

Challenges to the Implementation of It Governace in Zimbabwean Parastatals

Paul Mupfiga , Margaret Chirimumimba
Midlands State University, Zimbabwe

ABSTRACT

The research was aimed at finding the challenges to the implementation of IT governance in Zimbabwean parastatals. It assessed existing IT governance processes and frameworks in Zimbabwean parastatals. The participants of this study were managers, directors and the staff from five different Zimbabwe parastatals. Tools for data collection included questionnaires targeted at the staff from the different parastatals, interviews with managers and directors from five different Zimbabwean parastatals as well as document review. The research revealed that there were no clear IT governance strategies or written IT policy statements or frameworks being used to implement IT governance in Zimbabwean parastatals. The research also established that corporate governance which is the overall body covering IT governance is still at the developing stage in Zimbabwean parastatals. The research recommended the implementation of a documented IT policy statement and use such known frameworks such as COBIT and ITIL.

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I. INTRODUCTION

In this global information era, businesses have come to hinge more and more on information technology (IT). Businesses rely on IT for both operations support and management support so IT has become pivotal to the normal existence of businesses and with globalization and the creation of a global village, IT systems interface businesses with the world. Businesses are now able to compete competitively using IT as their back bone of core business operations, marketing is done electronically, handling costs are being reduced through the adoption of IT, orders and payments are now being done electronically, business meetings are being done in virtual boardrooms and in the comfort of one's home or office. This means IT services are becoming the point of contact between the client and the business, hence a strong need for good IT governance and management in business.

The Corporate governance best practices of 2002, defined parastatals as entities that are governed by Acts of Parliament for their operations, they are wholly owned by Government and they serve the state indirectly. The researcher looked at one parastatal in different sectors in the Zimbabwean economy. In the mining sector, the researcher looked at Hwange Colliery, Grain Marketing Board under the agricultural sector, Civil Aviation Authority of Zimbabwe under the transport sector, Zimbabwe National Family Planning Council under Healthy and Parks and Wildlife management under the environmental sector.

II. WHAT IS IT GOVERNANCE

The term IT governance has generated many different definitions. It was therefore, part of this study to arrive at a view in to what is meant by the term IT governance and its practical application in Zimbabwe parastatals. The concept of IT governance is described in a lot of literature sources to the extent that some authors have debated whether there is need to adopt a specific definition of IT governance at all, since it might curb exploration and restrict diversity. It is, therefore, important that we have a definition that is sufficiently broad to incorporate all aspects of IT governance, and that is not rendered obsolete through the introduction of further new technologies. IT governance in its broadest sense is a subset of enterprise governance and encompasses systems, infrastructure, and communication. Similarly, Matthew Magee, Petr Marounek, Lynn Mueller and Andrew Phillipson (2008) see IT governance as a subset of enterprise governance and overlaps with it, given all their commonalities. It is targeted for enterprises that develop products. IT governance is application of ICT for interaction among government, citizens and businesses as well as in internal government operations to simply and improves the governance, as defined by Vinay Thakur (2005). The Office of the Auditor General (OAG) of Uganda (2000) see IT governance as the process by which the top management and those in charge of governance of an organization ensure that ICT is optimally used to achieve the organizations business

objectives. At the same time the risk arising from the use of IT are also properly managed. According to Richard Brisebois, Greg Boyd and Ziad Shadid (2010) IT governance is the structure, oversight and management processes which ensure the delivery of the expected benefits of IT in a controlled way to help enhance the long term sustainable success of the enterprise. Challis, Lidgey and Robertson (2003) see's IT governance is the responsibility of the board of directors and executive management. It is an integral part of enterprise governance and consists of the leadership and organisational structures and processes that ensure that the organisation's IT sustains and extends the organisation's strategies and objectives. In order to delimit the scope of this research, for it to be sufficiently focused, adopted. Carry and Willis (2001) defines IT governance as the structure of relationships and processes to direct and control the enterprise in order to achieve the enterprise's goals by adding value while balancing risk versus return over IT and its processes. It specifies the decision rights and accountability framework to encourage desirable behaviours in the use of IT. The basis of these definitions of IT governance are a combination, of implementation and relationship of the activities for managing IT resources and their risks in different ways and whether it is at strategic level, management level or operational level. The definitions cited above are potentially relevant to the range of IT governance activities carried out in Zimbabwe parastatals.

III. WHY IT GOVERNANCE IS NECESSARY

According to Richard Brisebois, Greg Boyd and Ziad Shadid of the Office of the Auditor General of Canada, IT governance is needed to ensure that the investments in IT generate value-reward-and mitigate IT-associated risks, avoiding failure. IT is central to organisational success – effective and efficient delivery of services and goods – especially when the IT is designed to bring about change in an organisation. This change process, commonly referred to as “business transformation,” is now the prime enabler of new business models both in the private and public sectors. Business transformation offers many rewards, but it also has the potential for many risks, which may disrupt operations and have unintended consequences. The dilemma becomes how to balance risk and rewards when using IT to enable organisational change.

PROBLEMS WITH IT GOVERNANCE

According to Steve Romero, an IT Governance Evangelist, the problem with IT governance is that often it is confused with good management practices and IT control frameworks. ISO 38500 has helped clarify IT governance by describing it as the management system used by directors. In other words, IT governance is about the stewardship of IT resources on behalf of the stakeholders who expect a return from their investment. The directors responsible for this stewardship will look to the management to implement the necessary systems and IT controls. Whilst managing risk and ensuring compliance are essential components of good governance, it is more important to be focused on delivering value and measuring performance.

IV. RESEARCH METHODOLOGY

This study attempted to estimate the current level of practice of IT governance in Zimbabwe parastatals. The study allowed the collection of useful information and data in relation to this new mode of governance. The considerations are based on questionnaire responses from 40 employees from five different Zimbabwe parastatals, who were randomly selected, Skype interviews with five managers and directors from these five different parastatals and document review. The questionnaire was designed to collect data on their level of computer expertise, their awareness on IT governance and their level of preparedness to adopt IT governance. The questionnaire had both closed and open end questions. The questionnaire was administered in person to the 40 employees from the five different Zimbabwe parastatals. Skype interviews with the five managers and directors from these five different parastatals were contacted to highlight the benefits and the exploitation of the challenges to implementing IT governance in Zimbabwe parastatals. The researcher reviewed from newspaper articles, strategy documents, newsletters, magazines, information from Minister Gordon Moyo's blog and various parastatals websites.

IT Infrastructure: hardware and software

The data collected from the five different parastatals shows tremendous developments and acquisition of basic IT infrastructure across the various parastatals. 79% of the employees indicated that they had access to computers in their offices hence enabling them to access and utilize IT facilities for their day to day business operations. Fifty-nine percent (59%) of the employees indicated that some of their clients use POS devices and mobile money transfer systems to make utility payments. An amazing number of employees, (88%), indicated that they access the Zimbabwe parastatals' website and the Minister of state enterprises' online blog easily, at least once a day for various reasons but mainly for communication. As regards to software, results show that various Zimbabwe parastatals have developed their own in-house transaction processing systems, communication information systems and management information system software used across these various

parastatals. Some parastatals are now offering their clients access to online customer service support, equerries and utility bill payment facilities.

The level of IT governance practice and activities

The data collected indicate that there is reasonable utilization of IT resources in as far as the parastatals' core daily business activities are concerned. Only 53% of the employees indicated that they were using all the IT resources, facilities and services offered by the parastatals in carrying out their day to day duties and tasks. Interviews with the managers and directors revealed that all the parastatals have an IT manager responsible for managing all IT resources financially, materially and as well as to oversee the implementation of the top management's IT goals and targets at operational level within his/her organisation. Most IT resources and facilities are exclusive to all parastatals employees as part of their work environment. The parastatals' clients have access to some of these facilities and can enjoy them at various levels for no extra charge. The day to day business operations have become more interactive through the use of website links with interactive tools like the Minister's online blog, staff discussion forums, emails, instant chats, chat rooms and other interactive activities. The daily business activities carried out through the use of IT reflect its use as a support tool to the traditional face to face business methods, thus a need for its governance and management across the parastatals.

Employee's preparedness

The collected data show that the majority of employees have a satisfactory level of computer competency. Sixty-eight percent (68%) of the employees indicated that they could perform basic functions and could use the computer independently. A further 29% of the employees indicated that they were advanced users of computers and could do a number of tasks with the computer. As regards to the use of the Internet, the majority of the employees (95%) indicated that they were advanced users who could use the Internet to search for information as well as being able to download and upload files on to the Internet. Fifty-one percent (51%) indicated that they had basic skills required to browse the internet and use e-mail independently and a disappointing 5% indicated that they could not use the Internet independently. Although the majority of the employees indicated that they had the basic skills required to use computers as a day to day business resource, a significant number of them lacked confidence in the use of the transaction processing system platforms and how to participate on the Minister's blog, 8% of the employees expressed some doubt on their level of preparedness to use transaction processing platforms, the parastatals website and the Minister's blog.

Absence of documented strategy

The implementation of IT governance in Zimbabwe parastatals is proving to be slow and lagging behind, this was noted by the lack of clear IT governance strategies, written IT policy statements and frameworks being used to implement IT governance. The parastatals are interested in improving in their IT usage and but little has been on the governance of the IT resources. The proposed corporate governance framework for parastatals, does not say not much pertaining I.T governance.

Project ownership by business

Based on the findings of this research most of the managers and directors who were interviewed were either bitterly critical or derisive about the contribution of IT to the business, there was a near absence of ownership of IT projects. Business looked upon IT as too technical to handle and retained only the right to criticize IT for non-delivery.

Software documentation

All these parastatals are using pirated software so they do not have licences for these softwares .The core systems at Civil Aviation Authority of Zimbabwe was obtained with source code but has since undergone several changes over the last six years with no attendant documentation.

V. DISCUSSION

From the findings of this research, the researcher noted that the major challenge to the implementation of IT governance in parastatals is that corporate governance is a rot and was still at a developing stage. The business ethics in some of these State Enterprise and Parastatals leaves a lot to be desired especially where most of the board members and even chief executive officers are involved in scandalous issues. Business analysts in Zimbabwe have raised concern over business people who sit on several boards purporting to serve the interests of those companies when in actual fact, they have ulterior motives mainly to enrich themselves rather than to practice good corporate governance. Notable business people and civic leaders are sitting on several boards yet holding public office. Analysts say in most cases, it reflects poor corporate governance due to serious conflict of interests. Good corporate governance practices have been implemented to a limited extent and the major barriers

being, corruption which has become a culture among Zimbabweans, reported the herald of 28 August 2012. Directors and company officials were engaged in conduct that is not in the general interest of the company but merely to satisfy their own personal needs. According to the herald of 28 August 2012 in Zimbabwe Boards of directors are sometimes selected on the basis of who knows who, termed the 'Old Boys Club' and that negatively impacts on the effectiveness of the board. Board selection is critical as there are specific criteria that need to be employed to ensure the right board mix. Such an environment compromises the independence of non-executive directors, as a result, independent international civic organisations such as Transparency International, rates Zimbabwe as one of the most corrupt countries in the world. This means it is very important to create good corporate governance structures so as to implement IT governance successfully, since IT is a subset of corporate governance.

The research also established that some parastatals such as the Parks and Wildlife Management Authority of Zimbabwe and Civil Aviation Authority of Zimbabwe were operating without boards, thus creating a leadership vacuum and also legal constraints for the validation of policy decisions and approval or authorization of programmes, hence also becoming a huge barrier to the implementation of IT governance. Parastatal boards should always be properly constituted, timeously appointed, and the selection process based on competency, reliability, appropriate knowledge and experience. It is worrying for State entities to operate without boards for long periods because management are then left to operate without accountability, a situation which may compromise the efficiency and effectiveness of an entity due mainly to the absence of an effective oversight function. This calls in some instances for changes in leadership structures and renewal in Parastatals for better performance, financial reporting, audit systems and good IT governance.

According to the National family planning council CEO, Mr. Takayendesa, National family planning council is using the Control Objectives for Information and related Technology (COBIT) which is regarded as the world's leading IT governance and control framework for its IT governance. CobiT provides a reference model of 34 IT processes typically found in an organization. Each process is defined together with process inputs and outputs, key process activities, process objectives, performance measures and an elementary maturity model. Its implementation is questionable based on the state of I.T governance at this organisation.

To date implementation of IT governance in Zimbabwe parastatals has been regarded a failure and IT governance has not yet revolutionalised service delivery by parastatals but to a limited extent it has managed to change how some services such as cash payments, utility bill payments, mobile money transfers, order processing, transaction processing and decision making processes are being carried out in some parastatals.

VI. RECOMMENDATIONS

The researcher recommends the implementation of a common tailor made parastatals IT policy and strategy framework or use of already existing international frameworks such as COBIT and ITIL. The government should also offer incentives for properly governed institutions so as to promote good corporate governance. Legal expert, Mr Canaan Dube of Dube Manikai and Hwacha, postulated that, instead of merely forcing listed public companies to comply with corporate governance requirements it could be helpful to create an incentive for companies to comply with corporate governance. A corporate governance rating could supply this motivation, as companies that scored well on the rating would enhance their reputation, and open up potential investment opportunities, thus, encouraging good I.T governance practices. The Boards, risk and audit committees of the parastatals should tackle IT governance issues on a regular basis, reviewing matters such as the operational aspects of information security and the strategic possibilities of new technologies. To improve their oversight of these IT governance issues, boards should seek directors with more specialized IT knowledge.

VII. CONCLUSION

Overly IT governance is necessary for parastatals for their convenience and overall well-being since IT is now the new mode of doing business. It is advantageous to both the national government (shareholder) and the board of directors, that is, it provides an excellent structure that parastatals can follow. By implementing IT-governance, governments have been able to save a lot of time, money and effort which would have been otherwise wasted on unnecessary paper work, files, and transaction costs.

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