

Human Resource Standing Committee Functions, Effectiveness and Challenges in a Parastatal. A Case of Zimbabwe National Water Authority Board (ZINWA).

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ABSTRACT

The main essence of the research was to determine the effectiveness of the HR committee in managing HR issues in parastatals. The study adopted a qualitative approach of Zimbabwe National Water Authority (ZINWA) through investigating the effectiveness of the HR committee in discharging its mandate. Judgemental sampling was used as a sampling technique for the HR committee members, whilst convenience sampling was used for the management respondents. Qualitative approach was used to elicit data from 22 respondents. The main findings revealed that the HR committee has 7 committee members of which out of the seven, 3 are non-executive directors and 4 are executive directors. The respondents also pointed out that the committee has been effective in carrying out its duties that include coming up with the human resource strategy, human resource planning, succession planning, setting directors and senior management remuneration, recruitment and handling employee welfare. However, the research unearthed that the HR committee effectiveness is affected by a number of challenges ranging from interference from the board, high level of politicking among members in the committee and board, lack of resources for the committee to perform its duties and responsibilities, lack of support from some management members as well as lack of expertise. Given these findings the researcher concluded that the committee is effective to a greater extent though it faces serious challenges. As such the research recommends to the board that the HR committee should be given committee autonomy in decision making and adequate resource mobilisation. HR committee members should be evaluated by board members and other stakeholders.

Keywords: Parastatals, boards of directors, human resource committee, committee effectiveness, autonomy.

INTRODUCTION

Boards of directors have been put in place to ensure effective running of organisations. A board represents a limited number of individuals selected strategically by the shareholder to oversee the operations of an organisation. Brown [5] defined boards as the selected members who act as a bridge between the owners or principles of a business and their agents. In Zimbabwe, the Public Service Commission [24] points out that, ministers are accountable to the parliament for the operation of agencies and boards within their portfolios. Depending on the legislation relating to a board's establishment, board members are appointed at the direction of their responsible minister. They are appointed by the Cabinet or the Governor with the recommendations of the responsible minister, in some instances by representatives.

The Zimbabwean government through its responsible ministries have put in place boards to oversee the parastatals and provide a strategic direction. Mutanda [19] suggest that if properly managed, parastatals can play a very significant role in the economic turnaround fortunes of the country hence boards should be seen to be adding value to organisational competitiveness. Muzapu, Havadi, Mandizvidza, Xiongyi [20] contents that the competitive position of private sector led economy, including small and medium sized enterprises is dependent on the services and infrastructure provided by parastatals. They further pointed out that many African economies have placed parastatals at the centre of their national development strategies, so as to remedy market failures and get rid of direct obstacles to economic development. Against this background the Zimbabwean government through the responsible ministry has been setting ministerial boards to ensure effective management of these parastatals. Within the board system, different members are selected into different committees representing different key functions in the organisation. Mutanda [19] suggest that the boards for parastatals are responsible for the day to day running programs of the parastatal, setting effective strategies through various committees to ensure competitiveness. These committees range from Human Resource Management committee, Finance committee, among other committees as determined by the board. The Zimbabwe National Water Authority is one of the parastatal that has enacted a board of directors according to the (Act 20:25). One of the committees identified by the ZINWA board is the HR committee responsible for setting HR strategy, appointment of senior management, determining the remuneration of these managers as well as assessing their performance. In 2014 the minister responsible for ZINWA dissolved and appointed a new board with the mandate of ensuring the entity becomes viable. Reasons behind the dissolution of the board was ineffectiveness as indicated by the money that ZINWA was owed by local authorities which was an excess of 100 million USD The Herald [29] and a number of unfinished projects like Tokwe Mukosi, Gwayi Dam and Kunzwi Dam. The directors who were affected by the dissolution were initially appointed following the HR committee recommendations, guidance and advice. The ZINWA board expressed concern on the effectiveness of the HR standing committee in helping the ZINWA board fulfilling their contractual obligations. HR committee was accused of recommending the appointment of wrong people thereby bringing confusion and ineffectiveness of the overall board. Chabwinja [6] further questioned the skills, knowledge and experience of the HR committee members in providing strategic solutions to the executive team in the parastatal. It is against this background that a study was undertaken to determine the effectiveness of the HR committee in helping ZINWA board of directors perform their mandate.

Wright [34] highlighted the effects of the human resource in the development of an enterprise. The author further indicated that, an effective human resource system and practice can assist in enhanced management of an organisation. In turn, this can lead to greater investment, organisational growth and resource employment and improved operational performance through better business management which creates wealth. Clarke [8] suggest that the Human Resources Committee is responsible for assisting the board of directors in fulfilling its oversight responsibilities in relations to the compensation of the Chief Executive Officer and other senior management, the selection and retention of senior management, planning for the succession of senior management, professional development for senior management, incentives, compensation plans and equity based plans, human resource strategies, the management of pension and significant benefit plans for employees and any additional matters delegated to the human resource committee of the board.

Organisational Board and Board Committees

The formation of the board of directors' dates back to the period of 1940s when there was a growing need to separate ownership and control of organisations to address the challenges of

the information flowing between directors, shareholders and management. Lysakowski [15] suggests that boards are like a parent who has an obligation to support, encourage and inspire greatness in their 'child' if the organization is to survive and thrive. When the board does not understand its role or embrace it, the organisation becomes an "orphan," unable to secure sufficient funding, attract committed staff and enthusiastic volunteers or reach its potential. In essence there are two basic types of committees, standing committees (a committee in place throughout the tenure of the board) and special committees (a committee designed to deal with a specific program and dissolved soon after). Committees are appointed by the board and their duties are directed under the guidance of the board. Hence, the failure of single committees affects the image and perception of the whole board. The study focuses on the standing HR committee for ZINWA as appointed by the board.

Selection of Board Members

Lyasakowski [15] is of the view that boards need a good combination of background experience, skills, qualifications and personal qualities to provide the foundation for a high performing board. The recruitment and appointment process is a critical first step to ensuring effective members are appointed to boards. Thus board members according to [8] are selected by merit, looking at the experience, education and personal qualities. These selected individuals are strategically seconded to different committees. In Zimbabwe board members are selected and appointed by the minister responsible for the parastatal. While Mutanda [19] pointed out inconsistencies in the appointment of board members who chairs different committees, the law stipulates that appointment of board members is done by the minister on merit.

Functions of Human Resource Committee

Patra [23] suggest that the Human Resources Committee is defined as a standing committee established by the board with the purpose to consider, monitor, oversee, and make recommendations to the board on issues that are related to human resources management, strategy and planning, compensation philosophy, workforce engagement, selection and compensation and succession planning for the CEO and all executive positions that report directly to the CEO. From this definition it is clear that the HR committee is responsible for all people related issues within an organisation. Wheelen and Hunger [33] also pointed out that the main objective of the Human Resources Committee is to assist the board in discharging its duty to oversee the establishment of appropriate human resources policies and strategies that provide the organisation with the capability to achieve its short and long term business objectives. Hence, the committee undertake to see the organisation sustain competitive advantage. Patra [23] suggests that an HR Committee is a sub-committee of the board. In other words, the Committee's functions are determined by the board. The board may delegate certain functions related to Human Resource to the HR Committee. Therefore, the HR Committee derives its mandate from the board and also reports back to the board [33]. The HR Committee can have a minimum of three members of whom two can be board members and senior HR managers from the organisation to whom the board oversee operations. The board can nominate members from among them who have expertise or interest in the areas of human resource management. Further, depending on the size and needs of the organization, the board can also opt for one or two person's (who can be from outside the Board) to be co-opted based on the specialized skills as pointed by the studies below by Filatov [9] and Nellis [21]. According to ZINWA (Act 20:25), the board has powers to amend or rescind any decision of the committee in the exercise of its task, if the committee function divest the function of the board. Filatov [9] carried out studies on the role of the board in managing State Owned Enterprises in Russia. The revealed that the board used different committees which reflect more or less the same set up in Zimbabwean parastatals. However the study focused on the remuneration

committee as the committee that focuses directly on human resource issues. The difference between the Russian and Zimbabwean set up is that in Zimbabwe the HR committee covers all HR issues. The similarity between the two cases is reflected on the numbers where in Russia according to Filatov [9] only three to four non-executive directors sit in the committee. Nellis [21] pointed out that in most countries in Africa, parastatals usually operate using different committees where both executive and non-executive directors are appointed, ranging from three to four members.

Chelsky [7] pointed out that the HR committee is responsible to assist the board with setting the HR strategy of organisations. In this respect the HR committee helps the board in strategy formulation, implementation and evaluation. Strategic formulation involves senior managers evaluating the interaction between strategic factors and making strategic choices that guide managers to meet the organization's goals. Strategy implementation is an area of activity that focuses on the techniques used by managers to implement their strategies [8]. In other words, it refers to activities that deal with style of leadership, organisational structure, the control and information systems, as well as the management of human resources. Strategy evaluation is referred to as an activity that determines to what extent the actual change and performance match the desired expectations. Hence, in the event that the organisation makes a poor strategic decision, blame is given to the committee. In addition to taking part in strategy formulation, effective boards are also expected to examine business alternatives. Muzapu et al [20] suggested that boards play an active role in looking for business opportunities, and determining the organisation's purpose. Chelsky [7] suggested that, while management is expected to turn strategic vision into operational reality, board must evaluate strategy based on how the firm's return compare with those of other investments.

According to Adams, Hermalin and Weisbach [10] the human resource management committee is responsible for ensuring that the organisation has well-crafted set of employment policies that comply with applicable laws and regulations and minimise organisational risk and exposure. This therefore suggests that the primary responsibility of the committee is to create, disseminate and implement policies for the senior management. This is also supported by the AngloGold Ashanti Limited [3] which suggests that one of the most fundamental mandates of the HR committee is to review and oversee human resource policies and strategies aimed at creating and sustaining the technical and managerial excellence required to support the attainment of the Company's global objectives. Thus all policies related to HR on senior managers are directly the responsibility of the HR committee.

Ncube and Maunganidze [22] on their study on executive compensation and corporate governance in Zimbabwean parastatals pointed out that the function of the HR committee is to determine remuneration for executives. Their study pointed out that the over compensation that was happening was as a result of failure by HR committees to determine the executive compensation, which negatively affected most boards. This is in line with Lundin Mining Corporation [16] which stipulates that the human resource committee will be responsible to recommend to the board remuneration policies and guidelines for application to the organisation. This was also supported by Adams, Hermalin and Weisbach [10] who pointed out that the human resource committee review and approve corporate goals and objectives relevant to the compensation of the senior management and, in light of those goals and objectives, recommend to the board the annual salary, bonus and other benefits. This help assist the board in carrying out its responsibilities by reviewing compensation and human resources matters in support of the achievement of the corporation's business strategy and making recommendations to the board as appropriate.

Adams et al [2] also pointed out that the human resource management committee is responsible for ensuring senior management performance evaluation. The committee ensures that performance evaluation is conducted regularly. The evaluation process include feedback from selected senior staff, board members, funders, partners and even service recipients. While the board determines its own process for the evaluation, it is good to conduct an annual formal and written performance assessment. Adams et al [2] clearly states that the committee is however not involved in lower employees evaluation as that is left for management responsibility. This therefore suggests that the human resource management committee focuses on senior management only since they are the ones whose activities are directly supervised by the board of directors. Also the committee assess the extent to which performance goals are met when determining awards under the organisation's short term and long term incentive plans. Furthermore, the HR committee reviews and approves the choice of performance measures.

Another major function of the HR committee is to ensure effective recruitment and selection of members. The Committee oversee the organisation's recruitment, retention and termination of executives in order to ensure a market-competitive approach with the organisation sourcing and retaining the level of talent required [Rusvingo [27]. Strategic deployment of management will ensure the deployment of competent managers who will produce results for the parastatals. Ncube and Maunganidze [22] pointed out that parastatals should ensure the strategic deployment of competent people. In the research's view this is important for producing results hence the success of an organisation lies primarily on the shoulders of the HR committee. This may as well explain why in most instances when the managers fail the board is quick to blame the HR committee for poor appointment of senior managers.

The HR committee is also responsible for talent management in organisations. The committee oversee the annual talent review for executives and senior management and develop succession plans for executives. This is done to foster an appropriate balance of skills, experience and expertise to support the ongoing successful management of the business [Clarke 8]. Effective HR committee ensure talent is effectively natured. Mutanda [19] is of the view that the parastatal performance in Zimbabwe has been compromised by a number of challenges and chief among them has been failure to harness talent. Studies conducted by Filatov [9] in Russia pointed out that the success of the Russia State Owned Enterprises was based on the appointment and selection of highly talented remuneration committee members. The study revealed that the board through recommendations from the remuneration committees designed effective remuneration strategies and policies that ensured the achievement of results.

Leadership development is also identified by Rusvingo [27] as an important function of the HR committee. The committee oversee programs for induction and ongoing leadership and capability development of executives and key senior management. A study in the parastatals of Zimbabwe by Mutanda [19] revealed that most parastatals are in a leadership crises failing to sustain good performance. This therefore reveals the importance of the HR committee which should set proper leadership through embarking on different leadership training courses.

EFFECTIVENESS OF HUMAN RESOURCE COMMITTEE

In simple terms the effectiveness of the HR Committee is seen by the ability of the committee to satisfy the functions identified above. However there are other pointers of effectiveness discussed by different scholars. Brown [5] supports the argument above by indicating that HR committee members should possess the skills relevant to fulfil their mandate. Obviously given the complexity of the HR committee functions which are strategic in nature relevant skills are

needed. MacAvoy and Millstein [17] suggest that an effective HR committee should also consider the issue of director education, both specifically and generally. To be an effective director, one must have a clear understanding of the organisation's business and of the duties of a director of a public organisation. Reeb and Upadhyay [25] identify experience as one crucial determinant of HR committee effectiveness. Those that have extensive experience relevant to the organization, preferably as leaders, will make the best HR committee members.

The research draws an example of IHS Markit Company which is responsible for information analytics and expertise [IHS Markit report 11]. The organisation has in place an HR committee that was appointed to take care of all HR related activities and programs on management. The Human Resources Committee was created by the board of directors to oversee the Company's compensation and benefits policies generally, evaluate executive officer performance and review the Company's management succession plan, oversee and set compensation for the Company's executive officers, including its Chief Executive Officer (CEO), retain and terminate compensation consultants. The committee also review and discuss the Company's compensation discussion and analysis (CD&A) disclosure with management and provide a recommendation to the board regarding its inclusion in the Company's annual proxy statement; and prepare its report that the Securities and Exchange Commission rules require to be included in the Company's annual proxy statement. According to the IHS Markit Report for the 1st quota 2017 the committee has been very functional and effective. The committee is chaired by Brian Hall, with Michael Armstrong and Ruann Earnest as members. All these are seasoned HR practitioners with an extensive experience in the field of HR which may explain why the committee is deemed effective.

The Knightsbridge Human Capital Solutions [31] conducted a large-scale study into the role and effectiveness of human capital oversight among Canadian boards of directors. The vast majority indicated their boards have direct responsibility for CEO compensation, performance management and development, including succession planning. Findings revealed that the boards should monitor strategic talent management areas such as HR strategy, organizational culture, employee engagement, succession planning and development through the human capital committee (HR committee). This therefore suggests the importance of HR committee in shaping the direction for organisation senior management. The finding from the Canadian experience was also reflected in the 2014 global survey of more than 770 directors performed by McKinsey. The findings indicates that high-performing boards had HR committees responsible for strategy, organizational health and talent management, business risk management, core governance and compliance on their agenda. Thus the presence of such committees gives the company an edge if the committee is effective. However these studies were carried out in Europe and may not necessarily reflect what is happening in African countries hence this made the study imperative.

CHALLENGES FACED BY HR COMMITTEE

Ncube and Maunganidze [22] on their study on corporate governance and executive compensation in Zimbabwean parastatals posits that the current business environment places greater scrutiny than ever before on the actions and decisions taken by HR committees within the board of directors. They further point out that the onus is on all committee members to ensure that legal and regulatory responsibilities are met and that decisions taken by the board are always in the best interest of the organisation. However this is affected by the high levels of interference on the committee operations either by board chair or even ministers. According to (ZINWA Act 20:25 item 20) the Minister may give the board directions of a general character on matters of policy in the national interest. So blaming ministerial interference on the day to day decision making of standing committees is acknowledging that there is maladministration,

corruption among the minister, board members and senior management, a culture of feeding from service, lack of expertise to manage their different portfolios among others.

At an international level Wright [34] pointed out that boards must be prepared for a range of challenges from managing risk and reputation and failure to read changes that are or will be happening in the business environment. Change is happening at a faster speed which at times compromise good plans. HR committees composed of people with little experience or people who do not understand business normally takes wrong decisions which in turn affect their ability to make proper business decisions.

The other challenges identified by Clarke [8] for the HR committee is the nomination of people into the board who are then tasked with different responsibilities. At times the nominations are done without following due diligence. Clarke [8] suggests that the board as well as HR committee nomination and appointments should emulate best practices as closely as possible, including those applicable to private enterprises. Nominations should be based on a transparent, contestable and merit-based appointment process where candidates can put their names forward and have their qualifications evaluated [Clarke 8] The situation however for most African countries and Zimbabwe in particular exposes this challenge as board members are appointed by the minister responsible for the parastatal. This further exposes the HR committee which may have members with little HR experience nominated and this may affect the effectiveness of the committee.

A study by Ncube and Maunganidze [22] revealed limitations in terms of the HR committee in Zimbabwean parastatals through the over compensation of senior management in some of the parastatals. This collaborates well with Maunganidze [18] whose views on parastatal managers, who behave like they are harvesting wild fruits. Such practices expose the HR committee through failure to provide a strategic direction to the board hence putting the organisations at risk. These studies revealed that while boards and their subcommittees may be composed of people who may provide the best they are mostly affected by the politics of the day since parastatals are controlled by the government. Failure to separate politics from parastatals has been identified by Maunganidze [18] as a serious challenge affecting the HR committee.

THEORITICAL FRAMEWORK

The research was guided by Jensen and Meckling's [12] agency theory. Agency relationship is described as that contract between principal giving agent the right to make decisions and take the responsibilities of these decisions [Jesen & Meckling 12]. The theory is used to understand the relationships between agents and principals. Jensen and Meckling [12] define the agency relationship as a contract under which one party (the principal) engages another party (the agent) to perform some service on their behalf. As part of this, the principal will delegate some decision-making authority to the agent.

The agent represents the principal in a particular business transaction and is expected to represent the best interests of the principal without regard for self-interest. In this case the principal represents the ministry and government while the agent represents the board itself and its committees that are enshrined in the board. The different interests of principals and agents may become a source of conflict, as some agents may not perfectly act in the principal's best interests as pointed out by [Jesen & Meckling 12]. The resulting miscommunication and disagreement may result in various problems within organisations. Incompatible desires may drive a wedge between each stakeholder and cause inefficiencies and financial losses. This

leads to the principal-agent problem. Thus at the heart of this relationship lies possible challenges that can result in conflict between the agent and the principal.

METHODOLOGY

The study adopted a qualitative research approach using ZINWA as a case study. Judgemental sampling was used as a sampling technique for the HR committee members, whilst convenience sampling was used for the management respondents. Twenty two respondents participated in the research among which six were HR committee members and 16 were senior management employees. Data was collected through interviews and questionnaires.

FINDINGS AND DISCUSSIONS

Demographic Data

Out of the twenty two respondents who participated in the research, twenty one were male respondents indicating 95% while only one was a female respondent indicating 5%. Generally the company has got higher numbers of male employees compared to female employees. Lysakowski [15] concur that domestic and family obligations remain a noteworthy issue for female leaders which makes them few in leadership in view of their duties. Roth [26] argues that, though policies and practices within organisations can support women to be in leadership positions but in reality, women progression to power is slow. The majority of the respondents (nine) were falling on the age ranges of 40-49 years, five respondents from the management respondents were on the age category of 30-39 years, representing 22% while four respondents from both categories were on the age category of 50-59 years, representing 18%. The qualifications of the respondents from both categories were as follows, six respondents had Master's degrees, fifteen respondents had Bachelor's degrees, one respondent from the HR committee had a Diploma. This shows that the parastatal has highly educated management. Boxall, Purcell and Wright [4] argued that highly educated workers understood their jobs and contributed more effectively to their jobs than the less qualified ones. Sonnad [28] is of the view that well educated respondents guarantee researches that generate new and valid information. According to Boxall, Purcell and Wright [4] through education, employees acquire new skills, become innovative and creative and as a result organisations gain a competitive advantage. Chelsky [7] however articulates that effectiveness of board committees may be enhanced by articulating the committee specific skills and experience that are considered desirable for committee members.

Appointment of the Human Resource Committee Members

All respondents had an appreciation of the HR committee and its mandate in the organisation. One HR committee member indicated that *"at ZINWA, our HR committee is made up of seven group members. Four out of the seven are executive directors, whilst the other three are non-executive directors. This group advise the board on issues to do with the HR basics or what you term HR related issues such as compensation, laws and regulations, even employee welfare."* The ZINWA HR committee had four representatives who were executive directors drawn from three main departments (Engineering, finance, administration and HR.). The Chief executive officer (head of the parastatal) also sat in the committee as a member.

It was collectively agreed that HR committee members are appointed by the board Chairperson, who through his or her discretion has the absolute power to appoint people to different positions in the subcommittees. One HR committee respondent indicated that, *"appointment was based on the board recommendations, interest and preferences. The Chairperson of the board has the final say on who should hold which positions"* one managerial respondent indicated that *"the board is responsible for appointing the three non-executive committee members from the board among which a chairperson will be selected. These three*

members will then liaise with the ZINWA team where four other members are selected to be part of the committee drawn from different departments with different set of skills beneficial to the committee.” Kim and Mauldin [13] pointed out that board committees through the process of decentralization allow for specific knowledge acquisition which benefits boards because the monitoring and advising tasks of boards are complex and require firm-specific knowledge. The same sentiments were echoed by respondents through both interviews and questionnaires that members were appointed to the board based on their knowledge and experience in terms of HR knowledge. Findings revealed that the Chairperson of the committee for ZINWA is a seasoned HR practitioner who have having with and for a number of organisations. Such knowledge, skill and experience may explain why the major findings suggest that the committee was effective. Another managerial respondent however pointed out that *“the Chairperson of the HR committee was coming in as a non-executive director but coming from a failed company.”*

Functions and effectiveness of the Human Resource Committee

All six members of the HR committee collectively pointed out that, one of the most crucial functions of the HR committee was to determine the HR strategy for the parastatal. One HR committee respondent explained that, *“as a committee we are responsible for determining the HR strategy of the parastatal and ever since past election and appointment in 2014 we have been carrying out this mandate”*. This was supported by five management respondents who pointed out that, the committee has handled well issues to do with determining the HR strategy. Another HR committee respondent indicated that *“yes, it is the HR committee’s function to determine the HR strategy and HR policies, and I feel the HR committee here is managing its people side effectively because the committee has advised the board on proper measures to take mainly for HR issues at managerial level. We are never found on the wrong side of the law unlike other parastatals”*. This is supported by Chelsky [7] who posits that the major function of HR committees lies in shaping the HR strategy for senior management in the organisation.

The research further probed respondents from both categories to justify whether in their view the HR committee is effective in discharging its mandate of shaping the HR strategy. One managerial respondent pointed out that, *“in my view the committee has been very effective in handling and discharging the mandate, I can tell that if you look at our record you will discover that Zinwa was never implicated in scandals related to business or people issues in general. Imagine how other parastatals were involved in salary gate scandals during the year 2014.”* This was supported by one HR committee respondent who indicated that *“the HR committee has been effective. We do not have any salary gate scandals like other parastatals. We were on the safe side in 2014 and I give credit to our HR strategy at corporate level that provides good advice and direction to the board.”* This was supported by five committee members who felt that the committee was very effective in discharging its mandate hence it has been able to attract, maintain and retain staff key to ZINWA. *“Unlike other institutions response to July 2015 judgement to terminate employment on notice our strategy was against that and we never responded to it. While our board initially proposed we release people in catchment areas like Mzinwani and Gwayi we finally agreed to stick to our way of doing things and up to now we are doing fine.”*, one management respondent said. This was also supported by 8 managerial respondents who through the questionnaires pointed out that the committee was effective.

However four managerial respondents shared a different opinion with the rest of the respondents. One of these four pointed out that *“the strategy success was not as a result of the HR committee but rather it was the product of the internal team that was mandated by the HR executive to design and develop an HR strategy or plan.”* The respondent further explained that, *“while the success of the HR strategy is celebrated throughout the whole institution credit should*

be given to the internal HR team whose ideas are taken by the committee because it is supreme committee, then masquerade the strategy as theirs." This was supported by another managerial respondent who pointed out that *"the committee was blotted with five people who do not have knowledge on HR issues, except only two who are the Chairperson of the committee who is an HR manager in another organisation and the HR executive of the parastatal."*

One of the functions of the Human Resource Committee was to determine the package of executives particularly the CEO and his deputies. One HR committee respondent member pointed out that, *"as a committee we are responsible for determining the remuneration packages of the CEO and his management team. We take this portfolio seriously considering that if executive compensation is not handled well it can result in a series of challenges ranging from corruption, over compensation and abuse of resources"* Another HR committee member confirmed that *"salaries and other benefits of senior management are determined by the committee."* This was echoed by nine managerial respondents who pointed out that remuneration issues and policies were undertaken by the HR committee for executives. The respondent further explained that *"after the salary gate scandal and despite being found on the right side of the law ZINWA through the HR committee looked at its remuneration policies to safe guard itself against any form of abuse."* This was confirmed by five other managerial respondents who pointed out that remuneration for executives was determined by the HR committee. This was supported by Adams, Hermalin and Weisbach [10] who pointed out that the Human Resource Committee review and approve corporate goals and objectives relevant to the compensation of the senior management and, in light of those goals and objectives, recommend to the Board the annual salary, bonus and other benefits, direct and indirect. Ncube and Maunganidze [22] on their study on executive compensation in parastatals, pointed out that the function of the HR committee is to determine remuneration for executives.

While six respondents were of the opinion that the HR committee was effective in handling its duties, nine were of the view that remuneration issues are affected by other variables beyond the committee's control. One of the managerial respondents pointed out that the committee was ineffective given that the remuneration of the CEO and his deputies was too exorbitant given the salary gap between them and the rest of the managers. The respondent pointed out that there were anomalies in terms of the remuneration policy given that some allowances for executives were done under the carpet. This was supported by Rusvingo [27] who pointed out that the salary gate scandals in Zimbabwe were furred by failure to have control mechanisms, thus placing the importance of having an ethical board that monitors director remuneration.

Training and development was pointed out by a total of fifteen respondents from both categories as another function of the HR committee. Four respondents were of the view that this was one of the most crucial function of the committee. One HR committee respondent through an interview explained that, *"the committee had successful sessions for training and development programs for managers. To date as a committee we have recommended technical training of engineers throughout the different catchment areas we have. The successful completion of Tokwe Mukosi Dam is given to these technical programs we designed as a committee and recommended to the board."* This was supported by 8 managerial respondents who pointed out that they have been recommended to participate in different management development. One managerial employee indicated that he had the privilege to attend to an international converge on water harvesting techniques in Russia and Cuba. Secondary data was also used from the HR department in form of a training calendar.

The respondents had mixed feelings in their responses on effectiveness of the committee regarding training and development. Nine managerial respondents felt that the committee was

effective given that a number of managers were supported financially to attend trainings. This was supported by one HR committee member who indicated that *“we support our managerial team in their individual development because we know it helps us as a parastatal.”* However some were of the opinion that the committee was not effective. One managerial respondent pointed out that *“the committee effort are highly appreciated, although sometimes the selection of members is biased as those that referent committee members or board members could get more access as compared to others in similar positions.”* The respondent further explained that, *“others have been taken for training and development programs more than once internationally, while some are not provided with the same opportunity to attend local development programs”*. Three managerial respondents echoed the same views.

Findings however revealed that there were no plans in place for ZINWA to train the HR committee members on committee issues. This is supported by Chelsky [7] who contend that contrary to corporate good practice, there is no system in place to promote, on an ongoing basis, skills development and targeted training for members of individual committees. Good practice in corporate governance encourages ongoing training of directors on committee specific issues.

Findings also revealed that planning and succession planning were some of the tasks carried out by the committee. One HR committee member indicated that *“organizations are legal personas at law and as such they should enjoy succession planning. In this respect we cannot isolate training and development to the human resource planning and succession planning to ensure continuity hence the board looks at the internal staff strength and develop them to take the leadership posts in different capacities.”* One managerial respondent wrote that, *“as managers we are not going to be here forever but we will get tired and leave these posts hence we groom other young leaders with potential.”* This was also supported by three other managerial respondents who pointed out that the organization had a succession planning policy.

Succession issues were said to be handled effectively pointing out the ZINWA policy to employ from within as alluded by ten respondents. One HR committee respondent pointed out that *“the current crop of managers in marketing and accounting as well as HR had been from within. The respondent explained that these individuals had risen through the ladder through coaching and mentoring of individuals”*. However four managerial respondents argued that succession planning was there on paper but the board at times could bypass HR and appoint other people from outside the organization. One managerial respondent also pointed out that *“history of the HR committee in ZINWA provides evidence of failure since the same committee was blamed for the recommendation to appoint four managers that were sacked of by the minister in 2014.”*

A total of twelve respondents explained that the committee was responsible for managing the welfare of managerial employees as well as guiding the management of non-managerial employees through making necessary recommendations to the board. One HR responded indicated that, *“our, mandate as a committee is to look at the welfare of our employees and determine what they need so as to make them enjoy their work. We thrive to give the best conditions of service so as to attract, and retain talent.”* Another HR committee respondent pointed out that *“the HR committee also recommended to the board that other packages such as loans, vehicles, golf kits, bereavement funds and social clubs among an array of many others”*.

Some twelve managerial respondents were of the view that the committee was not effective in handling this task. One of the respondents wrote that, *“in principle the HR committee represents the welfare of managers but practically I feel the committee members are simply getting into that meeting to advance their interest which explain why everyone who sit in the HR committee has a*

better welfare." This was supported by another managerial respondent. However the four HR committee members pointed out that they were trying their best to provide for everyone. They pointed out that Zinwa was up to date now in terms of salaries, offering loans to managers as well as recommending the Zinwa HR team to do the same to their members.

CHALLENGES FACED BY THE HR COMMITTEE

All six HR committee respondents indicated that, there was too much interference in the operations of the HR committee from the board itself. One HR committee respondent explained that, *"the committee was a direct responsibility of the board and there was too much interference from the board in a number of areas mainly on issues to do with recruitment and selection of managers."* Another HR committee respondent supported this saying that *"at times they would go to discuss as a committee after the decision will have been already taken. As members we are being used to authenticate these ideas."* This is supported by Chelsky [7] who argue that there is a tendency of duplicating discussions in committees and the executive board. This may be an indication of role ambiguities between the two. Findings however indicated that the chairperson of the HR Committee is not part of the management and does not chair the Board which help to an extent in separating powers. Overall the respondents felt that the committee had no autonomy to discharge its duties. The autonomy implicated in the research include lack of an independent forum for non-executive committee members to discuss important issues without management. Chelsky [7] argue that Board of directors have benefitted a lot where non-executive members have regular opportunities to discuss committee issues independently of management. Another managerial respondent pointed out that *"the committee had limited autonomy to discuss and agree on anything rather the board chair was in total control using the committee as a platform to institutionalize his/her ideas."* Kluyver [14] pointed out that the board committees (HR committee included) should work closely with management, so that they directly influence the firm. Kluyver [14] however went on to suggest that committees can make the board as a whole more accountable to the shareholders by separating the outside directors from management for certain decisions. CEOs often have significant bargaining power over outside directors, especially when the CEO has high ability, which can undermine a director's independence [Hermalin and Weisbach [10]. While the CEO at ZINWA does not chair the HR committee he/she is a member of the committee.

Another challenge that was identified was lack of resources mainly financial resource for the committee to fully discharge its duties. The HR committee members pointed out that they had some brilliant ideas which the board failed to adopt simply because the resources are limited. Ncube and Maunganidze [22] on their study on corporate governance and executive compensation in Zimbabwean parastatals posits that the current business environment places greater scrutiny than ever before on the actions and decisions taken by HR committees within the board of directors.

Another challenge highlighted was the issue of politicking within the committee itself given that the committee was made up of both executive and non-executive directors. At times this combination was said to create confusion as executive directors may want to place an advantage on their employees with non-executive directors clambering to protect the shareholder. This maybe because some management members may be conflicted in some issues under discussion. Management and staff are highly resistant to giving non-executive board of directors' greater control of what they see as essential managerial functions. This conflicts with good corporate practice as articulated in a number of countries, which calls for a separation of management and boards of directors [Chelsky 7].

The committee was also affected by the national politics as well as was pointed out by two managerial respondents and eleven managerial respondents. The respondents from both categories pointed out that as a parastatal the organization had an allegiance to two masters. One respondent explained that the HR committee has its loyalty to ZINWA management, the ZINWA board and also the ministry responsible. This results in lack of trust especially among the non-executive members who may feel that their concerns may not well be represented [Chelsky 7]. As a result, all constituencies are represented at all committee meetings, since committee meetings are open to all executive directors.

The respondents explained that the parastatal is in itself very much difficult to run and therefore affecting the overall effectiveness of all functions the HR committee is involved. Wright (2003) pointed out that boards must be prepared for a range of challenges from anticipating the unexpected and planning accordingly, to managing risk and reputation, whilst continuing to seek and capitalise on opportunities as they arise. Wright [33] further pointed out those HR committees at times fails to come up with effective strategies due to failure to read changes that are or will be happening in the business environment.

CONTRIBUTION TO NEW KNOWLEDGE

The study contributes to the body of new knowledge by breaking the ground in the study of HR committee in the Zimbabwean parastatals. By looking at the effectiveness of the HR committee this area has not been fully covered within the Zimbabwean context. Literature has been mainly on board effectiveness and in instances where committees were studied the studies concentrated on ethical issues within the boards. Hence, the research findings generate new knowledge on how boards can make knowledgeable decisions through HR committees.

CONCLUSION

Having received varied views from respondents on the general function and effectiveness of the HR committee the researcher concluded that despite all the challenges highlighted, the HR committee was very much effective in discharging its duties. The respondents agree that much of the recommendations the committee gave to the board were adopted easily. The respondents felt that the committee had done enough in discharging its mandate scoring a number of victories in terms of managing remuneration for all levels of employee in the organization, updating salaries and maintaining a positive industrial relations climate. However while general findings points to the effectiveness and success of the HR committee, the very committee suffers from a number of challenges which are identified by the research. To mitigate against these the research recommends that the committee should be given responsible autonomy through minimum interference, by giving committee members enough space for them to execute in their best interest and in the interest of the company. Also with effective resource mobilisation at board level the HR committee may actually perform wonders and produce in the best interest of the parastatal. The research also recommends to the board that in-line with good practice committee members would benefit from the adoption of a regular evaluation to gain feedback from members and other stakeholders on how committee operations and effectiveness maybe improved. The research observed that the committee composition was male dominated. Given the contemporary gender issues the researcher felt it wise to recommend the adoption of board diversity through empowering more women in the committees. This would allow the coming in of fresh ideas that add value to the organisation. The research therefore concludes that the HR committee represents one of the most crucial committees that should be utilised to the best advantage of the board but what is needed is proper synergy between and among all stakeholders involved.

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