



Evaluating perceptions of ethics risk in a South African government organisation

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DECLARATION

I declare that:

“EVALUATING PERCEPTIONS OF ETHICS RISK IN A SOUTH AFRICAN GOVERNMENT ORGANISATION”

is my own work and that all the sources I have used or quoted have been indicated and acknowledged by means of complete references, and that this dissertation has not previously been submitted by me for a degree at any other university.

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Yours truly,



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ABSTRACT

The global outlook in terms of ethics, in both the public sector and the private sector, is not positive. Some of the key challenges recognised with the implementation of ethics or integrity measures within the SA government organisations are the lack of formal ethics structures; the lack of commitment from top management as perceived by lower-level staff; the lack of understanding of the code of conduct; and the lack of ethics risk management.

This study assesses how ethics risks in the SA government organisation are perceived. We examine how ethics management, ethical culture and behaviour is defined from the literature. The Public Service Act and regulations on ethics management ensure the alignment between corporate governance and professional ethics in the SA public sector. This study evaluates the relationship between leadership, governance and ethical behaviour in the SA government organisation. The findings of the study indicate that leadership affects the effective management of ethics. Moreover, the implementation of ethics programmes, as highlighted by the Act and regulations, significantly reduces unethical conduct. This implies that compliance requirements from the Act are effective in managing ethics in the SA government organisation. However, the findings suggest that the ethical culture, behaviour and ethics management in the SA government can still be improved by holding officials accountable and implementing ethics training for all staff.

Unethical behaviour in South African (SA) government organisations is often highlighted in government reports as a root cause to impeding good governance and diminishing integrity. To address the need for ethical and effective leadership in government organisations, this study proposed a unified approach that combines three positive leadership theories (i.e. ethical leadership, servant leadership and situational leadership) that promote ethical conduct in the government organisations. The topics of ethics and risk management are mentioned in the academic literature on enterprise risk management, but there is limited evidence to indicate that ethics risks have received deeper analysis. Thus, the question “How do we assess ethics risks?” remains mostly unaddressed. This study concludes, that an ethics risk assessment significantly enhances ethics management in SA government organisations, as it assists organisations to identify, assess, manage and monitor any ethics risks exposures.

Since perception is a cognitive process used to interpret and understand surroundings, the primary objective of this study was to evaluate the perceptions of ethics risk in a SA government organisation. The study utilised a quantitative approach using secondary data from a questionnaire. The survey used three main focus areas to evaluate perceptions of ethics risks, which included (1) Ethical behaviour/ conduct – Specific behaviour or practices that the government organisation may be subjected to; (2) Ethics management – Respondents' awareness of the ethics management interventions and the perceived effectiveness of the interventions; and (3) Ethical culture – How well the organisational culture supports ethical behaviour. The questionnaire was administered electronically from 1 February 2016 to 30 June 2016 and secondary data were obtained from the government organisation. The target population consisted of 765 officials in the government organisation, both general staff and managers. Ultimately, the final sample size consisted of 277 respondents, which was considered sufficient. Since participation was voluntary, there was no element of control over the number of responses and data were drawn from those respondents. Information received from the 277 respondents provided the researcher with sufficient data to make conclusions about the findings related to the research project. Quantitative data analysis using descriptive statistics was performed on the secondary data. For the empirical analysis, a statistical analysis was carried out using the latest version of IBM Statistical Package for Social Sciences (SPSS), version 25 and Microsoft Excel. Factor analysis was used to regroup variables into limited sets of clusters based on shared variance.

To assess perceived ethics risks in the SA government organisation, the study used a risk index. Overall index scores were calculated based on a risk rating scale and summarised for the categories used to measure the ethics risks. Although legislative- and regulatory responsibilities place the duty on employees to behave ethically, there is a lack of enforcement and unsatisfactory implementation of certain aspects of these regulatory frameworks. The study assisted to identify gaps in current legislation and regulations on ethics management in SA government organisations. Furthermore, the study proposes further study and research in the areas of ethics risk management in other government organisations for the benefit of each other and the public service as a whole.

Formal codes of ethics have become an essential part of the oversight structure's agenda. The Public Service code of professional conduct, also known as the code, aims to influence the overall attitude, responsiveness and conduct of public service officials. The code ultimately helps to preserve the organisation's reputation and avert reproach from the public, by governing

the ethical conduct of public officials. While scholars have noted the conceptual overlap between ethics and leadership, there has been an inadequate investigation of the empirical relationships between ethics and risk management, using a combined leadership approach to build an ethical and effective public service. This study is the product of an extended local effort by risk management scholars and practitioners to support an assessment process that allows public service organisations to evaluate ethics risks in their overall assessment of organisational risks. Due to limited research conducted on ethics management in SA government organisations, this research can aid in setting the basis for possible future research. The results of the findings provide knowledge of factors that contribute to unethical conduct and how they can be avoided. Significant findings of the study indicate that risks of governance failures were perceived to somewhat unlikely occur in the government organisation. This confirms that the organisation is well-governed in assent with its fiscal discipline and performance. The organisation should continue to promote public interest and safeguard public resources. Nevertheless, key ethical risks were identified regarding leadership and managers in so far as taking responsibility for corporate governance was concerned. Leadership and management should assume responsibility for their behaviour and decisions. Participants perceived that unfair treatment by managers decreased morale in the organisation, thereby decreasing the organisation's ethical culture. It is suggested that the organisation should put mechanisms in place to prevent conflicts of interest from its managers and be transparent in their business interests. It is recommended that the organisation promotes good and fair work practice in the organisation.

The findings indicate that a significant negative relationship exists between ethics risk behaviour and ethics culture. It is sensible to assert that the more ethics risk behaviours participants perceive in the government organisation, the weaker they perceive the ethical culture to be. The organisation should cultivate an ethical culture by discouraging unethical behaviour and exemplifying good conduct.

According to the results of the study, significant positive correlations between ethics management and ethics culture were found. This suggests that an increase in the management of ethics positively influenced the ethical culture. Furthermore, the findings confirm a high awareness of the code of conduct, which is a positive sign for the organisation as officials know what is expected of them in terms of their conduct at work. Thus, this shows that existing ethics training programmes are to an extent effective and should be continued. The study also conducted a comparison of the results from the SA government organisation with the public

sector benchmark. While standards of ethical conduct are the same across the government organisations, this comparison aimed to identify similarities and differences in the implementation of ethics in the public service. Although there are no significant differences in the results, it is worth noting that the SA government organisation performed better than the public sector benchmark on all the comparable indicators, although only by a small margin on some indicators.

Overall, the findings confirm that a risk-based approach significantly contributes to the effective management of ethics, as risk management assists to identify, assess, evaluate and monitor ethics risk exposures. The study also recommended that the organisation put high-level control interventions in place to address the high ethical risks in the organisation. Recommendations are proposed in the study to assist government organisations to formulate efficient and effective strategies to manage ethics. This study was a significant effort to promote effective ethics management in SA government organisations. These findings suggest that when government organisations are assessing specific outcomes, such as ethics risks, they need to be aware of the dimensions of ethics such as the culture, behaviour and management that are particularly relevant.

Keywords: ethics, ethics management, risk management, leadership, corporate governance, public sector, South Africa

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LIST OF ABBREVIATIONS

AGSA	: Auditor General of South Africa
ANOVA	: Analysis of variance
CEO	: Chief executive officer
CFA	: Confirmatory factor analysis
COSO	: Committee of Sponsoring Organisations of the Treadway Commission
CFI	: Comparative fit index
CPI	: Corruption perceptions index
DPSA	: Department of Public Service and Administration
EFA	: Exploratory factor analysis
ERM	: Enterprise risk management
FA	: Factor analysis
IFC	: International Finance Corporation
IFI	: Incremental fit index
IODSA	: Institute of Directors South Africa
IRMSA	: Institute of Risk Management South Africa
KMO	: Kaiser-Myer-Olkin
PFMA	: Public Finance Management Act 29 of 1999
PSC	: Public Service Commission
PSME	: Public Service Management of Ethics Guidelines
PSR	: Public Service Regulations of 2016
PSS	: Public Service Sector
RMC	: Risk Management Committee
RMSEA	: Root mean square error of approximation
SA	: South African
SAICA	: South African Institute of Chartered Accountants
SEM	: Structural equation model
SPSS	: Statistical Package for Social Sciences
TLI	: Tucker Lewis index

CHAPTER 1: INTRODUCTION AND BACKGROUND

“Ethical thinking means we never lose sight of our positive purpose. We choose to be the sum of our values, not our challenges.” Linda Fisher Thornton (2015)

1.1 INTRODUCTION

Unethical behaviour in South African (SA) government organisations is often highlighted in government reports as a root cause to impeding good governance and promoting integrity. The 2017 State of the Public Service report revealed that only a limited number of departments had established and applied ethics management strategies to prevent and discourage unethical conduct and acts of corruption (Public Service Commission, 2017:4). Similarly, reports by the Public Service Commission (PSC) and the Auditor General of South Africa (AGSA) identified several distinct challenges in the Public Service Sector (PSS), particularly on the implementation of ethical and anti-corruption measures, and compliance with legislation.

According to Cockcroft (2014), there is a genuine belief that failure to implement effective ethics management will frustrate developmental efforts, impose heavy costs and make it difficult for the government to reduce poverty (Cockcroft, 2014:231). Internally, it may also result in loss of productivity by employees and loss of respect for the leadership. The Ethics Institute (2016:26) defines ethics risks as risks associated with the present or possible organisational principles, practices, or actions that violate organisation-specific ideas for desired conduct and infringement of legitimate stakeholder privileges and expectations. To have effective ethics management in SA government organisations, there is a need to conduct an ethics risk assessment. An ethics risk assessment is a formal structured process to assess unethical behaviours and organisational practices that could put an organisation at risk (van Vuuren, 2016:28). This will assist organisations to identify, assess, manage and monitor any ethics risk exposures. In the absence of effective ethics management in the PSS, there arises a risk of reputation to the image of government and increased unethical behaviours in the workplace.

The SA government has put comprehensive ethics and anti-corruption legislation, including the Public Service Act and Regulations, in place that prescribe specific behavioural standards. Amongst these legislations, the Public Service Amendment Act 30 of 2007 has empowered the Minister for Public Service Administration to counter ethical dilemmas such as weak enforcement mechanism and non-compliance with legislation (Department of Public Service

and Administration, 2013:3,8-9). The Act requires the Minister to determine norms and standards on integrity, ethics, conduct and anti-corruption in the public service (Public Service Commission, 2013). Similarly, the introduction of the Public Service Integrity Management Framework (PSIMF) in 2013 by the Department of Public Service Administration intends to bolster measures for managing unethical conduct and promoting integrity in the PSS (DPSA, 2013:4).

The framework compels all national and provincial government departments to establish ethics committees that oversee their ethics programmes. The committees would provide strategic direction and oversight to the ethics programmes. For this reason, a need arises for the ethics committees to prepare regular reports to assess the state of ethics in the departments. Effective implementation of the framework by departments depends on the establishment or improvement of the ethics function within departments (DPSA, 2016:32). The legislative interventions aforementioned imply that people must adhere to the rules given, either by law or by their superiors. This, in turn, will allow departments to bring efficiency in their ethics and compliance programmes.

Although legislative and regulatory responsibilities place the duty on employees to behave ethically, there is a lack of enforcement and inadequate implementation of some aspects of these regulatory frameworks. Similarly, a report by the Public Protector in 2016 indicates that there has been little to no change in the ethical behaviours and conduct of officials in the PSS, specifically those in leadership positions (Office of the Public Protector, 2016:29). This study includes a comparison of the results from the SA government organisation with other public sector departments. The assessment shows similarities and differences in the participants' responses to questions on ethics implementation. Although there are no significant differences in the results, the SA government organisation compared favourably to other departments.

Previous studies by Rossouw & Van Vuuren (2010), Agarwal & Chaudhary (2013a:28; 2013b:151) and Podger *et al.* (2018) also indicate that despite departments having had codes of ethics and ethics programmes, mere reliance on these is not sufficient to safeguard departments against serious ethical failures. The corporate ethics programmes, organisational culture and the role-model behaviour of top management may all have a significant influence on ethical employee conduct (Wolmarans, 2014:28). However, it has become apparent that most of the SA organisations do not endeavour to create an ethical culture (Van Zyl & Boshoff,

2010). Even so, Drajat (2014:79-90) believes that the public sector is under pressure to improve service delivery and should develop a culture of strong leadership to become a more effective functioning organisation (Metswamere, 2017:60).

Ardichvili, Mitchell and Jondle (2009:5) assert that principled business culture is based on consistent value-based ethical behaviour of top management. This sentiment is supported by Mafunisa (2000:26) who believes that the major influencers of ethical conduct in the public service are its leaders. Given that people can influence the ethical culture of a department, the lack of good leadership will undermine the ethical culture of the department (Podger *et al.*, 2018:374).

In support of this statement, the Auditor General of South Africa has highlighted that management, executive- and oversight structures did not react with the required determination to the auditor's directives about tackling risks and improving internal controls (AGSA, 2017:160).

1.2 PROBLEM STATEMENT

The lack of effective ethics management in the PSS has become a topic of debate due to poor ethical leadership and an increasing frequency of corruption and unethical actions (Schoeman, 2012). While SA is often praised for having far-reaching ethics legislation in place to reduce the chances of corruption, the effective execution of ethics management programmes seems to be lacking (Bernard, 2012:2). Although professional ethics is expected of every public service official, there is a worsening perception of public sector ethics and specifically of its senior managers and how they assume their roles as ethical leaders (Institute of Business Ethics, 2011; Schoeman, 2012). To address the problem, the study evaluates perceptions of ethics risk in a SA government organisation. This will assist SA government organisations to obtain an overview of how ethical risks are perceived by their key stakeholders. SA government organisations would be better able to implement effective ethics management, as well as manage and monitor ethics risk exposures.

1.3 RESEARCH QUESTIONS

The following research questions were formulated to achieve the purposes of this study:

- How does the SA PSS define ethics management?
- How can ethical culture and behaviour be defined from the literature?

- What is the relationship between leadership and governance with ethical behaviour in a SA government organisation?
- How does the SA PSS assess perceived ethical risks in departments?
- How can ethical culture, behaviour and ethics management be improved in a SA government organisation?

1.4 OBJECTIVES OF THE STUDY

The following objectives were identified and defined for the study.

1.4.1 Primary objective

The primary objective of this study is to evaluate the perception of ethics risk in a SA government organisation.

1.4.2 Theoretical objectives

The following theoretical objectives were identified to assist in achieving the primary objective:

- Define ethics management, ethical culture and behaviour;
- Discuss ethics management within a SA government organisation;
- Discuss the relationship between ethics and risk management within a SA government organisation;
- Discuss the governance of ethics risk management; and
- Discuss leadership and governance in the public service.

1.4.3 Empirical objectives

The following empirical objectives were identified to assist in achieving the primary objective:

- Determine the relationship between the dimensions of ethics risk and ethics culture;
- Determine the relationship between ethics culture and ethics management;
- Assess perceived ethics risks in a SA government organisation using a risk index;
- Assess the perceived ethics culture in a SA government organisation using an index;
- Evaluate the effectiveness of already implemented ethics management programmes in a SA government organisation; and

- Compare the results from the SA government organisation with the public sector Benchmark.

1.5 METHODOLOGY

This study made use of both a literature review and an empirical study, using secondary data.

1.5.1 Data and data availability

Secondary data through a questionnaire were obtained from the SA government organisation. The data collected are applicable for the period 01 February 2016 to 30 June 2016. Concerning the questionnaire, the following terms apply: (1) completion was voluntary and anonymous; (2) no remuneration was awarded for completion; (3) all data were kept secure and confidential; and (4) no personal information was collected, only gender, job level and years in the organisation.

The objective of the questionnaire is to evaluate perceptions of ethics risk in a SA government organisation via three main focus areas, which include (1) Ethical culture – How well the organisational culture supports ethical behaviour; (2) Ethics behaviour/ conduct – Specific behaviour or practices that the government organisation may be subjected to and (3) Ethics management – Respondents' awareness of the ethics management interventions and the perceived effectiveness of the interventions.

1.5.2 Statistical analysis

Quantitative data analysis by means of descriptive statistics was conducted on the secondary data. For the empirical analysis, a statistical analysis was performed using the latest version of IBM SPSS Statistics (SPSS) version 25 and Microsoft Excel. Factor analysis was conducted to reorganise variables into limited sets of groups based on shared variance. Factor analysis is a statistical method that empirically identifies the structure mainly measured or factored entities (e.g. variables) and explains correlations among the multiple outcomes. The main aim of factor analysis is to summarise data so that associations and patterns can be interpreted and easily understood.

This study proposes a Governance of Ethics Framework (see Figure 1.1), to ensure that organisations governing ethics can minimise ethics risk exposures and foster an ethical culture. Thus, this framework addresses the structure, processes and standards implemented to manage

ethics risk exposures on an enterprise-wide basis and in a consistent manner. The analysis of data was performed in line with the Governance of Ethics Framework (see Figure 1.1), to assist the government organisation to determine, over time, an ethical organisational culture that is sustainable.

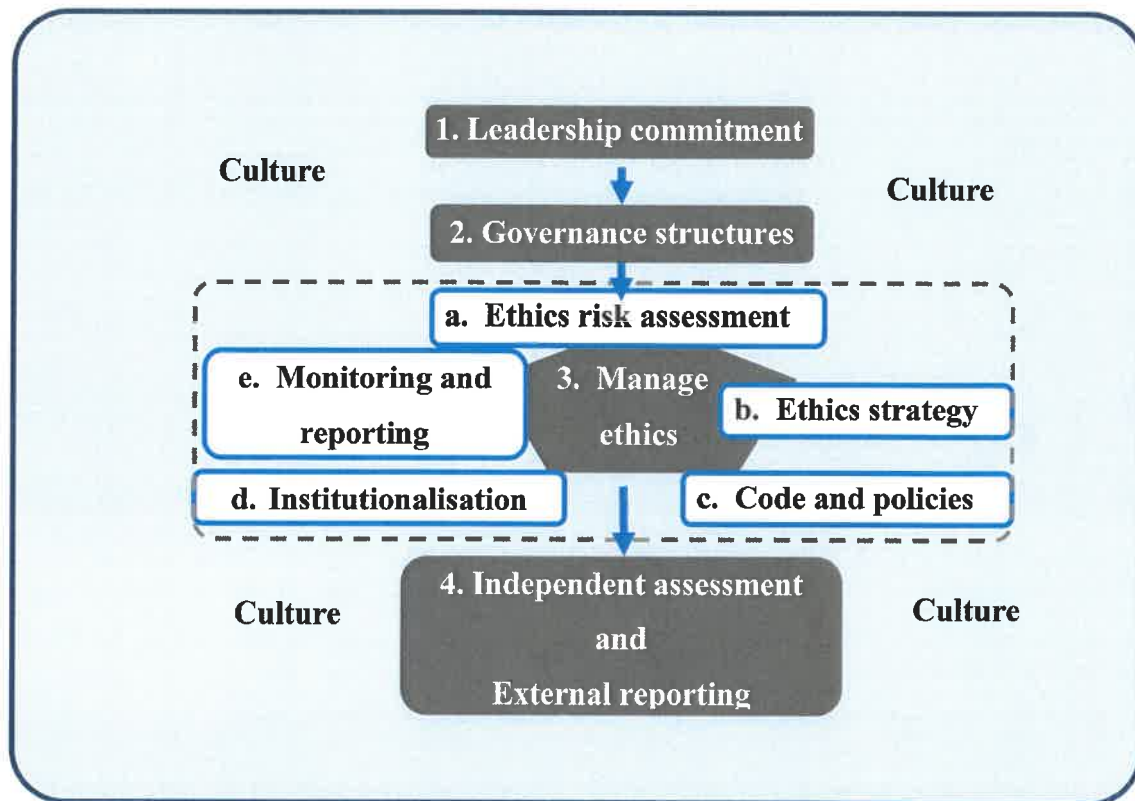


Figure 1.1: Governance of Ethics Framework

Source: Ethics Institute(2016:22)

The results and findings of this study were interpreted in comparison with the parameters defined by the research proposal and the associated research questions. The quantitative data from the questionnaire was interpreted in terms of a risk rating scale. This method uses agreement scores to present the ethics risks and the ethical culture risks that the organisation may be exposed to. The agreement scores were calculated based on the distribution of respondents' answers.

1.6 ETHICAL CONSIDERATIONS

Ethical considerations of conducting research were taken into consideration. The research study conformed to the following conditions stipulated in the ethical standards of the SA government organisation, specified in the signed consent form.

- The item content of the measurement instruments (surveys) is not plagiarised and/or widely distributed outside of the research objectives and data gathering processes agreed upon;
- The scoring keys for the measurement instruments used remain confidential;
- The copies of all publications and/or dissertation work are provided to the department;
- That no unauthorised publications and/or research are conducted using data derived from the government organisation;
- That all data are subject to anonymity and confidentiality;
- That all research conducted has specified objectives, measuring the risk perceptions for ethical culture, behaviour and ethics management in a SA government organisation;
- That the study only commenced once a suited ethics committee (accredited at the tertiary institute of education) had ruled in favour of the research objectives and the research process proposed;
- A copy of this ethics clearance certificate needed to be provided to the department;
- That the data would not be distributed to any third party without the consent of the government organisation;
- That the data were kept secure and confidential in line with the obligations outlined in the Protection of Personal Information Act (4 of 2013); and
- The study also conformed to the general rules and guidelines for research ethics as formulated by the NWU Institutional Research Ethics Regulatory Committee.

1.7 CONTRIBUTION OF THE STUDY

The study assisted to identify gaps in existing legislation and regulations on ethics management in SA government organisations and to formulate efficient and effective strategies to manage ethics. Due to limited research conducted on ethics management in SA government organisations, this research can aid in setting the basis for possible future research. The results of the findings provided knowledge of factors that contribute to unethical conduct and how

they can be avoided. Thus, this study contributes to the effective management of ethics in SA government organisations.

1.8 CHAPTER CLASSIFICATION

Chapter 1 presents the background to this study. It establishes a framework on the content of this study and comprises of the problem statement, the various objectives, the contribution and scope of the research.

Chapter 2 introduces the concept of ethics, ethical culture and ethics management. This section also discusses the legislative requirements for ethics, along with the role of risk management in the ethics sphere. The chapter also includes an outline of ethics globally and in SA, a discussion of important ethical theories and a brief look at global and SA ethics challenges.

Chapter 3 focuses on ethical leadership and governance. In the context of governance and ethics, reference was made to the King reports on Corporate Governance for SA as well as the Public-Sector Integrity Management Framework. This chapter also focuses on public sector leadership, how leaders conduct themselves in their decision making and their ethical responsibilities when discharging public duty. The legislative and regulatory responsibilities of those charged with governance were also examined to ensure the efficient management and administration of the government organisation's ethics.

Chapter 4 highlights the research methodology followed and discusses how the study was conducted, including the theoretical and philosophical assumptions and implications of the methods adopted. A description of the research and methodological procedure was discussed. The chapter also deliberates on the statistical methods used to analyse the data collected, via the cross-sectional survey that was used to gather the data and to achieve the research objectives. The sampling procedure, a copy of the questionnaire and a description of the response rate for reliable results were also be deliberated in this chapter.

Chapter 5 discusses the results and findings of the study. It further provides deliberations on the empirical analysis of the study following recent studies. Content analysis was used to define, examine, analyse, quantify and interpret the research findings. The results reflect the findings according to the themes of ethical culture, behaviour and ethics management factors.

Chapter 6 concludes the study. This chapter provides the main conclusions derived from the research and the recommendations related to the identified issues raised. Proposals for future research are included based on findings that may be applied to other PSS departments in SA.

CHAPTER 2 ETHICS MANAGEMENT

2.1 INTRODUCTION

“A man without ethics is a wild beast loosed upon this world.” Albert Camus (1913-1960)

Unethical behaviour in government organisations has been flagged as a major challenge and has on several occasions been the cause of loss of public confidence and service delivery challenges (Corruption Watch SA Annual Report, 2017:46). Unethical behaviour manifests itself in different ways, ranging from lack of competent and ethical leadership to an increase in corruption, and failure of governance in the public sector (Institute of Risk Management Report, 2019:57).

Though the main focus of this study is to evaluate perceptions of ethics risk in a SA government organisation, it is important to provide a synopsis of the theories of ethics. There are different theories on ethics, such as the deontological- and teleological philosophies. According to the deontological theory, a leader who acts in accordance with his or her duty or on moral beliefs is considered ethical, regardless of the consequences. From a teleological theory viewpoint, a leader is ethical when his or her deeds result in bringing about “the greatest good” (Ciulla, 2009:312).

In line with the first theoretical objective, which is to define ethics management, ethical-culture, and -behaviour, this chapter starts with an introduction followed by key concepts and definitions used to describe ethics management. It then proceeds with a discussion of the teleological and other theories of ethics. In the next section, global perspectives on ethics in government organisations will be provided. A presentation of challenges in implementing ethics management programmes in government organisations will be provided. After the presentation of the global challenges, the SA overview on ethics management in government organisations will be presented, together with related challenges in the implementation of ethics management programmes. In accordance with theoretical objective two, which is to discuss ethics management within a SA government organisation, this chapter will discuss efforts by government departments in promoting ethical behaviour among officials.

Some empirical studies and findings are provided to illustrate how leadership, compliance and risk management influence ethics management upon which conclusions are drawn.

2.2 DEFINITIONS AND KEY CONCEPTS

To understand ethics management in a government organisation, terms such as ethics, ethical culture and ethics risk management are often mentioned in the discussion. It is essential to first define these terms in this section.

2.2.1 Ethics

There are several definitions and interpretations of the concepts, depending on the country, institutions or individuals. As a result, the following are universally accepted definitions amongst academics, theorists, and other interested parties. Generally, ethics is defined as the rules and principles that outline right and wrong conduct (Barnard, 2012:11; Verma & Prakash, 2011:1). In addition, ethics in the context of an organisation refers to “ethical values applied to decision-making, conduct, and the relationship between the organisation, its stakeholders, and the broader society” (Institute of Directors SA, 2016:12).

A general definition of ethics, as defined by The Ethics Institute (2016), is that ethics considers what is good and right for the self and the other and can be expressed in terms of the golden rule, that is, to treat others as you would like to be treated yourself. Henceforth, for purposes of this study, the definition of the Public Sector Integrity Management Framework (2013:3) is suggested, which conceptualises ethics as being “... well-based standards of right and wrong that prescribe our rights, obligations and benefits to society.”

2.2.2 Ethical behaviour

In simple terms, ethical behaviour is knowing and doing what is right (Van Zyl, 2014:6). Employees must be able to take responsibility for their actions and comprehend what is expected of them with regard to ethical conduct. According to Van Zyl (2001), the difficulty with ethics behaviour lies in outlining what is ‘right’, as people from diverse cultures and backgrounds define it in different ways. For this study, ethical behaviour in government organisations draws upon the principles for good governance as recommended by King II (IODSA, 2002). These good characteristics such as discipline, transparency, accountability, responsibility, fairness and social responsibility can be used as guidelines of ethical behaviour and applied by any organisation. Codes of conduct provide the institutional or organisational framework for honest behaviour (Riivari & Lämsä, 2014:2). Therefore, organisational leaders need to create ethical cultures that support ethical behaviour by establishing standards for

ethical conduct in the organisation. However, to ensure ethical behaviour in SA government organisations, Van Heerden (2015:12) asserts that effective and innovative leadership is needed.

Effective leadership is results-driven and is about reaching strategic goals and positive outcomes. Ethical and effective leadership should complement and reinforce each other. Van Heerden (2015:18) defines ethical leadership as a form of leadership driven by values and suggests that value-driven leaders influence the beliefs of followers through role modelling ethical behaviours. That is to say, ethical leadership is demonstrated by honour, competence, responsibility, accountability, fairness and transparency. It includes the anticipation and avoidance, of the negative consequences of the organisation's activities (IODSA, 2016:20).

Previous studies by Trevino *et al.* (1998) and Schaubroeck *et al.* (2012:1074) found that there is a positive relationship between ethical culture and ethical behaviour. Leaders and managers that pay more attention to creating ethical cultures increase the employees' moral agency and promote ethical conduct. However, leaders ought not to expect ethical behaviour from employees if they do not conduct themselves ethically (Van Zyl, 2014:6). Thus, the ethical behaviour of top management and leadership can significantly affect employees' ethical conduct. Additionally, the ethical conduct by leaders and managers also indicates to employees that the organisation is a respected and trustworthy place to work.

2.2.3 Ethical culture

The definition of the term "ethical culture" refers to "the way in which members of an organisation relate to each other, their work and the outside world in comparison to other organisations" (IODSA, 2016:11). Generally, it can be described as "the way we do things around here, even when no one is watching". In their research regarding the intervention processes related to the relationship between ethical culture and employee actions, Ruiz-Palomino, Martínez-Cañas and Fontrodona (2013:184) found that ongoing demonstrations of moral behaviour by top management, combined with formal ethics processes are essential to build a sturdy ethical culture.

2.2.4 Ethics risk management

Ethics risk management is the process of planning, organising, directing, and controlling resources and operations to ensure that the organisation's ethics management initiative

facilitates the achievement of organisational objectives, despite the uncertainty of events (The Ethics Institute, 2016:26). Ethics risk management in this context addresses the threats posed by unethical decisions concerning an organisation's stakeholders. The definitions of ethics, ethical culture and ethics risk management all point to the assumption that organisational culture, together with risk management influences the achievement of organisational outcomes and contributes to effective ethics management. Additionally, the risk management processes of an organisation are highly dependent on the ethical culture of the organisation to facilitate effective risk management (van Vuuren, 2016:19).

2.3 ETHICS MANAGEMENT: A THEORETICAL PERSPECTIVE

Every organisation has a culture. The Institute of Risk Management (2012:12) asserts that personal values, principles and attitudes towards ethics contribute to and are affected by the broader organisational culture. Lack of an ethical culture may undermine the long-term success of an organisation, whilst the promotion of a good ethical culture and that of good corporate governance may be beneficial to the success of an organisation.

Government officials serve the public, managing the resources of others, hence, ethics is vital to one's duties' in public service (Svara, 2015:1). Together with this stewardship, there is an expectancy from the public that in conducting daily activities, the officials will apply fairness and equality. High-level expectations in government thus urge public officials to choose what is right and what is wrong in their daily routines (Aldemir, 2010). The responsibilities, as suggested by Svara (2015), are the foundation for identifying the nature of the duty of government officials. These are the responsibility to serve the public, be accountable to the people and promote the public interest. As well as the responsibility to their organisations, political leaders and to uphold the law and established policy.

From the aforementioned ethics philosophies, there are several ethical consciences, which attempt to clarify specific rules and principles, such as the ethics of obedience, the ethics of care and the ethics of reason. Whilst the ethics of obedience focus on rules of compliance and the spirit of the law, the ethics of care emphasise empathy, concern and respect for each other in the organisation. On the other hand, the ethics of reason is concerned with wisdom, experience and prudence.

2.3.1 Global overview

Globally, government organisations have a broad responsibility to efficiently use the funds that have been entrusted to them and to make the organisation as strong, effective and ethical as possible (Svara, 2015:6). Thus, the primary belief of service and fiduciary relationship exists between the government organisation and the public. Good governance is mostly about effective management and control. Ethics is a special concern among government organisations because they serve the public, hence ethical leadership is required to contribute to effective management and control in addition to improved performance (Yukl, 2012:77-79).

With regards to corporate governance, the ethical leadership responsibility rests with the governing body. King IV suggests that ongoing commitment to ethical behaviour contributes positively to the success of an entity and achievement of objectives. Hence, ethics is fundamental to the governing body, as demonstrated in the following first two principles of King IV code (IODSA, 2016), namely that the governing body must lead ethically and effectively and the governing party must set the strategic direction and tone for how the ethics of the organisation should be managed. The report further outlines four responsibilities for ethical leadership, that is to steer and set the strategic direction for ethics, to approve ethics policies and planning, to oversee and monitor ethics performance and to ensure responsibility for an ethical culture in the organisation.

This study adopts Rossouw and Van Vuuren's (2017:229) definition that "leaders are those employees who possess real or perceived power to influence others". This definition incorporates senior- and executive -management as leaders in the organisation, as managers must take action where poor conduct has been identified, to be able to influence the conduct of its employees.

2.3.2. Global challenges

The general views in terms of ethics, in both the public and the private sectors, is not encouraging. Numerous studies by Transparency International (2015, 2017) and Ernst & Young(2018) conducted annually aim to measure the alleged levels of public sector corruption globally. The studies are aimed at scoring countries on how corrupt their public service is perceived by analysts, business people and specialists in countries around the world. The TI Corruption Perceptions Index (CPI) is a tool used by Transparency International to collect data on perceived levels of corruption in the public sector. The tool is a composite index of surveys

and assessments of corruption and contains informed views of relevant stakeholders, such as professionals and experts, which generally link vastly with objective indicators, such as people's experiences with corruption. Aspects of corruption, such as bribery and conflict of interest are included in the survey and assessment questions. The tool uses a scale of zero to 100, where a 0 equals the highest level of perceived corruption and 100 equals the lowest level of perceived corruption. The findings from TI's 2015 Corruption Perceptions Index (CPI) suggest that nearly three-quarters of the countries reviewed are still seen to be highly corrupt, with the bulk of these found in Africa, Asia and South America. According to the CPI 2017 report, out of the 180 countries assessed in the 2017 index, over two-thirds score below 50. These findings suggest that over six billion people live in countries that are corrupt (Transparency International, 2017). Although there have been some improvements in certain countries, according to the results of the CPI survey, there remains a significant level of unethical conduct.

The 15th Global Fraud Survey (Ernst & Young, 2018) indicates the perceived levels of public sector ethics and integrity in 180 countries around the world. According to the survey, although respondents recognised the importance of ethics, there is a continued prevalence of fraud and corruption. The findings of the survey also indicated that even as business leaders and management were seen to be primarily responsible to ensure that employees behaved with integrity, employees did not take individual responsibility for the integrity of their own actions.

In their study to explore the connection between strategic goals, enterprise risk management and ethics, Weitzner and Darwich (2010) propose a practical framework for managers to tackle ethical predicaments in highly complex, volatile and risky environments. They state that all organisations are set upon a value proposition which appeals to customers and employees and that implicit in this value proposition is a firm position on ethics.

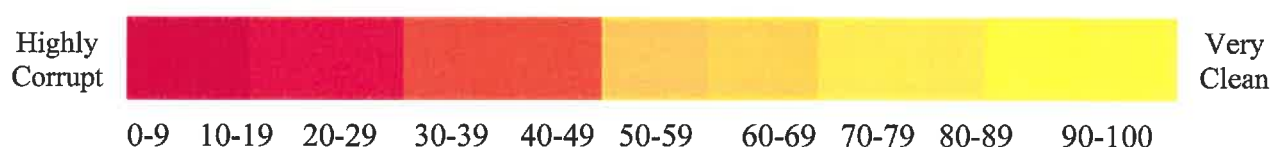
2.3.3 A South African overview

In their annual survey conducted globally on perceived corruption in the public sector, Transparency International Corruption Perceptions Index flagged SA amongst the most corrupt countries. In 2012, SA ranked 69th out of 176 countries and territories on the Corruption Perceptions Index. According to the 2017 report (see Table 2.1), SAs ranking dropped to 71 out of 181 countries, which indicates a lack of progress to improve its standing in the global context (Transparency International, 2017).

Table 2.1 Perceived levels of public sector corruption

RANK	COUNTRY	SCORE						
			23	France	70	68	Belarus	44
1	New Zealand	89	23	Uruguay	70	68	Jamaica	44
2	Denmark	88	25	Barbados	68	68	Oman	44
3	Finland	85	26	Bhutan	67	71	Bulgaria	43
4	Norway	85	26	Chile	67	71	SA	43
5	Switzerland	85	28	Bahamas	65	71	Vanuatu	43
6	Singapore	84	29	Portugal	63	74	Burkina Faso	42

Score



Source: Transparency International (2017)

Best practice on ethics and anti-corruption from other developing countries are important to ensure that the ethics and anti-corruption strategies are suitably applied by SA to achieve its vision of being an innovative, responsive and vibrant hub for people-centred governance (Mphendu & Holtzhausen, 2016:235).

2.3.4 South African legislative framework for good governance

The Constitution of the Republic of South Africa (Act 108 of 1996) is the fundamental legislative framework for creating good governance in the public service and reflects basic values that govern public organisations. Values, in this context, are beliefs about how the organisation and its representatives should behave, how resources and stakeholders should be treated, what the main objectives of the organisation should be and how work responsibilities should be executed (IODSA, 2016:18).

The legislative mandate of governance in the SA public sector has been conferred on the Department of Public Service and Administration, namely, to improve governance and public administration for improved service delivery in SA. The DPSA has developed a policy framework to institutionalise corporate governance in SA government organisations. The policy framework captures the principles contained in the King reports on Corporate Governance and proposes governance committees and guidelines, which SA government organisations may adopt and customise to enable the committees to be operational and

effective. Some of the committees proposed include the Executive Management Committee, the Risk and Ethics Management Committee and the Audit Committee.

Corporate Governance in the SA public sector ensures that government organisations act in the public's interest at all times. Also, corporate governance is vital for preserving and maintaining a good corporate reputation within organisations (Ferreira, 2019:26). To address reputational risks in the organisation, effective and strategic leadership is required to take bold and decisive actions against inadequate performance and lack of accountability (Chauke, 2016:36). Effective governance in the public sector urges better service delivery and improved accountability. The King codes are the most generally accepted corporate governance framework in SA and are also effective in the public service.

2.3.5. Ethics management in South African government organisations

SA is often commended for having extensive ethics and anti-corruption laws in place to reduce opportunities for corruption. These initiatives intend to improve efforts to build a more ethical PSS by identifying where and how to intervene. The public sector legal standards and the code of professional conduct are imperative for government organisations to provide institutional frameworks for acceptable behaviour.

Without limitation, ethics in the SA government organisations is regulated by the following legislation and regulations:

- The basic values governing public administration as contained in section 195 of the Constitution of the Republic of South Africa of 1996;
- The Public Service Regulations of 2001, in particular Chapters 2 and 3;
- The Public Sector Integrity Management Framework as published by the Department of Public Service and Administration;
- The King III Code of Governance Principles and the Third King Report on Governance for South Africa (commonly referred to as King III) as issued by the Institute of Directors in South Africa, 2009; and
- National and provincial policy or directive governing Ethics and any internal organisational policies or directives that pertain to ethics.

Within the context of SA, ethics management is an integral part of government organisations and must be implemented and managed properly.

Thus, the values and principles of integrity, professionalism and honesty are of importance when speaking of ethics in the SA public service.

In a study to examine the involvement of the King II Report on Corporate Governance for South Africa in the fight against corruption in the SA public sector, Makgabo (2007) recommends further investigations in the following areas: a) the extent of execution of good corporate governance (King II Report) principles focusing at provincial and/or local government; b) the impact of good governance (King II Report) towards the fight against corruption in the local or provincial government. In accordance with the empirical objective as set out in Chapter 1, this chapter assessed the organisation's current ethics management programmes to measure its effectiveness.

The SA government has put comprehensive ethics and anti-corruption legislation, such as the Public Service Act and Regulations, in place, that prescribe specific behavioural standards. Amongst these legislations, the Public Service Act of 2013 has empowered the Minister for Public Service Administration to counter ethical dilemmas such as non-compliance with laws and weak enforcement mechanisms (Public Service Integrity Management Framework, 2013:3,8-9).

The institutional provisions and measures for the implementation and institutionalisation of ethics are mandated in terms of existing legislation and the *Constitution of South Africa* (1996). In terms of this study, the following arrangements are relevant (Public Service Act, 2013). The Public Service Act requires the Minister to create norms and standards regarding integrity, ethics, conduct and anti-corruption in the public service (Public Service Act, 2013). Similarly, the introduction of the PSIMF in 2013 by the Department of Public Service Administration aims to reinforce measures for managing unethical conduct and encouraging integrity in the PSS (PSIMF, 2013:4). The framework compels all government departments, on national and provincial levels, to establish ethics committees to oversee their ethics programmes. The study shows that the SA government organisation established an ethics committee that provides oversight and gives strategic guidance to its ethics programmes. Also, the ethics committee presents routine reports to assess the state of ethics in the organisation. The findings indicate that the organisation complies with the regulatory framework for ethics. Furthermore, the establishment of the ethics function has assisted with the effective implementation of the framework (Public Service Regulations, 2016:32).

According to the revised Public Service Regulations (PSR) of 2016, Heads of Departments (HODs) are obliged to create the required capacity to prevent, detect, investigate and resolve acts of unethical conduct and corruption within their departments. It was found that the SA government organisation created the ethics office and appointed an ethics officer to monitor compliance in the organisation. The designated ethics officer developed ethics policies, procedures and standards, and ensured compliance with them. As an essential part of the organisation's system of risk management, the HODs are also required to analyse areas of vulnerability such as ethics risks (PSIMF, 2013:10). Findings indicate that the organisation's risk management framework did not include the assessment of ethics risks. As such, this study recommends that the SA government's risk management framework incorporate ethics risks, as part of their process when evaluating risks. The legislative interventions aforementioned imply that people must adhere to the rules given, either by law or by their superiors. This will, in turn, allow departments to bring effectiveness in their ethics and compliance programmes.

The code of professional conduct for the Public Service gives practical effect to the appropriate constitutional stipulations that relate to the public service (Public Service Commission, 1997). It was found that compliance with the code of conduct in the organisation was required from all employees. The organisation hosted workshops on the code, thereby guiding employees on what is expected of them from an ethical standpoint, both in their behaviour and in their dealings with others. This study thus recommended ongoing training and awareness to the code, as compliance with the code is likely to improve professionalism and help to enhance confidence in the public service.

There exists a need to direct employees pertaining to their association with the legislature, political and executive office-bearers, other employees and the public and to show the spirit in which employees should execute their duties, what should be done to avoid conflicts of interests and what is required of them with regards to their personal conduct in public and private life. While the code of conduct was drafted to be as inclusive as possible, it is not an exhaustive set of rules regulating standards of conduct. However, HODs, as a result of their responsibility in terms of section 7(3) (b) of the Public Service Act of 2013, must ensure the efficient management and administration of their departments and the maintenance of discipline. Thus, HODs have, among other things, a duty to ensure that the conduct of their employees follows the basic principles governing public administration and norms and standards set by the Act.

Through the assessment of existing ethics programmes in the SA government organisation, it was found that officials are familiar with public administration values and principles and that they accept and abide by them. The main purpose of the code is a positive one, to encourage exemplary conduct. Nonetheless, an employee who is guilty of misconduct may be dealt with under the relevant collective agreement if she/he breaches any provision of the code of conduct or fails to conform with any provision thereof. The results of the study indicate that compliance with the code was monitored continually by the human resource office and the ethics office.

Ethics in SA government organisations is rooted in the duty to serve the public. In other words, ethics in the public sector is an accountability measure by which the public will hold members of these organisations accountable in respect of the work being conducted (Aldemir, 2010:4). One perspective of duty describes serving the public in terms of complying with the law and obeying superiors. The implementation of improvement opportunities through compliance-driven initiatives is necessary.

2.3.6 Current challenges

Although legislative- and regulatory responsibilities place the duty on employees to behave ethically, there is inadequate enforcement and unsatisfactory application of some aspects of these governing frameworks. Previous research conducted by Agarwal and Chaudhary (2013a:28; 2013b:151), Rossouw and Van Vuuren (2014) and Podger *et al.* (2018) indicate that mere reliance on organisational codes of ethics and ethics programmes is not sufficient to safeguard organisations against serious ethical failures.

Similarly, a report by the Public Protector in 2016 indicates that there has been little to no effect on the ethical behaviours and conduct of officials in the PSS, specifically those in leadership positions (Office of the Public Protector, 2016:29). The IRMSA Report (2016:29) provided some empirical verification for these arguments by indicating that the following risk causes were due to a lack of leadership in government organisations:

- Tone at the top does not mirror the vision.
- There is no accountability and adequate consequential management.
- Leadership embeds a culture within its people which does not align to the values an organisation requires to realise its vision.

Some of the key challenges recognised with the implementation of ethics or integrity measures within SA government organisations are the lack of formal ethics structures, the lack of commitment from top management as perceived by lower-level staff, the lack of understanding of the code of conduct and the lack of ethics risk management. The benefit of the revised Public Service Regulations (PSR) of 2016, is that SA government organisations are required to establish ethics committees to oversee ethics in the departments. These formal ethics structures present regular reports on the organisation's ethics performance. As a result, ethics is monitored and managed effectively. Secondly, senior managers are guided to make ethical decisions, as ethics is a standing agenda item in all strategic discussions. The ethics office, together with the human resource office plays an important role in monitoring compliance with the code of conduct. Thus, increased visibility and training is recommended for the organisation with regards to the code and the regulatory framework on ethics. Indirect cost emerging through this study is the lack of adequate resources to manage ethics in the SA government organisation. Therefore, existing resources, such as the risk manager and human resources units are utilised to manage ethics, in addition to their own duties. This may result in decreased performance of the organisation. However, an additional benefit that emerges is that ethics becomes a strategic discussion, thus increasing the value of the public service. Since public servants are expected to exercise professional ethics in the execution of their duties, there is a significant benefit to increased accountability, more efficient use of government resources and increased public trust.

2.4 REVIEW OF EMPIRICAL STUDIES ON ETHICS

2.4.1 Ethics and leadership

Given the pervasiveness of unethical behaviour in organisations (Ethics Resource Center, 2012), ethical leadership is an essential factor that influences employee ethical behaviour (Lu & Lin, 2014:220). Likewise, they assert that leaders in organisations should inspire and model ethical behaviour and put systems in place that reward ethical behaviour and penalise unethical conduct. In creating an ethical culture in the province, leadership is an important feature seeing as leaders can create, preserve and/or change the environment. Support for the ethics initiative ought to be obtained from senior management. They can demonstrate their commitment by partaking in training sessions and including ethics as a regular part in speeches and presentations, as well as ensuring that their conduct is exemplary to all employees.

As has been the discussion of this study, the IRMSA report (2019) regards ethical leadership as an essential aspect of the ethics risk management process. The report recommends

subsequent risk treatments which may be useful in assisting to direct the ethical decision-making process of leaders: (a) Leaders need to live and breathe appropriate behaviours and set an example for all other industries, organisations and people; (b) leadership need to communicate continuously and transparently its progress and benefits to all stakeholders to build trust in society and beyond; (c) leaders need to be held accountable for actions with appropriate consequential management and (d) those charged with governance must apply unbiased penalties for cases involving transgressions in government (IRMSA, 2019:66).

2.4.2 Ethics and compliance

The legislation forms the main foundation of public service activities and accordingly the structuring of government organisations (Dontso, 2014:34). In addition to effective service delivery being essential for all government institutions, Botha (2004:36) argues that it is only possible in the context of good governance and ethics. However, to build and maintain organisational integrity requires more than the mere passing of laws and making public statements (Riivari & Lamsa, 2014:2; Paine, 1997). Groenewald and Donde (2017:27,47) similarly argue that excessive focus on compliance cannot be the suitable answer to managing ethics. This implies to employees that the organisation does not trust their judgement and ability to make ethical decisions. They further emphasise that strong compliance orientation can weaken ethics if not reinforced by structures that strongly endorse an ethical culture.

Whilst the government has acknowledged the importance of an organisation's culture for creating an effective compliance program (Hess, 2016:320), ethics and compliance are two isolated functions. Compliance is not an art form and comprises of different content areas, which include regulatory-, reputational-, financial- and occupational health and safety issues (Francis & Armstrong, 2003). Compliance, thus, is about rules, policies and regulations. Ethics, on the other hand, is an art form and to practice it, an organisation must understand the business and how to best communicate its values to employees and other stakeholders (Gnazzo, 2012). This is also recognised by the De Klerk (2015), who found in his study on whether ethics and compliance should be combined or separated, that one individual should not lead the ethics and compliance programme.

While there may be an overlap in scope, combining ethics and compliance may endorse a “code of moral mediocrity” (Trevino, Weaver, Gibson, & Toffler, 1999; De Klerk, 2015). This may lead to employees defining ethics in terms of legal compliance rather than ethical aspirations.

Groenewald and Donde (2017:23) highlight the following differences between ethics and compliance in Figure 2.1

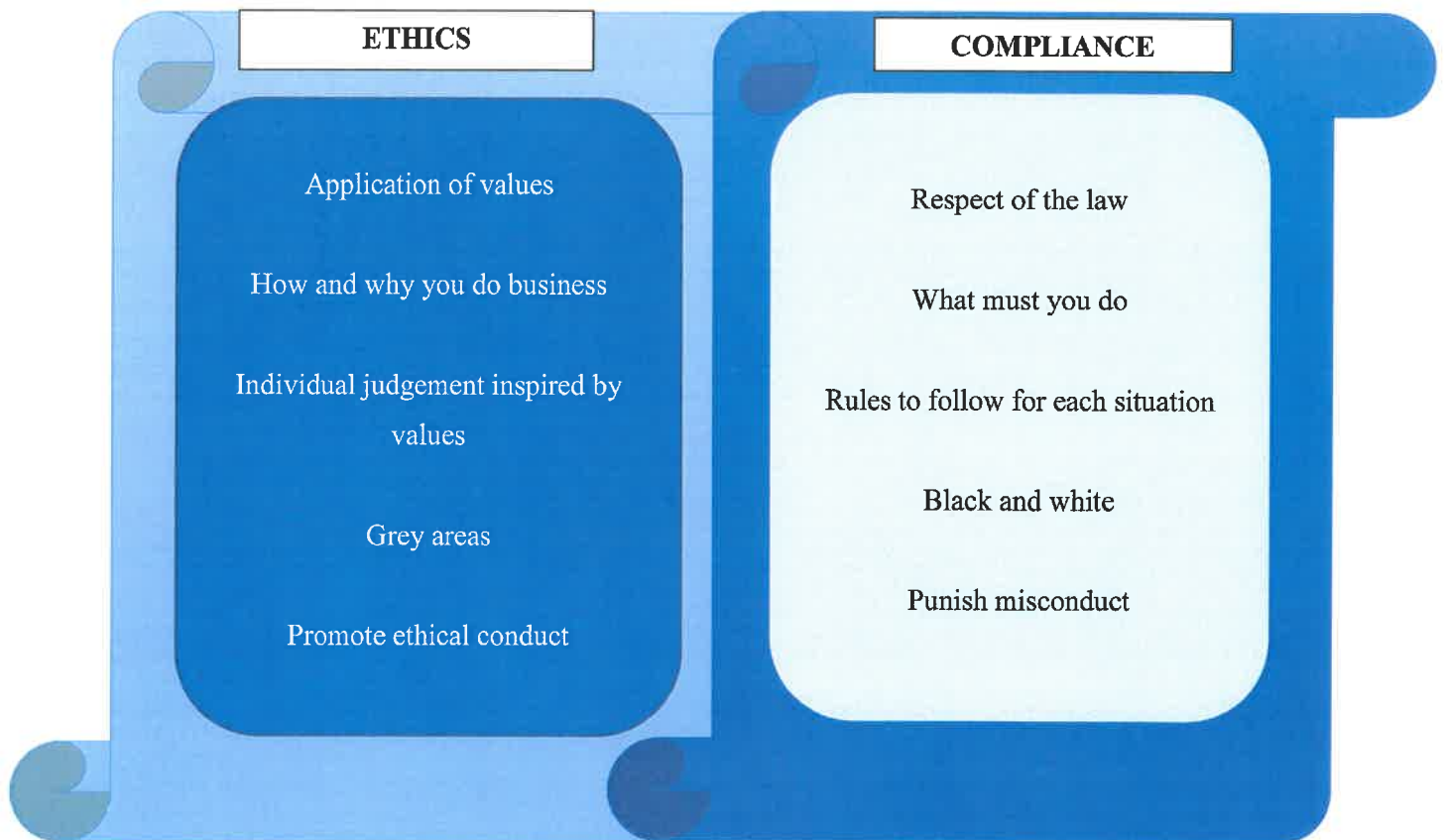


Figure 2.1: Main differences between ethics and compliance in an organisation

Source: The Ethics Institute (2016)

As outlined in Figure 2.1, the differences between ethics and compliance are interpreted as follows:

Compliance uses the law as a starting point, whilst ethics is preceded by the organisation's core values. To ensure compliance, employees must obey a set of ground rules, and familiarise themselves with what is acceptable conduct. Any non-compliance is seen as a misconduct and constitutes a punishable offence. In seeking to inculcate a culture of ethics, values and principles are promoted to influence the behaviour of officials. Employees are encouraged to apply ethical judgement in their decision-making. Likewise, when dealing with ethical dilemmas, employees must consider their individual and professional values and principles in managing situations.

Although ethics and compliance share a common objective, which is to influence people's behaviour in order to promote sustainability of the organisation in the long term, Groenewald

and Donde (2017:26) detail the different tasks and responsibilities for ethics and compliance officials and emphasise how these may have a practical impact on business practice. The following are focused on: (a) different focus: ethics focuses on internal standards and promoting values and culture, whereas compliance focuses on both internal and external standards, with emphasis on rules, directives, regulations and standards; (b) skills: compliance practitioners have a legal background, whilst ethics practitioners focus on values and ethical-aspirations beyond legislation; (c) different mindsets and approaches: ethics mindset approach focuses on the promotion of ethical conduct, through individual judgement inspired by values. Compliance, on the other hand, requires respect for the law, assigns rules to follow and punishes misconduct (The Ethics Institute, 2017:18).

Legislative frameworks for ethics in government organisations were initiated because of public concerns and pressures, thus, it is imperative to maintain professionalism and protect employees, business partners and stakeholders, as well as to meet expectations from society (Bierman, 2016:60). Ultimately, the degree of confidence that the public will have in the public service is based on how effective and efficient they deliver their services. Ethics management, therefore, contributes significantly towards the effective and efficient delivery of services. Furthermore, the expectation from the larger population places pressure on government organisations to govern ethics. The ethics culture of an organisation, therefore, has to be evaluated by different stakeholders, as the perceptions will highlight the risk exposures and identify the potential favourable outcomes and opportunities. As stated by Aristotle (cited by Pretorius, 2016:21), ethics is indefinite; therefore, rules that are rigid will at no time be able to capture the diversity and multiplicity of ethics. Similarly, Francis and Armstrong (2003) assert that the use of the carrot or the stick is inappropriate, as compliance with both legal and ethical requirements is in an organisation's self-interest.

2.4.3 Ethics and risk management

Risk management is an essential part of achieving organisational success and must as such form part of an organisation's strategy. In their study, Francis and Armstrong (2003) address the link between ethics and risk management and maintain that there are compelling reasons to consider the good ethical practice to be a crucial part of such risk management. The absence of risk management in an organisation has often resulted in increased mishaps and scandals. The findings from Francis and Armstrong (2003) confirm that effective risk management contributes towards the identification of potential ethics problems, prevention of fraud and

preservation of the organisational reputation. Before the discussion of the effectiveness of ethics programmes, it is imperative to first recognise the risks associated with it. A recognised definition of risk that is aligned with ISO 31000 is defined as follows: “Risk is the effect of uncertainty on objectives” (International Organization for Standardization, 2009).

According to Young (2004), contemporary risk management initiatives recognise the importance of ethics. However, outside the overall acknowledgement and some efforts to explain and provide scope for reputational risk, the concept of “ethical risk” management has not received enough attention (Young, 2004). In his study on building a framework for ethics and risk management, the researcher suggests a deeper analysis of the management of ethics risks. One suggestion from the risk management viewpoint is the application of the Caux Round Table Principles for Business framework (Caux Round Table, 2003). The results of the findings from the study support an evaluation process that allows organisations to assess their conformity with the principles.

Business ethics is associated with the moral philosophy, values and norms of behaviour that directs an organisation's behaviour within society. Before discussing good ethical practice, it is valuable to reflect shortly on ethics as a risk management matter. Ethics risk management thus encompasses a framework that promotes ethical conduct and directs the management of risks related to lack of ethical practices. An ethical risk management strategy entails the infrastructure that encourages ethical conduct, namely, the directives and provisions that manage risks related to lack of ethical practices and offer incentives to promote ethical behaviour. These can comprise of conformance with externally mandated legal and legislative requirements along with internal provisions and expectations (Francis & Armstrong, 2003).

This chapter has ultimately proven that good ethical practice is an important part of risk management and yields the organisation with positive outcomes such as the prevention of fraud and preservation of the organisation's reputation. This supports the study's objective to examine the relationship between ethics and risk management. Regular and continued risk assessments in the organisation are of extreme importance if the organisation intends to meet society's requirements. However, according to Bierman (2016:22), even though ethics risks identified in risk assessments compel organisations to act and hence to make decisions on how to best address identified ethics threat exposures, aspects such as risk and control management, reputation issues and ethical dimensions are not easy to measure and consequently to report on.

Organisations function in environments where factors such as globalisation, technology, restructurings, changing markets, competition and regulation produce uncertainty. This uncertainty creates risks. Enterprise risk management (ERM) allows organisations to manage risks within their risk appetite. Consequently, organisations can offer maximum value to stakeholders with reasonable assurance that risks outside their risk appetite will be prevented. ERM helps prevent impending business failures and scandals. Also, an organisation correctly utilising ERM will satisfy the requirements set forth by the Sarbanes-Oxley Act of 2002 regarding satisfactory financial statement internal controls.

The Committee of Sponsoring Organisations of the Treadway Commission (COSO) defines the role of ethics in risk management as an organisation's strategy and objectives and how they execute risk is based on preferences, values and management styles. They further believe that an organisations' integrity and commitment to ethical values guide their decisions, which are converted into benchmarks of behaviour. Since an organisation's good reputation is important, these benchmarks of behaviour must be implemented beyond regulatory compliance. Therefore, well-run businesses have acknowledged that ethics pays and ethical behaviour is good business (COSO, 2017).

Risk management allows an organisation to foresee specific risks to ethics standards and integrity in government organisations. Thus, risk management redirects leadership's attention to systemic threats that could hamper adherence to core government organisations' ethics values, commitment to good governance and the preparation of required political and management response. Additionally, ethics audits to recognise threats to the integrity of the most crucial processes (e.g. financial management, procurement, recruitment and selection, dismissal and discipline) should be conducted regularly.

2.5 CONCLUSION

In line with theoretical objectives one and two, which are to define and discuss ethics management, ethical- culture and -behaviour, this chapter defined and discussed ethics and the risk management literature in relation to government organisations. The literature proposes that the effectiveness of ethics programmes needs to be reinforced by commitment and action from the role players. Ethics risks also need to be identified, assessed and monitored continuously.

While there may not be enough systematic research on ethics risk perceptions, there is growing support for the proposition that participating in ethics programmes is a constructive risk

management strategy. To understand the realities facing government organisations, the link between risk and ethics must be understood. The next chapter will discuss, in line with theoretical objective three, the relationship between ethics- and risk -management within the SA government organisation. The development of an ethics risk management strategy alongside suitable policies, a code of conduct, procedures and systems will necessitate commitment from top management, encourage ethical conduct and discourage unethical behaviour in the organisation.

CHAPTER 3 LEADERSHIP AND GOVERNANCE

“The people respect and believe in men who fulfil their duty.” Fidel Castro (1926-2016)

3.1 INTRODUCTION

As highlighted in Chapter 2, the perception of ethics in government organisations and specifically of its leaders, is deteriorating. Poor ethical leadership and the increasing prevalence of corruption and unethical behaviour have been flagged as contributory factors to the lack of effective ethics management (Schoeman, 2012). Various studies indicate that organisational leaders contribute significantly to influencing and sustaining ethical behaviour (Barnard, 2012; Du Preez, 2016; Labuschagne, 2016). For example, managers who demonstrate high levels of ethical leadership not only convey a sense of virtue and integrity to others but also regularly demonstrate these characteristics through their everyday behaviours (Treviño *et al.*, 2000). Similarly, Paharia and Singh (2016:2) assert that ethical behaviour by leaders creates and build organisational ethics culture and increases corporate stewardship.

The King IV reports (IODSA, 2016), define corporate governance as “the exercise of ethical- and effective leadership by the governing body towards the achievement of an ethical culture, good performance, effective control and legitimacy”. One of the core areas that the King Committee addresses on Corporate Governance is ethical and effective leadership. King IV mentions that the governing body of an organisation ought to lead in an ethical and effective manner. Furthermore, the leaders in an organisation must direct the ethics of an organisation in a way that reinforces the building of an ethical culture (IODSA, 2016).

In line with theoretical objective three, which is to examine the association between ethics- and risk -management within the SA government organisation, the King codes of corporate governance (1994, 2002 & 2009) also highlights the significance of risk management as a vital requirement of good corporate governance. King III recommended the management and proper disclosure of risk management and its related practices by an organisation.

Executive leadership and management in an organisation need to recognise the significance of ethics and accept responsibility for the governance of ethics.

This chapter aims to reach theoretical objectives two and three, which are to discuss ethics management and to examine the relationship between ethics and risk management through a literature review on the topic of leadership and governance. The review includes legislation and investigates best practices on leadership and governance in relation to ethics management in government organisations. Relevant major concepts that pertain to leadership, such as the situational-, ethical- and servant –leadership theories will be discussed. The rest of the chapter is structured as follows. First, core concepts of ethics management, leadership, corporate governance and risk management will be defined, then a discussion on leadership theories. Thirdly, the concept of governance and ethics and guidelines for managing ethics in government organisations will be deliberated on and, finally, a conclusion will be drawn.

3.2 DEFINING LEADERSHIP

There are different definitions of leadership, some are narrow while others offer comprehensive conceptions (McCleskey, 2014:117). However, a general understanding is that leadership is an influential association between leaders and supporters who want tangible changes that will reiterate their common purposes (Ciulla, 2009:306).

Ciulla (2009:306) generally defines leadership as “a person or persons somehow moving other people to do something.” The author further argues that generally, leadership definitions are the same, however, the definitions vary in how leaders inspire their supporters, their association with followers, who participates in the goals of the organisation and what capabilities the leader requires to accomplish things. Similarly, Jagela (2019:91) concurs with Ciulla (2009) and states that leadership is not simply the actions of the leader but the relationships and interactions between leaders and supporters.

The relationships and interactions amongst leaders in government and society are of importance. Thornhill (2012:123) asserts that government decisions are manifested in public policies and are significant as they contain aspirations of society and how those will be achieved. The activities that the government must undertake in their endeavour to improve the social welfare of citizens are varied by nature (Sibande, 2017:3). As such, the government must undertake all these activities within a context of limited resources. The emphasis on the ability to ensure that government organisations deliver more services with limited resources require that leaders in government organisations promote good governance in providing effective and ethical leadership.

3.3 LEADERSHIP: A THEORETICAL PERSPECTIVE

The study of leadership has been the central part of management and organisational behaviour literature for several decades and many authors (Siegel, 2010:139; Demirtas, 2015:274). Ciulla (1990, 2003, 2009:303, 2014) wrote extensively on ethics and leadership and observed that researchers did not understand the concept of leadership. Auriacombe and Van der Walldt (2015:207) consider leadership as an element of a manager's day-to-day activities. To understand what leadership is, it is vital to distinguish between leaders and managers.

Leaders have substantial influence on the success of an organisation. To ensure ethical behaviour in organisations, Van Heerden (2015:3) says that effective and innovative leadership is needed. Whilst theory suggests a growing interest in business ethics, he further argues that leaders can acquire crucial leadership skills through their work as managers. Therefore, leaders should attempt to improve their knowledge of leadership and strive to become respectable and trusted leaders for their juniors.

Ciulla (2009) argues that some of the fundamental issues in ethics, such as individual challenges of authenticity, self-centredness, self-discipline and moral responsibilities with regards to fairness, duty, capability and the greatest good, are also the vital questions of leadership. Since good leadership refers to both competence and ethics, Ciulla (2009:306) concludes that leaders have to know what ethical leadership is and how ethical leaders ought to behave.

Whilst organisations give managers appropriate authority to lead, there is no guarantee that they will be able to lead successfully. Also, prospects for public servants to act unethically may arise from the authority they wield in the advancement and administration of public policy (Mle, 2012:28). According to Du Preez (2015:19), the environment in which government organisations function affects management and leadership actions of staff. This means that the success of government organisations in reaching optimal effectiveness, therefore, needs both strong leadership and strong management (Lunenburg, 2011:3). This may be achieved through the creation of a suitable and constructive climate for leaders in government organisations. Moreover, Riivari and Lamsa (2014:14) believe that organisations can enhance ethical leadership conduct through the recruitment of managers who are ethically conscious and by investing in and purposely reinforcing these qualities in their work. As such, effective and accountable management constitutes ethical leadership.

Though individuals are born with different qualities and talents, others believe that leadership is inherent and cannot be learned. However, Du Preez (2016:23) contends that the majority of the people leadership abilities and qualities are not primal, but that such skills can be learned and nurtured over time. The section below will compare three forms of leadership, namely ethical, situational and servant leadership. For this study, it is essential to recognise the concept of leadership taking into account three seminal theories and to discuss how these seminal theories promote ethical behaviour and effectiveness in government organisations. This study aims to use attributes and behaviours from the ethical, situational and servant leadership theories to improve leadership practice in government organisations.

3.3.2 The ethical leadership theory

Research scholars often ponder upon issues of ethics as it relates to all facets of leadership in business, government and non-profit organisations and have discovered that ethical leadership has a positive impact in an organisation (Ciulla, 2014; Sharp *et al.*, 2016). Additionally, an organisation's leadership is deemed as a major element in creating and sustaining an ethical organisation (Wolmarans, 2014:3). Through comprehensive research analysing the influence of ethical leadership on individual behaviour, Demirtas (2015:281) found that a relationship between ethical leadership and individual behaviours does exist. Moreover, their study suggests that ethical leadership conduct, directly and indirectly, impacts the individual's work commitment.

Ethical leadership is a vital source of ethical influence and so offers an incentive for creating new ways of managing ethics in a departmental context (Van Zyl, 2014:5). Brown and Treviño (2006) present an extensive definition of ethical leadership:

Ethical leadership is the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships and the promotion of such conduct to followers through two-way communication, reinforcement and decision making. Ethical leadership, therefore, is not about a process but rather about a way of being and making the right choices and helping others to make the right choices.”

Similarly, Mayer *et al.* (2012: 151-171) state that ethical leadership is founded on three building blocks, which involve the need to be a credible ethical leader, dealing justly with people and actively managing ethics.

As stated by Van Zyl (2014:33), these attributes of ethical leaders should be encouraged: that ethical leaders are exemplary and are accountable, that they are responsible and establish ethical ideals in the organisation; that they recognise ethical conduct of employees and penalise unethical behaviour; and that they inculcate an ethical culture in the organisation by considering ethical penalties of their choices and trying to make reasonable decisions. In addition, Landman and Punt (2006:11) believe that ethical leadership is categorised by raising the standard and by constantly conveying these standards in public and private. For example, penalising violations to the standards, sponsoring ethics initiatives and making people answer for ethical and unethical actions.

In summary, ethics is an essential aspect of leadership in government organisations since a leader's conduct not only influences the employees but also affects the entire organisation. Also, to ensure compliance and to reduce unethical and corrupt practices, stakeholders must be allowed to hold their leaders to account. Furthermore, Strydom (2017:188) emphasises that while ethical leadership is required from a governance perspective, it can also enhance employee performance, both in role performance and beyond role behaviour. Leaders, managers and officials in government departments should perceive that they are public servants and always preserve a high standard of professional ethics when delivering services to the public.

3.3.3 The situational leadership theory

The situational leadership style developed by Hersey and Blanchard in 1982 is founded on the belief that leaders ought to be flexible enough to adjust their style to suit the situation (Lynch, 2015:7). This theory is founded on three pillars, namely (a) Leadership style, (b) Maturity level of juniors and (c) the situation (Schermerhorn, 1997:6; Mumford *et al.*, 2007:155; Hersey *et al.*, 2007:17). In light of these three pillars, McLaurin (2013:107) contends that a leader's conduct hinges on the requirements of the circumstances: A situation may comprise of numerous variables such as 1) supporters' attributes, 2) leader-follower association, 3) external factors such as time pressure, 4) nature of the task and that these collectively influence the leader's effectiveness in a certain situation.

More recently, authors (Touchstone, 2009; Solman, 2010; Lynch, 2015:7) have regarded situational leadership as a side of transformational leadership, observing it as a style central amongst transactional leadership and transformational leadership. According to Grint (2011:3-14) and McCleskey (2014:118), the situational leadership theory recommends that effective leadership necessitates a coherent understanding of the situation and suitable response, instead of a charismatic leader with a large group of enthusiastic supporters.

McLaurin (2013) conducted a review on the role of the situation in the leadership process, supported by some of the leading situational leadership models. The study discussed a vital aspect that has a substantial effect on the situation, that is, power as a skill to influence individuals and its role in persuading leadership situations. According to Hersey and Blanchard (1988), situational leadership theory (SLT) supports different styles of leadership or methods to influence individuals. It emphasises the need for leaders to respond to situations with suitable task and relationship behaviour built on the followers' eagerness and this (defined as ability and willingness) collaboration determines the leader's efficiency. Other studies (Silverthorne, 2000; Silverthorne & Wang, 2001), found that leaders, who used more adaptive and flexible styles such as the situational leadership style was rated more successful than more rigid traditional managers. Furthermore, Lynch (2015:60) asserts that organisations under situational leadership demonstrated lower absenteeism and achievement of the organisation's objectives.

Similarly, Campbell and Kodz (2011b:4-11) conducted research to establish what "great" leadership requires and if pursuing different leadership styles to assist the readiness levels of subordinates will make such leaders a reality. Consequently, their study discovered that leaders who shadow the situational leadership style usually inspire juniors to do their work well, establish a clear vision for them to follow and offer intellectual motivation for them. Thus, by implication, situational leaders have a special plea to their subordinates as leaders than the traditional leaders and subordinates obey situational leaders more willingly than is generally the case.

Additionally, du Preez (2016:54) asserts that to be effective, leaders should use the appropriate leadership style for subordinates on different maturity stages throughout different situations. This affords leaders with a clearer understanding of the affiliation between them and their subordinates. The study further recommends that leaders change from a traditional one-size-fits-all leadership style to a leadership method where diverse styles of leadership can be applied in any assumed situation.

Traditional leadership styles, such as transactional (rewards and penalties) and autocratic (absolute power and decision-making) leadership may have been perceived as a means to keep the team on track and delivering results quickly and strategically. Even so, Cambell and Kodz (2011) and Lynch (2015) endorse the idea that sympathetic, participative, ethical and situational leadership styles have a greater constructive impact on subordinates' job satisfaction and institutional commitment compared to the opposing traditional leadership style of the leader being the commander. Thus, the method may result in organisational objectives being attained more successfully (Tomasco, 2016). In summary, the situational leadership perspective encourages leaders in government organisations to assess situations, as the success of the organisation is contingent on the situational demand.

3.3.4 The servant leadership theory

Greenleaf's theory of servant leadership is sited as a new field of research for leadership scholars (Yang, Qian, & Liu, 2018) and has been recognised as a shared leadership model that researchers support for usage in organisations, including government (Thompson, 2014). In their study of perceptions on servant leadership and how servant leadership influences involvement in a community, Carter and Baghurst (2014:453) describes servant leadership as "a leadership philosophy which addresses the concerns of ethics and employee engagement while creating a unique organisational culture where both leaders and followers unite to reach organisational goals without positional or authoritative power."

In previous studies, Searle and Barbuto (2011) and van Dierendonck and Nuijten (2011), validated the meaning of servant leadership in terms of nurturing positive work-related behavioural results at both the individual and organisational levels. Historically, servant leadership distinctively combined theories of self-sacrifice and excellent service with people-oriented leadership methods (Page & Wong, 2000; Timiyo & Yeadon-Lee, 2016:5). Thus, this leadership paradigm only developed in the course of rendering service to others.

In the SA environment, the Batho Pele White Paper (Notice No. 1459 of 1997), states that government organisations will be evaluated by one benchmark, that is, its efficiency in the provision of basic needs services for all SA citizens. Thus, the SA public service ought to be represented by servant leaders. Sun (2013) also believes that, rather than being steered by the expectations of modern society, servant leaders ought to assume high moral values. In terms of the White Paper, communal services are not a privilege in a civilised and democratic society

but are a valid necessity. Government organisations, therefore, should continually make efforts toward enhancing service delivery.

The uniqueness of servant leadership results from observing “service as a prerequisite to leading” (Wheeler, 2012: xv) and leans predominantly towards non-profit and religious societies, as these institutions are naturally more accepting of servants as leaders (Carter & Baghurst, 2014:454). Furthermore, an organisation that uses servant leadership should be able to observe distinctive characteristics and conducts in such leaders. Principles that government officials must follow are termed the Batho Pele Principles, meaning ‘people first’. The Batho Pele (people first) principles are aligned to the Constitution (Act 108 of 1996). Government officials must follow the Batho Pele principles, which require public servants to be civil, honest and transparent, in order to deliver decent service to the community. The principles, which are elucidated in Table 3.1, aim to inform the public of services they are eligible to receive from government organisations.

Table 3.1 Batho Pele Principles

Consultation	Citizens ought to be engaged about the level and quality of the public services they receive and, wherever possible, should be given alternatives to the services that are offered.
Service standards	Citizens ought to be told what level and quality of public service they will receive in order to be aware of what to expect.
Access	All citizens ought to have equal access to the services to which they are entitled.
Courtesy	Citizens ought to be served with politeness and consideration.
Information	Citizens ought to be given complete and true information on the public services they are eligible to receive.
Openness and transparency	Citizens ought to be advised on how national and provincial departments are managed, how much they cost and who is running the administration.
Redress	If the promised standard of service is not met, citizens ought to be offered an act of contrition, a full explanation and a quick and effective resolve; and when grievances are reported, citizens should be treated with understanding and receive helpful responses.
Value for money	Public services ought to be provided efficiently and proficiently in order to offer citizens the best possible value for money.

Source: The DPSA (2013)

Greenleaf (1998, 2002, 2008), in their study on servant leadership, found that under servant leadership, workers were more dedicated, that they fostered strong work relations and vigorously contributed to the achievement of organisational goals. Thus, servant leadership was an enabler of change for leaders. However, they argue that servant leadership is a learned quality and that a servant leader has to frequently assess him-/herself and his/her motives and make changes for actions or behaviours that oppose servant leadership.

To summarise this discussion and attain the theoretical objectives two and three, which are to discuss ethics management and to examine the relationship between ethics and risk management, there are several specific leadership behaviours and principles from the aforementioned leadership theories discussed, that would be highly effective in government organisations. While scholars have noted conceptual overlaps between ethical and other leadership forms, Hoch, Bommer and Dulebohn (2018) are of the view that there have been insufficient inquiries on the empirical relations between ethical leadership and other leadership forms. This study compared emerging forms of positive leadership that emphasise ethical and moral behaviour (i.e. ethical leadership), with situational and servant leadership. Asserting the aforementioned theories in more simple words, as situations change, the leadership demands, qualities and conducts that will demonstrate effectiveness will also change. To achieve the primary objective, that is, to evaluate perceptions of ethics risks in government organisations, understanding the relationship between risk and ethics management results in a deepened awareness of ethics management and contributes to effective leadership in government organisations.

3.4 GUIDELINES

The theoretical study of ethics offers an essential viewpoint from which we can observe assumptions in support of leadership and leadership philosophies (Ciulla, 2009:325). In an attempt to understand the ethics domain, Carroll and Bucholtz (2014:323), assert that recognising the elements necessary for an ethics programme development, implementation and embedding these aspects within an organisation is critical to an organisation's success and sustainability. According to Carroll and Buchholtz (2014:323), ethics programmes typically include formalised standards of behaviour, ethics awareness, systems to provide ethics guidance or information, safe reporting mechanisms for acts of misconduct, punitive measures for officials who breach ethical standards and the addition of ethical behaviour performance evaluations of employees.

Dontso (2014:4) argues that good governance is achieved when organisations show public accountability and adhere to ethical standards when conducting business. There are existing universal and nation-wide mechanisms available that offer guidance and frameworks intended for the implementation of ethics governance in government organisations. Generally, King IV and the International Organisation for Standardisation (ISO) is recognised as standards for the corporate governance of ethics and offer governance principles and models in both public and private organisations.

Traditionally, in the SA public service, ethics management was associated with anti-corruption programmes. However, in 2012, the DPSA changed the emphasis from corruption prevention to integrity management. This led to the establishment of the Public Sector Integrity Management Framework (PSIMF). The PSIMF required government organisations to establish ethics offices, appoint ethics officers, champions and ethics committees. Further efforts to strengthen ethics management in the SA public service led to the replacement of the PSIMF by the revised Public Service Regulations (Department of Public Service and Administration, 2016). The revision of the Public Service Regulations in 2016 provided a guide for organisations to reinforce initiatives for dealing with unethical conduct and the promotion of integrity in their organisations. Henceforth, these various frameworks provide direction to government organisations in the implementation of their ethics programmes. Therefore, the HOD has to be able to understand the legislative requirements and also possess leadership skills that will enable them to provide direction to all employees. Leaders should be familiar with ethical standards, to inform ethical decisions.

3.4.1 Code of professional conduct

Business practice is usually governed by law, but the belief from society is that businesses ought to go beyond this and embrace the ethical standards of the community. Therefore, the moral standards of an organisation's demonstrate its leadership's behaviour in a way that reinforces satisfactory conduct for its' employees and different stakeholders (Brown & Trevino, 2006:117-134).

Whilst legislation has set up compulsory frameworks to promote ethical conduct, the PSC has assumed the responsibility to implement it in the public service. The public service code of professional conduct (also known as “the code”), was established by the PSC and integrated into the Public Service Regulations. The code provides guidance that educates all employees in the organisation on core values that ought to create the basis for professional behaviour. To

lend significance to the code, officials' conduct ought to conform with basic moral standards and values that govern public administration and they should familiarise themselves with the code. Organisational success, thus, relies on the extent to which officials relate with the organisation's moral standards and on their eagerness to exceed their performance targets.

In the SA context, the code stipulates that officials ought to be faithful to the State, place the interest of the community first, be loyal, implement government policies and comply with all legislative and other directives related to their behaviour and responsibilities (DPSA, 2016). This implies that government organisations should be competent and respected, government officials should behave, conduct themselves and observe core values required by the Constitution (Act 108 of 1996); these are the quest for excellence in service, devotion, diligence, fairness, honesty, accountability, high esteem for the law and appropriate usage of official information. The specified values create a basis for ethical business culture and include trust, honour and uprightness. They are the values displayed on the walls of the institutions' corridors.

Furthermore, Groenewald and Donde (2014:39) emphasise that these values are vital basics of any organisation that needs to function in an environment mindful of its stakeholders. As stated by the Constitution of the Republic of South Africa (Act 108 of 1996), these values are associated with the constitutional standards of:

- a) Encouraging and upholding high standards of professional ethics;
- b) Providing impartial service, reasonably and without favouritism;
- c) Employing resources proficiently and efficiently;
- d) Acknowledging the public's demands and encouraging people to contribute to policymaking; and
- e) Executing a responsible, transparent and growth-oriented public administration.

From the values aforementioned, there is a positive and strong link with the three seminal theories of leadership. For example, according to the ethical leadership theory, ethical leaders aspire to influence the ethical values of an institution through their conduct. Moreover, they are interested in the greater good. Ethical leaders demonstrate high moral standards and behave in accordance with them (Mihelic *et al.*, 2010). Similarly, from the servant leadership perspective, a servant leader displays a greater sense of ethics and high levels of consciousness (Pretorius, 2013:174). Also, servant leaders are concerned about people and put the needs of

others above their demands. Values such as honesty, humanity, fairness and courage are emphasised in the servant leadership theory (Greenleaf, 1970).

According to situational leadership, various factors shape a leader's effectiveness in any given circumstance such as the urgency of time, type of work and degree of independence (Pierce & Newstrom, 2003; McLaurin, 2013:94). This is true of government organisations, where the right of citizens to basic services places a significant onus on the government to continuously do more with less. Factors such as financial constraints and limited capacity can affect the ability of the government to provide adequate services (Sibande, 2017:16). Given this, leaders in government organisations should be skilled in understanding ambiguous circumstances, share the same understanding to the supporters and decide on the best approach for realising organisational goals (McLaurin, 2013:94).

Stating the above theories, it is evident that a combination of traits and behaviours from each leadership style will contribute positively to leadership effectiveness in government organisations. Due to their relative significance to government organisations, it can be contended that the strength of government organisations leadership is found in its easy acceptance of these theories, as they all support and enhance the effective and ethical environments of government organisations.

3.4.2 The King Committee on Corporate Governance

Governance dictates how institutions are managed and include culture, strategies and approaches to engage with stakeholders. The most commonly accepted Corporate Governance Framework in SA is the King codes on corporate governance. The introduction of the King codes on corporate governance in 1994, 2002 and 2009 has been flagged as the most practical summary of the finest global practices in corporate governance. The purpose of effective corporate governance is to direct the overall strategic direction of an institution and its actions towards the achievement of its objectives.

Abor and Adjasi (2007:111) describe corporate governance as “the process and structure used to direct and manage the business affairs of the company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interest of all stakeholders”. The governance of organisations can be on a legislative foundation, as a code of ethics and practices, or a blend of the two. In line with the 56 countries in the Commonwealth, SA has elected a code of

principles and practices. The code is on a 'comply or explain' basis, adding to selected oversight issues that are legislated. This provides flexibility, as the code is a recommendation for a course of conduct.

To summarise the aforementioned, Janse van Vuuren (2016:163) posits that corporate governance describes the quality of the executive management and the board of directors with regards to direction and control, risk management, responsibility and reporting. Similarly, it guides recognised processes to recognise, assess, manage and control threats associated with the attainment of strategic and operational goals in order to guarantee sustainability.

Corporate governance in SA is closely associated with the King reports on Corporate Governance for South Africa (IODSA, 2009). The reports or codes for corporate governance were issued in 1994 (King I), 2002 (King II) and 2009 (King III) and 2016 (King IV). The thinking behind the King code comprises of three main elements, namely leadership, sustainability and good corporate citizenship.

Corporate governance, as defined by the King IV reports (2016), is the application of ethical and effective leadership by the authoritative body in pursuit of an ethical culture, good performance, effective control and lawfulness (King Committee on Corporate Governance, 2016). The governance of organisations can be on a legislative basis, as a code of principles and practices, or a blend of both. SA, as part of the 56 countries in the Commonwealth, has elected the code of principles and practices. The code is on a 'comply or explain' base, together with various governance issues that are legislated. This provides flexibility, as the code is an endorsement for a course of conduct. Ultimately, the King reports regard good governance as fundamentally being effective and ethical leadership. Table 3.2 (adopted from Ferreira, 2019) below discusses the fundamentals of each King report.

Table 3.2 The fundamentals of the King reports

KING I (1994)	KING II (2002)	KING III (2009)	KING IV (2016)
• Suggested principles of conduct for boards of directors, banks and state-owned companies. • Encompassed financial and regulatory aspects. • Supported a combined approach involving all stakeholders.	• Appropriate to departments of state or national, provincial or local government administration.	• Included sustainability in isolation, leading to separate reporting. • Governance, strategy and sustainability were integrated. • Appropriate to all entities, public, private including non-profit organisations.	• Create an equilibrium between conformance and performance. • Summarised in one word “transparency” • Following international paradigm • Endorses superior accountability and transparency • King IV is universally applicable • Moves away from “comply” to “apply and explain”
15 Principles: • Board of director’s composition and directive, • Responsibilities of non-executive directors and supervision of non-executive directors. • Selection to the board and period for executive directors. • Establishment and disclosure of executive and non-executive director’s remuneration.	Principles: • director responsibility; • risk management; • internal audit; • integrated sustainability reporting; and • accounting and auditing. Characteristics of good corporate governance: • Discipline (a commitment to obey to ‘proper’ behaviour)	18 Principles: Key changes from King II: • insight; • information; • incentives; • instinct; • independence; and • interconnectivity. Included amended principles to address new topics: • Internet technology governance • Business rescue	16 Principles (plus one): Key changes from King III: • outcomes-based vs rule-based; • apply and explain; • structure of King IV; • broader forms of address; and • sector supplements.

KING I (1994)	KING II (2002)	KING III (2009)	KING IV (2016)
• Board meeting frequency • Balanced annual reporting • The obligation for effective auditing • Affirmative action programs • The company's code of ethics	• Transparency (the condition of being unambiguous) • Independence (free from any conflicts of interest) • Accountability (answerable for decisions) • Responsibility (accountable for behaviour, take corrective action) • Fairness (unbiased systems) • Social responsibility (active awareness and response to social matters).	• Fundamental and affected transactions with regards to director's responsibilities in mergers, acquisitions and amalgamations.	Objectives of KING IV • Corporate governance is integral to running an organisation • Accessible and fit for implementation • Corporate governance as an all-inclusive and consistent set of provisions • Encourage transparent and meaningful reporting to stakeholders • Concerned with ethical awareness and conduct.

Source: King Committee on Corporate Governance (2002); King Committee on Corporate Governance (2009); King Committee on Corporate Governance (2016); Ferreira (2019)

Good corporate governance applies best management practices, complies with the law and adheres to ethical standards for the effective management of the organisation (Ramakrishnan, 2007:2). Weak corporate governance, however, weakens an organisation's prospects and paves the way for unethical behaviour. The King II (IODSA, 2002) recommends principles for good corporate governance and can be applied to any organisation, including departments of state or national, provincial or local government administration. The principles for good governance (SAICA, 2002; Chaka, 2013:30) are as follows:

- Independence (demonstrate freedom from interference in decision making);
- Discipline (be able to act and work meticulously; obey rules and standards of behaviour);
- Transparency (ease within which the public and outsiders can have access to information);
- Accountability (be responsible and justify actions and decisions made);
- Responsibility (accept consequences for behaviour and decisions);
- Fairness (systems must be impartial, without bias or discrimination); and
- Social responsibility (behave in a manner that benefits all).

These good characteristics can be used as guidelines of ethical behaviour. The basis for ethical behaviour in government organisations depends greatly upon a reputable ethical framework and guiding principles that should be clearly understood by everyone in the organisations. The code promotes ethical and responsible decision-making and ensures compliance with law requirements and moral standards in the public sector. The code is a standard that guides employees with regards to what is the expected ethical conduct, both as individuals and in their association with others. For example, all employees in the public sector have a social responsibility to always act in the best interest of the public when executing their duties. Furthermore, leaders and managers in the public sector must set a strong attitude of zero tolerance toward unethical behaviour. For example, where officials engaged in fraud and corruption, management must follow through on disciplinary action and act fairly, without favouritism and bias.

The code is likely to boost professionalism and ensure confidence in the public service; thus, compliance with the code encourages ethical behaviour. However, Solomon (1992:330) asserts that the governance of ethics ought not to consist of a set of prohibitive principles or instructions, but rather be the driving force of personal relations and a shared sense of mission and success. Similarly, Trevino and Brown (2005:70) believe that the strongest stimulus on reducing unethical behaviour is influenced by how well leaders and management live up to the

code of conduct. Where employees perceive inconsistency and unfairness in how management resolve ethical problems, there may be a lack of trust from the employees and non-adherence to internal ethics policies and procedures. Overall, ethical behaviour in government organisations is not only influenced by formal codes and practices but also, by an organisation's ethical culture and climate that will impede unethical behaviour and encourage ethical conduct.

3.4.3 The Governance of Ethics Framework

Corporate governance has much in common with governance in government. The International Finance Corporation (IFC, 2013) describes corporate governance as “the structures and processes by which companies are directed and controlled. Good corporate governance helps companies operate more efficiently, improve access to capital, mitigate risk and safeguard against mismanagement.” Governance means “to control” and the overview to King III (IODSA, 2009:9) asserts that “good governance is essentially about effective leadership, sustainability and corporate citizenship” (Janse van Vuuren, 2016:162).

Strategic ethics governance in SA government organisations is centred on principles from international good practices and standards for ethics governance. Without limitation, ethics in the SA government organisations are regulated by:

- a) The basic moral standards and principles governing public administration as contained in Section 195 of the Constitution of the Republic of South Africa, 1996;
- b) The Public Service Regulations, 2001 in particular Chapters 2 and Chapter 3;
- c) The Public Sector Integrity Management Framework as published by the Department of Public Service and Administration;
- d) The King code of governance principles and the King reports on Governance for South Africa (commonly referred to as King II, III and IV) as published by the Institute of Directors in South Africa (2009);
- e) Any national and provincial policy or directive governing ethics; and
- f) Any internal government organisational policy or directive on ethics.

3.4.3.1 Leadership commitment

Strong leadership and a firm commitment are the foundations of a strong ethical culture. Although there are ongoing debates about the distinction between leadership and management, researchers agree that the two concepts overlap and that strong leadership and management is

needed for an organisation's optimal effectiveness (Lunenburg, 2011:1). For this research, it is necessary to explain leadership and management. Sharma and Jain (2013:310), describe leadership as "a process by which a person influences others to accomplish an objective and directs the organisation in a way that makes it more cohesive and coherent." On the other hand, management is defined as the association between a manager and the junior official initiated upon an authority power base and is transactional (Rost, 1991, Aronson, 2001:247). This suggests that management is therefore only interested in monitoring and leading other individuals and may be characterised by authoritarian and coercive behaviour. Leadership, on the other hand, is an association amongst leaders and their followers who work together to bring about significant change and is built on common objectives. It applies persuasion to inspire others and is not autocratic. Rost (1991) believes, therefore, that leadership is more about principles and morals than it is about management.

3.4.3.2 Governance structures

Executive leadership and management in a government organisation are liable and responsible to establish a governance system. One of the prominent changes affected by the Department of Public Administration, is the Public Service Management of Ethics Guidelines (PSME). The PSME guides how ethics should be managed in all SA government departments. Departments are required to establish governance structures to drive, implement and exercise control over the management of ethics through the roles of the ethics champion, ethics committee and ethics officers respectively. If government officials are seen as professionals who intend to promote the public good and general well-being of society, such interventions would generally be viewed as more constructive (Parton 1994:14; Van der Waldt, 2015:4). The application of corporate governance with regards to ethics can be realised through the ethics charter, the ethics office and the ethics management committee.

Although professional ethics is expected of every public service official, there is a worsening perception of public sector ethics and specifically of its managers and how they assume their role as ethical leaders (Schoeman, 2012). To ensure the effective management of ethics in the organisation, the HOD should establish a committee to address ethical issues or incorporate the functions thereof in an existing committee, for example, the risk committee. The ethics committee ensures that leadership demonstrates support for ethics throughout the organisations. This includes the development of a strategy for managing ethics in the organisation and articulating ethical standards in codes of ethics and supporting policies. The

committee will also depict how policies will be applied and define the linked structures, delegations, obligations, functions and procedures and reporting of the ethics performance of an organisation. The ultimate intention is to embed ethics in the organisational culture.

The King codes on corporate governance emphasise the management of risk as a vital element of good governance. SAICA (2013:1) defines risk management as the practices used to classify, evaluate, manage and control risks to ascertain the achievement of operational and strategic objectives in order to guarantee sustainability. The Public Finance Management Act 29 of 1999 stipulates that the accounting officer of a government organisation is the main chief risk officer and must implement a transparent system of risk that ensures efficiency and effectiveness (PFMA, 1999).

King III recommends the proper disclosure and management of risk practices by an organisation. It further strengthens the importance of risk management by recommending the establishment of a risk management committee and a board-approved risk management framework. The accounting officer may appoint an RMC to assist him/her to execute their risk management responsibilities. This suggests that ethics risks are also included in the mandate, activities and reporting obligations of the committee (PSR, 2016). This supports the primary objective of this study, which is to evaluate perceptions of ethics risk in a SA government organisation.

In line with theoretical objective three, to examine the relationship between ethics and risk management, the functions of the RMC regarding ethics, are to ensure that the risk management policy of the government organisation includes the management of ethics-related risks, to identify ethics risks, monitor the implementation mitigation plans and to monitor the implementation of ethics policies.

3.4.3.3 Manage ethics

The fundamental departure point of the ethics office is that ethics be managed on a similar foothold with other administrative offices. This requires a dedicated ethics office consisting of an ethics champion and ethics officers. According to the Public Service Regulations (2016) and the PSME guidelines, the accounting officer of a government organisation should appoint a member of the executive as an ethics champion, to drive the administration of ethics in the organisation and ensure that ethics retains momentum. The ethics champion also ensures that ethics initiatives are coordinated and integrated with other related initiatives (such as anti-

corruption, policy development, compliance, risk management and service delivery plans). This supports theoretical objective two, which is to discuss ethics management in a SA government organisation, as the ethics champion promotes discussion of ethics issues at an organisational executive level (PSR, 2016).

According to the PSR (2016), the main duties of an ethics officer in a SA government organisation are to implement and promote ethics management in the organisation, integrate ethics in the organisational culture, promote and monitor compliance of the organisational employees with the regulatory framework, provide continuous training to ensure that sound professional ethics are maintained within the organisation and provide safe systems to report unethical behaviour.

3.4.3.4 Assessment and reporting

Ethical leadership has a significant effect on the ethical conduct of employees (Li & Lin, 2014:209). In 2010, the PSC found that employees at operational levels in the public service were the main offenders of financial misconduct. Ultimately, all employees are required to maintain a sound image of the organisation and ought to perform their duties with integrity and notable professional integrity (Constitution of the Republic of South Africa, 1996). Managing ethics in the workplace involves prioritising standards that manage behaviours in the institution and the establishment of related strategies and procedures that make sure that expected behaviours are achieved.

In terms of ethics management oversight, the PSC enhances good governance in the public service by endorsing a professional and ethical environment and contributing to a public administration that is accountable, impartial, competent, effective, corruption-free and responsive to the demands of the SA society (Public Service Commission, 2010). Similarly, the audit committee governs the management of ethics by reviewing and monitoring ethics reports and the implementation of mitigation plans, as conducted by the organisation's risk management unit.

3.4 CONCLUSION

The ethical integrity of government organisations is constantly subject to question due to perceived failures of corporate governance and ethics. This has increased the urgency of enhanced ethical frameworks and governance in the public sector. The main principles of good

corporate governance as endorsed by the King II report have strengthened the connection between corporate governance and ethics and has played an important part in strengthening the ethical governance frameworks in the public sector. The public service has adopted key principles from the King II report into the ethics framework, including the ethics and integrity of leaders, transparency and accountability in decision-making and fairness and responsibility in addressing ethical matters.

Following theoretical objectives two and three, which were to discuss ethics management and to observe the relationship between ethics and risk management, this chapter aimed to discuss leadership and the governance of ethics in government organisations. Also, the chapter aspired to make a significant input to the understanding of the association between different leadership theories. Specifically, those that aim to empower leaders in organisations with core leadership capabilities that will enhance ethical behaviour, organisational efficiency and develop stewardship.

Theoretical objective two, discussion of ethics management, was achieved in this chapter through a literature review on ethics management and related theories. The literature suggests that the situational-, ethical- and servant leadership theories contain essential elements that may assist and capacitate leadership to manage ethics effectively. Government organisations would be able to do more when their leaders are capacitated to make ethical decisions. This can be performed through evaluating situations, being flexible and adaptive to situations to respond effectively to the situation. Ethical behaviour in government organisations would most likely increase if officials are satisfied with how leaders conduct themselves.

This chapter achieved theoretical objective three, examining the relationship between ethics and risk management through the review of the literature and existing government legislation. The literature review suggests that conducting regular ethics risk assessments significantly benefits the organisation, and enables leaders to address ethical concerns by engaging employees on their perceptions of ethics risks in the organisation. Likewise, governance bodies such as the RMC and ethics management committee would be able to provide effective oversight through regular reporting on ethics.

Chapter 4 will discuss the research methodology employed to attain the research objectives. This will include features of the methodology, such as the research design, collection of data, analysis of data, reliability, validity and model specification.

CHAPTER 4 RESEARCH METHODOLOGY

“It always seems impossible, until it is done.” Nelson Mandela (1918-2013)

4.1 INTRODUCTION

The preceding chapter reviewed the literature relating to ethics management, leadership and governance. This included a meaningful and concise explanation of theories of leadership. From the reviewed theories of leadership, in an attempt to reach the research objectives, different theories were employed for effective ethics management in government organisations.

This chapter describes the research design and methodology followed in the study. The study followed a basic secondary data analysis (SDA) using the raw data that a reputable SA government organisation provided to the original researcher. The section further discusses important aspects of the methodology, such as the collection and analysis of data, reliability and validity. This includes a presentation of the research design, population and sampling, as well as the reasons behind the techniques employed in this study. The last section provides a summary and concluding remarks to the chapter.

4.2 AN OVERVIEW OF RESEARCH PARADIGMS AND RESEARCH DESIGNS

Research models are various world views that indicate ontological (nature of being), epistemological (the pursuit of valid knowledge), methodological (systematic enquiry) and axiological (theory of value) dimensions in a research study (Creswell, 1998). This study adopts the definition by Guba and Lincoln (1994:107), that research paradigms are a set of methodological beliefs or research culture regarding the research topic.

On the other hand, a research design discusses the overall strategy that a researcher chooses to assimilate various components of the study coherently and logically, thus confirming that the research problem is adequately addressed and the objectives of the study are reached (De Vos *et al.*, 2011:17). Put differently, a research design is a “plan or blueprint of how you intend to conduct the research” (Babbie & Mouton, 2001:55). Since the research design can be defined as the map, we follow to find research participants and to collect pertinent information from these contributors, it also clarifies the purpose to conclude the research problem (Welman *et al.*, 2005:52).

Table 4.1 provides an overview of research paradigms and their complementary research designs.

Table 4.1: An overview of research paradigms

	Positivism	Interpretivism	Pragmatism
Ontology	External, impartial and independent of social factors	Socially built, personal, may vary, manifold	External, manifold, view selected to be the best to allow responding to the research question
Epistemology	- Only evident phenomena can provide reliable data, truths. - Emphasis on causality and law-like generalisations, reducing phenomena to simple elements	- Personal meanings and social phenomena - Concentrates on the details of circumstances, subjective meanings and motivating actions	- Either or equally observable phenomena and subjective meanings - Emphasis on applied research, combining diverse perspectives to help interpret the data.
Axiology	- Research is assumed in a value-free manner - The researcher is independent of the data - Researcher preserves an impartial attitude	- Research is value bound - The researcher is included in what is being investigated - The researcher cannot be isolated and so will be subjective	- Values play a big part in understanding results - The researcher assumed both objective and subjective viewpoints
Research design	Quantitative due to highly structured, large samples	Qualitative due to small samples, comprehensive investigations	Mixed or multiple method designs, quantitative and qualitative

Source: Saunders *et al.* (2009:119).

In the social sciences, a research design can be qualitative, quantitative, or a mixed method. The choice of research design rests on what the study intends to achieve, along with the best means of conducting the study (Babbie, 2010:91). Table 4.2 provides insight into the three types of research designs which complement the respective research paradigms.

Table 4.2 Overview of research designs

Research design	Characteristics	Advantages	Disadvantages	Research paradigm
Quantitative	• Structured interviews or self-administered questionnaires • Data is measurable (numerical) • Collection results in standardised and numerical	• Data collection is quick • Results can be generalised • Results are independent of the researcher • Eliminates the influence of irrelevant variables	• Results may be too general • Excludes variables not included in the model	• Positivism
Qualitative	• Data is interpreted through themes • Analysis performed through conceptualisation • Non-standardised data requiring classification into categories	• Data collected in a naturalistic setting • Individual information can be obtained • Describes the human understanding in detail	• Results may not be generalised • Data collection is time-consuming • Results may be influenced by the researcher	• Interpretivism
Mixed method	• Two forms of data (quantitative and qualitative) • Types of questions can be open and closed. Applies both statistical and text analysis	• Different approaches can be utilised for different objectives in a study • Avoids limitations of using either the	• Time-consuming • Analysing data and results may be complex • The researcher should have a good understanding of the	• Pragmatism

		quantitative or the qualitative method • New theories can be generated and tested • More accurate results	quantitative and qualitative approaches	
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Source: Johnson and Onwuegbuzie (2004:19), Bryman (2006), Saunders *et al.* (2009) and Creswell (2014:15)

The following section discusses three common research designs: quantitative research designs, qualitative research designs and mixed method approach research designs (Creswell & Plano Clark, 2011).

4.2.1 Quantitative research design

According to Du Plooy (2006:29), quantitative research is described as a methodical, empirical examination of a social phenomenon by means of statistical, mathematical or computational procedures. To generalise the findings of the data to the whole population, quantitative research collects and analyses numerical data from a certain population sample (Maree & Pietersen, 2007:145; Maaape, 2017:42). Quantitative researchers search for explanations and estimates that will generate to other people and places. The aim is to create, approve, or validate associations and to develop generalisations that add to the theory (Leedy & Ormrod, 2001:102). William (2007:66) indicates that quantitative research can be adapted to respond to relational enquiries of variables in the research. Dontso (2014:12) further explains that the key role of quantitative research is to examine the theory based on data produced from the survey.

Quantitative research is generally categorised as descriptive, experimental and causal-comparative (Leedy & Ormrod, 2001). The descriptive research comprises of the identification of qualities of a specific phenomenon founded on an observational basis, or the investigation of the association between two or more phenomena (William, 2007:66). Quantitative data are typically gathered through procedures such as experimentations and surveys and gathering data on prearranged instruments that produce statistical data (Creswell, 2003:18). Subsequently, the data are analysed through methods such as descriptives, which provide descriptive information about the variables, as well as factor analysis, a statistical technique used to reveal relations among several variables (Lutabingwa & Auriacombe, 2007:545).

As seen in Table 4.1, quantitative research can be associated with the research paradigm, positivism. According to Straub *et al.* (2005:221), a positivism paradigm takes into account mathematical, statistical or scientific procedures to yield numerical data. This study's existing dataset was gathered through survey research, which consisted of sampled data from participants that represented a population. The survey method is utilised primarily to gather quantitative data, is deductive in reasoning and is closely associated with positivism (Quinlan *et al.*, 2015:268). Also, the survey method uses closed-ended or open-ended items to obtain the data; therefore, the quantitative research design was applicable for this study. Ultimately, the

research method allowed the researcher to engage with the secondary data collected to produce the research findings and thereby attain the research objectives.

4.2.2 Qualitative research design

A qualitative research method collects and analyses data and the report writing varies from the traditional, quantitative approaches (Creswell, 2002). Stebbins (2001) notes that quantitative research pertains to unstructured research whereby its analytical objective is to yield distinct perceptions and provide direction for future studies.

Qualitative research builds its grounds on inductive reasoning, instead of deductive reasoning and comprises of purposeful use to define, clarify and infer collected data (William, 2007:67). According to Quinlan *et al.* (2015), qualitative research designs are used to detect social interaction, from which people's experiences, understanding and observations regarding a certain matter are prompted.

Qualitative research is conducted within an interpretivism paradigm and happens in a natural setting that allows the researcher to create a level of detail from being extremely involved in the actual experiences (Creswell, 2003; William, 2007:67). Qualitative data are typically gathered in the form of photos, maps, open-ended interviews, observations, documents or audio (Neuman, 2014:51). Next, the data are scrutinised through methods such as a thematic analysis; and the results thereof are interpreted through themes or patterns. This study's existing dataset was not collected through qualitative interviews, nor does it consist of non-numerical data. Consequently, the qualitative research design is not appropriate for use in this study.

4.2.3 Mixed methods research design

The mixed-methods approach to research arose in the mid-to-late 1900s (Tashakkori & Teddlie, 2003) as a substitute for quantitative and qualitative research methods. However, Johnson and Onwuengbuzie (2004:14) note that the mixed method does not mean that the qualitative and quantitative research methods are mismatched and, in turn, their related methods "cannot and should not be mixed". On the contrary, the mixed-method approach to research is an addition of the quantitative and qualitative methods to research (Johnson & Onwuengbuzie, 2004). Similarly, Greene (2008:20) mentions that the objective for researchers who use the mixed methods approach is to capitalise on the respective strengths of qualitative and quantitative research designs to address research questions defined for a specific research

study. To attain its research objectives, this study did not, as per the pragmatism paradigm, integrate individual perspectives to assist in the collection and interpretation of the data, therefore, it was not necessary to apply a mixed-methods research design to attain the research objectives.

As aforementioned, this study employed a quantitative research design by enforcing the principles of the positivist research paradigm. The secondary data analysis was applied to achieve the study's objectives. To evaluate the perceptions of ethics risks in a SA government organisation, it is imperative to first deliberate on the origin of the primary data used in the secondary data analysis.

4.3 ORIGIN OF PRIMARY DATA

Primary data relates to data collected specifically for the research project being initiated (Saunders *et al.*, 2009:598). On the other hand, secondary data embraces both raw data and published summaries. In research studies, researchers may consider reanalysing data that have previously been collected for another purpose, to meet the research objectives. In that situation, secondary data analysis may be applied to re-examine the data.

Primary data were collected by the SA government organisation. A questionnaire (Annexure 1) relating to the demographics, ethical behaviour, culture and ethics management was constructed and administered electronically to all officials within the SA government organisation to complete. Primary data about demographics (gender, job level and the number of years served in the organisation), ethical behaviour, culture and ethics management were collected from the participants relating to the research project.

4.3.1 Sampling procedure and strategies

According to Neuman (2011:219), sampling is a method of selecting a set of cases from a bigger population to use the set to make an inference to the larger population. The chosen case is called a sample or population sample. Onwuegbuzie and Collins (2007:282), define a sampling procedure as the process of choosing a part or segment that is a representation of the whole. The following sections discuss the methods applied in the gathering of the primary data.

4.3.1.1 Target population

A research or target population is defined as the group from which the researcher intends to make generalisations (Kitchenham & Pfleeger, 2002:17). The sample can be defined as the group drawn from the population, who will participate in the research study (Kerlinger & Lee, 2000). With regards to the primary data, the target population comprised of all officials working in a SA government organisation.

4.3.1.2 Sampling frame

According to Disoloane (2012:147), a sampling frame consists of people who could make up the sample until an adequate number of people have been included in the study. Similarly, a sampling frame can be described as a lesser section of a defined target population (Unrau *et al.*, 2007:279). The unit of analysis was made up of 765 officials in a SA government organisation. One government organisation was selected based on convenience and access to such an organisation.

4.3.1.3 Sampling method

Sampling methods refer to how the sample of a study is acquired (Kerlinger & Lee, 2000). Primarily, there are two main categories of sampling methods, that is probability and non-probability sampling (Trochim 2006:1). In probability sampling, each person in a population has the same known probability of being counted in a sample (Iacobucci & Churchill, 2010:285). For example, the researcher can stipulate beforehand that each component of the population will be represented in the sample. On the other hand, with non-probability sampling, one cannot assure that the sample size detected is a representative sample (Babbie 2001:178-182), since each individual's possibility of being included in a sample is unknown (Malhotra *et al.*, 2010:376).

In survey research, the elements of the probability sample are carefully chosen from the large population through a process identified as randomisation (Disoloane, 2012:14). This kind of sample is defined as a random sample. Leedy (1989:153) further explains randomisation as a process that chooses a sample from the whole population in a manner that estimates the characteristics of each unit of the sample with the characteristics of the total population. Based on the adopted quantitative research method, simple random sampling was applied in the primary study conducted by the organisation. Simple random sampling was initially applied by

the primary researchers to select the target population and to collect the primary data. According to Wolmarans (2014:52) and Kerlinger & Lee (2000), the ultimate purpose of random sampling is to extract a sample from a population so that all possible samples of fixed size have the same likelihood of being chosen. Also, random sampling allows a higher confidence level during statistical analysis due to a higher representation of the population (Langeni, 2018:136; Trochim, 2006). Since it is not possible to examine every individual on its own in the population, the random sampling method provides assurance that the selection process is completely randomised and is not biased. So, any person within the organisation had a chance of being selected in the primary data collection that took place.

4.3.1.4 Sampling size

Onwuegbuzie and Leech (2005) suggest that the sample size for quantitative study ought to have a representative dispersion of characteristics related to the population from where they were drawn. In other words, the researcher should be able to generalise the outcomes to the greater population.

The sample size was determined by the SA government organisation depending on the presented sample and the nature and prerequisite of the survey. Ultimately, the primary data's final sample size consisted of 277 officials. This sample size was considered sufficient for the study based on the statistical analysis that was applied in the study, in order to meet the set objectives. Since participation was on a voluntary basis, there was no control over the number of responses received and as a result, data was collected from those respondents. Also, as a result of the period in which this research was carried out, the sampling approach was the most viable and fitting selection. Information received from the 277 respondents presented the researcher with enough data to reach conclusions about the findings related to the research project. Similar studies (Malhotra *et al.*, 2012; Pallant, 2013:185, Ferreira, 2019) endorse a sample size of at least 150 and a ratio of at least five items per variable. The current study produced a ratio of eight items and above for each variable. Thus, the sample size of 277 met the conditions for the statistical analysis used in this study.

4.3.2 Data collection methods

The technique a researcher applies to collect the data from the participants of a selected sample is stated as a data collection method (Malhotra, 2010:228). As Struwig and Stead (2001:41) recommended, data can be gathered using surveys, observations, trials, consultations,

documents, photographs and films. However, the ultimate method for collecting information in quantitative studies is the survey. Surveys provide a picture of a situation at any time by using a structured questionnaire to gather quantitative data from a specified sample (Zikmund & Babin, 2013:185). The next sections provide insight into the construction of the questionnaire. The questionnaire was administered electronically from 1 February 2016 to 30 June 2016. The questionnaire was sent per electronic mail in which a total number of 765 officials were requested to participate.

4.3.2.1 Questionnaire design

The design of a questionnaire depends on the type of information a researcher wants to collect. For example, in a qualitative study, the researcher would collect exploratory information to understand better or generate hypotheses on a subject. Alternatively, in a quantitative study, the research may wish to collect quantitative statistics to assess specific hypotheses that have formerly been produced.

Malhotra (2010:336) affirms that a suitable questionnaire design can be confirmed by setting well-defined goals which stipulate the type of information the study needs. When designing a questionnaire, Dickason (2017:84) asserts that the design of a questionnaire has to be constructed under specific principles to satisfy the reliability and validity of data. The preparation of the questionnaire should consider the following (Best, 1997:137):

- Lengthy complex sentences should not be used so that questions are understood by the respondents;
- Suggestive statements must be kept at a minimum; and
- The phrasing of questions must be simple and direct.

The questionnaire was scientifically compiled to ensure a better understanding for all who completed it and to meet the research objectives. Since the data collected would be statistically analysed, a standardised questionnaire was designed with a prescribed order of wording and questions to obtain accurate information. Also, the questionnaire contained as many statements as questions, to determine the degree to which participants held a certain viewpoint or perception (Babbie & Mouton 2001:233). Lastly, the questionnaire completion time was not longer than 20 minutes, to enable rapid completion and to encourage complete participation by each respondent.

4.3.2.2 Questionnaire format

The use of structured questions in self-administrated questionnaires is recommended, as it is considered to be more effective when compared to unstructured questions (McDaniel & Gates, 2010:201). According to Marais (2013:58) structured questions, which are also known as closed-ended questions, offer a set of responses for participants to select from. The key advantages of using closed-ended questioning are as follows (Sudman & Bradburn, 1973:208):

- It provides an easy method of indicating the respondent's response;
- It prompts the respondent so that less reliance on memory can be exercised when answering a question;
- Responses can be classified without any difficulty, thus making analysis very simple; and
- It allows the participants to specify the answer categories most appropriate for their purposes.

The questionnaire used in the primary study comprised of closed-ended questions, which provided for a particular set of answers from the respondents. A six-point Likert scale was used for the closed-ended questions to show the respondents' level of agreement with a certain statement by choosing from six possible options. The scale ranged from one to six, with one being "Strongly disagree", six being "Strongly agree" and an additional option being "Don't know". The responses were summed up with percentages and frequency counts. A total of 43 questions were used to measure the main dimensions of ethical behaviours.

4.3.2.3 Questionnaire layout

Disoloane (2012:143) emphasises that a questionnaire is not merely a collection of several questions on paper, but is an interview on paper and must, therefore, respond to the principles of simplicity and be appealing to the respondent. The selection of a questionnaire as the research instrument emanated from the fact that is fairly low-priced, practical and respondents would be able to complete the questionnaire quickly and within an optimal response rate.

The design of the questionnaire (Annexure 1) is shown in Table 4.3. The questionnaire comprised of four sections and 43 measuring instruments. Additionally, the original researcher's motive for including each measuring instruments in the questionnaire (Annexure 1) is provided in the form of a summary. The questionnaire was introduced as follows: The opening section of the questionnaire comprised of biographical detail questions where

respondents indicated their demographic particulars. The demographic data requested from the participants included gender, work experience and employment level. The main aim of the demographic information was for statistical purposes to determine if the sample was representative.

Table 4.3: Questionnaire layout

Section	Measuring instruments	Reason for inclusion
A	Demographics	To collect the respondents' general background data such as gender, race, years in service, as well as the job level.
1	Ethical behaviour	To gather the respondents' opinions on the ethical behaviours the government organisation may be subjected to.
2	Ethics culture	To gather the respondents' opinions on the organisational culture that they perceive to exist in the government organisation.
3	Ethics Management	To gather the respondents' opinions on how well ethics is managed in the government organisation.

- **Demographics**

Demographic data is statistical data collected about the features of the population, for example, race, age, ethnicity, gender and income. Section A intended to gather the respondents' demographic information to provide a simple and meaningful picture of the data. In the demographic part of the questionnaire, participants had to specify their gender, race, years in service, as well as the job level in the government organisation. Demographics information of a population assists the researcher to break down the response data into meaningful groups of respondents based on demographic considerations.

The following sections of the questionnaire aimed to measure key dimensions of ethical behaviour (Section 1), ethics management (Section 2) and ethical culture (Section 3). The quantitative data from the questionnaire was interpreted in terms of a risk rating scale (see Table 4.2). The scale uses agreement scores to present the ethical behaviours that the organisation may be exposed to. When risks are evaluated using measures like likelihood and impact, scales are often adopted to allow for reliable assessment of each of the extents across numerous individuals giving input (Hancock, 2015:5). The organisation adopted a basic

approach and only used descriptors such as “high, medium and low” in defining each point on the scale. Additionally, a numerical rating scale was used to measure the level of risk in agreement with predetermined formulae or calculations (The Ethics Institute, 2016:17). To confirm the validity and reliability of the scale, agreement scores were calculated according to the distribution of respondents’ answers. The results and findings of this study were interpreted to conform to the parameters defined by the research proposal and the associated research questions.

Table 4.4: Risk Rating Scale

Low Risk	0-33
Moderate Risk	34-49
High Risk	50-66
Severe Risk	67-100

Source: The Ethics Institute (2016:35)

- **Ethical behaviours**

Section 1 comprises the ethical behaviour questions. The section is a 32-item, subjective measure of the respondents’ level of perceptions and opinions which emanate from their personal experience in the organisation. The questions aimed to gather the respondents’ opinions on the ethical behaviours to which the government organisation may be subjected.

- **Ethics management**

Section 2 comprised the close-ended questions and statements that represented respondents’ opinions on how well ethics was managed in the government organisation. The section included seven questions, with related statements to measure the degree to which the respondents agreed with the questions.

- **Ethics culture**

Section 3 comprised of statements on the organisational culture. For each statement, respondents were requested to specify the extent to which they concurred with each statement. The six-point scale as aforementioned was used: **strongly disagree (1)** to **strongly agree (6)**,

with an additional '**I don't know**' option. The section included 26 items that represent the respondents' opinions on the organisational culture that they perceive to exist in the government organisation.

4.3.4 Questionnaire administration

Survey research entails obtaining information about people's characteristics, views, perceptions or previous experiences by asking questions and classifying their responses. Questionnaires are most suitable for respondents who can read, for gauging people's attitudes and views and for reaching great numbers of respondents (Nardi, 2018:22). The questionnaire is a data collection method in which questionnaires are used to collect data about a selected population. This design is similarly used to evaluate interconnections between variables in a population (Maape, 2017:41; Shaughnessy & Zechmeister, 1997). Thus, the survey design is well suited to address the descriptive and predictive roles linked to the correlation design, whereby associations between variables are observed.

The main survey was conducted by an independent public institution that specialises in ethics-related services, through an online questionnaire (Annexure 1). The study employed a secondary time series data that covers the timeframe of 01 February 2016 to 30 June 2016. The dates were selected based on the availability of the most current data from the SA government organisation. Before the main survey, the government organisation had appointed the original researcher to research on their behalf. Upon agreement, the initial researcher sent a copy of the questionnaire electronically to all officials in the government organisation. The independent public institute oversaw the screening of participants; thus, the initial researcher did not know the employees of the government organisation.

Furthermore, completion of the questionnaire was voluntary and anonymous, with no remuneration for completion. Also, to ensure the anonymity of all officials, all data were kept secure and confidential and no personal information was collected. The questionnaire was distributed to all 765 officials in a SA government organisation, however, the original researcher received 277 responses of raw data, giving a response rate of 36 percent. Permission was requested from the government organisation to use their data for this study. The government organisation did not object to the data being published given that the organisation's name was not cited.

4.4 SECONDARY DATA ANALYSIS

Hakim (1982:1) explains secondary analysis as “any further analysis of an existing dataset which presents interpretations, conclusions or knowledge additional to, or different from, those presented in the first report on the inquiry as a whole and its main results”. This study made use of the secondary data that were collected for the period 1 February 2016 to 30 June 2016 on behalf of the government organisation, by an independent public institute. The analysis of the secondary data for this study was undertaken using SPSS and Microsoft Excel. Before the study elaborates on how the data were analysed, the advantages of secondary data analysis are briefly discussed.

There are several advantages of using secondary data (Food and Agriculture Organization, 1997):

- Secondary data may be accessible which is completely suitable and satisfactory to draw inferences and answer the question or solve the problem;
- It is less costly to gather secondary data than to acquire primary data;
- The time spent searching for secondary sources is lesser than that required to complete primary data collection;
- Secondary sources of information can produce more precise data than that attained through primary research;
- Secondary data can contribute to the exploratory phase of the research when the assigned task is to define the research problem and to generate hypotheses; and
- Secondary sources aid in defining the population.

In line with theoretical objective three, the main aim of the study was to examine the connection between ethics and risk management within the SA government organisation and to achieve the primary objective of evaluating perceptions of ethics risks in a SA government organisation. Maape (2017:46) defines the data analysis stage as the measures implemented by the researcher to manage acquired data in a manner that preserves it and proves that it is not contaminated. Data analysis happens after the researcher has gathered the data and includes the preparation and arrangement of the data to get a sense of its significance to the research purpose.

4.4.1 The process of SDA

Johnston (2014:620-624) proposes an SDA process that commences with developing the research questions, then identifying the dataset, detailed assessment of the dataset and the preparation and analysis of the secondary data. This four-step process is presented in the application process section (see Table 4.5)

4.4.1.1 Application of SDA

Table 4.5: Application of SDA steps

Process of SDA	Application of SDA
Step 1: Develop the research questions	The following research questions were developed based on the primary and theoretical objectives of the study: • How does the SA PSS define ethics management? • How can ethical culture and behaviour be defined from the literature? • What is the relationship between compliance and ethical behaviour within the SA PSS? • What is the relationship between leadership and governance with ethical behaviour in a SA government organisation? • How does the SA PSS assess perceived ethical risks in departments? • How can ethical culture, behaviour and ethics management be improved in a SA government organisation?
Step 2: Identification of the dataset	• A comprehensive review of the literature in the areas of interest was conducted probing the previous and current work of specialists in the field of ethics. • Through the literature review, other researchers on this topic were identified, that have conducted similar investigations. • New studies and findings from the PSS were identified and reviewed, in this case, secondary data were obtained from a SA government organisation. • Dissertations, journals and reports on areas of ethics, risk management, leadership and governance were identified and reviewed.
Step 3: A thorough evaluation of the dataset	• The dataset aforementioned was assessed for suitability and quality before its actual use (Stewart & Kamins, 1993). • The next evaluative steps were observed to determine the suitable match of the dataset to the research study (Stewart & Kamins, 1993):

	(a) what was the aim of this research; (b) who was in charge of gathering the information; (c) what information was gathered; (d) what was the period for the information collected; (e) in what manner was the information obtained; and (f) how consistent is the information gathered from one source in comparison with the information presented from other sources (Stewart & Kamins, 1993). • The researcher gained access to all documentation on the gathering of the data (raw data), the information collected from the publication (reports, legislations etc) and sought advice from the initial researcher from the primary study so as to complete the evaluation.
Step 4: Preparation and analysis of the secondary data	• Data were analysed using SPSS and Microsoft Excel. • The current dataset was considered valid and reliable. • In line with the purpose of the SDA, not all existing data from the initial survey applied to the study. • Information regarding demographics, ethical behaviour, culture and ethics management were included in the study. • The results of the study were analysed and interpreted by the use of appropriate statistical analysis methods. • The findings of the study are described in Chapter 5.

Source: Author's compilation

4.4.2 Statistical analysis for SDA

Statistical analysis refers to the process where data are gathered, examined and presented in a way that allows the researcher to identify underlying patterns and trends (Swanepoel *et al.*, 2006:3). To achieve the empirical objectives of this study, the following statistical methods were used to analyse the data

- Descriptive analysis
- Factor analysis
- Reliability and validity tests
- Significance tests.

Quantitative data analysis, employing descriptive statistics (means and standard deviations), was performed on the secondary data. All variables were normally distributed as recommended by the Shapiro-Wilk test results ($p > 0.05$), with the statistical significance set at $p < 0.05$.

Statistical analysis was conducted using SPSS and Microsoft Excel. The frequency distributions and percentages were graphically presented using tables and bar charts.

Field (2009:431) defines factor analysis as a statistical technique that involves the analysis of numerous procedures to reduce and summarise the data. The key objective of factor analysis is to summarise data so that relations and patterns can be simply interpreted and understood. Thus, it aims to decrease the initial number of variables into a reduced, therefore, more manageable (easier to analyse and interpret) set of underlying dimensions (Gie Yong & Pearce, 2013:79) called factors. Through the use of factor analysis, the researcher regroups variables into limited sets of groups based on common variance. The analysis of data was performed in line with the Governance of Ethics Framework (see Figure 1.1), to assist the government organisation to create, over a certain period, a sustainable ethical organisational culture.

4.4.2.1 Reliability and validity

Researchers subscribe to the philosophies of validity and reliability to scientifically validate the results of their studies. In this study, the quantitative research method was utilised to maximise and verify the validity and reliability of the secondary data collected. Although Neuman (2011:188) asserts that it is practically impossible to achieve perfect reliability and validity, the different types of questions used in the questionnaire verified the validity and reliability of the research.

4.4.2.1.1 Reliability

Reliability is mainly interested in whether the results of a study are repeatable (Bryman, 2012:46). According to Maape (2011:144), reliability takes place when an instrument measures the same thing repeatedly and produces the same results. To increase the reliability of the data, Disoloane (2012:145) recommends an increase in the number of items or observations, or the use of several indicators of a variable.

Easterby-Smith *et al.* (2008:109) affirm that reliability can be measured by asking the following three questions:

- Will the measure produce the same outcomes on other occasions?
- Will comparable observations be reached by other observers?
- Is there transparency in how logic and reasoning was followed by the raw data?

Reliability relates to how consistent a measure is and can be accomplished through different procedures (Heale & Twycross, 2015:66). Table 4.6 describes the different measures that ensure the achievement of reliability.

Table 4.6: Reliability measures

Type	Description	Measures
Homogeneity (internal consistency)	The degree to which all the items on a scale evaluate one construct.	• Cronbach's α • Item-to-total correlation • split-half reliability • Kuder Richardson coefficient •
Stability	The consistency of outcomes through the use of an instrument with repetitive testing.	• test-retest • parallel or alternate-form reliability testing
Equivalence	Consistency between responses of several users of an instrument, or different forms of an instrument.	• Inter-rater reliability

Source: Heale and Twycross (2015:67)

To achieve reliability, two or more questions were used in the questionnaire to assess each aspect of a variable. This was to ensure that the analysis procedures will produce consistent findings. Additionally, the research standardised instructions and maintained consistent scoring procedures. For this study, a six-point Likert-scale was used for the close-ended questions to indicate the respondents' extent of agreement with a specific statement by choosing from six possible options. The scale ranged from one to six, with one being "Strongly disagree", six being "Strongly agree" and last option being "Don't know". Percentages and frequency counts were used to summarise the responses. A total of 70 questions was used to measure the main dimensions of ethical behaviours across the questionnaire. Similarly, the secondary data and the review of literature were used to support the reliability of the data of the study.

However, Robson (2002) assets that participant error and participant bias may be threats to reliability. For example, the degree of enthusiasm of officials to respond honestly may be influenced by fear of employment insecurity or victimisation from management. However, this threat was minimised by the original researcher by ensuring the anonymity of respondents to questionnaires.

4.4.2.1.2 Validity

Maape (2011:47) defines validity as a measure of the integrity of the research data. The use of different kinds of questions in the survey strengthens the validity of the research. Validity was further confirmed during data analysis through the comparison of the quantitative study with the information from the SA government organisation, such as the ethics policies and plans.

As with reliability, validity also consists of several types, namely:

- Content validity;
- Construct validity; and
- Criterion validity.

Table 4.7: Validity methods

Type	What is measured	Methods
Content validity	The degree to which a research instrument measures all features of a construct in an accurate manner.	• Judgemental or panel evaluation with content validity ration
Construct validity	The degree to which a research instrument (or tool) measures the intended construct	• Factor analysis (FA) • Judgemental • Correlation of the proposed test with recognised one Convergent discriminant techniques • Multitrait-multimethod analysis
Criterion validity	The degree to which a research instrument is connected to other instruments that measure the same variables.	• Correlations

Source: Cooper and Schindler (2006:319); Heale and Twycross (2015:66)

4.4.2.2 Descriptive statistics

Descriptive statistics relate to the elementary transformation of raw data in a summarised way which describes fundamental features such as central tendency, variability and distribution (Quinlan *et al.*, 2015:359). Descriptive statistics are interlinked with frequency distributions and are both generally used to summarise the captured data (Zikmund & Babin, 2013:411).

The most common descriptive statistics comprise of means which are measures of location; variability, which discusses standard deviations; along with skewness and kurtosis, which are measures of shape (Malhotra, 2010:484).

4.4.2.3 Inferential statistics

Inferential statistics are generally differentiated from descriptive statistics. With descriptive statistics, a researcher only describes what the data shows and delivers simple summaries about the sample and the measures (Trochim, 2007). On the other hand, with inferential statistics, a researcher uses statistical methods to assume or make inference on the properties of a population from the analysis of the properties of a data sample drawn from it (Urdan, 2011:2). Thus, inferential statistics are used to infer from the data to more general circumstances; while descriptive statistics are used to basically describe what is happening in the data. Inferential statistics use measurements from the sample of subjects in the study to link the groups and generalise about the greater population of subjects (Kuhar, 2010).

Dawson (2010) mentions that inferential statistics reveal, with a certain degree of assurance, if there is a true variance between two paths, or if the variance is possibly attributable to chance outcomes. There are many types of inferential statistics such as the t-test, analysis of variance (ANOVA), analysis of covariance (ANCOVA), regression analysis and the multivariate methods like factor analysis, multidimensional scaling, cluster analysis and discriminant function analysis. Each of the inferential statistics is suitable for specific research designs and sample characteristics. The inferential statistics used in this study are described in the following discussion.

- **Significance tests**

In statistical analysis, researchers use significance tests to determine if a statement on a specific population can be proved or disproved by conducting an empirical study (Berndt & Petzer, 2011:253). However, according to Loeb *et al.* (2017:26), statistical significance is just a measure of how unlikely a connection is to exist in a population given the size of the observed association in the sample. Statistical significance is usually stated in terms of levels instead of giving a specific probability. For example, if the level of statistical significance is 0.05, it means that results such as these are attributable to chance factors only 5 in 100 times. Put differently, there is a 95 percent chance that the sample results are not because of chance factors alone but accurately reflect the entire population (Neuman, 2011:423). Significance tests such as t-tests,

analysis of variance (ANOVA) and correlation, were applied to the study and are explained below.

- **T-tests**

T-tests may be used to establish whether there is a significant difference amongst two sets of data, by assuming that the variable is disseminated normally and that the mean is known (Malhotra, 2010:504). According to Kenton (2020), a t-test is calculated using three key data values, which include the difference between the mean values from each data set (called the mean difference), the standard deviation of each group and the sum of data values of each group. The result of the t-test yields the t-value, which is then compared with a value found in a critical value table (called the T-distribution table). The greater the scale of the t-value, the greater the evidence in contrast to the null hypothesis; that is to say, there is greater indication that there is a significant difference. The closer the t-value is to zero, the higher the probability that a significant difference does not exist.

- **Analysis of variance (ANOVA)**

Analysis of variance pertains to a statistical method that is employed to test differences between two or more means (Malhotra *et al.*, 2010:890; Saunders *et al.*, 2009). To identify significant differences, ANOVA applies test-statistics through two values, namely the F-value and the p-value (Remler & Van Ryzin, 2011:307). The F ratio or F statistic reflects these differences. A low probability of any difference between groups occurring by chance alone, this will be signified by a large F ratio with a likelihood of less than 0.05, termed statistically significant (Saunders *et al.*, 2009:458).

- **Correlation**

Lastly, correlation can be defined as a statistical process applied to measure aspects of the connection between two variables (Mukaka, 2012; van Heerden, 2015:34; Leedy & Ormrod, 2010:273). According to Pallant (2007:126), correlation measures the strength and direction of the linear relationship between two quantitative variables. Various correlation measures can be applied, including Pearson's product-moment correlation coefficient (r) and Spearman rank order (ρ) (Struwig & Stead, 2010:140). The Pearson correlation coefficient is the most widely used and is appropriate for this study. The Pearson correlation is measured by a statistic called the correlation coefficient, which reflects the strength of the supposed linear relationship

among the variables. Where no linear association exists between two continuous variables, this will be indicated by a correlation coefficient of zero, while a correlation coefficient of -1 or +1 explains a perfect linear relationship (Investopedia, 2014b). The strength of the relationship falls between -1 and +1. The stronger the correlation, the closer the correlation coefficient is to ± 1 . A positive coefficient implies that the variables are directly related (i.e. as the value of one variable rise, the value of the other also tends to do so). On the other hand, a negative coefficient means that the variables are inversely related (i.e. as the value of one variable increases, the value of the other tends to decrease) (Mukaka, 2012:69). Correlation coefficients are also tried for statistical significance (Urdan, 2011:85). Field (2009) suggests an interpretation of values where ± 0.5 specifies a large effect, ± 0.3 specifies a medium effect and ± 0.1 specifies a small effect.

- **Factor analysis (FA)**

Factor analysis is a statistical data reduction method that aggregates a big number of observed measures (items) into a smaller set of unobserved (latent) variables, termed factors based upon their underlying bivariate correlation patterns (Bhattacharjee, 2012).

Researchers make use of factor analysis to yield factor loadings, namely the Pearson correlation coefficient of an original variable or item with a certain known factor (Gerber & Price, 2018). Factor loadings may be utilised as a way of reducing items and of grouping items into construct subscales or domains by their factor loadings (Pallant, 2007:179). According to Sampson (2001), factor analysis has been applied in two data analytic settings: first, in a confirmatory way intended to confirm or disprove the hypothesised structure, or as an attempt to discover a structure, in such case, the analysis is termed exploratory.

Suhr (2006:1) defines exploratory factor analysis (EFA) as the methodical simplification of interconnected measures. On the other hand, confirmatory factor analysis (CFA) is a statistical method employed to validate the factor structure of a set of observed variables. CFA lets the researcher test the hypothesis that a connection between observed variables and their underlying latent constructs exists (Suhr, 2006:1).

4.5 ETHICAL CONSIDERATIONS -

Ethical considerations of conducting research were taken into consideration. The research study conformed to the following conditions stipulated in the ethical standards of the SA government organisation.

- The item content of the measurement instruments (surveys) is not plagiarised and/or widely distributed outside of the research objectives and data gathering processes agreed upon;
- The scoring keys for the measurement instruments used remain confidential;
- The copies of all publications and/or dissertation work are provided to the department;
- That no unauthorised publications and/or research are conducted using data derived from the government organisation;
- That all data are subject to anonymity and confidentiality;
- That all research conducted will have specified objectives for measuring the risk perceptions for ethical culture, behaviour and ethics management in a SA government organisation;
- That the research will only commence once a suited ethics committee (accredited at a tertiary institute of education) has ruled in favour of the research objectives and the research process proposed;
- A copy of this ethics clearance certificate needs to be provided to the department;
- That the data will not be distributed to any third party without the consent of the government organisation;
- That the data is kept secure and confidential in accordance with the requirements outlined in the Protection of Personal Information Act 4 of 2013; and
- The study will also conform to the general rules and guidelines for research ethics as formulated by the NWU Institutional Research Ethics Regulatory Committee.

4.6 CONCLUSION

The research methodology employed in this study presented appropriate tools to gather secondary data in the evaluation of perceptions of ethics risks in a SA government organisation. Using quantitative researched methods, sufficient secondary data were gathered, analysed and interpreted. The literature review also provided insight on ways to improve the leadership abilities of leaders and managers for effective ethics management in the government

organisation. On the basis of the primary data originally acquired by the independent public institute, the researcher was able to analyse and interpret the secondary data to inform the ethics risk exposures of the government organisation. This provided a scientific indication of what the organisation's stakeholders perceived regarding the effectiveness of ethics management programmes, particularly in the context of a SA government organisation.

CHAPTER 5 RESULTS AND FINDINGS

“While we are guarding the country, we must accept being the guardian of the finest ethics. The country needs it and we must do it.” (Creighton Abrams, 1914-1974)

5.1 INTRODUCTION

The preceding chapter described the research methodology to be applied in the study. This included a presentation of the research design, population and sampling, as well as the reasons behind the methods used in the study. The last section provided a summary and concluding remarks of the chapter. The main purpose of this chapter is to report on the results and findings of the study conducted. The primary objective of this study was to evaluate perceptions of ethics risks in a government organisation. This chapter lays out the results following the empirical objectives as set out in Chapter 1:

- Determine the relationship between the dimensions of ethics risk and ethics culture (Empirical objective 1);
- Determine the relationship between ethics culture and ethics management (Empirical objective 2);
- Assess perceived ethics risks in a SA government organisation using a risk index (Empirical objective 3);
- Assess the perceived ethics culture in a SA government organisation using an index (Empirical objective 4);
- Evaluate the effectiveness of already implemented ethics management programmes in a SA government organisation (Empirical objective 5); and
- Compare the results from the SA government organisation with the public sector benchmark (Empirical objective 6).

To achieve the empirical objectives and eventually the primary objective, this chapter presents the results in a structured presentation. This includes an outline of the results and a discussion of the statistical methods employed to analyse the data collected via the questionnaire. Data analysis was conducted using SPSS and Microsoft Excel. The results and findings of this study were interpreted in line with the parameters defined by the research proposal and the associated research questions. The quantitative data from the questionnaire was interpreted in terms of a risk rating scale (see Table 4.1). The scale used agreement scores to present the ethics risks and the ethical culture risks

that the organisation may be exposed to. The agreement scores were calculated based on the distribution of respondents' answers.

5.2 BIOGRAPHICAL PROFILE

The target population for this research was 765 officials in a SA government organisation. The full population was included in the data collection process. Questionnaires were handed out to all identified participants. The significance of the research was explained in the questionnaire and it indicated that they would have three weeks to complete the survey. After the deadline, 277 respondents had completed the survey, with a subsequent response rate of 36 percent. During the data collection stage, error checks were conducted. This resulted in the exclusion of questionnaires that did not satisfy the error checks, as many were substantially incomplete and could not be utilised. A total of 277 questionnaires, which passed the data integrity process, were included in the sample. This represented an actual response rate of 36 percent.

To achieve the primary objective and the empirical objectives set out in Chapter 1, this chapter describes the different sections of the analysis and interpretation:

- Section 5.2 commences with the biographical profile of the sample of participants;
- Section 5.3 expands on the descriptive analysis of the demographics of the participants;
- Section 5.4 further describes the factor analysis conducted on the questionnaire on the sections dealing with ethical risks, ethics management and the organisational culture; and
- Section 5.5 deliberates on the analysis as it relates to each empirical objective.

Tables and graphs will be used to enhance readability and to present the information in a systematic manner.

5.3 PRELIMINARY DATA ANALYSIS

5.3.1 Data gathering process

In line with the data gathering process highlighted in Chapter 4 (refer to Section 4.3.2), the questionnaire was administered electronically to a total of 765 officials in the government organisation. Ultimately, the final sample size from the primary data consisted of 277 officials. The final questionnaire comprised of four sections and 43 items, as outlined in Chapter 4. The first section, Section A, consisted of nine items where respondents indicated their demographic particulars. The demographic information requested from the respondents included gender, work

experience and employment level. The second section, Section 1, determined the respondents' opinions on the ethical behaviour risks the government organisation may be subjected to and consisted of 32 items. The third section, Section 2, comprised of close-ended questions and statements that represent respondents' opinions on how well ethics was managed in the government organisation and consisted of seven items. The fourth and last section, Section 3, gathered the respondents' opinions on the organisational culture that they perceive to exist in the government organisation and consisted of 26 items. The objective of the research study was described in the cover letter, which was included in the nine-page questionnaire. Completion of the questionnaire was voluntary and anonymous, as expounded upon in the cover letter.

A discussion on the arrangement of the data obtained by the questionnaire will be described in the next section.

5.4 DESCRIPTIVE ANALYSIS OF THE DEMOGRAPHIC DATA

The first section in the questionnaire required participants to provide various demographic data. Descriptive statistics regarding the respondents' biographical information were applied to analyse the data obtained from the questionnaire. The primary objective of descriptive statistics is to determine the demographics of participants such as age, gender, race and job level through percentages, ratios, averages or standard deviation (Quinlan *et al.*, 2015:359). Respondents had to indicate their gender, race, tenure and job level in the government organisation. Table 5.1 indicates the descriptive analysis of the demographic data of the final sample included in this study.

Table 5.1: Descriptive analysis of the sample

Demographic variable	Category	Frequency	Valid percentage
Gender	Females	166	59,9%
	Males	111	40,1%
Race	Black	230	83%
	Coloured	20	7,2%
	Indian	10	3,6%
	White	17	6,1%
	Other	0	0%
Experience (years)	0-2	75	27,1%
	3-5	54	19,5%
	6-10	91	32,9%
	11-20	38	13,7%
	More than 20	19	6,9%
Job Level	Senior Management (level 13 – 16)	38	13,7%
	Middle Management (level 9 – 12)	156	56,3%
	Employee (level 1 - 8)	83	30%

5.4.1 Gender

As indicated in Figure 5.1, the sample illustrates the distribution by gender. Distribution in the sample based on gender indicated that the vast majority of the respondents were females at 59.9 percent, while only 40.1 percent of the respondents were males. Figure 5.1 shows the distribution by gender.

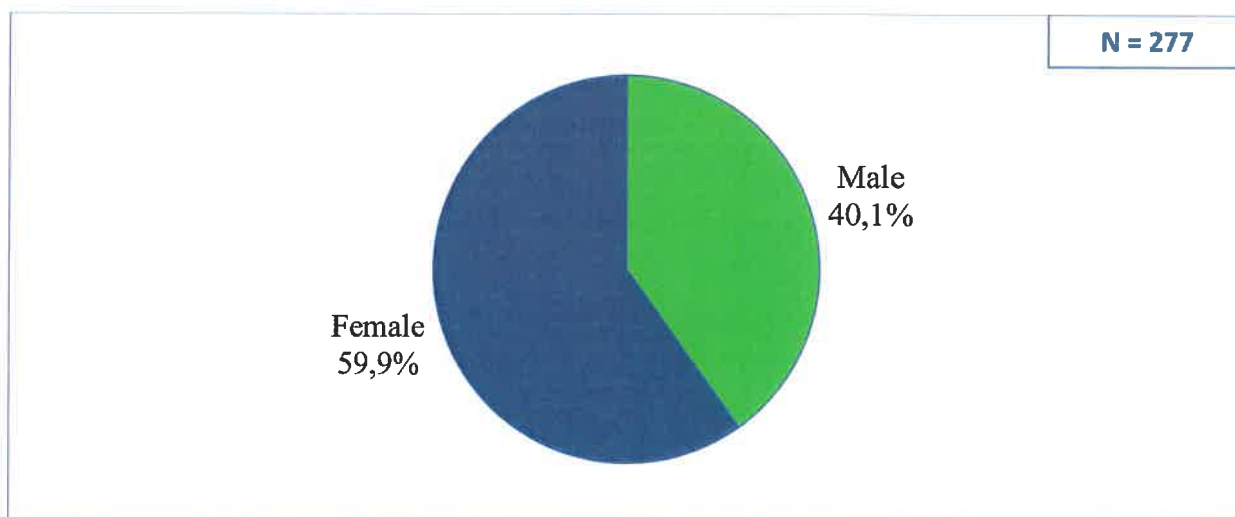


Figure 5.1: Gender

5.4.2 Race

As shown in Figure 5.2, most participants (83%) in the sample represented black officials, followed by 17 (6.1%) who were white. Coloured participants were recorded at 7.2 percent, followed by Indian participants at 3.6 percent.

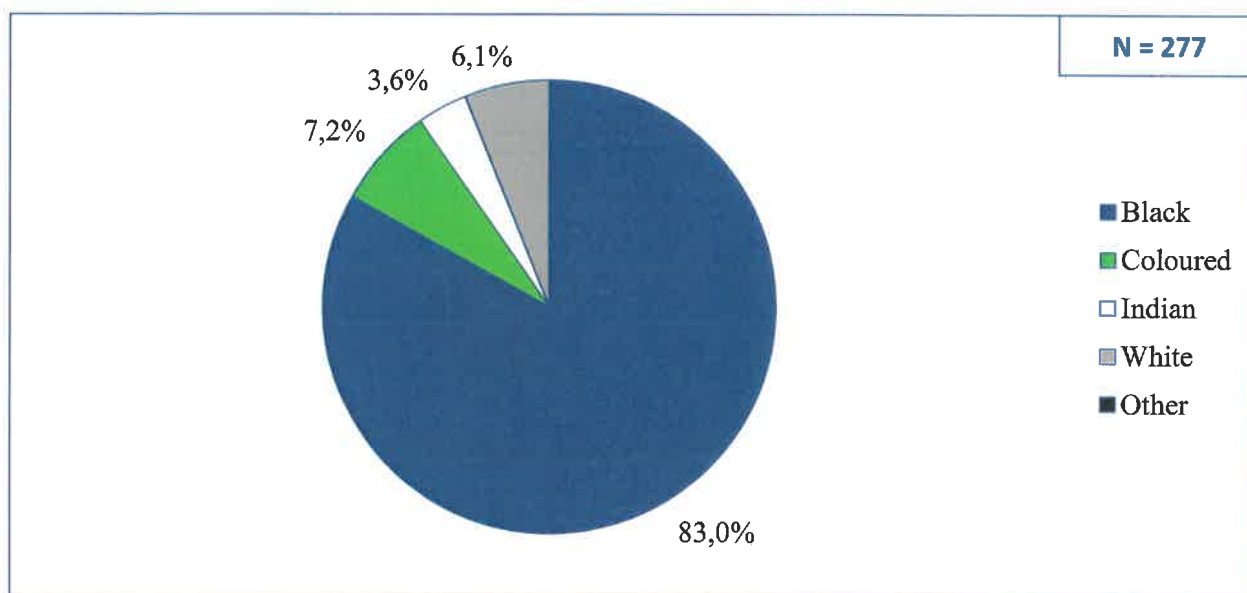


Figure 5.2: Race

5.4.3 Tenure

Distribution in the sample on the basis of years in service indicated that respondents on salary level 6 to 10 had the most responses at 32.9 percent. Responses from respondents who have more than

20 years of service in the public sector resulted in only 6.9 percent. Reasons for the low response could be the reluctance of respondents to participate out of fear or lack of interest. Despite this, respondents who had been in the public service for the least number of service years, those ranging from 0 to 2 years and those from 3 to 5 years in service, responded quite well with 27.1 percent and 19.5 percent, respectively.

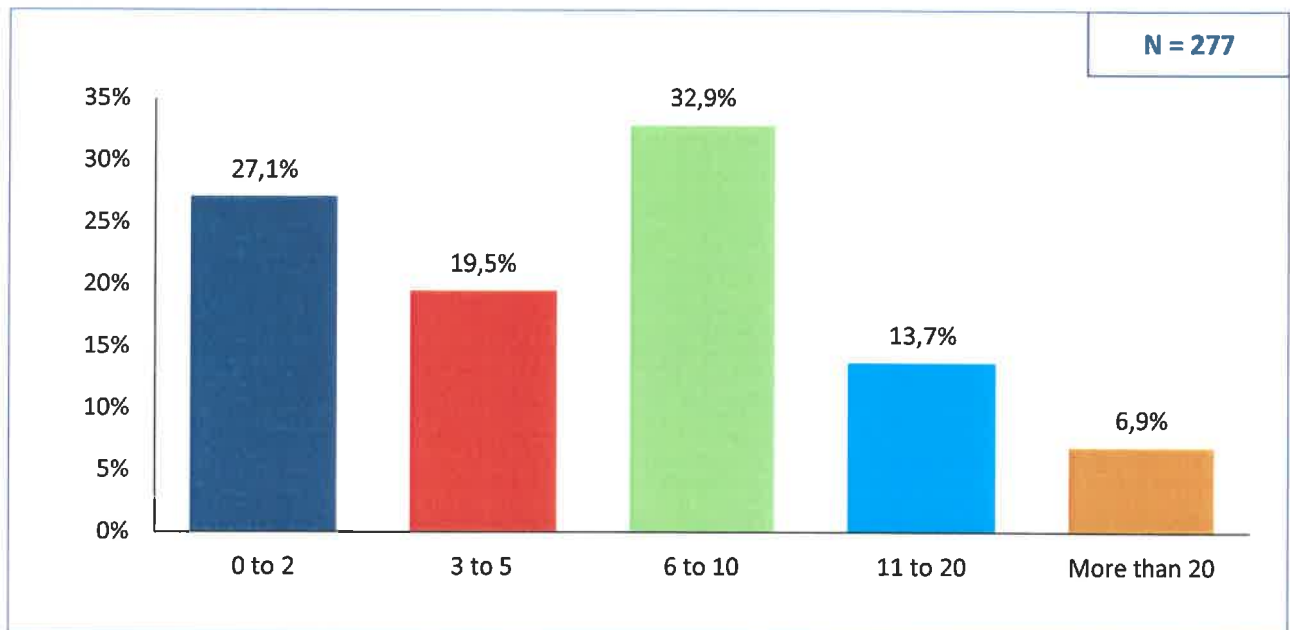


Figure 5.3: Tenure

5.4.4 Job level

Distribution in the sample according to job level indicated that of the 277 respondents, the highest number of respondents were at middle management level, level 9 to 12, at 56.3 percent. This could be affected by the fact that a larger number of employees at the government organisation are on these job levels. This group is followed by respondents with 0 to 2 years' experience who constituted 27.1 percent and those with 3 to 5 years' experience with 19.5 percent. Respondents with 11 to 20 years' experience only constituted 13.7 percent of the total percentage. However, the least number of respondents were from senior management, at 13.7 percent.

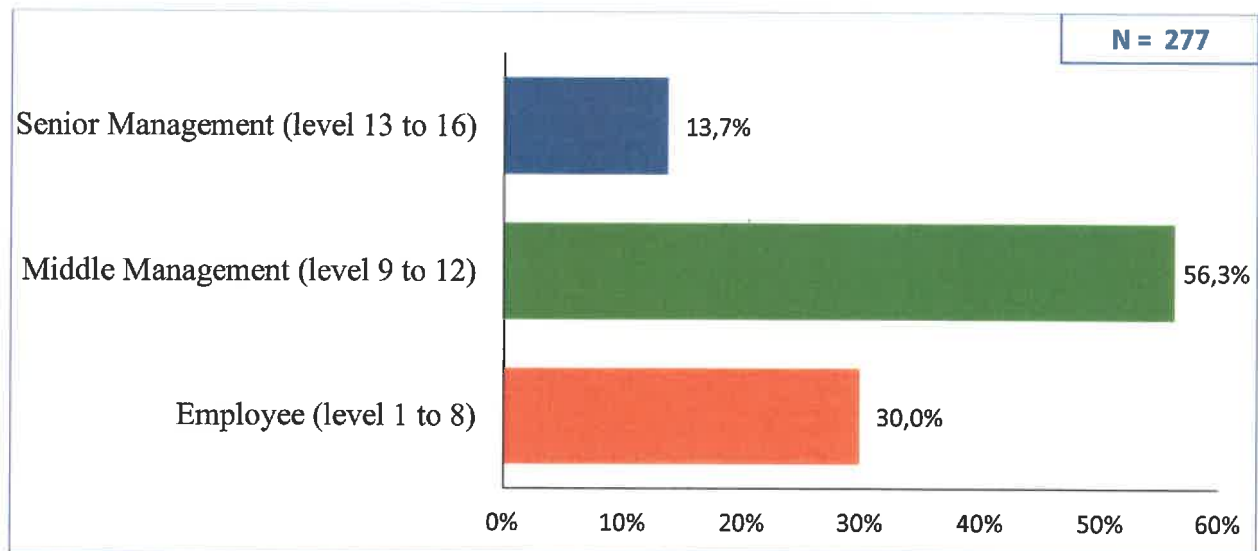


Figure 5.4: Job level

5.5 EXPLORATORY FACTOR ANALYSIS (EFA)

Factor analysis is defined as a number of procedures used to observe how underlying constructs affect the responses on several measured variables (DeCoster, 1998). There are two categories of factor analysis, namely EFA and CFA.

EFA seeks to determine the nature of the constructs that influence a set of responses. On the other hand, CFA tests whether a specified set of constructs influences responses in a logical manner. EFA was performed on Section 3 (ethical culture) of the questionnaire. Before the EFA was performed, suitability tests were conducted on the data, as well as intercorrelation by conducting the Kaiser-Meyer-Olkin (KMO) test and Bartlett's test of sphericity.

5.5.1 Exploratory factor analysis: Section 3 – Ethical culture

This study used the KMO test and Bartlett's test of sphericity to measure the suitability of the data for factor analysis and sampling adequacy. According to Pallant (2013:190), a KMO value can be influenced by the sample and recommends a minimum sample of 150 respondents for reasonable sampling adequacy. Furthermore, Malhotra *et al.* (2012:638) recommend the following scales for the measurement of KMO values: inadequate (less than 0.5), average (0.5-0.7), good (0.7-0.8), great (0.8-0.9) and superb (greater than 0.9). Table 5.2 shows the values for the KMO measure of sampling adequacy and Bartlett's test of sphericity. The KMO measure of sampling adequacy is 0.903, which falls into the range of being great to superb (i.e. 0.9-greater than 0.9) and the Bartlett

test of sphericity was found to be highly significant ($p < .000$), suggesting that the data were suitable for factor analysis.

Moreover, the interpretation of oblique factors, which contains both the pattern and structure matrices, along with the factor correlation matrix were consulted. The structure matrix that holds the correlations between the variables and the factors was consulted to validate if the same factors emerged. The factor correlation matrix was used to validate the correlations between all pairs of factors in the solution.

Table 5.2: KMO and Bartlett's test

Kaiser-Meyer-Olkin measure of sampling adequacy.		0,903
Bartlett's test of sphericity	Approx. chi-square	3215,008
	df	325
	Sig.	0,000

The KMO values are interpreted in line with Hair, Anderson, Thatham and Black (1998:99) as follows: KMO values between 0.8 and 1 specify the sampling is adequate/commendable; values less than 0.6 specify the sampling are not adequate and values close to zero indicate that the results are undesirable. Eigenvalues represent the amount of standardised variance that has been captured by each of the components. The principal axis factoring method was utilised for the initial extraction of the eigenvalues, with Oblimin with Kaiser normalisation. The graph represents the corresponding scree plot, which helped determine the optimal number of components. Based on eigenvalues and scree plot, four factors were extracted in this study. For Section 3 – ethical culture, the desired results were obtained as all 26 items accounted for 52.67 percent of the total variance.

5.6 CONFIRMATORY FACTOR ANALYSIS (CFA)

5.6.1 Validity through CFA: Section 1- Ethical behaviour

Validity establishes whether the research accurately measures that which it was intended to measure or how reliable and precise the research results are (Bashir *et al.*, 2008:37). According to Cooper and Schindler (2006:318), validity describes the ability of a research instrument to measure what it is supposed to measure. CFA was employed to examine the content and structure of the underlying eight items on the ethical risk behaviour section. According to Tabachnic & Fidell

(2001), using CFA, specific variables can be chosen to test a theory around latent processes or to examine variances in latent processes between groups of subjects. Moreover, Kelloway (1998) argues that CFA is more precise and cost-effective when compared to the “more traditional” techniques of EFA. Figure 5.5 indicates the specified measurement model for the eight ethics behaviour items. The data are subjected to principal axis factoring and were as follows:

- Discipline
- Transparency
- Independence
- Accountability
- Responsibility
- Fairness
- Social responsibility
- Misuse of resources.

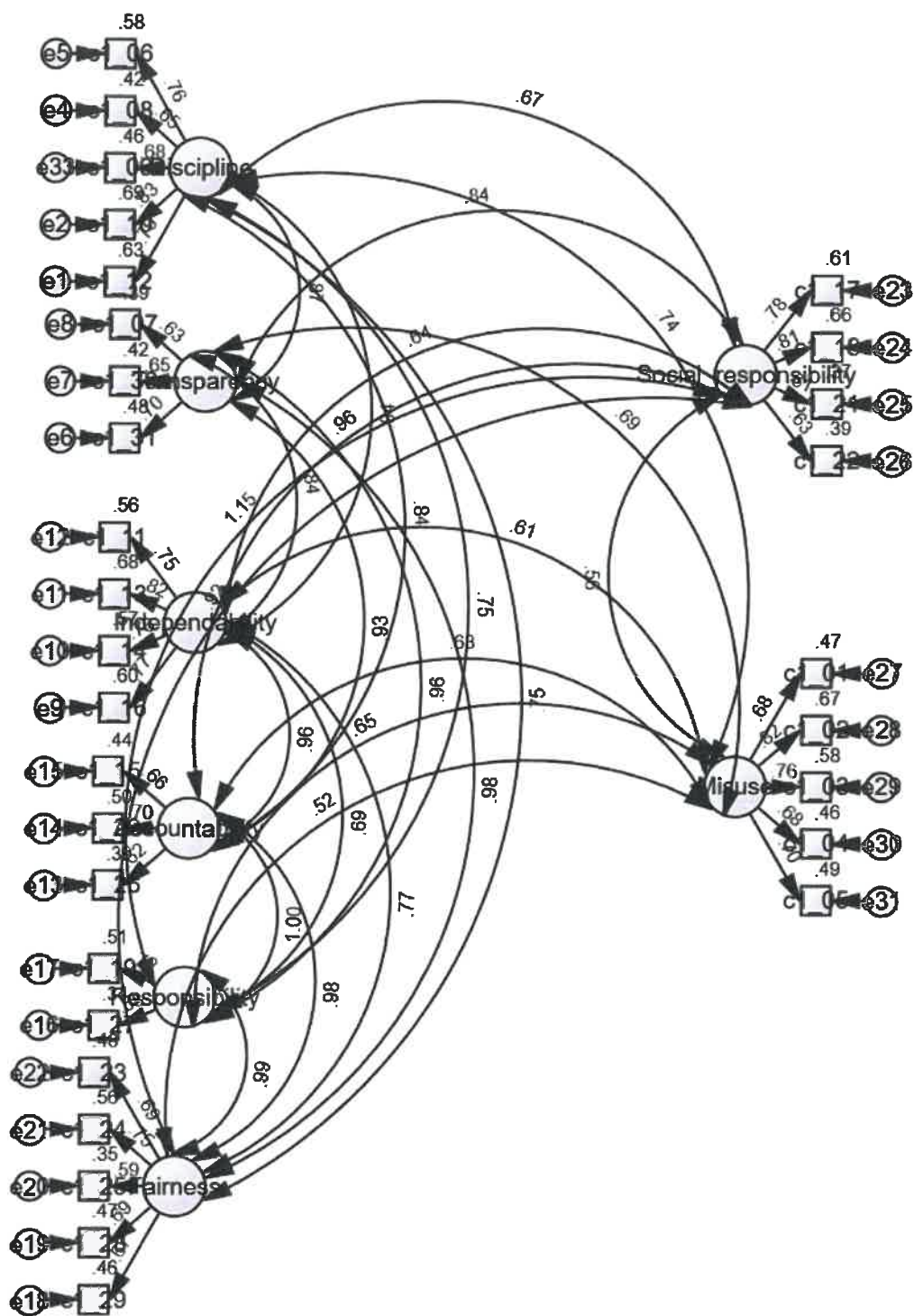


Figure 5.5: Specified measurement model

5.6.2 Reliability and validity of the measurement model

The standardised factor loadings for the CFA model in Figure 5.5 are displayed in Table 5.3. Standardised regression weights in Table 5.3 show that all factor loadings >0.05 and eight of these loadings (E5, E8, E12, E15, E17, E22, E23 and E27) were also significant at $p < .05$, which shows that the data are a good fit. The cut-off value for p is called alpha, or the significance level and was set at 0.05, reflecting significance at 95 percent confidence interval (mark *** indicates figures that were significant at the 95 percent confidence level). Based on the factor loadings in Table 5.3, these factors also had acceptable levels of reliability >0.6 . Table 5.3 highlights the relative importance of the eight factor loadings with regards to ethical risk behaviours. According to the standardised regression weights, all factors impacted significantly on the ethics risk behaviour (i.e. variables had significant contribution in predicting ethics risk behaviours). Therefore, it may be statistically accepted that the eight indicator variables substantially correlated with ethics risk behaviours in the SA government organisation.

Table 5.3: Standardised regression weights

Ethical risk behaviour	Item	Estimate	P-value
Discipline	E5	.793	
Discipline	E4	.830	***
Discipline	E33	.680	***
Discipline	E2	.648	***
Discipline	E1	.764	***
Transparency	E8	.695	
Transparency	E7	.647	***
Transparency	E6	.626	***
Independence	E12	.774	
Independence	E11	.756	***
Independence	E10	.822	***
Independence	E9	.750	***
Accountability	E15	.622	

Ethical risk behaviour	Item	Estimate	P-value
Accountability	E14	.705	***
Accountability	E13	.660	***
Responsibility	E17	.580	
Responsibility	E16	.715	***
Fairness	E22	.675	
Fairness	E21	.687	***
Fairness	E20	.592	***
Fairness	E19	.751	***
Fairness	E18	.691	***
Social responsibility	E23	.781	
Social responsibility	E24	.815	***
Social responsibility	E25	.612	***
Social responsibility	E25	.628	***
Misuse	E27	.684	
Misuse	E28	.816	***
Misuse	E29	.759	***
Misuse	E30	.678	***
Misuse	E31	.703	***

*** Significant at 95% confidence interval

5.6.3 Assessment of goodness-of-fit indices

CFA was used for construct validation in the questionnaire. In essence, CFA aims to assess whether the data suit a hypothesised measurement model. To establish how well the specified factor model signified the data, goodness-of-fit indices were inspected. To establish an adequate fit, Marsh and Grayson (1995) suggest the following general approach:

- Identify the model;
- Ensure that the iterative estimation procedure converges;
- Confirm that all parameter estimates are within acceptable values; and
- A reasonable size is set for standard errors.

Absolute fit indices such as the chi-squared test and the root mean square error of approximation (RMSEA) were applied to measure how well the model fits the sample data (McDonald & Ho, 2002) and to determine which proposed model had the most superior fit (Hooper, Coughlan & Mullen, 2003:53). The most frequently reported index of fit, chi-square, is a measure of exact fit and is calculated by dividing the minimum sample discrepancy with the degrees of freedom (CMIN/DF) (Browne & Cudeck, 1993). According to Mueller (1996:204), ratios between three and five are still acceptable as a good model fit. While there is no agreement about a suitable ratio for this indicator, recommendations range from as high as 5.0 (Wheaton *et al.*, 1977) to as low as 2.0 (Tabachnick & Fidell, 2007), with ratios between three and five still acceptable as a good model fit (Mueller, 1996:204). The chi-square (CMIN/DF) value of 3.454 was obtained, which indicated a good model fit. Table 5.4 provides a summary for goodness-of-fit indices that were employed in this study.

Table 5.4: Summary for goodness-of-fit indices

Category	Indicator	Purpose	Acceptance level
Absolute fit indices	RMSEA	Estimates the extent to which the model fits	<0.08
	RMR		<0.05
Incremental fit indices	IFI	Determine the extent to which the model of interest is superior to the other baseline models	>0.90
	CFI		
	TLI		

Source: Wipulanusat, Panuwatwanich and Stewart (2017:63)

For this study, the RMSEA is 0.094. According to Steiger (1990), a RMSEA of 0.05 suggests close fit, whereas values between 0.05 and 0.08 imply acceptable fit (Browne & Cudeck, 1993). Values >0.10 are deemed unacceptable (Blunch, 2008). As seen in Table 5.6, the RMSEA value of 0.098 was <0.08 (Wipulanusat, Panuwatwanich, & Stewart, 2017:63), thus indicating acceptable goodness of fit.

Furthermore, the comparative fit index (CFI) analysed the model fit by measuring the difference between the data and the hypothesised model. The CFI adjusted for the issues of sample size inherent in the chi-squared test of model fit and the normed fit index (Bentler, 1990; Gatignon, 2010). CFI ranges from zero to one, with higher values indicating better fit. Table 5.4 indicates that incremental fit indices such as the IFI, CFI and TLI should have values

>0.90 to indicate degrees of superiority. Therefore, a value greater than .95 may be taken as an indicator of good fit (Hu & Bentler, 1999). However, according to Malhotra *et al.* (2012:230), values that are closer to one indicate a better fit while those closer to zero indicate that the data do not fit the model. The CFI was examined, which resulted in a value of .814. This was followed by the incremental fit index (IFI) and the Tucker Lewis index (TLI). IFIs refer to the extent to which the model of interest is superior to the other baseline models by computing based on a comparison between the baseline model and expected model (Shah & Goldstein, 2006), whereas the TLI demonstrates a correlation for model complexity (Byrne, 2013). The IFI and TLI values obtained were .817 and .773 respectively. Thus, the CFI, IFI and TLI values obtained are closer to one and indicate a good fit (Maholtra *et al.*, 2012:230).

5.7 RELIABILITY ANALYSIS

5.7.1 Reliability: Section 1 – Ethical behaviour

In research, the measurement of validity and reliability is used to evaluate the quality of research. According to Bashir *et al.* (2008:36), when conducting research, it is of utmost importance to ensure reliability and validity, more especially in quantitative research. Fadare *et al.* (2011:218) define reliability as the internal consistency of the instrument, in other words, the extent to which the research method yields stable and reliable results. Assessing the reliability of an instrument is important because a reliable test allows researchers to identify whether the instrument they are using adequately measures the intended construct (Yehling, 2020:36). Reliability can be estimated through the following statistical methods:

- Inter-rater or inter-observer reliability;
- Test-retest reliability; and
- Internal consistency reliability.

Inter-rater or inter-observer reliability measures the extent to which two or more raters or observers provide consistent estimations of the same phenomenon. Where there is strong reliability, an assumption can be made with reasonable assurance that raters are critiquing the same set of data in place of the same phenomenon (Mackey & Gass, 2005:129). In a test-retest technique of assessing reliability, the same test is given to the same group of people at two points in time. Test-retest methods, therefore, measure the consistency of a measure from one period to another, that is by conducting the same test over a period of time with the involvement of the same sample group (Chiang, Jhangiani, & Price, 2015).

Internal consistency reliability measures the consistency of outcomes across items within a test. Items are considered consistent when they adequately relate to one another (Gie Yong & Pearce, 2013). The Cronbach alpha value (α) assesses the reliability of internal consistency and may vary depending on the field of study. A commonly accepted rule is that a Cronbach's alpha (α) of 0.6-0.7 shows an acceptable level of reliability and 0.8 or greater is a very good level when assessing internal consistency (Hulin *et al.*, 2001). Furthermore, when utilising human responses, a benchmark α value of 0.6 can be utilised where values below 0.6 show low internal reliability (Ferreira, 2019:179; Malhotra *et al.*, 2012:320). In quantitative analysis, the reliability of the instrument (the questionnaire) contributes to the validity of the instrument. In the study, the Cronbach's alpha values calculation was performed to confirm the internal consistency reliability scale of all eight factors. The ethical risk behaviour scale produced a Cronbach's alpha of 0.95, indicating a very good internal consistency across the eight items. Table 5.5 indicates the α values of all eight factors:

Table 5.5: Cronbach's alpha values – Section 1 – Ethical risk behaviour

Discipline	0,883
Transparency	0,813
Independence	0,883
Accountability	0,801
Responsibility	0,651
Fairness	0,862
Social responsibility	0,856
Misuse of resources	0,888

Reliability analysis was carried out on the ethical risk behaviour section, which comprised of eight items. The ethical risk behaviour scale was aimed at measuring the participants' opinions on the ethical behaviour the government organisation may be subjected to. The items in Table 5.5 all had Cronbach's alpha values higher than 0.6, therefore an assumption that all of the initial factors are reliable can be made. Discipline (0.883), transparency (0.813), independence (0.883), accountability (0.801), fairness (0.862), social responsibility (0.856) and misuse of resources (0.888) all had Cronbach's alpha values higher than 0.8, which showed very good levels of reliability. The lowest alpha α was observed for item 5, responsibility, which had an alpha α = 0.651. According to Malhotra *et al.* (2012:320), when using human participants and behaviour, a value of 0.6 is acceptable. Thus, the item responsibility was not removed.

5.7.2 Reliability: Section 3- Ethical culture

Cronbach's alpha was examined to confirm the internal consistency reliability scale of the ethical culture factor. The scale produced an overall Cronbach's alpha of 0.98, indicating a very good internal consistency. The overall ethical culture factor obtained a value higher than 0.6, thereby assuming that the initial factors are reliable (Malhotra *et al.*, 2012:320).

5.8 FREQUENCY AND DESCRIPTIVE ANALYSIS

Descriptive statistics were conducted on the questionnaire items. Descriptive statistics aims to detect patterns in the data so as to answer questions about who, what, where, when and to what extent. Descriptive analysis, therefore, is data simplification (Loeb *et al.*, 2017:1). In the next section, results will be interpreted from the sections in the questionnaire. For analysis and interpretation purposes, responses are shown as a table and/or figures and represented agreement scores to the questions. The quantitative data were interpreted in terms of a risk rating scale (see Table 4.4 in Chapter 4). The scale utilised agreement scores and is used to present the ethical behaviour- and the ethical culture -risks that the government organisation was exposed to:

5.8.1 Descriptive statistics: Section 1 – Ethical risk behaviour

Table 5.6 gives a descriptive analysis of the ethical risk behaviour component of the questionnaire. The table indicated the mean values as well as a standard deviation for the ethical behaviour risks section.

Table 5.6: Descriptive statistics on Section 1- Ethical risk behaviour

Factor	N	Minimum	Maximum	Mean	Std. Deviation
Discipline	249	1,00	6,00	2,98	1,53
Transparency	243	1,00	6,00	3,01	1,61
Independence	219	1,00	6,00	3,09	1,64
Accountability	246	1,00	6,00	3,35	1,63
Responsibility	255	1,00	6,00	3,61	1,62
Fairness	263	1,00	6,00	3,46	1,56
Social responsibility	253	1,00	6,00	3,03	1,51
Misuse	255	1,00	6,00	3,35	1,38

Factor	N	Minimum	Maximum	Mean	Std. Deviation
Valid N (listwise)	176				

As highlighted in Table 5.6, responsibility obtained the highest mean score of 3.61. The results indicate that ethical risk such as irregularities in recruitment (i.e. jobs given to family members and friends) were somewhat likely to occur in the government organisation. Furthermore, officials perceived a lack of career progression in the organisation as external people were perceived to be given preference. The second highest mean score was for fairness, with a recorded score of 3.46. This indicated that respondents somewhat agreed that there might be a risk of discrimination or unfair and inconsistent treatment in the management of staff performance. Further analysis revealed strong and significant results that employees felt that they were somehow being unfairly treated in the performance of their duties and could use that to rationalise unethical conduct. As such, officials did not trust the performance management systems in the organisation and perceived salary levels to be unfair. From the results, management should take this into account to ensure that salary levels are consistent, and that performance management is fair and consistent across all levels. Misuse of resources obtained a mean value of 3.35, which indicated that ethical risks such as abuse of the organisation's resources, cheating on claims and misrepresentation of performance appraisals somewhat unlikely occurred in the government organisation. These results confirm that there is a culture of compliance with internal policies.

Mean scores were recorded in Figure 5.7 for accountability (3.35), independence (3.09), social responsibility (3.03) and transparency (3.01), respectively. The results indicated that the organisation has competent and professional staff and is a well-governed organisation in terms of its fiscal discipline and performance. Risks of governance failures were perceived to somewhat unlikely occur in the government organisation, as the organisation embarked on proactive ethics initiatives. These results confirmed the fiscal discipline of the organisation and this should serve as a motivation to other SA government organisations. The lowest mean score obtained was for discipline (2.98). The results revealed that there was a concern not only about inconsistency in the application of discipline but also the lack of consequences for unethical action. This finding is in line with the study by Du Preez (2016:7), that indicate that ineffective leadership results in poor discipline and corruption. The last indicator in the list showed that people do not think honest and responsible behaviour is acknowledged. The management of

the organisation needs to embark on immediate action to address this risk, as both discipline and recognition are important aspects of creating a professional environment. Thus, it can be concluded that the relationship between officials' ethical behaviour and the enforcement of ethics policies depends primarily on leadership modelling exemplary conduct. Moreover, it was subsequently confirmed through this present study that managers in the public service must exercise professional ethics to increase public confidence and to ensure the efficient use of government resources. From the results, it is apparent that leaders in the public service must be held accountable for their actions and consistent discipline applied for all unethical behaviours.

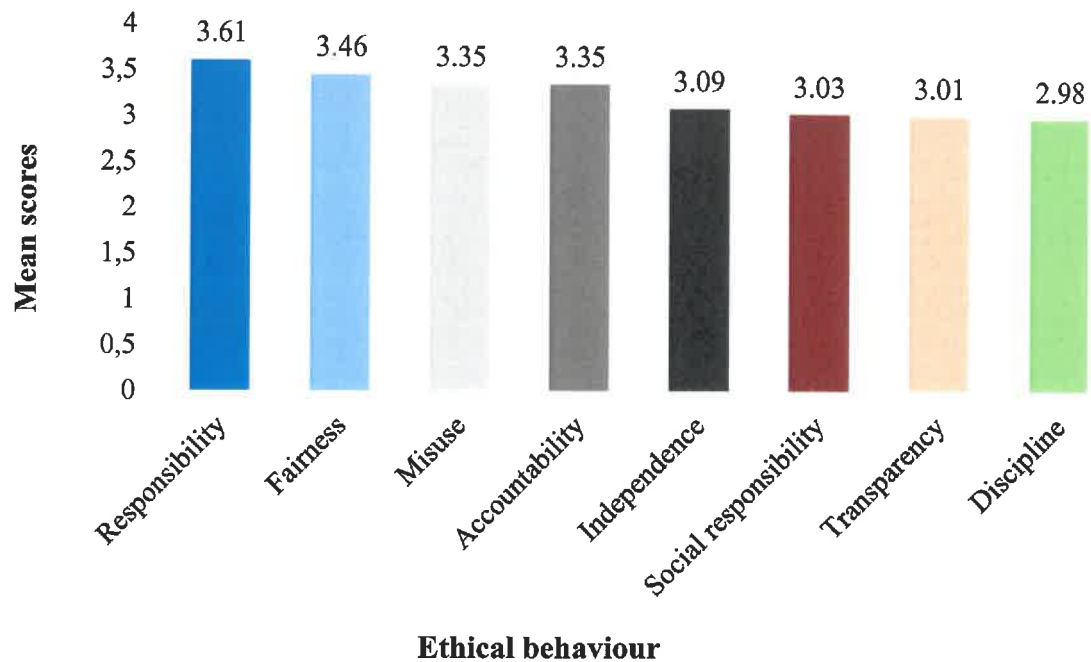


Figure 5.6: Mean scores of ethical risk behaviours

The questionnaire provided an additional question where respondents were requested to provide possible reasons for the bypassing of policies and procedures. Table 5.7 provides frequency and percentages of responses.

Table 5.7: Possible reasons for bypassing of policies and procedures

Item (<i>n</i> =67)	Frequency	Percentage
Pressure from managers	40	59,7
Political pressure	31	46,3
Time constraints	28	41,8
To serve clients better	4	6,0
To achieve clean audits	24	35,8
Negligence	20	29,9
Honest mistakes/oversights	13	19,4
Employees don't see the value of policies or procedures	21	31,3
Policies are not understood	31	46,3
Everyone does it	7	10,4
To hide mistakes	19	28,4
Always done like this	7	10,4

Item (<i>n</i> =67)	Frequency	Percentage
Other	5	7,4

Based on Question 31 in the questionnaire, where officials agreed to some extent that policies and procedures in the government organisation were bypassed, respondents were further requested to provide reasons based on the listed possible reasons. Participants were given the choice to select more than one option. Table 5.7 recorded possible reasons for the bypassing of policies and procedures in the organisation. Most respondents (59.7%) indicated that pressure from managers was the number one reason. This result indicates a culture of obedience to authority within the organisation. From further analysis, findings show that the organisation has a culture of dedication and hard work, as evidenced by the need to uphold fiscal discipline. This was followed by less than half of the respondents indicating that another reason could be that policies were not understood (46.3%). From the findings, respondents indicated low awareness on communication received with regards to ethics in the organisation. Thus, the notion that there may generally be inadequate training and awareness in the organisation on its policies. The next possible reasons were political pressure (46.3%), time constraints (41.8%), as well as the pressure to achieve clean audits (35.8%). These findings highlight the indirect influence of political leaders on decision-making by government organisations. The results are further confirmed through an analysis conducted by the AGSA (2019), that the ability of government management tasked to manage operations is significantly impacted by lack of adequate oversight functions to ensure consistent practices and sustained monitoring of key controls. Also, the public service is highly regulated, thus, officials are constantly under public scrutiny to achieve clean audits and deliver services at all costs. Thus, it can be concluded that time constraints placed on certain actions, for example, compliance reporting to external stakeholders, may result in the by-passing of internal policies. Negligence (29.9%) and the attempt to hide mistakes (28.4%) were also listed as possible reasons. Finally, 7.4 percent of respondents indicated that the bypassing of policies and procedures in the organisation may be due to other reasons.

5.8.2 Descriptive Statistics: Section 2 – Ethics management

Section 2 – Ethics management addresses the questions that related to how well ethics is managed in the government organisation. Figure 5.7 gives a synopsis of the ‘ethics management component of the questionnaire. Organisations manage ethics to reduce ethics risks. This section aimed to establish the extent to which employees:

- Are aware of ethics management initiatives; and
- Believe these initiatives are effective.

Table 5.8 indicates the descriptive analysis of the ethics management section. The mean was 4.36 and the standard deviation was 1.43. It was found, overall, that participants generally slightly agreed that they were acquainted with the code of conduct for the organisation and on what is acceptable and unacceptable behaviour. This is a positive indicator that officials take this into account when making decisions at the workplace. Furthermore, what was found was that officials had received some training on ethics and are familiar with the hotline, however, did not trust reporting any misconducts on the hotline. Although officials generally slightly disagree with reporting directly to the hotline, due to fear and victimisation, they would consider reporting to someone they trust. This means the organisation has to put ethics programmes in place that would instil trust in the ethics office. The ethics office must also ensure the confidentiality of reported cases. As such, only officials with integrity and who have an upright standing in the organisation should be appointed in the ethics office. Additionally, all reported cases must be investigated and finalised in a fair and unbiased manner.

Table 5.8: Descriptive statistics on Section 2 – Ethics management

Ethics Management	N	Minimum	Maximum	Mean	Std. Deviation
I am familiar with the content of the code	238	1	6	4,68	1,34
The code is clear on what is acceptable and what is not	216	1	6	4,89	1,29
Employees consider the code when they make decisions	189	1	6	3,70	1,65
Ethics training has made me more aware of ethical issues in my work	149	1	6	4,94	1,35
This division (ethics office) is accessible	116	1	6	4,33	1,41
This division (ethics office) is trusted	98	1	6	4,26	1,47
I would be comfortable to approach this division (ethics office) for ethics-related advice	120	1	6	4,09	1,66
This communication makes me think about ethics in my work	126	1	6	4,71	1,19
If I observed misconduct I would report it to the hotline.	137	1	6	4,77	1,49
How do the organisation's ethics standards compare with that of public sector organisations (e.g. other departments) you previously worked for?	193	1	5	2,48	0,99
Valid N (listwise)	22				

Section 2 of the questionnaire addressed the questions that related to how well participants believed ethics was managed in the government organisation. Frequency distributions on Section 2 – Ethics management are shown in Table 5.9. Most (88%) of the organisation's employees are aware of the code of conduct. This is a positive finding that signifies that officials know what the expected standards of behaviour are. Although the majority of participants were aware of the code of conduct in the organisation, the results indicate that 10 percent of the respondents were not familiar with the code, while 1 percent showed that the organisation did not have a code of conduct. The low percent shows that these could be new employees, who have not attended any inductions or awareness sessions on the code. This study recommends that the organisation should induct all new employees on the code of conduct and related ethics policies within a reasonable time after assumption of duty.

A negative indicator was reported on the limited interaction of ethics in the organisation. The findings indicate that over half of the participants (51.1%) answered that they did not receive communication of ethics in the organisation. Management should be concerned about the finding and increase communication of ethics in the organisation. Also, it indicates that even though officials are aware of the code, there is a lack of ongoing training and communication on ethics. Although 48.4 percent of respondents were aware of the ethics division, 51.6 percent either did not know of such a division or that it exists in the organisation. This finding further emphasises the notion that the code and the ethics office might be compliance matters, instead of guides to practice organisational values on a day to day. This study recommends that the ethics office be visible through regular engagements with officials in the government organisation. Moreover, the ethics office must integrate ethics in the organisational culture through the promotion of ethics and provision of guidance on ethics matters.

Although a hotline exists within the organisation for the reporting of unethical and fraudulent conduct, it was found that officials are not comfortable to report, nor believe that if they report, corrective action will be taken. This study recommends that through regular engagements, the ethics officer should build trust amongst officials, reward ethical conduct and institute disciplinary measures against unethical conduct. Furthermore, the organisation must also provide safe systems for employees to report unethical behaviour. These are important considerations when presenting ethics management interventions, as it is likely that officials who fear victimisation, will gain confidence in the ethics office when there is a fair and unbiased investigation and resolution of ethics cases.

Table 5.9: Frequencies – Section 2 Ethics Management

Item		Frequency	Percentage
1. The organisation has a code of ethics/ conduct	Yes	242	88,3
	No	4	1,5
	I don't know	28	10,2
2. I have received ethics training	Yes	151	55,3
	No	111	40,7
	I don't know	11	4,0
3. The organisation has a division that promotes ethics	Yes	130	48,4
	No	19	7,0
	I don't know	121	44,8
4. I receive communication on ethics in the organisation	Yes	130	48,9
	No	100	37,6
	I don't know	36	13,5
5. The organisation has a hotline where unethical behaviour can be reported	Yes	144	53,5
	No	26	9,7
	I don't know	99	35,8
6. I know where to find the contact details for the hotline (<i>n</i> =144; only participants where hotline is available)	Yes	117	81,3
	No	20	13,9
	I don't know	7	4,9
	I would rather report it to my direct manager	7	22,6

7. Reasons for not reporting misconduct (<i>n</i> =31; only participants where hotline is available, but they would not report misconduct)	I would rather report it to a manager I trust	5	16,1
	I would not trust that my information would stay confidential	17	54,8
	I do not believe corrective action will be taken	17	54,8
	I do not believe corrective action will be fair	7	22,6
	I would fear victimisation from management	12	38,7
	I would fear victimisation from my colleagues	8	25,8
	I would not want to report a co-worker/fellow employee	0	0,0
8. My performance on ethics/values is discussed during my performance appraisal	Other	1	3,2
	Yes	61	22,8
	No	187	69,8
	I don't know	20	7,5
9. I know what my organisation's values are	Yes	227	84,4
	No	22	8,2
	I don't know	20	7,4

5.8.3 Descriptive Statistics: Section 3 – Ethics culture

In Section 3 – Ethical culture, respondents were given 26 statements and requested to specify the degree to which they agreed with each statement. A six-point scale was provided, indicating strongly disagree (1) to strongly agree (6). An additional option, ‘I don’t know’ was also provided. The results indicate that many of the respondents slightly agree that the ethical culture risks occurred in the government organisation. The result of data reliability was measured through Cronbach’s alpha value, where alpha (α) of 0.6-0.7 shows an acceptable level of reliability (Malhotra *et al.*, 2012:320).

Table 5.10 reported a mean score of 3.75 and a standard deviation of 1.17 for the factor of ethical culture. The mean value displays the average response gathered in the ethical culture section, while the standard deviation value shows the range of variation from the mean value found in each case of the ethical culture section. The results indicate that participants generally almost slightly agreed with the statements in Section 3 on the ethical culture in the government organisation. Additionally, there was no large variation from the scores that participants had given. The results indicate that there were no risks in the severe risk category (67%-100%). This is a positive result for the organisation and indicates that the existence of codes of conduct and ethics guidelines has helped provide council to the officials. Furthermore, the absence of large-scale ethics failures such as fraud and corruption indicate increased compliance with the standards of conducts in the government organisation.

Table 5.10: Descriptive statistics on Section 3- Ethical culture

Factor	N	Minimum	Maximum	Mean	Std. Deviation
Culture	261	1,04	6,00	3,75	1,17

5.9 TESTS OF DIFFERENCES

To determine whether the participants viewed the ethical risk behaviour differently based on their demographics, t-test and ANOVA had to be conducted. In terms of gender, an independent t-test was conducted where it was found that no statistically significant difference exists between male participants and female participants in how they each view the ethical risk behaviour in the government organisation. For the race, job level and years working, all three variables indicated no statistically significant difference in the category groups and how they perceive ethical risk, as all values were not significant ($p > 0.01$).

5.9.1 Independent t-test on ethics risk behaviour based on gender

An independent t-test was conducted on the difference in ethics risk behaviour based on gender. Table 5.11 shows the mean values of ethics risk behaviours based on gender. Results displayed in Table 5.11 indicate that all items revealed no statistically significant differences ($p > 0.01$). This suggests that there is no statistical difference in how participants perceive ethics risk behaviour in the government organisation, based on gender.

The overall ethics risk behaviour showed no significant difference ($p > 0.05$) based on gender. The mean differences for participants' views on ethics risk behaviours based on gender was also not statistically significant. Furthermore, the standard error differences for all components were similar. This suggests no statistical difference in the category groups' mean values based on gender. The Levene's test was not significant for all components and the independent t-test for equality of means also showed no statistically significant difference ($p > 0.05$) between all the mean values. Overall, this demonstrates that participants in the government organisation did not view ethical risk behaviours differently based on gender.

Table 5.11: Independent t-test of ethics risk behaviour based on gender

Gender		Levene's Test for equality of variances		T-test for equality of means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean difference	Std. error difference	95% CI	
									Lower	Upper
Discipline	Equal variances assumed	0,257	0,61	-1,10	247	0,273	-4,66	4,23	-13,03	3,70
	Equal variances not assumed			-1,14	65,157	0,260		4,11	-12,86	3,54
Transparency	Equal variances assumed	0,093	0,76	-0,30	241	0,762	-1,35	4,45	-10,11	7,41
	Equal variances not assumed			-0,30	64,677	0,766		4,50	-10,33	7,64
Independence	Equal variances assumed	0,024	0,88	-1,03	217	0,304	-4,88	4,74	-14,23	4,47
	Equal variances not assumed			-1,05	61,410	0,296		4,65	-14,15	4,39
Accountability	Equal variances assumed	0,647	0,42	0,32	244	0,746	1,44	4,45	-7,33	10,21
	Equal variances not assumed			0,34	71,398	0,734		4,23	-7,00	9,89
Responsibility	Equal variances assumed	0,188	0,67	0,66	253	0,508	2,94	4,43	-5,78	11,65
	Equal variances not assumed			0,64	62,157	0,524		4,58	-6,21	12,09
Fairness	Equal variances assumed	1,263	0,26	-0,99	261	0,322	-4,19	4,23	-12,52	4,13
	Equal variances not assumed			-0,94	62,147	0,352		4,47	-13,12	4,74
Social responsibility	Equal variances assumed	0,322	0,57	0,26	251	0,798	1,06	4,14	-7,10	9,22
	Equal variances not assumed			0,25	62,588	0,805		4,27	-7,47	9,59
Misuse of resource	Equal variances assumed	0,274	0,60	-1,24	253	0,214	-4,74	3,81	-12,25	2,76
	Equal variances not assumed			-1,20	60,260	0,234		3,94	-12,63	3,14
Ethics risk total	Equal variances assumed	0,760	0,38	-0,92	269	0,356	-3,25	3,51	-10,17	3,67
	Equal variances not assumed			-0,88	63,600	0,383		3,70	-10,63	4,14

5.9.2 ANOVA results for differences in ethics risk behaviour between racial groups

The results of the ANOVA conducted on the ethics risk behaviour based on race are displayed in Table 5.12. Similarly, Table 5.13 and Table 5.14 present the ANOVA results for ethics risk behaviour based on years working and job level respectively.

Table 5.12: ANOVA results for differences between ethical risk behaviour based on race

ANOVA – RACE						
		Sum of squares	df	Mean square	F	Sig.
Discipline	Between groups	968,289	3,00	322,76	0,490	0,689
	Within groups	161302,232	245,00	658,38		
	Total	162270,521	248,00			
Transparency	Between groups	597,146	3,00	199,05	0,273	0,845
	Within groups	174197,665	239,00	728,86		
	Total	174794,810	242,00			
Independence	Between groups	917,066	3,00	305,69	0,404	0,750
	Within groups	162534,985	215,00	755,98		
	Total	163452,051	218,00			
Accountability	Between groups	665,424	3,00	221,81	0,298	0,827
	Within groups	180334,431	242,00	745,18		
	Total	180999,856	245,00			
Responsibility	Between groups	848,543	3,00	282,85	0,388	0,762
	Within groups	183197,209	251,00	729,87		
	Total	184045,752	254,00			
Fairness	Between groups	3879,006	3,00	1293,00	1,926	0,126
	Within groups	173919,232	259,00	671,50		
	Total	177798,237	262,00			
Social responsibility	Between groups	1892,989	3,00	631,00	0,997	0,395
	Within groups	157587,535	249,00	632,88		
	Total	159480,524	252,00			
Misuse of resources	Between groups	1968,881	3,00	656,29	1,243	0,295
	Within groups	132568,244	251,00	528,16		
	Total	134537,125	254,00			
Ethics risk total	Between groups	1321,545	3,00	440,52	0,918	0,433
	Within groups	128120,771	267,00	479,85		
	Total	129442,317	270,00			

As stated by Quinlan (2011:400), the statistical variance between means can be measured through analysis of variance (ANOVA). Analysis of variables was conducted on the category groups to determine any differences in the ethics risk behaviours based on the participants' years in service. The categories for the number of years in service were classified as follows:

- 0 to 2 years;
- 3 to 5 years;
- 6 to 10 years;
- 11 to 20 years; and
- More than 20 years.

The results set out in Table 5.13 show that there is no significant difference in the participants' views on ethics risk behaviours based on the number of years they worked in the government organisation.

Table 5.13: ANOVA results for differences between ethics risk behaviour based on years working

ANOVA – YEARS WORKING						
		Sum of Squares	df	Mean Square	F	Sig.
Discipline	Between groups	1004,779	4,00	251,19	0,380	0,823
	Within groups	161265,742	244,00	660,93		
	Total	162270,521	248,00			
Transparency	Between groups	2489,203	4,00	622,30	0,860	0,489
	Within groups	172305,607	238,00	723,97		
	Total	174794,810	242,00			
Independence	Between groups	4625,675	4,00	1156,42	1,558	0,187
	Within groups	158826,376	214,00	742,18		
	Total	163452,051	218,00			
Accountability	Between groups	5850,151	4,00	1462,54	2,012	0,093
	Within groups	175149,704	241,00	726,76		
	Total	180999,856	245,00			
Responsibility	Between groups	2915,287	4,00	728,82	1,006	0,405
	Within groups	181130,464	250,00	724,52		
	Total	184045,752	254,00			
Fairness	Between groups	4740,615	4,00	1185,15	1,767	0,136
	Within groups	173057,623	258,00	670,77		
	Total	177798,237	262,00			
Social responsibility	Between groups	2959,275	4,00	739,82	1,172	0,324
	Within groups	156521,249	248,00	631,13		
	Total	159480,524	252,00			
Misuse of resources	Between groups	1555,431	4,00	388,86	0,731	0,572
	Within groups	132981,693	250,00	531,93		
	Total	134537,125	254,00			
Ethics risk total	Between groups	2086,114	4,00	521,53	1,089	0,362
	Within groups	127356,203	266,00	478,78		
	Total	129442,317	270,00			

ANOVA was conducted to determine whether the participants viewed the ethical risk behaviour differently based on their job level. The job levels were divided into the following categories: Senior Management (level 13 to 16); Middle Management (level 9 to 12); and Employee (level 1 to 8). Table 5.14 presents the results for ANOVA conducted on the differences between views on ethics risk behaviour based on the participants' job levels. The results displayed in Table 5.14 indicate that there is no significant difference in how

participants perceive ethical risk behaviours in the government organisation, based on their job levels.

Table 5.14: ANOVA results for differences between ethics risk behaviour based on job level

ANOVA – JOB LEVEL						
		Sum of Squares	df	Mean Square	F	Sig.
Discipline	Between groups	2151,208	2,00	1075,60	1,653	0,194
	Within groups	160119,313	246,00	650,89		
	Total	162270,521	248,00			
Transparency	Between groups	1406,857	2,00	703,43	0,974	0,379
	Within groups	173387,953	240,00	722,45		
	Total	174794,810	242,00			
Independence	Between groups	1639,259	2,00	819,63	1,094	0,337
	Within groups	161812,792	216,00	749,13		
	Total	163452,051	218,00			
Accountability	Between groups	338,924	2,00	169,46	0,228	0,796
	Within groups	180660,932	243,00	743,46		
	Total	180999,856	245,00			
Responsibility	Between groups	451,752	2,00	225,88	0,310	0,734
	Within groups	183593,999	252,00	728,55		
	Total	184045,752	254,00			
Fairness	Between groups	1058,452	2,00	529,23	0,779	0,460
	Within groups	176739,786	260,00	679,77		
	Total	177798,237	262,00			
Social responsibility	Between groups	1623,911	2,00	811,96	1,286	0,278
	Within groups	157856,613	250,00	631,43		
	Total	159480,524	252,00			
Misuse of resources	Between groups	2824,566	2,00	1412,28	2,702	0,069
	Within groups	131712,559	252,00	522,67		
	Total	134537,125	254,00			
Ethics risk total	Between groups	13,516	2,00	6,76	0,014	0,986
	Within groups	129428,800	268,00	482,94		
	Total	129442,317	270,00			

5.10 CORRELATIONS

Based on Table 5.15, the results across the ethics risk behaviour items indicate negative correlations, with an overall moderate correlation coefficient of -0.409. This indicates a significant negative relationship between total ethics risk behaviour and ethics culture ($r = -0.409$, $p < 0.001$). The results indicate that there is some relationship between ethics risk behaviour and ethics culture. However, there is to an extent some unpredictability influencing one or both variables. Furthermore, the results also indicate that there may be other variables that have an impact on the two variables, so the direct association is not strong but is observable. Lastly, the results indicate that the more ethics risk behaviours participants perceive in the government organisation, the weaker they perceive the ethical culture to be.

Table 5.15: Correlations between ethics risk behaviour and ethics culture

Ethics risk behaviour	Ethics Culture	
Discipline	Correlation coefficient	-.352**
	Sig	0,000
	N	236
Transparency	Correlation coefficient	-.427**
	Sig	0,000
	N	229
Accountability	Correlation coefficient	-.357**
	Sig	0,000
	N	208
Responsibility	Correlation coefficient	-.405**
	Sig	0,000
	N	243
Fairness	Correlation coefficient	-.405**
	Sig	0,000
	N	243
Social responsibility	Correlation coefficient	-.419**
	Sig	0,000
	N	240
Misuse of resources	Correlation coefficient	-.419**
	Sig	0,000
	N	240
Total ethics risk behaviour	Correlation coefficient	-.409**
	Sig	0,000
	N	256
**Correlation is significant at 0.01 level (2-tailed)		

Table 5.16: Correlations between ethics management and ethics culture

Ethics Management	Ethics culture	
I am familiar with the content of the code	Correlation coefficient	.215**
	Sig	0,00
	N	230,00
The code is clear on what is acceptable and what is not	Correlation coefficient	.245**
	Sig	0,000
	N	208
Employees consider the code when they make decisions	Correlation coefficient	.542**
	Sig	0,000
	N	181
Ethics training has made me more aware of ethical issues in my work	Correlation coefficient	.279**
	Sig	0,001
	N	144
This division (ethics office) is accessible	Correlation coefficient	.291**
	Sig	0,002
	N	113
This division (ethics office) is trusted	Correlation coefficient	.453**
	Sig	0,000
	N	96
I would be comfortable to approach this division (ethics office) for ethics-related advice	Correlation coefficient	.476**
	Sig	0,000
	N	117
This communication makes me think about ethics in my work	Correlation coefficient	.367**
	Sig	0,000
	N	125
If I observed misconduct, I would report it to the hotline.	Correlation coefficient	.230**
	Sig	0,007
	N	135
How do the organisation's ethics standards compare with that of public sector organisations (e.g. other departments) you previously worked for?	Correlation coefficient	.451**
	Sig	0,000
	N	60
**Correlation is significant at 0.01 level (2-tailed)		

As seen in Table 5.16, the results between ethics management and ethics culture indicated overall positive correlations, which were significant for all items ($p < 0.01$). The results used a two-tailed significant level at 0.01 and showed a positive linear association amongst the variables. Based on Table 5.16, weak correlations were observed for the following items:

- I am familiar with the content of the code (0.215);
- The code is clear on what is acceptable and what is not (0.245);
- Ethics training has made me more aware of ethical issues in my work (0.279);
- If I observed misconduct, I would report it to the hotline (0.230);
- This division (ethics office) is accessible (0.291); and
- This communication makes me think about ethics in my work (0.367).

Moderate coefficients were obtained for the following items:

- This division (ethics office) is trusted (0.453);
- I would be comfortable to approach this division (ethics office) for ethics-related advice (0.476);
- Employees consider the code when they make decisions (0.542); and
- How do the organisation's ethics standards compare with that of public sector organisations (e.g. other departments) you previously worked for? (0.451).

The positive correlation indicates that when participants perceive an increase in the ethical culture when there is increased ethics management. Put differently, ethics management influences the ethical culture of the organisation.

5.11 OVERALL INDEX SCORES

This section provides the overall index scores for the categories used to measure ethics risks. To achieve empirical objective 3, 4 and 5, indexes were used to evaluate the perceptions of ethics risks through aggregate indicators of the categories. Thus, indexes summarise and rank specific observations.

5.11.1 Ethical risk behaviour index score

For Section 1 of the questionnaire, the risk rating scale (Table 5.17) was used to measure ethical behaviour risks. The Ethics Institute (2016:35) recommends the following categories for risk ratings: Low-risk areas relates to issues where participants disagree or strongly disagree that these issues are predominant in (or related to) the organisation. Moderate risk areas talk to behaviours where respondents only slightly disagree or slightly agree that these behaviours occur in (or applicable to) the organisation. High-risk areas show issues (or behaviours) where

respondents agree or strongly agree that these issues are prevalent in (or relevant to) the organisation.

The index scores for each of the eight factors were based on the risk rating scale as given below.

Table 5.17: Risk rating scale

Low ethical risk	0-33
Moderate ethical risk	34-49
High ethical risk	50-66
Severe ethical risk	67-100

Source: The Ethics Institute (2016:35)

5.11.1.1 Assess perceived ethics risk behaviour in a South African government organisation

Table 5.18 gives scores for the 8 items in Section 1 – Ethical risk behaviour. Scores for each item under each section were summarised and then divided by the number of items.

Table 5.18: Risk ratings: Section 1 – Ethics Risk Behaviour

Discipline	49,66
Transparency	50,14
Independence	51,45
Accountability	55,88
Responsibility	60,20
Fairness	57,65
Social responsibility	50,44
Misuse	55,89
Total Ethical risk behaviour score	53,94

According to Table 5.18, none of the eight items in Section 1 – Ethical risk behaviour indicated values in the severe ethical risk (67-100) category. This showed good results for the organisation as it indicated the absence of large-scale ethics failures such as fraud or corruption incidents. This indicates that the organisation is well-governed and has a good reputation.

Nevertheless, the following items obtained values in the high ethical risks (50%-66%) range: responsibility (60.20%), fairness (57.65%), misuse (55.89%), accountability (55.88%), independence (51.45%), social responsibility (50.44%) and transparency (50.14%). These risks are key for the organisation and should be addressed by management through high-level control interventions. Key areas of concern were around taking responsibility: leadership and management ought to accept responsibility for the corporate governance of ethics and accept consequences for their behaviour and decisions. With regards to accountability, social responsibility and transparency, leaders and managers must be answerable to the “people” and promote the interest of the public. This includes safeguarding public resources and the efficient use of the resources to which they have been entrusted (Svara, 2015:6).

Leaders and management should put mechanisms in place to prevent conflicts of interest and be transparent in their business interests. Fairness around the treatment of employees with regards to salary levels and performance assessments was another concern. The organisation must promote what is virtuous, fair and right conduct in the organisation where performance and salary levels are concerned. All officials who qualify for rewards and promotions must be given a fair chance. Unfair treatment may indicate favouritism and decreases morale within the organisation. Only one item obtained value in the moderate ethical risk range, discipline (49.66%). The risk should be a concern for the organisation as officials had perceived inconsistent application of discipline and lack of disciplinary measures against unethical conduct.

The overall ethics behaviour risk score (Figure 5.8) was 53.94 percent, indicating a high ethical risk score for the government organisation. As per the risk rating, the high score represents a key risk for the organisation. The organisation should consider putting high-level control interventions to address the risks associated with ethical behaviour in the organisation. Ethical conduct must be promoted in the workplace at all times. The organisation needs to re-establish its set of values and standards that need to be followed by its leaders, managers and officials. This will build respect amongst all officials and promote good ethical conduct in the workplace. Table 5.18 highlights the risk rating scores obtained for the ethical risk behaviour section, while Figure 5.7 indicates the overall ethical risk behaviour index score.



Figure 5.7: Ethics risk behaviour index score

In line with the National Treasury's PSRMF (2010), this study categorised the various levels of ethics risk in high, moderate (also called medium) and low. Both high and moderate risks indicate unacceptable levels of risk. High risks require a high level of control interventions to achieve acceptable levels of residual risk, whilst medium risks require a moderate level of control interventions to attain tolerable levels of residual risk.

The PSRMF (2010:46) asserts that the accounting officer of the government organisation should assure relevant stakeholders that material risks are correctly identified, evaluated and mitigated. Therefore, material ethics risks or risks that might weaken the organisation's efforts to attain its objectives through the application of organisational strategies should be integrated into the portfolio of the organisation's risks. Furthermore, these material ethics risks will likewise then resort in the ethics committee's mandate and will review all moderate and high risks directed to its attention. The importance of an effective risk and governance framework was underlined in Chapter 2 and 3 respectively. Thus, according to good corporate governance, the ethics officer should interact with the RMC and Audit Committee to report material risks of the organisation (PSRMF, 2010:52).

5.11.2 Ethics management index score

For Section 2 of the questionnaire, the same information was reported under an awareness rating scale (Table 5.19). This awareness rating scale was employed to determine levels of awareness by the respondents on the "Yes" responses provided. The awareness rating scale

was modelled after Likert's method, presenting statements to participants and requesting them to specify whether they agree or disagree with each or to indicate their level of agreement or disagreement (Likert, 1932). The study categorised the awareness risk ratings as follows: Very low awareness (0-25%); Low awareness (25%-50%); Moderate awareness (50-75%); High awareness (75%-90%); and Very high awareness (>90%). This was done to provide the government organisation with an awareness of ethics management risks they were not aware of. The results allow the organisation to identify gaps in current ethics programmes and can stimulate and guide ethics management improvements in the future. The results are presented in Table 5.20.

Table 5.19: Awareness Rating Scale

0-25%	25%-50%	50-75%	75%-90%	>90%
Very low awareness	Low awareness	Moderate awareness	High awareness	Very high awareness

Based on the results, Table 5.20 reflects the percentages of the “yes” responses. With regards to the question: “*Does your organisation have a code of ethics/code of conduct?*”, 274 respondents (88%) indicated a “Yes” as a response. This indicates a high awareness according to the awareness rating scale, which is a positive sign for the organisation. The second highest awareness score (84%) was obtained for the statement: “*I know what my organisation's values are*”. The high awareness scores indicate a positive sign for the organisation. This can mean that officials know what is required of them with regards to their conduct at work. Furthermore, knowing your values helps to build better relationships with other officials and maintain a professional culture in the workplace.

Additionally, an awareness score of 54 percent was obtained for the question: “*Is there a hotline where you can report unethical behaviour?*”. Also, of the 54 percent who were aware of the hotline, 81 percent knew where to find the contact details. This suggests that officials are aware that a hotline may exist in the organisation for the reporting of any fraud and corruption. However, employees seldom equate the anti-corruption hotline as an ethics line. The organisation should look into separating the ethics hotline with the anti-fraud and corruption hotline, that is to create a separate ethics hotline, where ethics violations can be reported. This may include the creation of a designated ethics email or number, for ethics enquiries and reporting of unethical behaviours. The organisation should also provide training and awareness

on the ethics hotline and highlight procedures to follow when officials wish to report any cases related to ethics in the organisation. This is supported by the moderate awareness score of 55 percent, where officials were asked if they had received any training relating to ethics. Hence, the organisation should increase its ethics awareness and training programmes within the organisation. The code of conduct should be presented at inductions and awareness sessions for new employees.

With regards to questions on the ethics office, respondents indicated low awareness. Only 49 percent of respondents agreed to have received communication on ethics in the organisation, while 48 percent of respondents were aware of the ethics office in the organisation, that is *a division whose job is to promote ethics in the organisation*. This supports the notion that there may be inadequate training and awareness of the ethics office and its function. The organisation should communicate the role of the ethics office and establish platforms where officials can engage with the ethics office. The lowest awareness rating was obtained for ethics/values forming part of performance discussions. This was not institutionalised and only happened intermittently. This statistic is thus significant for management in the government organisation to improve performance discussions by taking into account the ethics and values of the organisation.

Table 5.20: Ethics management percentages of “Yes” responses

Question	Yes	N
Does your organisation have a code of ethics/ code of conduct?	88%	274
I know what my organisation’s values are	84%	269
Do you know where to find the contact details for the hotline? (Only asked if respondents were aware of the hotline’s existence)	81%	144
Have you received ethics training?	55%	273
Is there a hotline where you can report unethical behaviour?	54%	269
Do you receive communication on ethics in the organisation?	49%	266
Is there a division who has the job of promoting ethics in the organisation?	48%	270
My performance on ethics/values is discussed during my performance appraisal	23%	268
Average	60%	

Figure 5.8 provides the overall risk awareness index score for Section 2 – Ethics management obtained a value of 60 percent. This indicates overall moderate awareness levels of ethics management in the organisation. Moderate awareness levels may indicate internal limitations with regards to the management of ethics. The organisation should consider potential sources of risk resulting from the moderate awareness levels, as well as the opportunities to reinforce existing ethics initiatives. Increased awareness levels will guide officials' ethical behaviour in the organisation and discourage unethical behaviour.



Figure 5.8: Overall risk awareness index score – Section 2 – Ethics management

5.11.2.1 Evaluate the effectiveness of already implemented ethics management programmes in a South African government organisation

Additionally, follow up questions were requested to measure the respondents' perceptions of the effectiveness of the already existing ethics initiatives. According to Flay *et al.* (2005), there are three common measures to assess intervention methods: effectiveness, usefulness and the quality of the scientific evidence. For this study effectiveness was used to evaluate existing ethics programmes, such as initiatives and interventions in the government organisation. Effectiveness is determined by the degree to which the intervention has been successful in producing the anticipated outcomes in the target audience. The effectiveness of the ethics programmes was evaluated through the use of a risk rating scale. This scale was used to test whether the initiatives and interventions implemented in the organisation were effective and to which extent. The results of the evaluation indicate which aspects of the ethics programmes,

namely initiatives and interventions, should be continued or discontinued and which aspects may require adaptation (Michie & Abraham, 2004). The risk rating scale in Table 4.1 applies. Low-risk areas relate to issues where participants disagree or strongly disagree that these issues are predominant in (or related to) the organisation. Moderate risk areas talk to behaviours where respondents only slightly disagree or slightly agree that these behaviours occur in (or applicable to) the organisation. High-risk areas show issues (or behaviours) where respondents agree or strongly agree that these issues are prevalent in (or relevant to) the organisation.

The index scores for each of the ten factors evaluating ethics initiatives were based on the risk rating scale (Table 5.17).

Table 5.17: Risk Rating Scale

Low ethical risk	0-33
Moderate ethical risk	34-49
High ethical risk	50-66
Severe ethical risk	67-100

Source: The Ethics Institute (2016:35)

According to Table 5.20, seven of the ten items indicated values in the low ethical risk (0-33) category. This indicated good results for the organisation as it indicated that existing ethics programmes were effective and there should be a low concern from the organisation on these programmes. The organisation should continue with ethics training and constant communication on ethics matters in the organisation. Secondly, three items obtained values in the medium ethical risks (34-49) range. It was shown once again that officials did not fully trust the current ethics office, indicating their unwillingness to approach this division for ethics-related advice. Lastly, a positive indicator that current ethics programmes were effective, was the absence of high and severe ethical risk ratings on this section. However, the organisation should compile an implementation plan to give effect to its policy, procedures and standards on ethics and monitor the implementation of the plan through the ethics committee.

Table 5.21: Effectiveness of ethics initiatives

Question	Risk	N
Ethics training has made me more aware of ethical issues in my work	21	150
The code is clear on what is acceptable and what is not	22	227
If I observed misconduct, I would report it to the hotline.	25	144
This communication makes me think about ethics in my work	26	127
I am familiar with the content of the code	26	240
My manager gives me feedback on my ethics/values performance during my performance appraisal	29	61
This division (ethics office) is accessible	33	127
This division (ethics office) is trusted	35	126
I would be comfortable to approach this division (ethics office) for ethics-related advice	38	127
Employees consider the code when they make decisions	46	235

In summary, the ethics training that employees received seems to be perceived as quite effective. There was reasonable familiarity with the code and employees believed that it was clear on what was acceptable and what was not. It was however not widely taken into consideration when making decisions. This indicated that the code had not become institutionalised. It might also be that other policies and procedures were seen as more important when employees took decisions. It was found that some employees seemed to trust the hotline and were willing to report to it. The few people (61 out of 277) who said ethics was considered during their performance appraisals indicated that the manager gave them feedback on it.

The trust levels for the ethics office were not as high and fell in the low – moderate risk category. The ethics office should take this into account when implementing its programmes or initiatives. This was a sign that officials might not understand the roles of the ethics office in the organisation and awareness and training on the ethics office were required. Additionally, officials might feel that the ethics office might not handle their issues with sympathy and understanding.

5.11.3 Ethical culture index score

This section describes measures the ethics culture index score, to achieve empirical objective 3: Assess perceived ethics risk in ethics culture in a SA government organisation using a risk

index, Section 3 of the questionnaire aimed to assess perceived risks in the ethics culture within the organisation. The index scores for Section 3 – Ethical culture was based on the risk rating scale (Table 5.17). Low-risk areas relate to issues where participants disagree or strongly disagree that these issues are predominant in (or related to) the organisation. Moderate risk areas refer to behaviours where respondents only slightly disagree or slightly agree that these behaviours occur in (or applicable to) the organisation. High-risk areas show issues (or behaviours) where respondents agree or strongly agree that these issues are prevalent in (or relevant to) the organisation.

Table 5.17: Risk rating scale

Low ethical risk	0-33
Moderate ethical risk	34-49
High ethical risk	50-66
Severe ethical risk	67-100

Source: The Ethics Institute (2016:35)

Table 5.21 revealed that there were no ethical culture risks in the severe risk category (>67), which was positive. The organisation should, however, be concerned about any risk rating above 50 (high-risk category). Despite the absence of severe ethical risks, it was found that the organisation had items in the high ethical risks' category. High-risk areas show issues (or behaviours) where respondents agree or strongly agree that these issues are prevalent in (or relevant to) the organisation. The following issues emerged from the high-risk areas:

Concern about discipline and recognition. Table 5.21 revealed that there was a concern about the inconsistent application of discipline and a lack of consequences for unethical action. The last indicator in the list showed that people do not think honest and responsible behaviour is acknowledged. The management of the organisation needed to embark on immediate action to address this risk, as both discipline and recognition are important aspects of creating a professional environment. This is worrisome as these risks indicate key concerns about the organisational culture. First, the participants perceived that discipline was not applied consistently across all levels in the organisation. This should be a concern to the leadership and

management, as an organisation's success relies on discipline and accountability as the bedrock of the culture.

Inconsistent application of discipline may result in officials behaving in a manner not consistent with the organisation's values. For example, inappropriate behaviours in the organisation may be as a result of cultural disparity in what the organisations deem as values versus what top management demonstrate. Also, since leaders and managers set the tone at the top, participants are likely to act ethically where they perceive leaders and managers to be committed to honesty, fairness and integrity.

Lack of a respectful and open relationship between managers and employees: Table 5.21 revealed that there is concern about various aspects of the relationship between managers and employees. The statement "The organisation's leadership treats employees with respect" is rated much more positively (43%). It would seem that employees distinguished between leadership and management and that their concern is more with managers. However, the following statement "My line manager treats me and my colleagues with respect" gets a much more positive rating of 34, indicating wide levels of agreement. There seems to be a general unease about the relationship between managers and employees, but not with specific line managers. Employees are comfortable to talk to their managers about ethical issues or concerns, where they perceive them to be fair, responsibility, honest and of high integrity. A view of improving the culture would be taking action against unethical behaviour, thereby making things difficult for unethical people in the organisation. The organisation should appreciate employees who are honest and responsible, instead of protecting perpetrators. This will encourage employees to report unethical practices without fear of retaliation/victimisation.

Furthermore, the organisation also needs to create a culture of positive discipline, where employees can question the decisions of their managers without fear of victimisation. The remaining item in the high-risk category relates to the lack of a sense of unity in the organisation. Overall, it appears the organisation culture can be improved. To improve the culture in the organisation, amongst management and lower officials, as well as between officials, the organisation should encourage a sense of unity through the promotion of respect amongst all officials in the organisation.

Moderate risk areas (34%-49%) were also highlighted in Section 3 – Ethical culture. Generally, this is a positive sign for the organisation, as the moderate risks do not form part of the

organisation's key risks profile, that is, they do not significantly impact the achievement of organisational goals. The organisation should address these risks through moderate control interventions, following the risk management framework.

Lastly, it was found that the government organisation was perceived to be well-governed. This is a positive sign for the organisation. Also, it was found that the organisation had competent and professional staff, thereby setting a good example for other departments. The organisation must maintain its good reputation to be a trusted custodian with its stakeholders. Another positive indicator was the finding that employees in the organisation will do what is right for the public. This is very important, as it is expected of every public service official. Ethics is essential to one's work in the civil service (Svara, 2015:1). Thus, public officials must do what is right in discharging their obligations in the public service and promote the common good (Aldemir, 2010; Svara, 2015).

Table 5.22: Ethical culture

Question	Risk rating
N	277
Discipline is applied consistently across all levels	61
Management appreciates employees	61
Employees are allowed to question the decisions of their superiors	57
Employees can report unethical practices without fear of retaliation/victimisation	56
Employees are comfortable approaching their managers with ethical matters or concerns	54
Things are made difficult for unethical people	54
There is a sense of unity in the organisation	52
The organisation always takes action against unethical behaviour	52
People who are honest and responsible are the ones who get ahead in this Organisation	52
Overall, employees have high ethical standards	49
Employees seek advice about difficult ethical issues (about the right thing to do)	49
Employees consider ethical issues/consequences when making decisions	48
In this organisation, ethics is more important than short-term political gains	47
Employees know exactly what is expected of them in terms of ethical behaviour	46
The climate (atmosphere) makes it easy to do the right thing	44

Employees are empowered to get the job done	44
The organisation's leadership treats employees with respect	43
The organisation's leadership set a good example of honest and responsible behaviour	42
Employees are proud to work at the government organisation	41
Employees support each other in getting the job done	39
People who act ethically will be supported by leadership	38
Employees are dedicated and professional	37
External stakeholders hold our reputation for doing the right thing in high regard	36
My line manager treats me and my colleagues with respect	34
The government organisation sets a good example to other departments	31
Management expects that employees will do what is right for the public	29

5.11.3.1 Overall ethics culture index score

The overall ethics culture risk score was 62.55 percent rounded off by two decimals, which indicated a high ethical risk score for the government organisation. As per the risk rating, the high score represents a key risk for the organisation. The organisation should consider putting high-level control interventions to address the high ethical risks associated with the culture in the organisation. Figure 5.9 indicates the overall ethics culture index score (62.55).

Ethical culture index score

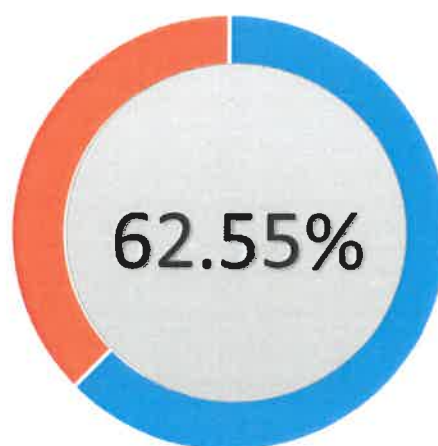


Figure 5.9: Ethical culture index score

5.12 Compare the results from the South African government organisation with the public sector benchmark

As recommended by Van der Waldt (2013:11), graphical presentations enable the reader to see and understand all the variables and relations among them that the researcher considers as part of the phenomenon under investigation. Figure 5.10 illustrates the graphical representation of the ethical risk behaviour compared with the public sector benchmark, during the research study. In this section, a comparison between the SA government organisation and the Public Service benchmark will be presented and discussed. The public sector ethics survey was conducted in 2015, where more than 7 000 public servant officials participated. The Ethics Institute conducted the study in conjunction with the DPSA, the South African Local Government Association (SALGA) and the Department of Cooperative Governance and Traditional Affairs (Cogta).

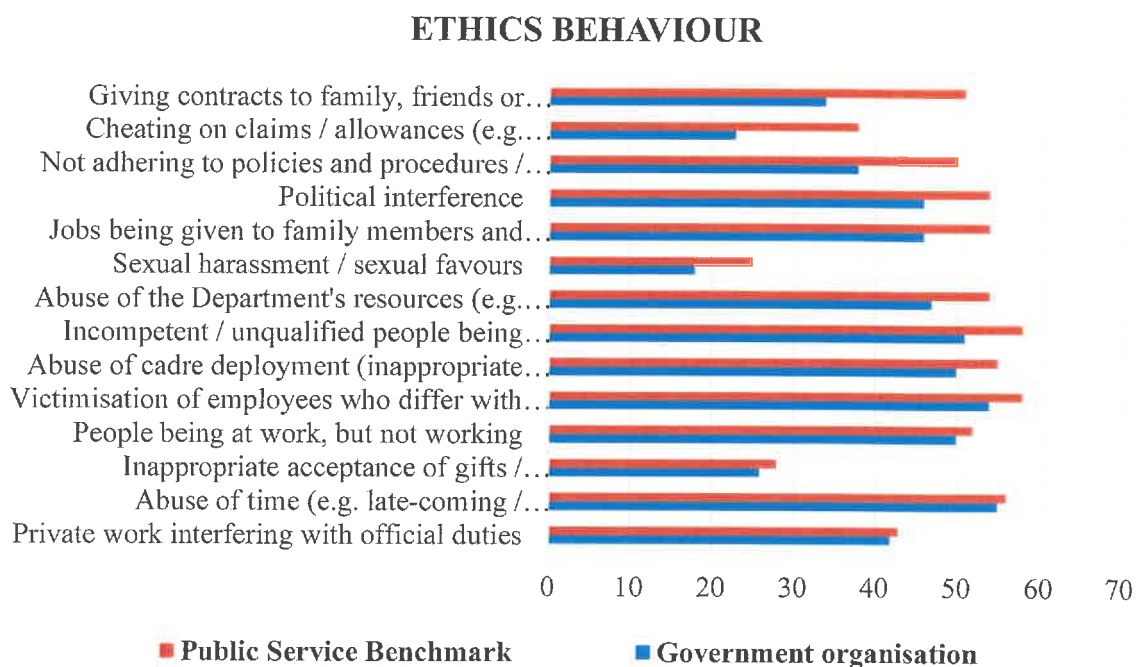


Figure 5.10: Comparison with the public sector benchmark – Ethical risk behaviour

This comparison attempts to find out how the government organisation measured against the public service as a whole. Based on the respondents' assessment in Figure 5.10, the SA government organisation had a lower (more positive) risk rating than the public sector benchmark on all the comparable indicators, although only by a small margin on some indicators. The two largest positive deviations were on indicators related to employee integrity,

such as giving contracts illicitly and cheating on claims. The indicator for bypassing policies and procedures was also significantly better than in the public sector benchmark.

ETHICS MANAGEMENT

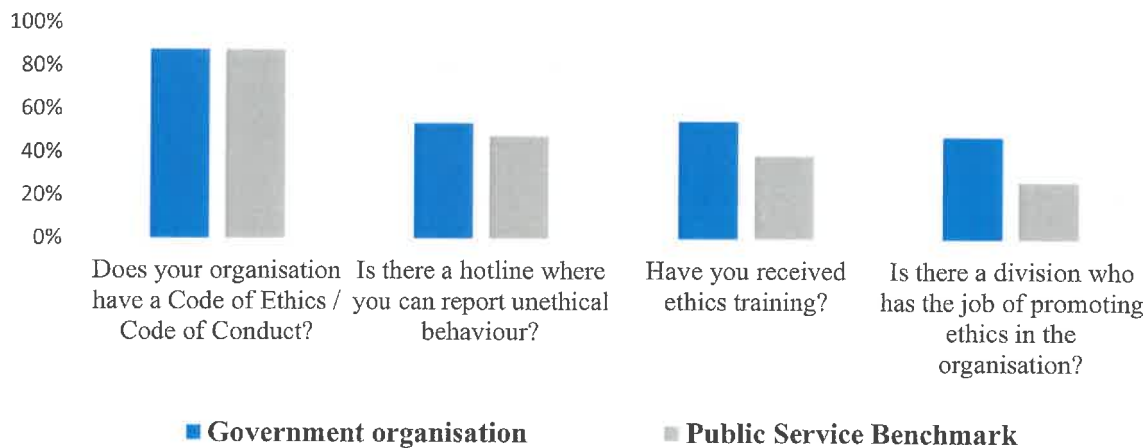


Figure 5.11: Comparison with the public sector benchmark – Ethics management

Based on the Figure 5.11, the SA government organisation had a lower (more positive) risk rating than the public sector benchmark on all the comparable indicators, except for the code awareness which was rated the same. The SA government organisation significantly outperformed the benchmark concerning the levels of ethics training received by staff and awareness of a division taking responsibility for ethics management.

ETHICAL CULTURE

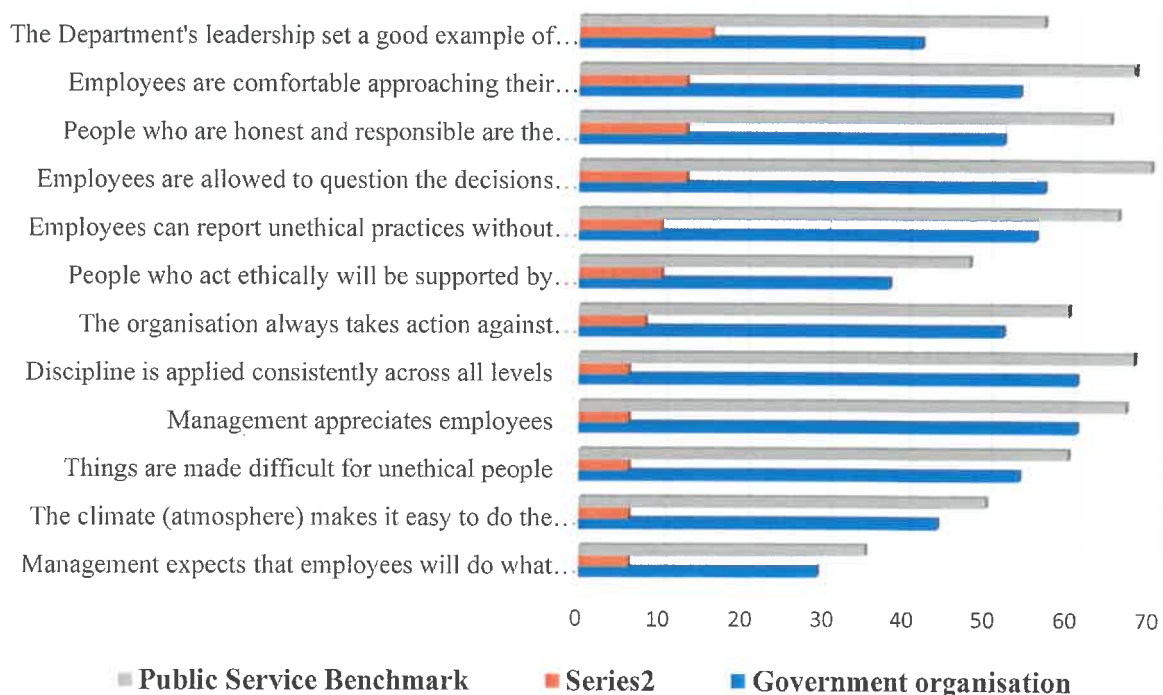


Figure 5.12: Comparison with the public sector benchmark – Ethics culture

Based on Figure 5.12, the SA government organisation had a lower (more positive) risk rating than the public sector benchmark on all the comparable indicators. In some instances, the deviation was significantly better than the public sector benchmark. Many of the indicators with the most positive deviations related to the relationship between leaders, managers and employees. In summary, the SA government organisation was generally better than the average public service department. In general, the study found that the public service employees displayed significant concern on unethical behaviours and acts of corruption within the public service. Furthermore, the abuse of power, for example, political interference, nepotism and override of controls significantly contributed to high levels of misconduct and unethical behaviours. It can be concluded that SA government organisations should promote accountability, instil discipline and implement consequence management for unethical conduct.

5.13 IMPLICATIONS OF THE STUDY

In line with theoretical objective three, the main purpose of the study was to examine the relationship between ethics- and risk -management within the SA government organisation and to achieve the primary objective of evaluating perceptions of ethics risks in a SA government organisation. Maape (2017:46) defines the data analysis stage as the procedures implemented by the researcher to manage the data gathered in such a way as to preserve it and ensure that they are not corrupted. Data analysis follows after the researcher has gathered the data and includes the arrangement of it with an effort to understand its significance to the research purpose. The analysis of the data was conducted with the assistance of the NWU Statistical Services. This analysis ensured the scientific administration and presentation of the data.

5.14 CONCLUSION

Chapter 5 reported on the results and findings of the study. The analysis and findings were presented to expound on how the empirical objectives of the study were realised. The research methodology used provided the researcher with relevant tools to gather secondary data in the evaluation of perceptions of ethics risks in a SA government organisation. Through the use of quantitative research methods, sufficient data were collected through the questionnaire. The literature review also provided insight to improve the leadership ability of leaders and managers for effective ethics management in the government organisation. Based on the questionnaire,

the researcher was able to obtain data which were analysed and used to advise the government organisation on possible ethics risks. It provided a scientific indication of how the organisation's stakeholders perceive the effectiveness of ethics management programmes, particularly in the context of a SA government organisation.

Descriptive statistics were conducted on the questionnaire items and the findings presented. CFA was employed to validate the factor structure of a set of observed variables. The study also included a comparison of the ethics risks from the government organisation, with the public sector benchmark.

Chapter 6 will present recommendations on the findings from Chapter 5. It will discuss the limitations, which were identified in the study and provide recommendations for the government organisation on the perceived ethics risks. Chapter 6 will conclude on the objectives of the study and give recommendations for future research.

CHAPTER 6 CONCLUSIONS AND RECOMMENDATIONS

“Never stop learning, because life never stops teaching.” (unknown)

6.1 INTRODUCTION

Chapter 6 provides an outline of the study, together with an overview of the theoretical and empirical objectives that were achieved. This study focused on evaluating perceptions of ethics risk in a SA government organisation. A quantitative research design was followed. This research design emphasised the collection, organisation and interpretation of the scholarly literature through a systematic approach. The primary problem that led to this study, namely the lack of effective ethics management in the public service sector and failure to manage ethics risk exposures, was answered within the limits of this study. The secondary objectives have been achieved scientifically. The methodology followed also ensured that the primary objective of the study has been met, namely, to evaluate perceptions of ethics risks in a SA government organisation.

A review of literature on the relevant theories formed part of the body of knowledge and was an integral part of this research. There are numerous theories on leadership, however, this study focused on three, namely the situational-, ethical- and servant -leadership theories. This study aimed to encapsulate a multidimensional approach to leadership to achieve effective ethics management in government organisations. In this regard, the principles of the situational-, ethical- and servant leadership theories may assist leaders and managers to become effective and ethical leaders that may lead to a professional and ethical public service. The knowledge gained through the literature review should be of value for leaders and managers in the effective management of ethics in government organisations. The findings of this study will further enrich the effective management of ethics in government organisations, including the assessment of ethics risks.

6.2 RESEARCH ASSESSMENT

As highlighted in Chapter 1, the lack of effective ethics management in the PSS has become a topic of debate due to poor ethical leadership and increasing prevalence of corruption and unethical behaviour. The PSS must implement effective ethics management and manage and monitor ethics risk exposures. Failure to implement effective ethics management will fundamentally affect the government's developmental efforts and make it hard for the

government to eradicate poverty. Internally, it may also result in loss of productivity by employees and loss of respect for the leadership. Chapter 1 introduced the study and provided background and the research problem statement. The need to evaluate perceptions of ethics risks in a SA government organisation was discussed. To achieve the primary purpose of the study, a primary objective, theoretical and empirical objectives were formulated. To evaluate perceptions of ethics risks in the organisation, this study employed a secondary time series that covers the timeframe of 01 February 2016 to 30 June 2016. The dates were chosen based on the availability of the most current data from the government organisation. Since it would be difficult to analyse the contribution of all of the SA public sector organisations in this study, the focus was given to a provincial department.

6.2.1 Primary research objective

The primary objective of this study was to evaluate perceptions of ethics risks in a government organisation. The resulting conclusions can be drawn, based on the research objectives posed in the study.

6.2.2 Theoretical objectives

To assist in achieving the primary objective, the following theoretical objectives were identified:

- Define ethics management, ethical culture and behaviour;
- Discuss ethics management within a SA government organisation;
- Discuss the relationship between ethics and risk management within the SA government organisation; and
- Discuss leadership and governance in the public service.

Chapter 2 intended to realise theoretical objectives I, II and III as laid out in Chapter 1. Chapter 2 commenced with an introduction of the concepts of ethics, ethical culture and ethics management. The chapter then proceeded with an overview of the ethics, both in SA and globally. Furthermore, the chapter discussed certain ethical schools of thought that are deemed important in the public service. Global and local challenges around ethics were also highlighted. In achieving theoretical objective III, legislative requirements for ethics were also discussed to highlight the importance of the governance of ethics. The chapter ended with a

focus on the contribution of risk management in the ethics sphere, by establishing a link between ethics and risk management.

Chapter 3 focused on achieving theoretical objective IV. Chapter 3 commenced with providing the context around ethical leadership and governance. Since there is a relation between governance and ethics, it was deemed important to discuss the King reports on corporate governance for SA. Based on the SA context of public service ethics within this study, the Public-Sector Integrity Management Framework was discussed. This chapter also highlighted aspects of public sector leadership and discussed how leaders conduct themselves in their decision making and their ethical responsibilities when discharging public duty. The chapter ended with a focus on the legislative and regulatory responsibilities of those charged with governance to ensure the efficient management and administration of the government organisation's ethics.

Chapter 4 presented the research design and methodology followed for the empirical section of the study. The chapter discussed how the research was undertaken, including the theoretical and philosophical assumptions and implications for the methods adopted, the sampling design and sample size as well as the research instrument used. The chapter further described the research and methodological process, as well as the statistical methods used to analyse the data collected. This study employed a quantitative research approach, where secondary data via a cross-sectional survey was used to gather the data and to achieve the research objectives.

Chapter 5 gave emphasis on the results and findings of the study. The key objective of the chapter was to report on the results and findings of the study conducted. Based on the primary objective of the study, which was to evaluate perceptions of ethics risks in a government organisation.

To realise the empirical objectives and ultimately the primary objective, Chapter 5 presented the results in a structured presentation which included an outline of the results, as well as a discussion of the statistical methods utilised to analyse the data collected via the questionnaire. This study analysed the data using SPSS and Microsoft Excel. The results and findings of the study were presented in line with the parameters defined by the research proposal and the related research questions. The quantitative data from the questionnaire were interpreted in terms of a risk rating scale (see Table 4.1). The scale used agreement scores to present the ethics risks and the ethical culture risks that the organisation may be exposed to. The agreement

scores were calculated based on the distribution of respondents' answers. Thus, the results reflected the findings on the basis of the themes of ethical culture, behaviour and ethics management factors.

6.3 FINDINGS OF THE STUDY

As indicated in Figure 5.1, practical differences were observed with regard to the distribution of responses according to years of experience and job levels. Distribution in the sample according to experience, indicated that employees who had spent between 6 and 10 years in the government organisation, were more likely to participate in the survey, in comparison to officials who had more than 20 years' experience. Again, the distribution according to job level indicates that middle managers were more likely to participate in the survey than their senior management. These findings imply that there is a correlation between the job levels and the number of years, such as experience in government organisations and the sensitivity towards participating in ethics management surveys.

The primary objective of this study was to evaluate perceptions of ethics risks in a government organisation. To achieve the primary objective, the following empirical objectives, as set out in Chapter 1, were formulated and achieved:

- Determine the relationship between the dimensions of ethics risk and ethics culture;
- Determine the relationship between ethics culture and ethics management;
- Assess perceived ethics risks in a SA government organisation using a risk index;
- Assess the perceived ethics culture in a SA government organisation using an index;
- Evaluate the effectiveness of already implemented ethics management programmes in a SA government organisation; and
- Compare the results from the SA government organisation with the public sector benchmark.

6.3.1 Empirical objective 1: Determine the relationship between the dimensions of ethics risk behaviour and ethics culture

The first objective was to determine the relationship between the dimensions of ethics risk behaviour and ethics culture. This objective was achieved in Section 5.6, where CFA was conducted in order to examine the content and structure of the underlying 8 items on the ethical risk behaviour section. The ethics risk behaviour comprised of eight dimensions, namely

discipline, transparency, independence, accountability, responsibility, fairness, social responsibility and misuse of resources. Regarding the eight factors, the data were subjected to principal axis factoring using SPSS. When looking at the mean, the following scores were recorded for accountability (3.35), independence (3.09), social responsibility (3.03) and transparency (3.01), respectively. The mean scores established that the organisation has competent and professional staff. This is significant to ensure confidence in the public service with regards to service delivery and the management of public resources. It was also found that the organisation is well-governed in assent with its fiscal discipline and performance. Risks of governance failures were perceived to somewhat unlikely occur in the government organisation, as the organisation embarked on pro-active ethics initiatives. This is important and confirms with research conducted by Svava (2015) that ethics is essential to one's obligations in public service. The organisation should continue to promote public interest and safeguard public resources.

Nevertheless, key ethical risks were identified regarding leadership and managers in so far as taking responsibility for corporate governance was concerned. The following ethical risks were perceived to be high, that is, falling in the 50-66 percent range: responsibility (60.20%), fairness (57.65%), misuse (55.89%), accountability (55.88%), independence (51.45%), social responsibility (50.44%) and transparency (50.14%). These risks should be addressed by management through high-level control interventions. It is recommended that leaders and managers should assume responsibility for the corporate governance of ethics and accept the consequences for their behaviour and decisions.

One finding shows that a significant negative relationship exists between ethics risk behaviour and ethics culture ($r = -.409, p < 0.001$). This indicates that there is some relationship between the ethics risk behaviour and ethics culture, with some unpredictability influencing one or both variables. To conclude, the results indicate that the more ethics risk behaviours participants perceive in the government organisation, the weaker they perceive the ethical culture to be. It is sensible to assert that the organisation should cultivate an ethical culture through the promotion of ethical behaviour. In this regard, unethical behaviour must be discouraged and good ethical behaviour exemplified.

6.3.2 Empirical objective 2: Determine the relationship between ethics culture and ethics management

The second empirical objective was achieved in Section 5.10. The objective set to determine the relationship between ethics culture and ethics management. This was done through correlations, which tested the extent to which two variables, namely ethics culture and ethics management were related. The results indicated significant positive correlations between ethics management and ethics culture. In that respect, a positive linear association was found amongst the variables. However, using a two-tailed significant level at 0.01, weak correlations were observed and recorded in Table 5.16. This implied that although both variables tended to go up in congruence with each other, the association was not very strong. These results were observed on questions relating to the code of professional conduct, ethics training and the ethics office. To promote a stronger ethical culture, the organisation should increase training and awareness of its ethics policies. The results also suggest that the ethics office should become more visible in the organisation by guiding employees on ethics matters, providing safe systems to report unethical behaviour and monitoring compliance with the regulatory framework.

Moderate coefficients were obtained on issues of the ethics office and its related services. This is a positive sign that the participants perceived the ethics office as a trusted office. It is reasonable to believe that employees who are comfortable to approach the ethics office, indicates a positive ethical culture for the organisation. Overall, the positive correlation between ethics culture and ethics management shows that an increase in the management of ethics positively influenced the ethical culture.

6.3.3 Empirical objective 3: Assess perceived ethics risks in a South African government organisation

This objective was achieved in Section 5.11, where an index was used to assess perceived ethics risk behaviour in a SA government organisation. Index scores (Table 5.18) were calculated for the eight ethics risk behaviour dimensions, using a risk rating scale. Scores for each item were summarised and then divided by the number of items. The results in Table 5.18 indicated that there were no risks in the severe risk (67-100) category. This displayed good outcomes for the organisation as participants did not perceive the existence of large-scale ethics failures such as fraud or corruption incidents in the organisation. This confirms again that the organisation is well-governed and has a good reputation.

Nevertheless, the results reiterated concerns around leadership and management concerning ethical decision making. Leadership and management should assume responsibility for their behaviour and decisions. It is suggested that the organisation should put mechanisms in place to prevent conflicts of interest from its managers and be transparent in their business interests. Besides, management in the organisation should treat employees fairly when it comes to salary levels and performance assessments. It is recommended that the organisation promotes good and fair work practice in the organisation. Participants perceived that unfair treatment by managers decreased morale in the organisation, thereby decreasing the organisation's ethical culture. Likewise, managers must apply consistent disciplinary measures against any unethical conduct. The overall ethics behaviour risk score (Figure 5.8) of 53.94 percent, requires that the organisation put high-level control interventions to address those risks associated with ethical behaviour in the organisation. Additionally, the organisation should re-establish its set of values and standards and promote good ethical conduct in the workplace.

6.3.4 Empirical objective 4: Assess the perceived ethics culture in a South African government organisation using an index

The fourth objective was achieved in Section 5.11 through the use of an index. The objective aimed to assess the perceived ethics culture in a SA government organisation. The results in Table 5.21 revealed that there were no ethical culture risks in the severe risk category (>67), which was positive. However, it was found that the organisation showed high ethical risks concerning the ethics culture in the organisation. These high-risk areas referred to issues where respondents strongly agreed that ethics culture issues were relevant to the organisation. The issues included concerns about the inconsistent disciplinary action and a lack of consequence management. Participants generally did not think that honest and responsible behaviour was acknowledged in the organisation and that discipline was not applied consistently across all levels in the organisation. This is worrying as both discipline and recognition are important aspects of creating a professional environment. In this regard, it is important to note that an organisation's success depends on discipline and responsibility as the foundation of its culture.

Furthermore, the inconsistent application of discipline may influence behaviours not consistent with the organisation's values. It is recommended that leaders and managers in the organisation set the tone at the top, thereby encouraging employees to act ethically. The organisation should also encourage respectful and open relationships between managers and employees, where employees are comfortable to approach their managers with ethical matters or concerns. This

will inspire employees to report unethical practices without fear of ill-treatment and persecution. The organisation should create a culture of positive discipline, where employees are permitted to interrogate the decisions of their managers without fear. Overall, the ethics culture risk score was 62.55 percent, which indicated a high ethical risk score for the government organisation. It is recommended that the organisation put high-level control interventions in place to address the high ethical risks associated with the culture in the organisation. Such interventions include: Establishing an ethics committee in the organisation to oversee ethics; senior management leading by example acting ethically at all times; make ethics a strategic priority and reporting to internal and external stakeholders on the ethics performance of the organisation; provide continuous training to all staff on the ethics regulatory framework and continually assessing the organisation's ethics risk exposure.

6.3.5 Empirical objective 5: Evaluate the effectiveness of already implemented ethics management programmes in a South African government organisation

This empirical objective was achieved in Section 5.11, where an index was used to evaluate the effectiveness of already implemented ethics management programmes (i.e. initiatives and interventions) in a SA government organisation. First, an awareness rating scale, modelled after Likert's technique, was used to measure levels of awareness by the respondents on the "Yes" responses provided. The study categorised the awareness risk ratings as follows: Very low awareness (0-25%); Low awareness (25%-50%); Moderate awareness (50-75%); High awareness (75%-90%); and Very high awareness (>90%). The results indicated a high awareness of the code of conduct, which is a positive sign for the organisation as officials know what is expected of them in terms of their conduct at work.

Furthermore, knowing your values helps to build better relationships with other officials and maintain a professional culture in the workplace. Based on the results, officials were aware of the fraud and corruption hotline. This assists officials to report unethical behaviours confidently and without fear of intimidation. However, the organisation should consider separating the ethics hotline with the anti-fraud and corruption hotline, such as to create a separate ethics hotline, where ethics violations can be reported. This may comprise of a designated ethics email or number that officials can use to enquire on ethics or report unethical behaviours. Training and awareness of the ethics hotline should be conducted, which highlights procedures to follow when officials wish to report any cases related to ethics in the organisation.

With regards to questions on the ethics office, participants indicated low awareness (49%). This indicates that the role of the ethics office is not fully understood. Also, this supports the notion that there may be inadequate training and awareness of the ethics office and its function. The organisation should communicate the role of the ethics office and establish platforms where officials can engage with the ethics office. However, Figure 5.8 provided the overall risk awareness index score of 60 percent for ethics management, indicating a moderate awareness level of ethics management in the organisation. The organisation should consider additional sources of risk resulting from the moderate awareness levels and explore opportunities to reinforce existing ethics initiatives. This will result in increased ethics awareness levels that will guide officials' ethical behaviour in the organisation and discourage unethical behaviour.

Additionally, the initiatives and interventions implemented in the organisation were tested for effectiveness using a risk rating scale. The results showed aspects of the ethics programmes, such as initiatives and interventions, that should be continued or discontinued, as well as aspects that required revision (Michie & Abraham, 2004). The index scores indicated values in the low ethical risk (0-33) category. This reflected good results for the organisation as it showed that existing ethics programmes were effective and there should be a low concern from the organisation on these programmes. It is recommended that the organisation continue with ethics training and constant communication on ethics matters in the organisation. The organisation should also compile an implementation plan to give effect to its ethics management policies. In summary, participants perceived the ethics training received to be effective, as was confirmed through the reasonable familiarity with the code.

6.3.6 Empirical objective 6: Compare the results from the South African government organisation with the public sector benchmark

This empirical objective was achieved in Section 5.12, where a comparison between the SA government organisation and the public service benchmark was presented and discussed. Based on the results, the SA government organisation had a lower (more positive) risk rating than the public sector benchmark across the comparable indicators, even though some indicators showed a small margin. When looking at the ethical risk behaviour (Figure 5.10), large deviations were recorded on two indicators, namely employee integrity and cheating on claims. This showed positive results, as participants did not perceive the government organisation to be engaging in giving contracts illicitly, nor for its officials to be cheating on claims. Also, the

results indicated that the bypassing of policies and procedures was significantly better in the government organisation than in the public sector benchmark.

Under the ethics management section, the SA government organisation significantly outperformed the benchmark regarding the levels of ethics training received by staff, as well as the awareness of an ethics division that exists in the organisation. Based on the ethics culture section (Figure 5.12), the outcomes showed a deviation significantly better than the public sector benchmark. Several indicators also indicated positive deviations by the government organisation, related to the relationship between leaders, managers and employees. In summary, the SA government organisation was perceived to be generally better than the average public service department.

6.4 CONTRIBUTION OF THE STUDY

The study will assist to identify gaps in current legislation and regulations on ethics in SA government organisations and assist to formulate efficient and effective strategies to manage ethics. Due to limited research conducted on ethics management in the SA government organisations, this research can aid in setting the basis for possible future research. The results of the findings will provide some knowledge of factors that contribute to unethical conduct and how they can be avoided. This study will be a significant effort to promote effective ethics management in SA government organisations.

6.5 LIMITATIONS TO THE STUDY

There were several limitations to this study. The research is limited to one of the provincial departments in the SA government. The study was also restricted to a sample in Gauteng, as opposed to other provinces. Although the research intends to contribute to the body of knowledge concerning ethics- and risk management, the results are not necessarily applicable to other public service organisations. As a result of the sensitive nature of the topics, such as ethical- culture, -behaviour and ethics management, respondents might not be comfortable highlighting the extent of effective ethics management or lack thereof in the organisation. The study may be biased on the fact that simple random sampling within the organisation was utilised. Although confidentiality was guaranteed, leaders and managers, in general, may not be open to disclosing that they act unethically. This might result in them answering the questionnaires in a commonly desirable manner (Maape, 2011). As can be observed with the response rate of 36 percent, the sample size might be an added restriction due to time and

respondents might have not been convinced to participate freely. Assessing perceptions of ethics risks is complicated and uncomfortable and more studies with a larger sample size might have to reaffirm these findings.

6.6 RECOMMENDATIONS FOR FUTURE RESEARCH

This section of the study provides recommendations whereupon the study was conducted, including recommendations for future studies. The study also notes progress made by the government organisation, through existing ethics programmes and suggests recommendations to support further improvements.

6.6.1 Recommendations for leaders, managers and officials in government organisations

This study provides insight into effective ethics management in government organisations. The findings of this study can be used as a guideline for leaders and managers within government organisations. Professional ethical behaviour in the public service must be promoted and maintained. Leaders and managers in government organisations must equip themselves with principles from the leadership theories discussed in this study, to empower them to be able to manage ethics more effectively. The literature review also provided insight to improve the leadership ability of leaders and managers for effective ethics management in the government organisation.

The literature review found that, since the implementation of ethics programmes, the government organisation has taken several measures to improve regulatory and supervisory oversight of ethics governance within the organisation, including identified inadequacies in its control environment, as well as proposals for improvement.

Since the results revealed that there was concern about the inconsistent application of discipline and the lack of consequences for unethical action, management of the organisation needs to embark on immediate action to address these risks, as discipline is an important aspect of creating a professional environment.

6.6.2 Recommendations for future research

From the research findings, recommendations for future research are proposed to enhance ethics management in the public sector. Three areas for improvement identified for possible future research involves: First, to conduct research on larger sample sizes, including other

national, provincial and local government organisations. Secondly, the findings of the study suggest that risk assessments in government organisations have been mostly focused on strategic and operational risks, so it is essential to conduct a study on organisational risk assessment methodologies, including processes for ethics risk assessments. Lastly, although this study explored the King reports' requirements on ethics management, there is a need to evaluate SA government organisations' compliance with the King IV guidelines. These studies should afford added insights into the implementation of ethics management across all the levels of government, with a view to create a shared approach on ethics. This could influence the government's awareness and response planning with regards to ethics.

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Quantitative questionnaire

Gauteng Provincial Treasury Ethics Risk Assessment Quantitative Questionnaire

CONFIDENTIAL

ETHICS QUESTIONNAIRE

As part of our ongoing endeavour to improve governance, the **Gauteng Provincial Treasury** is conducting an ethics risk assessment. The purpose of this questionnaire is to get a clearer sense of the ethics risks that we, as a department, may be exposed to as perceived by employees.

The questionnaire applies to **Gauteng Provincial Treasury** internally and NOT to the provincial departments and municipalities that we support.

NB: The information you provide will be treated with the strictest confidentiality. The questionnaire is completed anonymously and you will not be identified. All statistical analyses and interpretation will be independently conducted by The Ethics Institute.

Please answer **all the questions**. At the end of the questionnaire you will also be given an opportunity to give further comments if you should wish.

The questionnaire will take approximately **15 minutes** to complete.

At the end of the questionnaire you will see a button marked **SUBMIT SURVEY** - please click on this button once you have completed the survey in full.

Kindly respond by 3 June 2016.

NB: Should you require any additional information regarding this survey, feel free to contact:

Nokukhanya Zungu (Director: Internal Risk Management) at 011-741-0827 Nokukhanya.zungu@gauteng.gov.za; or

General Information (for statistical purposes)

1. Your gender?

Male	
Female	

2. Your race?

Black	
Coloured	
Indian	
White	
Other	

3. How many years have you been working for the Department?

0 to 2	
3 to 5	
6 to 10	
11 to 20	
More than 20	

4. Your job level?

Senior Management (level 13 to 16)	
Middle Management (level 9 to 12)	
Employee (level 1 to 8)	

5. Your programme?

Ethics questionnaire: Contents

Unethical conduct may seriously affect the trust of the various stakeholders of an organisation. The aspects that may have an influence on the ethics of the Department are ethical risks, how well ethics is managed and the ethical culture that exists.

The rest of this questionnaire consists of 3 sections:

1. Your opinion on the **ethical behaviour risks** the Department may be subjected to;
2. Your opinion on how well **ethics is managed** in the Department, and
3. The **organisational culture** that YOU perceive to exist in the Department.

There are no right or wrong answers in the questionnaire. It merely reflects your opinion. Please choose the option that corresponds to your **honest opinion**, that is, how you really feel about things.

Section 1 – Ethical behaviour risks

Please indicate the extent to which you think each behaviour or risk listed in the table occurs within [redacted]. Decide on your response in terms of a 6-point scale ranging from *Never* (1) to *Very frequently* (6).

	Types of unethical behaviour	To what extent does this occur within						
		Never Very						I don't know
		Frequently						
1	People being at work, but not working	1	2	3	4	5	6	DK
2	Private work interfering with official duties	1	2	3	4	5	6	DK
3	Doing outside work without permission (RWOPS)	1	2	3	4	5	6	DK
4	Abuse of time (e.g. late-coming / absenteeism)	1	2	3	4	5	6	DK
5	Abuse of the Department's resources (e.g. cars, internet, stationery) for personal matters	1	2	3	4	5	6	DK
6	Cheating on claims / allowances (e.g. overtime, travel, shift)	1	2	3	4	5	6	DK
7	People misrepresenting in their own performance appraisals	1	2	3	4	5	6	DK
8	Abuse of sick leave	1	2	3	4	5	6	DK
9	People not respecting confidentiality of information	1	2	3	4	5	6	DK
10	Inappropriate acceptance of gifts / entertainment	1	2	3	4	5	6	DK
11	Conflicts of interest	1	2	3	4	5	6	DK

12	Employees engaged in fraud / corruption	1	2	3	4	5	6	DK
13	Giving contracts to family, friends or 'connected' individuals	1	2	3	4	5	6	DK
14	Abuse of cadre deployment (inappropriate political interference in appointments)	1	2	3	4	5	6	DK
15	Incompetent / unqualified people being appointed	1	2	3	4	5	6	DK
16	Jobs being given to family members and friends	1	2	3	4	5	6	DK
17	Victimisation of employees who differ with managers	1	2	3	4	5	6	DK
18	Abusive treatment of employees by managers (e.g. bullying, rudeness, swearing)	1	2	3	4	5	6	DK
19	Abuse of managerial power (e.g. unethical instructions)	1	2	3	4	5	6	DK
20	Political interference	1	2	3	4	5	6	DK
21	Gender discrimination	1	2	3	4	5	6	DK
22	Sexual harassment / sexual favours	1	2	3	4	5	6	DK
23	Unfair treatment based on race	1	2	3	4	5	6	DK
24	Inconsistency / unfairness in performance management	1	2	3	4	5	6	DK
25	Unfairness in job / salary levels	1	2	3	4	5	6	DK
26	Managers not following through on disciplinary action	1	2	3	4	5	6	DK
27	No consequences for underperformance	1	2	3	4	5	6	DK

28	Unfair treatment of suppliers / service providers	1	2	3	4	5	6	DK
29	Inconsistency / unfairness in dealing with departments and municipalities	1	2	3	4	5	6	DK
30	People bending the rules to achieve clean audits for the province	1	2	3	4	5	6	DK
31	Not adhering to policies and procedures / Bypassing policies and procedures	1	2	3	4	5	6	DK

If 4,5 or 6 (frequently) to question 30:

38. If you agreed to some extent that policies and procedures are bypassed, what are the reasons for this? (You may select more than one.)

Pressure from managers	
Political pressure	
Time constraints	
To serve clients better	
To achieve clean audits	
Negligence	
Honest mistakes / oversight	
Employees don't see the value of the policies and procedures	
Policies are not understood	
Everyone does it	
To hide mistakes	
We've always done it like this	
Other (<i>Verbatim</i>)	

Section 2 – Ethics Management in the Department

Please provide answers to the following questions:

1	Does your organisation have a code of Ethics / code of conduct?	Y	N	DK
---	---	---	---	----

If 'Yes':

To what extent do you agree with the following:

		Strongly Disagree					Strongly Agree	Don't know
1b	I am familiar with the content of the code	1	2	3	4	5	6	DK
1c	The code is clear on what is acceptable and what is not	1	2	3	4	5	6	DK
1d	Employees take the code into consideration when they make decisions	1	2	3	4	5	6	DK

2	Have you received ethics training?	Y	N	DK
---	------------------------------------	---	---	----

If 'Yes':

To what extent do you agree with the following:

		Strongly Disagree					Strongly Agree	Don't know
2a	Ethics training has made me more aware of ethical issues in my work	1	2	3	4	5	6	DK

3	Is there a division who has the job of promoting ethics in the organisation?	Y	N	DK
---	--	---	---	----

If 'Yes', to what extent do you agree with the following:

		Strongly Disagree			Strongly Agree			Don't know
3a	This division (ethics office) is accessible	1	2	3	4	5	6	DK
3b	This division (ethics office) is trusted	1	2	3	4	5	6	DK
3c	I would be comfortable to approach this division (ethics office) for ethics related advice	1	2	3	4	5	6	DK

4	Do you receive communication on ethics in the organisation?	Y	N	DK
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If 'Yes':

To what extent do you agree with the following:

		Strongly Disagree			Strongly Agree			Don't know
4a	This communication makes me think about ethics in my work	1	2	3	4	5	6	DK

5	Is there a hotline where you can report unethical behaviour?	Y	N	DK
---	--	---	---	----

If 'Yes':

5a	Do you know where to find the contact details for the hotline?	Y	N	DK
----	--	---	---	----

To what extent do you agree with the following:

		Strongly Disagree			Strongly Agree			Don't know

5b	If I observed misconduct I would report it to the hotline.	1	2	3	4	5	6	DK
----	--	---	---	---	---	---	---	----

If 1,2, or 3 to question 5b

5c. Why would you not report it to the hotline? (You may select more than one.)

I would rather report it to my direct manager	1
I would rather report it to a manager whom I trust	2
I would not trust that my information would stay confidential	3
I do not believe corrective action will be taken	4
I do not believe corrective action will be fair	5
I would fear victimisation from management	6
I would fear victimisation from my colleagues	7
I would not want to report a co-worker or fellow employee.	8
Other (<i>Verbatim</i>)	

6	My performance on ethics / values is discussed during my performance appraisal	Y	N	DK
---	--	---	---	----

If yes:

		Strongly Disagree						Don't know
		Strongly			Agree			
6a	My manager gives me feedback on my ethics / values performance during my performance appraisal	1	2	3	4	5	6	DK

7	I know what my organisation's values are	Y	N	DK
---	--	---	---	----

Section 3 – Organisational Culture

The statements that follow are related to [REDACTED] and all its employees (including all levels of management).

For each statement, please indicate the extent to which you agree with each statement. Use the 6-point scale as indicated: **strongly disagree (1)** to **strongly agree (6)**. You also have an 'I don't know' option.

	As it relates to [REDACTED]...	Strongly Strongly disagree agree						Don't know
1	The Department's leadership set a good example of honest and responsible behaviour	1	2	3	4	5	6	DK
2	People who act ethically will be supported by leadership	1	2	3	4	5	6	DK
3	People who are honest and responsible are the ones who get ahead in this Department	1	2	3	4	5	6	DK
4	The climate (atmosphere) makes it easy to do the right thing	1	2	3	4	5	6	DK
5	Overall, employees have high ethical standards	1	2	3	4	5	6	DK
6	Employees know exactly what is expected of them in terms of ethical behaviour	1	2	3	4	5	6	DK
7	Management expects that employees will do what is right for the public	1	2	3	4	5	6	DK
8	Employees consider ethical issues/consequences when making decisions	1	2	3	4	5	6	DK
9	Employees seek advice about difficult ethical issues (about the right thing to do)	1	2	3	4	5	6	DK
10	Things are made difficult for unethical people	1	2	3	4	5	6	DK
11	The organisation always takes action against unethical behaviour	1	2	3	4	5	6	DK

12	Discipline is applied consistently across all levels	1	2	3	4	5	6	DK
13	Management appreciates employees	1	2	3	4	5	6	DK
14	My line manager treats me and my colleagues with respect	1	2	3	4	5	6	DK
15	The department's leadership treats employees with respect	1	2	3	4	5	6	DK
16	Employees are allowed to question the decisions of their superiors	1	2	3	4	5	6	DK
17	Employees are comfortable approaching their managers with ethical matters or concerns	1	2	3	4	5	6	DK
18	Employees can report unethical practices (e.g. dishonesty, disrespectfulness, fraud, corruption, theft, harassment, etc.) without fear of retaliation / victimisation	1	2	3	4	5	6	DK
19	Employees are empowered to get the job done	1	2	3	4	5	6	DK
20	Employees support each other in getting the job done	1	2	3	4	5	6	DK
21	Employees are dedicated and professional	1	2	3	4	5	6	DK
22	Employees are proud to work at [REDACTED]	1	2	3	4	5	6	DK
	As it relates to [REDACTED] ...	Strongly disagree Strongly agree						Don't know
23	In this organisation ethics is more important than short-term political gains	1	2	3	4	5	6	DK
24	External stakeholders hold our reputation for doing the right thing in high regard	1	2	3	4	5	6	DK
25	[REDACTED] sets a good example to other departments	1	2	3	4	5	6	DK
26	There is a sense of unity in the organisation	1	2	3	4	5	6	DK

26. How does the [redacted] ethics standards compare with that of public sector organisations (e.g. other departments) you previously worked for?

Very favourably - It is significantly better	1
Favourably - it is better	2
Similar	3
Unfavourably - it is worse	4
Very unfavourably - it is significantly worse	5
I have never worked for another public sector organisation	6

Section 4 – Comments

Can you think of any ethical risks or examples of unethical behaviour, other than those mentioned above, that the [redacted] may be exposed to?

What should/could be done to improve the state of ethics in [redacted]?

Thank you for your time!

ANNEXURE 2: ETHICAL CLEARANCE



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Economic and Management Sciences Research
Ethics Committee (EMS-REC)

28 February 2020

Mr D Mokatsanyane
Per e-mail
Dear Mr D Mokatsanyane

EMS-REC FEEDBACK: 28022020

Student: Mokohe, YN (31105300)(NWU-00586-20-A4)

Applicant: Mr Danny Mokatsanyane – MCom in Risk Management

Your ethics application on, *Evaluating perceptions of ethics risk in a South African government organisation*, which served on the EMS-REC meeting of 28 February 2020, refers.

Outcome:

Approved as a minimal risk study. A number NWU-00586-20-A4 is given for one year of ethics clearance.

Kind regards,

Mark
Rathbone

Digitally signed by Mark Rathbone
DN: cn=Mark Rathbone, o=North
West University, ou=Business
management,
email=mark.rathbone@nwu.ac.za,
c=ZA
Date: 2020.02.10 14:52:56 +02'00'

Prof Mark Rathbone

Chairperson: Economic and Management Sciences Research Ethics Committee (EMS-REC)

ANNEXURE 3: STATISTICAL CLEARANCE



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Statistical Consultation Services
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Email: sutia.ellis@nwu.ac.za

16 July 2020

Re: Dissertation, Ms YN Mokohe, student number 31105300

We hereby confirm that the Statistical Consultation Services of the North-West University analysed the data of the above-mentioned student and assisted with the interpretation of the results. However, any opinion, findings or recommendations contained in this document are those of the author, and the Statistical Consultation Services of the NWU (Potchefstroom Campus) do not accept responsibility for the statistical correctness of the data reported.

Kind regards

A handwritten signature in dark ink, appearing to read 'SM Ellis', is written over a horizontal line.

Prof SM Ellis (Pr. Sci. Nat.)

Associate Professor: Statistical Consultation Services

ANNEXURE 4: TURN IT IN REPORT



Faculty of Economic and Management Sciences

DECLARATION WITH REGARDS TO SIMILARITY REPORT

Turnitin (TI) is the plagiarism- prevention service of choice for the North-West University. A thesis/dissertation/mini-dissertation/article is submitted to the TI website, to be checked for similarities in the document by comparing submitted papers to several databases/repositories on the World Wide Web. It is important to note that TI does NOT identify plagiarism – only similarities. The aim is to draw students' attention to these similarities so that they improve their academic writing style and reporting of sources before submission for examination.

The undersigned declares that the thesis/dissertation/mini-dissertation/article with the title mentioned below, was submitted, assessed and that the issues (if any) have been addressed, and that a satisfactory report has been obtained.

Evaluating perceptions of ethics risk in a South African government organisation

Title of dissertation/mini-dissertation\thesis

YN Mokoke

Student (Initials and surname)

Mr D Mokatsanyane & Dr S Ferreira

Supervisor/Promoter (Initials and surname)

31105300

Master of Commerce in Risk Management

Student number and degree

Declaration with regards to similarity report

File reference: 7.1.11.3.E

Analysis of quotations identified by Turn-It-In

Name of student

YN Moko

Student number

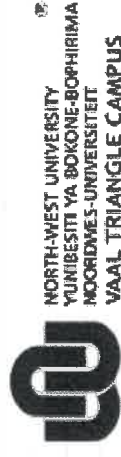
31105300

Title of document

Evaluation the perceptions of ethics risk in a South African government organisation

Study leader / promoter

Mr D Mokatsanyane & Dr S.J Ferreira



NORTH-WEST UNIVERSITY
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NOORDWES-UNIVERSITEIT
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INTRODUCTORY COMMENT:

The NWU adheres to the principle of original research and respect for the intellectual property of others. At NWU Turn-it-in is used to manage risk analysis of similarity document is to present an analysis of similarities that do not constitute plagiarism. The aim is to draw students' attention to the academic writing style and reporting of sources before submission for examination.

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OVERALL similarity index observed in the report 16 %

This is the similarity index reported after the Turn-it-in filter was set to exclude previous submissions, quotations and published papers by the student.

Interpretation of the similarity index for this document	Impression of similarity	Action to be taken
A) DIRECT longer quotations without " " but with source reference		PROBLEMATIC: (a) Immediately add the " " to indicate that this is a direct quotation. (b) Decide if the longer direct quotation is necessary. (c) Rewrite appropriately to integrate ideas from source with argument sustained in your text.
B) Appropriate brief quotations	4%	No action necessary
C) Jargon from the discipline	6%	No action necessary
D) Everyday use of language	6%	No action necessary
E) Direct matches to previous versions of this dissertation/thesis or published papers on the same		No action necessary. Should actually not happen because text must be excluded.

Report by student and/or supervisor/promoter

To the best of my knowledge no plagiarism was detected in the relevant document discussed here.

N Makoko

Mr D Mokatsanyane & Dr S.J Ferreira

Initials and surname of MA candidate

Initials and surname of supervisor

Report by entity director / school director / leader or chairperson of CAD in school

15/09/2020

Initials and surname of director / leader / CAD chair

Prof W. Grobler

Acad Center