INSIGHTS INTO REGIONAL DEVELOPMENT
ISSN 2669-0195 (online) https://jssidoi.org/ird/
2023 Volume 5 Number 4 (December)
http://doi.org/10.9770/IRD.2023.5.4(9)

Publisher
http://jssidoi.org/esc/home

GOVERNANCE OF STATE-OWNED COMPANIES IN THE ENERGY SECTOR OF SOUTH AFRICA: PECULIARITIES AND CHALLENGES

Bhekabantu Alson Ntshangase [1], Kaizer Raseane Makole [2] Steven Kayambazinthu Msosa [3]*

[1,3] Mangosuthu University of Technology, Durban, South Africa
[2] Tshwane University of Technology, Pretoria, South Africa

E-mails: [1]ntshangase.alson@mut.ac.za; [2] MakoleKR@tut.ac.za;
[3] kayambazinthu@outlook.com (Corresponding author)*

Received 8 October 2023; accepted 4 December 2023; published 30 December 2023

Abstract. Ubiquitous political interference, especially from the governing African National Congress through cadre deployment practice of patronage, has undermined strategic and operational efficacy within state-owned entities such as ESKOM, contributing to loadshedding due to the unavailability of electricity for many hours daily. A critical analysis is undertaken through desktop literature review and document analysis to juxtapose institutional performance between ESKOM as a non-performing state-owned entity and TELKOM as a performing state entity in meeting performance objectives and strategic goals to contribute to the National Development Plan of creating an economically viable and capable state in South Africa. The study aims to contribute to deepening debates and public discourse about strengthening performance efficacy within public sector institutions and entities and towards achieving the strategic goals of the National Development Plan of building a capable and capacitated South African developmental state.

Keywords: Cadre deployment; ESKOM, governance; inefficacy; loadshedding TELKOM

Reference to this paper should be made as follows: Ntshangase, B.A., Makole, K.R., Msosa, S.K. 2023. Governance of state-owned companies in the energy sector of South Africa: peculiarities and challenges. *Insights into Regional Development*, 5(4), 135-144. http://doi.org/10.9770/IRD.2023.5.4(9)

JEL Classifications: O21, O55

Additional disciplines: political sciences; electricity electronic engineering

1. Introduction

Loadshedding due to the failure of governance models and systems within ESKOM has become a significant risk and, if not ameliorated, can result in South Africa being counted amongst the failed states in the African continent. The inquiry is a critical comparative study that juxtaposes institutional performance between ESKOM as a non-performing state-owned entity and TELKOM as a performing state entity in meeting strategic goals and performance objectives to contribute to the National Development Plan of creating an economically viable and capable state in South Africa. Nkosi (2020) foregrounds that ESKOM's reliability on financial backups and bailouts from the South African fiscus creates a culture of wastage, kleptocracy and malpractices in terms of financial management. This is also because NERSA will approve the price adjustment required by ESKOM,

ISSN 2669-0195 (online) https://jssidoi.org/ird/
2023 Volume 5 Number 4 (December)
http://doi.org/10.9770/IRD.2023.5.4(9)

which leads to the injection of equity from the South African government, which makes the entity not to become competitive and efficient in its performance (Julies, 2018). A negative consequence of the South African government's equity injection for ESKOM is an increase in its debts that it accumulated through foreign capital borrowing to appease price adjustment but, in the long run, will be unsustainable and force the government to sacrifice service delivery projects and other socio-economic developmental imperatives to service its debts. Deficiency at ESKOM due to its lack of sound corporate governance practices is demonstrated through ESKOM's revenue being driven solely by an increase in electricity prices implemented by NERSA (Nkosi, 2020). Therefore, ESKOM's ability to be financially productive and make profit through its performance in rendering electricity transmission and distribution to South African citizens and industry has become more costly to the South African national developmental agenda (Gigler & McMillan, 2018).

The critical analysis becomes relevant and necessary to explore how governance systems, structures and processes within ESKOM are failing to be responsive to strategic objectives of providing electricity continuously to propel South Africa's socio-economic growth and assist its participation in African Continental Free Trade Area (African Union, 2012) as an important member. It intends to initiate new ideas and plans that improve the viability of ESKOM as a strategic state entity that can reengineer its governance systems and processes to be more productive in the performance of its mandate of providing South Africa with a continuous supply of electricity. When ESKOM reengineers its governance systems to improve performance, South Africa can become economically productive and increase its gross domestic product (GDP) to tackle the triple challenges of poverty, inequality, and employment to create sustainable livelihoods for all South African citizens.

The study analyses how the loadshedding of electricity by ESKOM is risking South Africa's socio-economic development prospects and exemplifies the governance system's failures in the public sector and state-owned entities. However, the study demonstrates that despite governance systems failures within state-owned entities like ESKOM, there are pockets of excellence in a state-owned entity like TELKOM that improved its governance and strategic performance to be viable and profitable for its stakeholders. The central argument of the inquiry is that state-owned entities like ESKOM and TELKOM should abide by and implement good corporate governance frameworks, standards, and practices that can enhance effective governance and lead to performance efficacy, which they currently want. In the case of ESKOM, loadshedding in South Africa, which started in 2007, is an albatross around ESKOM's neck as it demonstrates its deficiencies and inabilities in carrying out its constitutional and governance mandate of providing South African citizens and industries with continuous electricity supply to sustain socio-economic growth path as envisaged by the National Development Plan's goal of building a capable state by the year 2030 (National Planning Commission, 2012).

The study is structured around sections on the background that necessitated the study, a literature review that contextualises loadshedding and its economic cost to South Africa, a third section, an international perspective on good corporate governance and its relationship to state-owned entities' performance mandates, the fourth section on governance and performance issues and challenges within ESKOM, and a fourth section on governance framework and performance of TELKOM. The fifth second poses the main question for the study, and the sixth section research methodology. The seventh section engages in an analytical discourse based on emergent themes, and the last section serves as a conclusion and recommendation from the analysis.

2. Literature review

A descriptive review of ESKOM and TELKOM in South Africa

Eskom is a South African state-owned entity mandated to provide an uninterrupted electricity supply to the country's economic growth and development trajectory, thus making it a major institution that enhances its socio-economic stability (Dames, 2011). Based on Eskom's 2011 report, the state-owned entity has made good investments and is a trusted, ethically governed and managed company that is highly rated (ESKOM, 2011).

ISSN 2669-0195 (online) https://jssidoi.org/ird/
2023 Volume 5 Number 4 (December)
http://doi.org/10.9770/IRD.2023.5.4(9)

However, the information provided in the ESKOM's 2011 report is diametrically incomprehensive to what was revealed during the Commission of Inquiry into State Capture led by the then Deputy Chief Justice, Raymond Zondo, who founded massive financial management inefficiencies and institutional dysfunctionality exemplified by R 14,7 irregular contracts awarded to entities linked to the Gupta Family that made it to be viewed as an epicentre of corruption and state capture of South Africa's state-owned entities (Bloomberg, 2022). Some examples of institutional and financial dysfunctionality at ESKOM based on the findings from the Judicial Commission on State Capture (2022) was how the Gupta Family influenced the appointment of ESKOM's board of directors who will do their bidding in terms of winning suppliers' contracts as they were placed in strategic position and interfered with procurement processes. Justice Raymond Zondo, as the chairperson of the Judiciary Commission, made serious findings and recommendations against senior executive managers of ESKOM in positions of Chief Executive Office, Chief Financial Officer and former Chief Executive Officer to face criminal prosecutions as they failed in their fiduciary responsibilities as per Public Finance Management Act, no. 1 of 1999 as they abetted corruption, mismanagement and misconduct instead of protecting the interests of ESKOM and the people of South Africa.

Financial Times (2023:1) highlights that TELKOM SA SOC Limited is a South African-based communication service provider offering end-to-end ICT solutions, including high-speed fibre, mobile and data services, information technology (IT) services, and mast and tower solutions. Gyro's evaluation of TELKOM's properties and data centres is at the revenue of R 43.14 billion in 2023 with a net income of R 9.97 billion comprising approximately 11,6 thousand employees. However, in terms of its performance between 30 September 2021 to 31 October 2023, the net income of TELKOM SOC LTD fell from the gain of R 2.63 billion to R 9.97 billion (FactSet Research Inc in Daily Investor, 2022). This indicates that TELKOM, besides being one of the best performing state-owned entitities currently in South Africa, is experiencing higher competition from other private competitors in the same space and requires astute governance and management structures. The Daily Investor (2022) supports this assertion about the stiff competition that TELKOM faces by elaborating that it has been losing market share to Vodacom and MTN, which are private entities, despite investing heavily in growing its mobile subscriber base.

Contextualising loadshedding and its cost to South Africa's economy

Nkosi (2020) underscores how ESKOM's dire financial situation has become a contingent liability to South Africa's public purse due to numerous financial rescues or bailouts that burden the country's economic health. Loadshedding by ESKOM in the form of ration electricity daily to protect the collapse of the power grid due to lack of maintenance poses a severe threat to South Africa's ability to become economically viable. South Africa must gain its ability to attract investors as an investment destination to build industries and create jobs for most unemployed South Africans from poor communities (De Lannoy, Graham, Patel & Leibbrandt, 2020). Loadshedding further erodes business entrepreneurship amongst emerging young entrepreneurs who rely on their human agency and dexterity to create business opportunities as the South African government has failed them because of a skyrocketing unemployment rate that currently stands at 32,7 per cent of the populace based on the last quarter of 2022 (Statistics South Africa, 2023). There is a symbiotic relationship between loadshedding of electricity and growing unemployment rates in South Africa, as industries are limited in their operations and fail to create much-needed jobs. Entrepreneurs in numerous South African townships, informal settlements, and rural areas are therefore limited in their abilities to develop new business innovations and ventures that can assist in creating employment opportunities at the micro-level, indicating that loadshedding is very costly for South Africa.

Loadshedding has become a major stumbling block to the success of young entrepreneurs, especially those in townships and rural areas who are engaged in business start-ups that major South African financial services cannot fund. National Youth Development Agence (2023:1) in South Africa detailed the negative impact of loadshedding amongst aspiring young entrepreneurs to be a lack of information about how to improve their business start-ups during the loadshedding periods, inability to produce goods and services and a halt in

ISSN 2669-0195 (online) https://jssidoi.org/ird/
2023 Volume 5 Number 4 (December)
http://doi.org/10.9770/IRD.2023.5.4(9)

productivity that result in discouragement for emerging entrepreneurs as they do not have a backup in terms of financing to maintain their business productivity. A major government intervention mechanism to mitigate the adverse effects of loadshedding on the business sector, including young entrepreneurs, has been initiated by the South African President

International perspective on corporate and good governance frameworks and systems for state-owned entities

PWC (2015:2) delimits state-owned enterprises as "enterprises where the state, regional governments or cities have significant control, through full, majority, or significant minority ownership". Grossi, Papenfub and Tremblay (2015) underline interlinkages between good corporate governance, accountability, accounting, efficiency, and efficacy of state-owned entities (SOEs), which drive a country's national economic growth prospects. Good corporate governance frameworks and mechanisms are necessary to ascertain that state-owned entities like ESKOM and TELKOM deliver on their performance mandate of rendering public services for public goods to improve citizens' quality of life. According to PWC (2015:12), components of good governance frameworks such as board composition and roles, trust and control, transparency, and public value, amongst others, should be succinctly articulated to guide state-owned entities to pursue their public performance mandate in a manner that engenders confidence amongst the public. Berneir (2015) and OECD (2014) reflect that corporate governance and accountability have become a massive challenge in many countries, inherently within state-owned entities, since they can receive financial bailouts from states that do not force them to be competitive.

Verhoest, van Thiel, Bouckaert and Laegreid (2012) accentuate that due to the high amount of public expenditure budgets allocated to state-owned entities (SOEs), there is an expectation from the citizenry for these entities to perform efficiently and effectively, which puts pressure on them to be more transparent, accountable, and sustainable to justify usage of public money. Florio and Fecher (2011) analyse that as debates emerged in relation to strengthening the efficiency, efficacy, and sustainability of SOEs to safeguard public pursuit, corporate governance frameworks and models were imported from private-sector domains to be practised within public sector institutions. Therefore, critical and contemporary discourse shifted to how good practices and corporate governance mechanisms can be embedded as legal, institutional, and fiduciary instruments and arrangements to improve SOEs' effective and sustainable performance to derive public value for the citizens. While good practices and corporate governance have been extensively applied within private sector institutions to set a basis for good governance frameworks and accountability mechanisms, there is a paucity of knowledge on their utilisation in public sector institutions (Bruton, Peng, Ahlstrom, Stan & Xu, 2015; Grossi et al., 2015).

World Bank (1989) points out that Africa's litany of developmental problems characterised by performance inefficiencies are linked to a crisis in governance and, therefore, calls for well-thought-out measures to promote good governance within public institutions. United Nations Development Programme (UNDP) propagates good governance as a combination of transparent and accountable institutions, persuasive skills and competencies, and a fundamental willingness to do the right thing' (Tsegaw, 2020:3-4). Therefore, Good governance mechanisms should entail those public institutions are led and managed by people of high ethical and moral standing while being competent enough to identify wrongdoings and proactively institute accountability measures as a stopgap to arrest malfeasance before they permeate an institution. South African state-owned entities like ESKOM should take cue from good governance indicators set by institutions such as Africa Peer Review Mechanism (APRM), Moe Ibrahim Index of African Governance, and World Bank's Governance Indicators (WGI) that can be aligned with their governance and accountability systems to enhance quality of institutional governance and performance which demands prompt and assiduous actions be implemented to curtail any emergent act of corruption or malpractices (Keser & Gokmen, 2017).

INSIGHTS INTO REGIONAL DEVELOPMENT
ISSN 2669-0195 (online) https://jssidoi.org/ird/
2023 Volume 5 Number 4 (December)
http://doi.org/10.9770/IRD.2023.5.4(9)

Governance and performance issues and challenges within ESKOM

According to the World Bank (2014), ESKOM has vacillated from being productive in terms of its strategic and operational performance and joined fellow travellers amongst South Africa's state entities to be unproductive, inefficient, and wasteful in terms of financial expenditure. Yi-Chong (2012) affirms the World Bank's analysis of ESKOM as having metamorphosed into unproductivity by alluding that it poses a financial risk to the South African government. This results in its inability to monitor credit borrowing as it relies on the government's guarantees and is not challenged to be productive in performing its strategic mandate, which can lead to bankruptcy and future liquidation. Julies (2018) denotes that ESKOM is the biggest beneficiary of the South African government's guarantees amongst all state entities, constituting on average 75 per cent mainly constituted by current rather than capital expenditure. Creamer (2011) claims that ESKOM received R 12,25 billion of global bonds due to favourable government guarantees in 2010, which is costly to South African fiscus and poses financial risk exposure.

While there have been no incentives for performance productivity at ESKOM due to poor service quality, lack of sound corporate governance, and deterioration of infrastructure due to lack of maintenance, executives' salaries increased by 109 per cent in 2011 (Ngwenya & Khumalo, 2012). This means that the government's guarantees for ESKOM are provided to service its debts due to poor performance and non-productivity rather than to invest in capital infrastructure that provides future profit that can lead to its financial viability. This analysis reveals that the loadshedding of electricity daily by ESKOM is an indictment of poor governance systems, structures, and processes within ESKOM, which highlights governance failure that is costly to the South African development agenda of generating productivity in the performance of state institutions to accelerate economic development and growth opportunities.

Governance framework and performance of TELKOM

Pau (2011) identifies TELKOM to be the largest current contractor of fixed telephone networks, which is the owner and the backbone of the South African communication network. According to the TELKOM Annual Report (2020: 5), its five core values that guide its performance culture and outline its feature success are continuous improvement, honesty, accountability, respect, and teamwork. Despite stiff competition and challenges from foreign competitors, TELKOM invested heavily and became profitable within the local South African market as it has outperformed its domestic competitors (Africa Report, 2011). TELKOM has adopted a valued creation under the guidance of its leadership that has outlined its governance model, which depicts short, medium, and long-term performance indicators that demand its governance board to take accountability and responsibility for monitoring its operational performance and steering it in the right direction (Annual Report, 2020). Due to its most significant public ownership, whereby the South African government owns 40,5 per cent shareholding and 51,6 per cent shared by numerous institutional stakeholders, TELKOM has become intrinsic to the operations of the South African economy (TELKOM Annual Report, 2020).

Pau (2011) postulates that TELKOM's strong financial, technical, and historical attributes make it prominent within the legislative and regulatory framework in South Africa. This created a situation whereby its competitors viewed it to have an unfettered and unfair advantage as they tried to take legal action against it at South Africa's Competition Commission without success. Finnweek (2010) stresses TELKOM's vulnerability when local South African customers mostly rely on its network operation provision and thus proposes its decoupling. Based on its Annual Report (2020: 25), TELKOM has sustained its mobile business operation by growing it to 54,4 per cent revenue, which accumulated to R 12,6 billion, making it the fastest-growing mobile business in South Africa with 12 million customers. The analysis reveals that despite TELKOM facing challenges from its mobile competitors like Vodacom and MTN in the South African telecommunication landscape, its governance model agility of ensuring that it leverages on government support but also some measures of privatisation has enabled it to be competitive when compared to ESKOM that relies solely on South African government fiscal injection.

INSIGHTS INTO REGIONAL DEVELOPMENT
ISSN 2669-0195 (online) https://jssidoi.org/ird/
2023 Volume 5 Number 4 (December)
http://doi.org/10.9770/IRD.2023.5.4(9)

Main research question
The main research question that informed the inquiry is, "How does governance systems failure at ESKOM impede its ability to supply electricity continuously to the South African public?"

Sub-questions
- What governance challenges negatively impact the ability of ESKOM to meet its strategic mandate of providing a continuous supply of electricity to grow South Africa's economy/
- What lessons and strategies can ESKOM learn from TELKOM and other governance models to improve its governance system?

3. Research Methodology

The research methodology consisted of a desktop review's primary and secondary document analysis (Bowen, 2009). A literature review was conducted to explore and analyse systematic governance failures that negatively impact ESKOM's ability to provide electricity to South Africa as envisioned in the National Development Plan. Key documents were reviewed to answer research questions. The documents included strategic plans and annual performance reports of ESKOM and TELKOM, policies, secondary literature articles, and newspapers. The literature review involved critically exploring and evaluating relevant materials because of their soundness, relevance relating to poor performance, and district development model. Thematic analysis was employed to extract themes from the reviewed literature (Creswell, 2014).

4. Thematic Analysis and Discussion

Thematic analysis was adopted to systematically search for themes that emerged from literary sources through careful reading and re-reading the data. Rice and Ezzy (1999: 258) observe that thematic analysis results in pattern recognition within the data, where emerging themes become categories for analysis. Boyatzis (1998) explains that thematic analysis of data involves a coding process that necessitates capturing the qualitative richness of the phenomenon, leading to the organisation of data and the development of themes. Strauss & Corbin (1990: 20) explain that qualitative data analysis is framed by an inductive approach, which means that patterns, themes, and categories of analysis come from data rather than being imposed on them before data collection and analysis. Thus, The thematic analysis follows a transparent step-by-step process to demonstrate how researchers develop main themes from participants' data transcripts (Higgs, 2001). Thematic analysis derived themes: *loadshedding being symbiotic to misgovernance, erosion of a culture of entrepreneurism, the interrelationship between good corporate governance frameworks and service delivery improvement, and proactive and assiduous actions against emergent malpractices.* The generated themes are subsequently discussed below.

Theme 1: Loadshedding being symbiotic to misgovernance
There is a serious interlinkage between loadshedding and poor or misgovernance of ESKOM, which are the cause and effect. The provision of electricity to enhance South Africa's productive capabilities and improve the quality of lives of citizens is a major strategic mandate of ESKOM. However, due to a lack of oversight in ensuring that ESKOM performs efficiently and effectively on the board of directors, ESKOM's delivery of its mandated service provisioning has degenerated, resulting in loadshedding. This, therefore, means that governance systems at ESKOM are either poor or have collapsed, whereby the board of directors tasked with governance duties has continuously failed to hold the executive management team at ESKOM accountable for performing their mandated tasks. The inability of ESKOM's governance structure to hold the executive management accountable for poor performance resonates with the assertion by Julies (2018), which postulated its reliance on NERSA for equity injection and Nkosi (2020) view on reliance by ESKOM on government bailouts rather than being competitive.

ISSN 2669-0195 (online) https://jssidoi.org/ird/
2023 Volume 5 Number 4 (December)
http://doi.org/10.9770/IRD.2023.5.4(9)

Theme 2: Erosion of a culture of entrepreneurism

ESKOM's loadshedding due to mismanagement and governance undermines a culture of entrepreneurism amongst South African citizens, particularly university and TVET college graduates who have to rely on their ingenuity to create job opportunities. Personal agency and ingenuity have become significant attributes required amongst South African graduates and youth who can no longer rely on the government for employment. The economy is performing poorly due to lack of electricity, corruption, poor planning, and imagination. However, despite these groups of aspirant entrepreneurs doing their best to create new ideas that can result in productive capabilities, they are being led down by poor governance within ESKOM as it failed to carry out its constitutional and institutional mandate of providing electricity for businesses to growth and procure products and services from emerging entrepreneurs. A culture of entrepreneurism has become a necessity in the current socio-economic challenging situation in South Africa whereby, based on the 2023 Quarterly Labour Force Survey for Quarter 1, 7.9 million people are unemployed, 3,3 million are discouraged work seekers, and 13,2 million people are not involved in any other economic activity, respectively (Statistics South Africa, 2023). ESKOM's board mandated with responsibilities of good and effective governance, should take a cue from the counterparts at TELKOM, who have grown and sustained its mobile business operation by increasing it 54,4 per cent revenue which accumulated to R 12,6 billion, which made it the fastest growing mobile business in South Africa with 12 million customers (TELKOM Annual Report, 2020).

Theme 3: Interrelationship between good corporate governance frameworks and service delivery improvement

An analytical literature review revealed an interrelationship between good corporate governance frameworks and service delivery improvement. Good corporate governance frameworks are made up of components such as the proper constitution of a board of a public entity and building a culture of accountability and transparency that ensures that decisions made are in the best interest of an institution for operational performance efficiency and efficacy. The assertion of PWC (2015) accentuates that trust, control, and transparency are critical drivers to enhance public value within public institutions. This empowers the board of directors to apply corporate governance rules, measures, and procedures geared towards improving the service delivery performance of a public institution. This means that board members should be appointed based on meritocracy and the ability to exercise high ethical standards and judgment rather than making decisions to benefit political masters who appointed them to the board. Tsegaw (2020) concurs that public institutions can improve service delivery performance if a board of directors governs them and is made up of individuals who possess specific and relevant competencies aligned to the strategic mandate of a public institution and concurrently have the guts to act morally and doing the right things rather than beholden to political superiors.

Theme 4: Proactive and assiduous actions against malpractices

Proactive and diligent actions against malpractices within public sector institutions like ESKOM can be pre-emptive and preventive to deter unscrupulous senior managers and operational officials from looting coffers meant to improve service quality and enhance performance efficacy. Boards of public sector institutions should clearly and creatively apply their minds to strengthen governance measures so that they can be proactive rather than reactive in deterring corruption that has become a norm within many public institutions, as indicated in the revelation at the Commission of Inquiry into State Capture (2022) whereby there were collusions between senior managers, junior officials from procurement units, politicians from the governing African National Congress, and suppliers of goods and services in the private sector. Good and corporate governance mechanisms such as the Moe Ibrahim Index of African Governance, and the World Bank's Governance Indicators (WGI) should be contextualised, embedded, and institutionalised within governance and accountability systems of ESKOM to enhance the quality of institutional governance and performance systems and procedures. This will require a board of directors of ESKOM and senior managers to be engaged and trained on building a new ethical culture of good and effective governance that can permeate ordinary officials and become part of institutional values, behavioural practices, and ways of thinking. Such an ethical behavioural approach to institutional thinking, governance, and management should be subjected to quarterly review by the National Treasury, Department of Public Enterprises, and Standing Committee of Public Accounts in Parliament as part of their oversight.

Conclusions and Recommendations

The analytical review article investigated how governance systems failure at ESKOM impeded its ability to supply electricity continuously to the South African public, identified challenges related to poor governance systems failures, and highlighted lessons that can be learned from TELKOM as a better-performing state-owned entity. The review factored in how loadshedding due to the lack of effective governance systems at ESKOM has become an albatross around South Africa's finances due to continuous and misguided financial bailouts despite its inability to keep the lights on for economic productivity. ESKOM's misgovernance undermines and threatens South Africa's taking a leading role in the African Continental Free Trade Agreement (AfCFTA) to generate economic growth envisaged in their developmental pathway. It is also noteworthy to observe that malpractices in the form of poor financial management and lack of accountability by ESKOM's board of governance were not a one-off event but became a recurring theme or pattern during Zuma's administration. This manifested through changes of board members to bring those aligned to the Gupta to the fore and undermined those executives committed to good governance. The lack of governance stability was a well-orchestrated move to cause division and panic that benefitted Zuma and his benefactors. This Gupta family were able to get procurement contracts without following due processes.

Based on the analytical review of the article, the following recommendations are made:

- Effective actions should be taken by the responsible oversight structures, committees such as the National Treasury, Department of Public Enterprises, and Standing Committee of Public Account to strengthen governance oversight within ESKOM.
- ESKOM board of directors, senior executives, and operational managers should be continuously subjected to lifestyle audits, trained on implementing good and sound corporate governance systems, and sign an ethical charter of best practice within the public institution.
- Whistleblowing mechanisms should be strengthened to report on suspicious corrupt practices, which should demand proactive and assiduous actions from executive managers to deter malpractices from happening and face immediate consequence management action for failure to act proactively.
- ESKOM's board, mandated with responsibilities of good and effective governance, should take a cue from their counterparts at TELKOM, who have grown and sustained its mobile business operations.

References

African Union (AU). 2012. *Agreement on establishing the African Continental Free Trade Area*. Assembly AU Declaration 349 (XVIII). Addis Ababa. African Union Document.

Bernier, L. 2015. *Public Enterprises Today: Missions, Performance and Governance*. Peter Lange S.A., Brussels.

Bloomberg. 2022. '*State capture report finds R15 billion of dodgy deals at ESKOM during Zuma rule'.* Bloomberg, 29 April.

Bowen, G.A. 2009. Document analysis as a qualitative research method. *Qualitative Research Journal*, 9(2), 27-40. https://doi.org/10.3316/QRJ0902027

Boyatzis, R. 1998. *Transforming qualitative information: Thematic analysis and code development*. Thousand Oaks: Sage.

Bruton, G.D., Peng, M.W., Ahlstrom, D., Stan, C., & Xu, K. 2015. State-owned enterprises around the world as hybrid organisations. *Academy of Management Perspectives*, 29(1), 92-114. https://doi.org/10.5465/amp.2013.0069

Commission of Inquiry into State Capture. 2022. *Judicial Commission of Inquiry into State Capture Report: Part VI, vol. 4: All the Recommendations*. Braamfontein: Commission of Inquiry into State Capture.

Creswell, J.W. 2014. *Research design: Qualitative, quantitative, and mixed methods approach* (4th ed.). Thousand Oaks: Sage Publication.

Daily Investor. 2022. *'Telkom's market share battle against Vodacom and MTN,* 8th August.

Dames, J. 2011. *Chief Executive Officer's Summary. ESKOM Annual Report, 2011: The Eskom Factor*. Megawatt Park: ESKOM Publication.

De Lannoy, A., Graham., L., Patel, L., & Leibbrandt, M. 2020. Why is youth unemployment so intractable in South Africa? A synthesis of evidence at the micro-level. *Journal of Applied Youth Studies*, 3, 115-131. https://doi.org/10.1007/s43151-020-00012-6

Florio, M., & Fecher, F. 2011. The future of public enterprises: Contributions to a new discourse. *Annals of Public and Cooperative Economics*, 82(4), 361-373. https://doi.org/10.1111/j.1467-8292.2011.00445.x

ESKOM. 2011. *Annual Report, 2011: The Eskom Factor*. Megawatt Park: ESKOM Publication.

Financial Times. 2023. About the company TELKOM SOC Limited.

Gigler, A., & McMillan, L. 2018. The impact of rising electricity tariffs on large firms in South Africa. United Nations University World Institute for Development Research, *WIDER* Working Paper 2018/32.

Grossi, G., Papenfub, U., & Tremblay, M. 2015. Corporate governance and accountability of state-owned enterprises. *International Journal of Public Sector Management*, 28(4/5), 274-285. https://doi.org/10.1108/IJPSM-09-2015-0166

Julies, A. 2018. State owned companies governance. Investment and Financing. GTAC Winter School, South Africa Reserve Bank.

National Planning Commission. 2012. *National Development Plan 2030: Our Future-Make It Work.* Pretoria: National Planning Commission.

Nkosi, L. 2020. The relationship between government debt and state-owned enterprises: An empirical analysis of ESKOM. *International Journal of Economics and Finance Studies*, 12(1), 119-134. https://doi.org/10.34109/ijefs.202012108

OECD. 2014. *OECD guidelines on corporate governance of state-owned enterprises- Draft for public comment,* OECD, Paris, available at: www.oecd.org/daf/ca/public-consultation-guidelines-for-soes-2014.htm (accessed 28 August 2023).

PWC. 2015. *State-owned enterprises. Catalists for public value creation?* PWC, available at: www.prsc.pwc.com.

Rice, P. & Ezzy, D. 1999. *Qualitative research methods: A health focus.* Melbourne: Oxford University Press.

Statistics South Africa. 2023. *Quarterly Labour Force Survey (QLFS) Q1:23.* Statistics South Africa.

Strauss, A., & Corbin, J. 1990. *Basics of qualitative research: Grounded theory procedures and techniques*. Newbury Park: Sage.

Tsegaw, P.C. 2020. The nexus between good governance indicators and human development index in Africa: An Econometric Analysis. *Journal of Public Administration and Governance*, 10(2), 1-19. https://doi.org/10.5296/jpag.v10i2.16598

Verhoest, K., van Thiel, S., Bouckaert, G., & Laegreid, P. (Eds.). 2012. *Government agencies-Practices and lessons from 30 countries*, Palgrave Macmillan. https://doi.org/10.1057/9780230359512

World Bank. 1989. Sub-Saharan Africa: From crisis to sustainable growth. The World Bank, Washington, DC. Retrieved http://documents.worldbank.org./curated/en/498241468742846138/pdf/multi0page.pdf

Data Availability Statement: Data is available on request

Author Contributions: Conceptualisation: *Ntshangase*; *Makole,* methodology: *Ntshangase, Msosa*; data analysis: *Makole, Ntshangase,* writing—original draft preparation: *Ntshangase; Makole, Msosa*, writing; review and editing: *Msosa,; Makole*, visualisation: Ntshangase.
All authors have read and agreed to the published version of the manuscript.

Kaizer Raseane MAKOLE is a Lecturer in communication science in the Department of Foundation and First Year at Tshwane University of Technology. Kaizer's research interests lie in Public Governance and Management, Strategic planning and Management, Organizational Behavior & Development, Change Management Processes, Project Management & Implementation and Service Delivery Improvement. He can be contacted at email: MakoleKR@tut.ac.za**.**
ORCID ID: https://orcid.org/0000-0001-5860-2336

Bhekabantu Alson NTSHANGASE is the Acting Dean of the Faculty of Management Sciences at the Mangosuthu University of Technology. Dr Ntshangase's research interests include Public Administration, Service Delivery, Public-private Partnerships, Land Reform and Management, Cooperative and Entrepreneurship.
ORCID ID: https://orcid.org/0000-0002-5410-7036

Steven Kayambazinthu MSOSA is a Lecturer in the Marketing Department at the Mangosuthu University of Technology. His research interests are Corporate Social Responsibility, Service Delivery, Sustainability, Service Failure, Higher Education Marketing, Multilevel Marketing, Relationship Marketing and Integrated Marketing Communication.
ORCID ID: https://orcid.org/0000-0001-9074-5644