealed narrow application of corporate governance principles in the development sector. This can ideally link to performance, growth and sustainability of local NGOs. The researcher employed a descriptive survey method and used both qualitative and quantitative data to draw key findings from the study. Qualitative data from interviews and focus group discussion formed the basis of the key findings. SPSS statistical package was used to determine various frequencies and confidence levels and helped the researcher to triangulate findings. Explanations in prose were employed to make data much clearer. The researcher also made use of tables, pie charts, bar graphs for clarity purposes. Data collection instruments used included interviews, questionnaires and focus group discussions. Target group included 10 local NGOs, 4 key government departments, 4 donor and INGO representatives. 2 focus group discussions composed of community leadership and community members were also conducted. Reference to secondary data was done for validation purposes was employed for data verification purposes. The research findings indicated that in did, corporate governance variables impact on the credibility, viability as well as sustainable growth of local NGOs. The corporate governance challenges range from ineffective Boards characterised by poor composition of the Board of Directors, compromised committees, lack of skilled and experienced staff, ethical concerns, poor financial management practices among others. In the event that corporate governance key variables are effectively and consistently working in local NGOs, issues around credibility, viability and sustainable growth could be resolved. Recommendations included pursuing innovative fundraising strategies and alternative funding sources to sustain growth, leadership development, risk management practice and build strong credible brands, support meaningful partnerships with International NGOs, legislative reforms to improve transparency and accountability among others.

Key words: accountability, board, credibility, governance, sustainability, performance, principles, viability.