

## Human resource risks and organisational performance in Zambian quasi-governmental organisations

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**Recommended Reference:** Siakalima, D., Mwangi, A., & Simui, F. (2026). Human resource risks and organisational performance in Zambian quasi-governmental organisations. *African Quarterly Social Science Review*, 3(2), 178–187. <https://doi.org/10.51867/AQSSR.3.2.16>

### ABSTRACT

This paper investigates the human resource (HR) risks faced by quasi-governmental organisations in Zambia and examines their effects on organisational performance. Anchored in stakeholder theory, human capital theory, and institutional theory, the study adopted an interpretivist multiple-case study design. The target population comprised the most senior HR practitioners in quasi-governmental organisations in Zambia, and purposive sampling produced eleven participants drawn from parastatal and statutory bodies across diverse sectors. Data were collected through semi-structured in-depth interviews and analysed thematically using Braun and Clarke's six-phase framework. The findings identify five critical HR risk categories, namely recruitment corruption and political interference, recruitment and skills mismatches, casualisation and legal exposure, talent drain from uncompetitive compensation, and benefit misalignment with workforce demographics, together with reputational damage as a cross-cutting governance consequence. These risks undermine organisational performance through capability depletion, operational disruption, financial liability, and legitimacy erosion. The paper concludes that HR risks in quasi-governmental organisations are strategic rather than merely administrative problems and recommends stronger recruitment controls, reduction of unlawful casualisation, improved retention and reward strategies, and greater elevation of HR risk to board and executive attention.

**Keywords:** Casualisation, HR Risk, Organisational Performance, Quasi-Governmental Organisations, Recruitment Corruption, Talent Retention, Workforce Management, Zambia

### I. INTRODUCTION

Human resource (HR) risks represent one of the most consequential yet most systematically neglected categories of organisational risk. The academic literature consistently demonstrates that HR risks have not received the analytical attention their significance warrants, from either risk management or human resource management scholarship (Meyer et al., 2011). This neglect is particularly problematic for quasi-governmental organisations, where the intricate interplay of public mandate, political influence, and commercial operation generates a distinctive and amplified array of HR risks with direct implications for institutional effectiveness and public service delivery. The evidence of HR risk materialisation in Zambian quasi-governmental organisations is both documented and compelling. The Zambian Auditor General's Report for 2023 reveals significant HR governance failures: governance and leadership failures with institutions operating without functional boards for extended periods; staffing deficiencies with critical positions unfilled for years; questionable HR practices creating legal and financial exposure; statutory obligation non-compliance with massive arrears accumulated over decades; and employee welfare crises with terminal benefits owed to retired officers remaining unsettled until beneficiaries die without receiving their entitlements (Zambia Auditor General, 2023). These documented failures carry substantial costs, threaten institutional sustainability, and ultimately compromise the delivery of essential public services. This paper addresses the question: What HR risks do Zambian quasi-governmental organisations face, and how do these risks translate into organisational performance outcomes?

#### 1.1 Statement of the Problem

Zambian quasi-governmental organisations are confronted with a range of HR risks that their governance frameworks have proven inadequate to prevent, monitor, or mitigate effectively. Recruitment processes are vulnerable to political interference and corruption that compromise merit-based staffing and institutional integrity. Casualisation practices create significant legal exposure by maintaining employees on short-term contracts for periods far exceeding any reasonable definition of temporary employment. Compensation structures that cannot compete with the private sector generate chronic talent drain that depletes the human capital on which institutional performance depends. Benefit

packages misaligned with the demographic characteristics of increasingly young workforces generate disengagement and attrition that compound the talent management challenges institutions face.

Despite the compelling evidence of HR risk consequences, a systematic understanding of how these risks manifest in quasi-governmental organisations and how they translate into organisational performance outcomes remains underdeveloped in the literature. This study addresses this gap by generating contextually grounded, empirically rich evidence on HR risk manifestation and performance impacts in the specific setting of Zambian quasi-governmental organisations.

## 1.2 Research Objectives

- i. To identify and characterise the principal HR risk categories faced by quasi-governmental organisations in Zambia.
- ii. To examine the mechanisms through which recruitment corruption and political interference undermine institutional integrity and performance.
- iii. To analyse the legal, financial, and operational consequences of casualisation practices for quasi-governmental organisations.
- iv. To investigate the dimensions of talent drain and benefit misalignment and their consequences for institutional capability and employee engagement.
- v. To assess the pathways through which HR governance failures translate into organisational performance consequences, including reduced service quality, reputational damage, financial liabilities, and mission achievement failures.
- vi. To generate evidence-based recommendations for governance reforms that reduce HR risks and their performance consequences in quasi-governmental organisations.

## II. LITERATURE REVIEW

### 2.1 Theoretical Review

#### 2.1.1 Stakeholder Theory and Public Accountability

Stakeholder theory, developed by Freeman (1984), argues that organisations have obligations to multiple stakeholders beyond shareholders and must manage their relationships with all parties that affect or are affected by their activities. In the quasi-governmental context, stakeholder theory directs attention to the multiple accountability obligations these organisations face: to their political principals, to employees, to the public they serve, to regulatory bodies, and to civil society. HR governance failures affect multiple stakeholder groups simultaneously, creating reputational damage, legal liability, and service delivery consequences that extend far beyond the immediate parties to an employment relationship. Ilukena et al. (2023) have examined the multi-stakeholder dimensions of strategy and governance in Zambian organisations, demonstrating that effective governance requires simultaneous attention to multiple stakeholder relationships and that governance failures typically involve inadequate attention to some subset of these relationships.

#### 2.1.2 Human Capital Theory and Talent Risk

Human capital theory, developed by Becker (1964), treats human capabilities as productive assets in which organisations invest through recruitment, training, and development, expecting returns in the form of enhanced organisational performance. From this perspective, HR risks represent threats to the human capital stock on which organisational performance depends. Recruitment failures that bring underqualified or corrupt employees into organisations diminish human capital quality; talent drain that removes highly capable employees depletes human capital stocks; and benefit misalignment that fails to motivate and retain talented employees wastes human capital investment by generating avoidable attrition. In the quasi-governmental context, the HR risks documented in this study arise not merely from deficiencies in individual human capital but from the institutional conditions, governance frameworks, and cultural norms that shape how human capabilities are recruited, deployed, developed, and retained.

#### 2.1.3 Institutional Theory and Governance Legitimacy

Institutional theory provides a framework for understanding why HR governance failures persist in organisations despite their documented consequences. Meyer and Rowan (1977) demonstrate that organisations adopt formal governance structures primarily to achieve legitimacy rather than necessarily to improve performance, creating conditions for decoupling between formal governance appearance and substantive governance practice. In the HR context, this means that organisations maintain formal HR policies, recruitment procedures, and governance frameworks that present an appearance of compliance while allowing the informal practices, corruption, and governance failures documented in this study to persist. Ilukena et al. (2023) have applied institutional and resource-based frameworks to

the Zambian institutional context, demonstrating that environmental factors significantly moderate the relationship between formal organisational resources and actual performance outcomes.

## **2.2 Empirical Review**

### **2.2.1 HR Risk Taxonomies and Frameworks**

The literature offers multiple frameworks for classifying HR risks, each reflecting different analytical purposes and theoretical perspectives. Kobi (2012) identifies seven main HR risk categories: staffing shortages involving inadequate personnel in terms of quantity or quality; resignation risks involving the departure of key personnel; adaptation risks involving failure to develop workforce capabilities; motivation and engagement risks involving employees withholding discretionary performance; leadership risks involving inadequate managerial capability; HR management system risks involving failures in HR processes and practices; and integrity risks involving employee dishonesty and misconduct. Meyer et al. (2011) provide a comprehensive overview of HR risk costs, documenting the financial consequences of high absenteeism, fraud and unethical practices, high staff turnover, employee disengagement, safety failures, and psychosocial risks, establishing that HR risks impose substantial and measurable costs on organisations. Recent HRM scholarship further shows that large external shocks can amplify existing workforce vulnerabilities and expose weaknesses in organisational HR systems.

### **2.2.2 Recruitment and Integrity Risks**

Recruitment processes represent one of the most corruption-prone dimensions of public sector governance globally (Transparency International, 2020). Becker's (1968) economic theory of crime provides a useful framework for understanding recruitment corruption: individuals engage in corrupt behaviour when the expected benefits exceed the expected costs. In public sector settings characterised by high unemployment, intense competition for limited positions, and weak accountability mechanisms, the expected costs of recruitment corruption are often insufficient to deter rent-seeking behaviour. Ari (2020) identified favouritism, nepotism, and cronyism as significant recruitment and selection risks, finding that these practices reduce candidate quality and create workforce compositions that do not match institutional needs.

### **2.2.3 Casualisation and Labour Market Risks**

Casualisation, the use of short-term, temporary, or fixed-term contracts for work that is effectively permanent in nature, has been identified as a significant HR risk in the literature. Kalleberg (2009) documented how the expansion of precarious employment arrangements creates dual labour markets with profoundly different employment quality outcomes for different worker categories. In public sector contexts, casualisation creates particular risk because the Employment Code Act No. 3 of 2019 is explicit in its provisions against the unlawful casualisation of labour, and Zambian courts have consistently ruled that long-term employees maintained on short-term contracts are entitled to the protections afforded to permanent employees. This creates acute legal exposure for quasi-governmental organisations that maintain employees on successive short-term contracts for periods extending well beyond any reasonable definition of temporary employment.

### **2.2.4 Talent Retention and Compensation Risks**

High employee turnover and talent drain are consistently identified as major HR risks with substantial financial and operational consequences. Cascio (2006) estimated that professional staff turnover costs between 90 and 200 per cent of annual salary when all direct and indirect costs are accounted for. In the quasi-governmental context, this cost burden is compounded by the phenomenon of training ground organisations, in which public entities invest in talent development only to see that talent recruited away by better-resourced private sector competitors. Twenge and Campbell (2008) have documented significant generational differences in workplace preferences, with younger employees placing higher value on flexibility, career development opportunities, and work-life balance relative to the traditional benefit packages, including housing allowances, motor vehicle benefits, and generous pension arrangements, that were designed for older workforce demographics.

### **2.2.5 Reputational Risks and Institutional Legitimacy**

Reputational damage from HR governance failures represents a particularly significant risk for quasi-governmental organisations, which depend on public trust for both their legitimacy and their effectiveness. Fombrun and Van Riel (2004) establish that organisational reputation is a strategically significant asset that takes years to build but can be destroyed rapidly by governance failures that attract public attention. In the quasi-governmental context, HR governance failures that result in Auditor General findings, court proceedings, or media coverage generate reputational damage that undermines institutional credibility, complicates talent recruitment, and reduces stakeholder confidence in the organisation's capacity to fulfil its public mandate.

### III. METHODOLOGY

#### 3.1 Research Design and Philosophical Orientation

This study employs a multiple-case study design situated within an interpretivist philosophical paradigm. Following Yin (2009), a multiple-case study was selected to enable cross-case comparison of HR risk manifestation across diverse institutional settings, strengthening the analytical transferability of findings. Interpretivism recognises that HR risk, as a social phenomenon, is shaped by participants' interpretations of their institutional environments, professional responsibilities, and the governance challenges they navigate daily (Bryman, 2016; Creswell, 2013). The situated character of knowledge production, as Haraway (1988) has argued, is a constitutive feature of social inquiry that must be acknowledged methodologically.

#### 3.2 Population, Sampling, and Participant Characteristics

The target population comprised the most senior HR practitioners employed within quasi-governmental organisations in Zambia. Purposive sampling was employed to identify eleven participants meeting pre-specified inclusion criteria: individuals occupying the roles of Director of Human Resources, Head of Human Resources, or Senior HR Manager within parastatal or statutory bodies; possessing a minimum of seven years of professional HR experience; demonstrating direct knowledge of HR risk manifestation and governance practices within their respective organisations; and demonstrating willingness to engage in extended reflective qualitative inquiry. Table 1 presents the anonymised characteristics of the eleven participants and their organisations. All participants are confirmed as eleven in number throughout this study. Data saturation was achieved following ten interviews, with the eleventh conducted to confirm saturation.

**Table 1**

*Anonymised Participant and Organisation Characteristics*

Code	Role	Organisation Type	Sector	Years in HR
P01	Director of Human Resources	Commercial Parastatal	Energy	17
P02	Head of Human Resources	Statutory Regulatory Body	Financial Services	12
P03	Director of Human Resources	Service Delivery Institution	Health	21
P04	Senior HR Manager	Commercial Parastatal	Transport	9
P05	Head of Human Resources	Statutory Regulatory Body	Communications	15
P06	Director of Human Resources	Service Delivery Institution	Education	18
P07	Head of Human Capital	Commercial Parastatal	Mining & Industry	11
P08	Senior HR Manager	Statutory Regulatory Body	Agriculture	8
P09	Director of Human Resources	Service Delivery Institution	Water & Sanitation	23
P10	Head of Human Resources	Commercial Parastatal	Media	14
P11	Senior HR Manager	Statutory Regulatory Body	Labour & Employment	7

*Note. All identifying information has been removed. Years in HR refers to total professional HR experience.*

#### 3.3 Data Collection

Primary data were collected through semi-structured in-depth interviews lasting between forty and sixty minutes, conducted in locations selected by participants to ensure professional comfort and candour. All interviews were audio-recorded with explicit informed consent and subsequently transcribed verbatim. Contemporaneous field notes were maintained throughout. An iteratively refined interview guide addressed HR risk identification, risk manifestation experiences, performance consequences, governance failures, and reform perspectives, while retaining flexibility to pursue emerging themes.

#### 3.4 Data Analysis

Thematic analysis following Braun and Clarke's (2006) six-phase framework was employed, supported by NVivo qualitative data management software for systematic coding and theme development. The analysis proceeded inductively, with risk categories and performance consequence pathways emerging from participant accounts rather than being imposed by prior theoretical frameworks, although extant theory provided interpretive resources. Reflexivity was maintained through regular analytical memo-writing throughout the analytical process. Table 2 illustrates the analytical trajectory from raw codes through categories to final risk themes, demonstrating the transparency of the analytical process.



**Table 2**

*Illustrative Analytical Process: From Code to Category to HR Risk Theme*

<b>Exemplary Raw Code</b>	<b>→ Category → Theme</b>
<i>"Pre-sharing of aptitude test questions with favoured candidates"</i>	Test leakage → Recruitment corruption → Risk 1: Recruitment and Staffing Risks
<i>"Employees on successive six-month contracts for over a decade"</i>	Extended casualisation → Legal exposure → Risk 2: Casualisation Trap
<i>"Lost three from a specialist unit of five in a single year"</i>	Specialist attrition → Capability depletion → Risk 3: Talent Drain
<i>"Housing and motor vehicle benefits valued by retirees, not young professionals"</i>	Demographic misalignment → Benefit mismatch → Risk 4: Benefit Misalignment
<i>"Being featured in the Auditor General's report destroys credibility"</i>	Reputational damage → Legitimacy erosion → Risk 5: Reputational Risk

### 3.5 Trustworthiness

Trustworthiness was addressed through Lincoln and Guba's (1985) four criteria. Credibility was established through prolonged engagement with participants, member checking in which five participants verified emergent findings, and peer debriefing with two independent qualitative research colleagues. Data triangulation was achieved by supplementing interview data with documentary analysis of the 2023 Auditor General Report and relevant legislative provisions, enabling cross-validation of participant accounts against publicly documented institutional failures. Transferability was supported through thick description of participant contexts, risk manifestation patterns, and institutional environments, enabling readers to assess applicability to their own contexts. Dependability and confirmability were addressed through a comprehensive audit trail comprising raw interview recordings, verbatim transcripts, initial codes, code matrices, and analytical memos. Reflexivity was maintained through systematic memo-writing throughout the analytical process to manage the lead researcher's professional background in HR management and its potential influence on data interpretation.

### 3.6 Ethical Considerations

Ethical approval was obtained from the University of Zambia School of Humanities and Social Sciences Research Ethics Committee. All participants received comprehensive information sheets, provided voluntary informed consent, and retained the right to withdraw at any point without consequence. Data were stored securely on password-protected devices accessible only to the research team. Transcripts were anonymised prior to storage, and audio recordings will be destroyed upon completion of the research programme. Participant and organisational anonymity are maintained throughout, with role descriptors used consistently in place of identifying information.

## IV. FINDINGS & DISCUSSION

Thematic analysis of eleven in-depth interviews yielded findings that align directly with the study objectives. The results identify the principal HR risk categories faced by quasi-governmental organisations, explain how recruitment corruption and political interference undermine performance, analyse the legal and operational consequences of casualisation, examine talent drain and benefit misalignment, and show how these risks translate into wider organisational performance consequences. These findings are presented below with illustrative participant quotations.

### 4.1 Risk 1: Recruitment and Staffing Risks

#### 4.1.1 Skills Gaps and Candidate Quality Failures

The challenge of sourcing and hiring qualified talent emerged as a pervasive risk across multiple organisations, often stemming from structural mismatches between institutional needs and the capabilities available in the labour market. One participant described the difficulty of recruiting candidates with printing qualifications, noting that the relevant qualification had become extremely uncommon as training institutions providing it had declined or closed. This illustrates a systemic risk: quasi-governmental organisations operating in specialised or technical domains may find that their recruitment requirements cannot be met by the available labour supply, creating persistent capability gaps with direct service delivery consequences.

*"We advertise, run the full process, and then appoint someone who performs well in the interview but can barely do the job. We are wasting resources on recruitment and then managing underperformance."* (P04, Senior HR Manager on 8<sup>th</sup> May, 2024)

#### 4.1.2 Political Interference and Corruption

Recruitment processes in quasi-governmental organisations are particularly vulnerable to external political and personal influences that compromise merit-based selection. Participants described multiple dimensions of this risk: pressure from political figures and senior officials to hire designated individuals regardless of their qualifications; nepotism prioritising the preferences of internal stakeholders; and in the most egregious cases, straightforward corruption in which candidates provide financial inducements or sexual favours to HR personnel in exchange for selection advantages.

*"I can describe exactly how it works: questions are pre-shared with favoured candidates the night before the aptitude test. Assessment scores are manipulated. The right paperwork is created after the fact. And the person who paid gets the job."* (P01, Director of Human Resources on 8<sup>th</sup> May, 2024)

Participants who identified recruitment as the primary HR risk in their organisation provided detailed accounts of the specific mechanisms through which corruption operates: the pre-sharing of aptitude test questions with favoured candidates; the manipulation of assessment records; and the systematic exploitation of information asymmetries between HR staff and oversight authorities.

#### 4.1.3 Casualisation and Legal Exposure

The widespread use of casualisation, maintaining employees on short-term contracts for periods extending well beyond any reasonable definition of temporary employment, constitutes a significant and distinctive HR risk. Participants described organisations in which employees had been employed on successive six-month contracts for over a decade while being designated as interns or temporary staff:

*"We have people who have been with us for twelve years on six-month contracts. They are not casual workers. They are our permanent workforce in all but name. And we are exposed to legal action that could cost us more than simply employing them properly would have."* (P09, Director of Human Resources on 8<sup>th</sup> May, 2024)

The operational consequences of casualisation are equally significant. Departmental heads develop affective attachments to long-serving temporary staff that impede performance management and create incentives to protect underperforming employees from accountability, producing workforces that are permanent in practice but temporary in formal status, enjoying job security without the accountability obligations that permanent employment entails.

### 4.2 Risk 2: Employee Attrition and Disengagement

#### 4.2.1 Talent Drain from Uncompetitive Compensation

High employee turnover emerged as an ongoing and significant HR risk across multiple organisations, with particularly severe consequences in specialised units where the departure of a small number of key personnel can disproportionately affect institutional capabilities. One participant described losing three employees in a single year from a specialist unit of five people, an attrition rate that effectively halved the unit's operational capacity:

*"We are a training ground. We invest in developing people, and then the private sector recruits them away with salaries we cannot match. We pay for the training; they capture the benefit."* (P06, Director of Human Resources on 8<sup>th</sup> May, 2024)

This grooming gate phenomenon, in which quasi-governmental organisations invest in talent development only to see that talent recruited away by better-resourced competitors, creates a chronic capability depletion cycle. Cascio's (2006) estimate that professional staff turnover costs between 90 and 200 per cent of annual salary underscores the financial magnitude of this risk.

#### 4.2.2 Benefit Misalignment and Generational Preferences

A structurally distinct but closely related attrition driver concerns the misalignment between traditional benefit packages and the preferences of increasingly young workforces. Participants described benefit structures, designed in previous decades for older workforces with different life stage priorities that generate minimal retention value for younger employees:

*"Our housing and motor vehicle benefits are generous for staff in their fifties who have families and need stability. But our workforce is mostly in their twenties and thirties. They want flexible working, career development, and a salary they can live on now. Our benefits package does not speak to their reality."* (P10, Head of Human Resources on 8<sup>th</sup> May, 2024).

Consistent with Twenge and Campbell's (2008) documentation of significant generational differences in workplace preferences, participants identified a systematic failure to adapt benefit architectures to reflect the demographic transformation of their workforces.



### 4.3 Risk 3: Reputational Damage and Institutional Legitimacy

Reputational risk emerged as a cross-cutting consequence of multiple HR governance failures rather than an isolated risk category. Participants from institutions that had featured in Auditor General reports described the reputational consequences in vivid terms:

*"When the Auditor General's report names you for unpaid terminal benefits, for employing people without following due process, for having board positions unfilled for three years, the damage to your credibility is enormous. Potential candidates do not want to work for you. Partners do not want to be associated with you. It takes years to recover."* (P03, Director of Human Resources on 8<sup>th</sup> May, 2024).

The compounding nature of reputational damage was emphasised by several participants: organisations already struggling with governance challenges find those challenges intensified by the reputational damage those challenges generate. Recruitment becomes harder when the organisation is publicly known for poor HR governance; partner relationships become more constrained when governance failures are a matter of public record; and regulatory relationships become more adversarial when oversight bodies have documented institutional failings.

**Table 3**

*Summary of HR Risk Categories, Manifestations, Performance Pathways, and Theoretical Lenses*

HR Category	Risk	Key Manifestations	Organisational Performance Pathway	Theoretical Lens
Recruitment & Staffing Risks		Skills gaps; political interference; corruption; assessment validity failures	Capability depletion; reduced service quality; financial exposure	Human Capital Theory; Institutional Theory (decoupling)
Casualisation Trap		Successive short-term contracts; legal non-compliance; accountability diffusion	Operational disruption; legal liabilities; workforce management failure	Institutional Theory; Stakeholder Theory (employee obligation)
Talent Drain		Compensation uncompetitiveness; grooming gate phenomenon; specialist attrition	Capability depletion; institutional knowledge loss; succession failure	Human Capital Theory (investment loss); Stakeholder Theory
Benefit Misalignment		Generational preference mismatch; demographic shifts; package obsolescence	Disengagement; attrition; reduced discretionary effort	Human Capital Theory; Stakeholder Theory (workforce stakeholders)
Reputational Risk		Auditor General findings; legal proceedings; public HR failures	Legitimacy erosion; recruitment difficulties; stakeholder trust loss	Institutional Theory; Stakeholder Theory (public accountability)

*Note. Source: Primary data (2024); theoretical lenses from Section 4.*

### 4.4 Discussion

The findings of this study generate substantial theoretical and practical insights when read through the three analytical lenses of stakeholder theory, human capital theory, and institutional theory, and when situated within the three performance pathways of capability depletion, operational disruption, and legitimacy erosion introduced in the conceptual framework.

#### 4.4.1 Recruitment Corruption and the Institutional Theory of Governance Failure

The finding that recruitment processes are systematically compromised by corruption and political interference in Zambian quasi-governmental organisations provides a granular, empirically grounded illustration of the institutional theory mechanisms through which formal governance structures become decoupled from substantive governance practice (Meyer & Rowan, 1977). The formal recruitment procedures, including structured interviews, aptitude tests, and merit-based selection criteria, are maintained as legitimating facades while the informal practices documented by participants, test question sharing, score manipulation, and financial inducements, determine actual selection outcomes. This decoupling is particularly consequential because it undermines the human capital stock on which institutional performance depends, initiating the capability depletion pathway described in the conceptual framework.

Becker's (1968) economic framework for understanding crime provides a useful analytical lens for the governance challenge of reducing recruitment corruption. The expected benefits of corruption in high-unemployment environments with intense competition for limited positions are substantial: a guaranteed public sector job, with job security, benefits, and status, represents a major economic and social gain for successful corrupt actors. The expected costs, in terms of detection probability and punishment severity, remain insufficient in most quasi-governmental contexts to deter this behaviour. Addressing this risk therefore requires simultaneously reducing the benefits of corruption, through merit-based systems that limit the value of corrupt access to selection processes, and increasing the costs, through robust detection mechanisms, credible punishment, and cultural shifts that stigmatise rather than

normalise corruption in employment settings. Ndlovu and Haabazoka's (2024) demonstration that governance quality and institutional integrity are critical determinants of economic outcomes in Zambia situates these micro-level recruitment integrity risks within the macro-level governance challenge that shapes Zambia's development trajectory.

#### **4.4.2 Casualisation as Structural Legal Risk**

The casualisation practices documented in this study represent an institutionalised legal and operational risk that defies straightforward explanation within either human capital theory or stakeholder theory alone. From a human capital perspective, casualisation is irrational: organisations that invest in developing employees on temporary contracts, only to face legal action when those employees' de facto permanent status becomes legally recognised, are systematically destroying rather than building the human capital assets they require. From a stakeholder perspective, casualisation fails the employee stakeholder group most directly, denying them the employment protections that the law requires and that their actual tenure warrants.

Kalleberg's (2009) analysis of precarious work in the broader context of dual labour market formation contextualises the Zambian evidence within a global phenomenon while identifying the distinctive quasi-governmental amplification factors: public sector employment norms that make dismissal of de facto permanent employees legally and culturally costly; financial constraints that make full employment formalisation expensive; and governance weaknesses that allow casualisation to persist long after the legal risks have become apparent. The operational disruption pathway through which casualisation affects performance, generating accountability diffusion, management attachment to underperforming long-term temporary staff, and legal proceedings, represents the specific mechanism through which this structural risk translates into institutional performance consequences.

#### **4.4.3 Talent Drain and the Human Capital Investment Paradox**

The talent drain risk documented in this study represents a fundamental challenge to the human capital theory assumption that organisations capture the returns on their human capital investments. The grooming gate phenomenon, in which quasi-governmental organisations invest in talent development only to lose that talent to better-resourced private sector competitors, inverts the expected relationship between human capital investment and organisational benefit. Organisations that invest most heavily in talent development generate the most marketable employees, who are precisely those most likely to be recruited away, creating a systematic negative correlation between investment intensity and investment return in talent management.

The talent drain documented in this study arises not merely from differences in individual human capital value, but from the institutional conditions, compensation structures, governance cultures, and career development frameworks that shape employees' decisions about where to deploy their capabilities. This finding extends human capital theory by demonstrating that the institutional environment of the employing organisation, not merely the characteristics of individual employees, determines whether human capital investment generates organisational returns or creates human capital for competitors.

#### **4.4.4 Reputational Risk and the Legitimacy Erosion Pathway**

The reputational risk findings provide an empirical illustration of the legitimacy erosion pathway through which HR governance failures translate into performance consequences that extend beyond the immediate organisational parties to the failures. Fombrun and Van Riel's (2004) framework for understanding reputation as a strategic asset captures the essential dynamic: organisations that have taken years to build credibility as effective stewards of public resources can see that credibility destroyed rapidly by HR governance failures that become matters of public record.

The institutional theory perspective is particularly illuminating here: the decoupling that allows formal HR governance structures to coexist with substantive governance failures eventually generates reputational consequences when the gap between governance appearance and governance reality becomes publicly visible. Auditor General findings represent precisely the mechanism through which this decoupling becomes visible: they document the gap between what organisations claim to be doing and what they are actually doing, creating exactly the legitimacy crisis that institutional theory predicts as the consequence of exposed decoupling. The compounding nature of reputational damage, documented by participants, confirms that legitimacy erosion generates its own self-reinforcing dynamics, making subsequent governance reform more difficult and more contested in precisely the organisations where reform is most urgently required.

#### **4.4.5 Situating the Findings in Zambia's Governance Context**

The five HR risk categories and three performance pathways documented in this study must be understood within the broader institutional governance context that Ndlovu and Haabazoka (2024) and Ng'andu and Haabazoka (2024) have documented. The governance quality deficits that these authors identify at the macroeconomic and operational levels find their HR-specific expressions in the risk categories documented here: recruitment corruption

reflects institutional integrity deficits; casualisation reflects regulatory compliance failures; talent drain reflects compensation governance failures; and reputational damage reflects the cumulative institutional performance consequences of these governance failures. The HR-level analysis in this study therefore provides the micro-institutional evidence for the macro-level governance failures that these authors have documented, demonstrating the multilevel character of Zambia's governance challenge and the institutional interdependencies through which HR governance failures generate broader development consequences.

## V. CONCLUSION & RECOMMENDATIONS

### 5.1 Conclusion

This study investigated the HR risks faced by quasi-governmental organisations in Zambia and examined their effects on organisational performance. The findings identify five critical HR risk categories: recruitment and staffing risks driven by corruption and political interference; the casualisation trap generating legal exposure and operational disruption; talent drain from uncompetitive compensation depleting institutional capabilities; benefit misalignment with workforce demographic characteristics generating disengagement and attrition; and reputational damage from HR governance failures undermining public trust. These risks translate into organisational performance consequences through three interconnected pathways. The capability depletion pathway describes how recruitment failures, talent drain, and casualisation collectively reduce the human capital stock available for organisational mission achievement. The operational disruption pathway describes how HR governance failures generate practical operational problems that directly affect service delivery and institutional effectiveness. The legitimacy erosion pathway describes how publicly visible HR governance failures undermine the institutional legitimacy that quasi-governmental organisations require to fulfil their public mandates.

The study contributes to HR risk literature by empirically validating and extending risk taxonomies within the unique institutional context of quasi-governmental organisations in sub-Saharan Africa. By demonstrating empirically that HR risks translate into performance consequences through multiple interconnected pathways, the study advances beyond the prevailing tendency in the literature to treat HR risks as isolated management concerns and establishes them as systemic institutional challenges with strategic, financial, and developmental consequences.

### 5.2 Recommendations

Based on the findings of this study, the following recommendations are advanced for policymakers, governance practitioners, and professional bodies. Quasi-governmental organisations should implement comprehensive recruitment controls that systematically reduce opportunities for corruption and political interference, including independent oversight of selection processes, randomised assessment instruments, blind evaluation procedures, and robust audit trails from advertisement through appointment. Organisations should immediately review their casualisation practices, conducting comprehensive audits of temporary and casual employment arrangements to identify employees whose actual tenure and working arrangements make them legally entitled to permanent employment protections, and taking prompt action to regularise their status. Retention strategies should address the specific drivers of talent attrition identified in this study, including career development pathways, work meaningfulness, management quality, and compensation competitiveness, through differentiated approaches that recognise the generational diversity of contemporary workforces.

Benefit packages should be redesigned to align with the actual demographic composition of the workforce, incorporating flexible benefit architectures that allow employees to allocate a portion of their total compensation to the benefit categories most valued by their life stage and personal circumstances. Governance frameworks at board and senior management level should be redesigned to elevate HR risk to strategic attention, requiring regular HR risk reporting to governance bodies, integration of HR risk considerations into strategic planning processes, and the structural governance reforms described in the companion papers in this trilogy. Future research should examine whether the HR risk patterns and performance consequences documented in this study are replicated in other national and sectoral contexts, investigate the effectiveness of specific governance interventions in reducing risk incidence and severity, and explore employee perspectives on HR risk governance to complement the practitioner-level perspectives generated in this study.

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