Assessing the effectiveness of ethical codes at a local government institution

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ABSTRACT

Local Government Municipal Systems Act 32 of 2000, Chapter 12, Schedule 1 and Schedule 2 outlines the Code of Conduct for councilors and employees, and these Code of Conduct applies to every member of a municipal council. *Local Government Municipal Structures Act 117 of 1998*, Schedule 5 similarly outlines the Code of Conduct for municipal councilors and its aim is to create an environment that is rich in moral and ethical values and behavior. The study is intended to assess the effectiveness of ethical codes within local government as a tool to promote good governance, accountability, ensure the delivery of services to the communities and increases the probability that Municipal Officials and Councilors will behave in a certain manner. The study quantitatively and qualitatively assesses how the ethical codes are implemented and enforced within local government. The assessment findings revealed that the code is a uniform set of ethical guidelines and applications throughout local government. It is also clear that codes of conduct have been drafted to be as comprehensive as possible, but they do not provide a detailed standard of conduct and not supported by ethics related policies therefore institutionalization of the code remains a challenge in a Local government environment. Therefore, these challenges have made Local Government ethos to be a “fairytale” and a failure to deliver services to the communities and the persistent fraud and corruption in Local Government has continued damage the reputation of environment and service quality. The study recommends a properly institutionalized of code of conduct to be developed for guiding the municipality’s ethics performance.

KEY WORDS:

Local Government, Ethics, Code of Conduct, Accountability, Service Delivery, Conflict of Interest, Bribery and Corruption.

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1.1 INTRODUCTION

Good leadership or setting the right tone at the top is a necessary ingredient for effective management; being leaders in their respective organisations, the behaviours of municipal functionaries i.e. the Executives and Councillors greatly affect effectiveness of Municipalities. This study focuses on the actions and behaviours of ten (10) Executive Directors, thirty (30) Middle Managers, hundred (100) Senior and Junior officials and the Mayor, Speaker of Council, Chief Whip, Ten (10) Members of the Mayoral Committee including Seventy (81) Councillors of the Emfuleni Local Municipality and on how their actions or conduct affect the image of government and the citizens' perceptions regarding effective management and acceptable standards of service delivery and/ or services offered by the Municipality. It is important that Municipal functionaries recognise that they have been charged with the responsibility to be transparent, fair and impartial when executing their responsibilities. They are also expected to be aware that there is an increasing expectation that they should live up to higher standards of integrity and as such should behave ethically at all material times in government. The code of conduct which clarifies the ethical standards and behavioural expectations of Municipal functionaries is spelt out in the Acts and Regulations. Effectiveness is a feature that can be attributed to any organisation, private or public, for profit or non-profit, small or big (Dressler, 2004:1). In profit-oriented organisations, productivity is usually aimed towards profit maximisation. But public sector, non-profit organisations and municipalities have the mandate of serving the general good of the people, which even though might result in inefficiency (Huberts & Six, 2012:156). Although the public expect efficiency of public sector organisations in provision of public goods and services, they are more interested in effectiveness of these organisations.

1.2 PROBLEM STATEMENT

Effective and efficient delivery of services to the communities has become a challenge over the past years as promulgated by the Local Government: Municipal Systems Act, 32 of 2000. This occurs because municipal employees and councillors lacks understanding of the Code of Conduct and ignore the importance of service delivery. In turn they get involved in all sorts of unethical conduct and corrupt activities which include, amongst others, the usage of their positions for personal gain, undertaking paid work without an explicit consent of the Municipal Council, disclosing privileged and confidential information, awarding of irregular tenders as well as the misuse of council properties.

The existence of a Code of Conduct and Ethics Standards and Practices for Municipal employees and councillors to enhance performance and reflect a good image of the public service and to promote good governance has not mitigated against the behaviours that constitute an act of misconduct in the Local government and municipalities in South Africa (Masegare & Ngoepe, 2018)

Corrupt activities in Local Government as reported by Corruption Watch since 2013, has been on the rise and community riots caused by poor level of service delivery linked to corruption are reported by media on a daily basis. Local Government is a Sphere of Government that is closest to the communities and has to perform their responsibilities in a fair and transparent manner.

In 2010 SA ranked 54th out of 178 other countries with a rate of 5 out of 10 and within the sub-Saharan Africa region, SA is ranked 5th out of the 47 sub-Saharan countries (TI, Corruption Perceptions Index 2010:13). South Africa’s rating was 4.7% in 2009. Its 2010 ranking is a decrease of 0, 2. Although, according to the TI CPI, this drop is insignificant in respect of the ranking, it is an indication that there is no improvement relative to the CPI. Amongst the irregularities that South African municipalities face regular basis is that many of their entities are regularly probed for procurement irregularities. A case in point is the Tshwane Metropolitan Council where a total of about 65 municipal officials were investigated for striking business deals worth about R185 million with their own council (Ambe & Badenhorst-Weiss, 2012). Another one is the Emfuleni Local Municipality which is currently investigating a total of R 945 million of unauthorised, irregular and wasteful expenditure. This implies corruption is on the increase, despite the SA Public Service having an anti-fraud and corruption strategy, which includes a code. The focus of this research is only on the code and specifically it’s content.

Emfuleni Local Municipality has articulated a set of values reflecting what the Municipality stands for and voluntarily aspires to, beyond compliance with the law and regulations and commits itself to being an accountable, transparent and a respectful and an honest institution which always provides platforms for the community to engage them on service delivery matters which affect residential areas under its jurisdiction as reflected on its Approved Integrated Development Plan (IDP). These ideals are not reflected in the Municipality's own internal policies except what is reflected on a Code of Conduct as reflected in Schedule 1 and 2 of the Municipal Systems Act. Notably, unethical conduct and practices, including corruption, are on the rise at Emfuleni Local Municipality. This is indeed a cause for concern and as such appropriate remedies are urgently required.

To this end, the research gap identified for purpose of the current study is the content of the Code of Conduct as promulgated on the Municipal Systems Act, Schedule 1 and Schedule 2 and the institutionalisation of ethics management in local government. It is worth mentioning that there is still a glaring lack of effectiveness of these instruments as compared to international guidelines.

Ethics – according to Huberts and Six (2012) ethics can be seen as a system of moral principles that is based on values relating to human conduct, with respect to the rightness or wrongness of certain actions and to the goodness and badness of the motives and ends of such actions and Ethics is a set of rules or standards governing the moral conduct of employees in an institution. Huberts and Six (2012) further asserts that these are dependent on the desirable and appropriate values and morals of an individual or the society at large. Ethics deal with the purity of individuals and their intentions. Ethics serve as guidelines for analysing “what is good or bad” in a specific scenario (Rossouw & Van Vuuren, 2016: 28).

Key definitions involved in this study are as follows:

Code of conduct - this is the principle that sets out standards of behaviour for public officers in the Uganda public service (Macaulay *et al,* 2014).

Ethical Standards – this refers to principles that when followed, promote values such as trust, good behaviour, fairness and/or kindness.

Conflict of interest: it is when an employee, manager or executive of an organisation has a hidden personal or financial interest in a matter which is to the detriment of the organisation (Macaulay *et al,* 2014).

Bribery: this is the giving or receiving of anything of value that would influence an official act or business decision. It also includes any form of gratification given illegally directly or indirectly to the receiver (Macaulay *et al,* 2014).

Corruption – this refers to the intentional non-compliance with the arm’s-length principle aimed at deriving some advantage for oneself or for related individuals from this behaviour.

Ethical conduct – this is the strong desire to do the right thing, especially when behaving ethically imposes financial, social or emotional costs.

Unethical Conduct – unethical behaviour may be defined as deliberate or negligent conduct constituting a deviation from or breach of the guidelines designed to inform an expected pattern of behaviour in a given situation (Macaulay *et al,* 2014).

1.3 RESEARCH QUESTION

1.3.1 Primary research questions

How effective are ethical codes in improving the municipality's employees and councillors' behaviour and conduct?

1.3.2 Secondary research questions

- What is the nature of interactions of ethics and a code of conduct at a Local Municipality?
- What mechanisms are put in place influencing accountability amongst functionalities?
- What are the driving factors on ethical management at a Local Municipality?
- What type of unethical behaviours are facing and the ethical risks that a Municipality can be exposed to?
- Does the code of conduct effectively address the ethics risks of the municipality?
- What are the treats that could weaken adherence to ethical standards and practices, core values and commitment good governance?
- Is there any delegated responsibility for implementation to executive management of the code of conduct and ethics policies?
- Is there ethical competence and mechanisms to support "professional ethics" of Municipal functionaries strengthened?
- Are administrative practices and processes and which promotes ethical values and integrity developed
- What are the changes that must take place if the municipality to become a 'good corporate citizen', proactively assisting in the fight against crime and corruption and exercising good ethical conduct?
- What are the mechanisms put in place to deal the protection of whistle blowers?
- How can ethics be improved at a Local Municipality?

1.4 OBJECTIVES OF THE STUDY

1.4.1 Primary objective

The aim of this study was to assess the effectiveness of ethical codes and to determine how it impacts municipal employees and Councillors to exercise moral judgment and prevent misconduct, unethical behaviour to ensure accountability, provision of service delivery and long-term sustainability in Local Government institutions.

1.4.2 Secondary objectives

- To determine the level of implementation and oversight of an existing code of conduct in promoting ethical standards and practices in the Municipality.
- To determine the extent to which the Municipality succeeds in enhancing its own ethical climate and that which operates externally.
- To establish the level of compliance on institutionalisation of ethical practices.
- To determine the driving factors on ethical management in Emfuleni local municipality.

1.5 SCOPE OF THE STUDY

1.5.1 Field of the study

Emfuleni Local Municipality (ELM) is one of three local municipalities that constitute the Sedibeng District Municipality. It is the western-most local municipality of the district, which covers the entire southern area of the Gauteng Province extending along a 120 kilometres axis from east to west. It covers an area of 987.45 km². The Vaal River forms the southern boundary of ELM and its strategic location affords it many opportunities for tourism and other forms of economic development. ELM shares boundaries with Metsimaholo Local Municipality in the Free State to the south, Midvaal Local Municipality to the east, the City of Johannesburg metropolitan area to the north and Westonaria and Tlokwe Local Municipalities to the west.

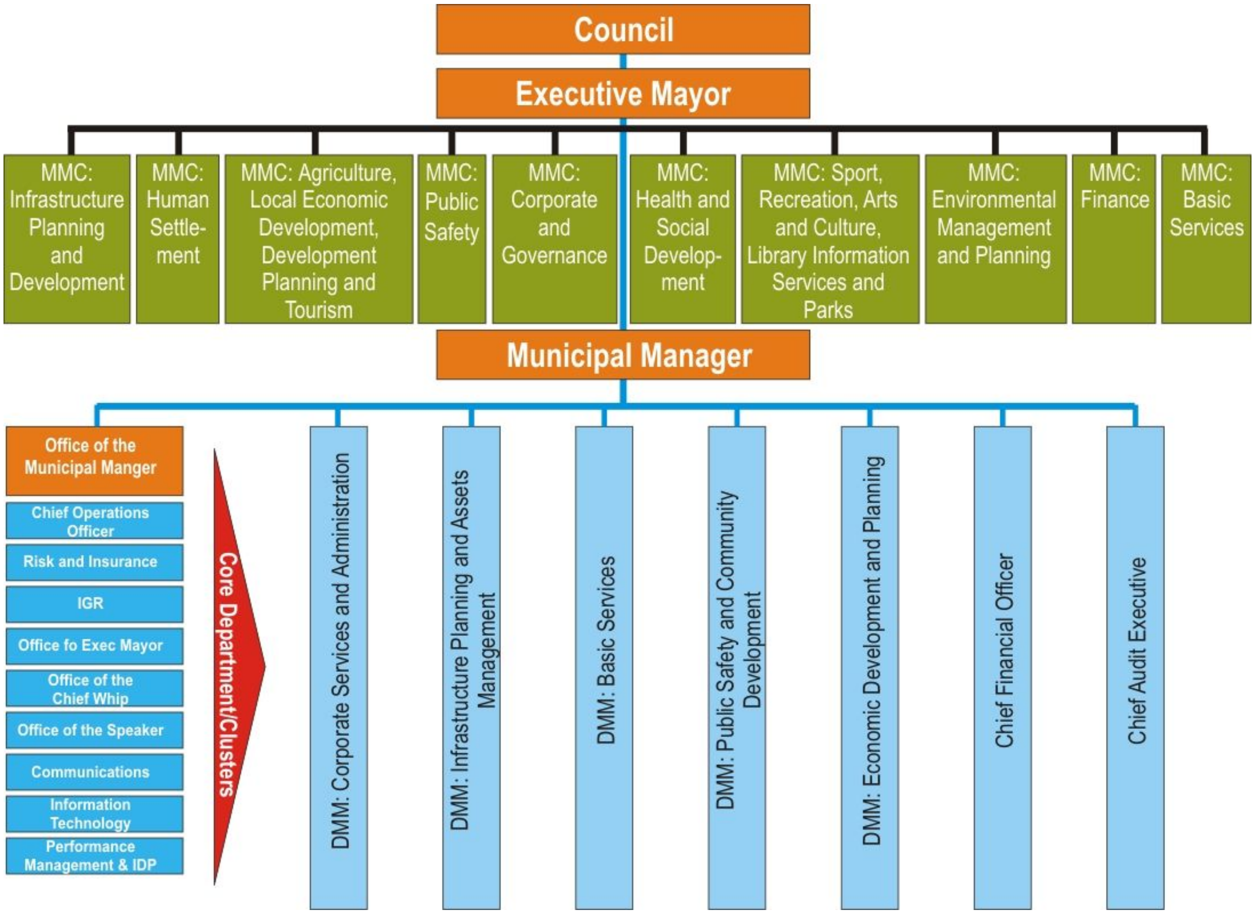
Figure 1.1: Map of Sedibeng District Municipal Area.

Source: Emfuleni Local Municipality Integrated Development Plan (2018-2019)

The unit analysis of the study consisted of Councillors and employees working at Emfuleni Local Municipality head office including all its branches.

The present study was restricted to Emfuleni Local Municipality functionaries and Councillors. The Municipality has a staff establishment which comprises of **2200** employees within the 8 established Departments which is the Office of the Municipal Manager, Financial Services, Infrastructure Planning and Management, Local Economic development, Corporate Shared Services, Basic Services, Public Safety and Community Development, Internal Audit and the Political Offices. The Municipality has in total **81** Councillors which are the Speaker of Council, Chief Whip and the Mayor's office including ward Councillors.

Figure 1.2: Council and Administrative Governance Structure of Emfuleni Local Municipality.



Source: Emfuleni Local Municipality Integrated Development Plan (2018-2019

Data collection will be collected from the clusters/ departments as reflected on the above structure.

This study prioritised the identified stakeholders in terms of the ethical impact and power each have in the Municipality and was able to provide an opinion on the Municipality's ethics past performance, the current reality and their expectations regarding future ethical orientation and performance.

The roles and responsibility of each unit of analysis. These are defined as follows:

- Mayor, Speaker and Mayoral Committee members - Creating an enabling environment to implement ethics management. Setting the Tone at the Top for upholding organisational ethics
- Council Committees (Audit Committee, Risk Management Committee) – Providing Oversight and enforcing accountability on ethics codes
- Executive Directors - Enablers, the implementing agent for ethics management within the organisation. Setting tone at top for compliance and enforcement as well as inspiring change. Developing policies and guidelines and strategies.
- Middle Management - Implementing agents in terms of operationalisation ethics management practices and behaviours.
- Senior Officials-Supervisory Level - Actioning of the behaviour and ensuring good ethical practices in staff
- Junior Officials/ Service workers - Behaving according to what are the accepted ethical values and standards of the Municipality

The Municipality has restricted access to all its employees, property and systems. Gaining access to information was requested through the approval of the Municipal Manager by completing authorisation letter **(Refer to: *Appendix E*).**

The study was situated in the field of Business Management Sciences. Using both quantitative and qualitative research methodology, the study aimed to assess the effectiveness of ethics codes in a Local Government Institution – Emfuleni Local Municipality.

1.5.2 Geographical demarcation of the study

The geographical demarcation of the study was Vanderbiljpark, Gauteng province in South Africa where Emfuleni Local Municipality is located.

1.6 RESEARCH METHODOLOGY

1.6.1 Literature review

The literature review is a synthesis of the secondary literature that pertains to the research problem of your dissertation. Secondary literature refers to the “body of works previously published by other scholars” (Bryman *et al,* 2014).

A literature review on the conceptual framework on ethical codes within the local government context was undertaken and it reflects on what had previously been studied about the subject. A literature review commences when selecting a topic and defining research questions. This is more historically focused (Bryman *et al,* 2014).

Specific ethics concepts, the understanding of the ethical code’s development and the perception of municipal employee and councillors with regard to local government ethical codes were taken into consideration during the literature review process. The following key concepts were taken into consideration: ethics, Code of conduct, integrity, accountability, local government, values and culture.

A literature review allows the researcher to study existing body of knowledge, identify gaps and ensure that the work is not duplicated. This further allows the researcher to formulate the theory base for the intended research study (Bryman *et al,* 2014). Creswell and Creswell (2018) state that the validity of the work on the research study will be validated through the study.

- *Document analysis*

The following documents were analysed to identify issues of ethical concern and ethics standards that already exist in the Municipality: -

- Anti-Fraud and Corruption policies and strategies;
- Annual report (Historical data);
- Auditor Genera (SA) Audit report;

- Annual Audited Financial Statements;
- Minutes of Governance Meetings;
- Decisions made during disciplinary hearing, if any;
- Number of customer complaints for Service Delivery;
- Functionaries and Councillors declaration of code of conduct;
- Litigation reports and
- Newspaper Articles related to Ethical Practices and conduct of the Municipality.

1.6.2 Empirical investigation

Generally speaking, there are two types of research strategies: exploratory and descriptive. In statistical analysis, descriptive research is the type of exploration used to acquire a broader view of the data and the repartition of the variables by diagrams, tables and other basic statistics (Creswell *et al,* 2018). Descriptive statistics involve the collection of quantitative data that generally falls into two areas: studies that describe events and studies like this current study that aims at discovering predictive relationships (Yin, 2016). Descriptive statistics deal with the presentation of numerical facts or data, in either tables or graphs forms with the aim of analysing the data collected (Bryman *et al,* 2014).

1.6.2.1 Research approach and design

The research design consists of a plan to test the validity of the hypothesis taking into consideration the relationship between dependent and independent variables (Bryman *et al*, 2016) however, in qualitative research there is no specific plan followed to determine the results.

Mixed approach – is a study in which qualitative and quantitative research is employed in relation to each other. This method integrates and combines qualitative and quantitative research methods for the single study. (Bryman *et al,* 2017:26). This method is considered to be a method and methodology for conducting research that involves collecting, analysing and interpreting including integrating quantitative and qualitative in a single study (Ormston *et al,* 2014:83).

Quantitative research methods – is a distinctive method that entails collection of numerical data and data analysis, uses deductive approach to the relationship between theory and research in which the emphasis is placed on testing of theories and adopts an objectivist conception of social reality (Bryman *et al,* 2017:26).

Qualitative research methods – is a collection and analysis of non-numeric data this can include words, pictures and actions. A structured approach is applied to the research efforts (Bryman *et al,* 2017:26).

The current study used mixed research methods as it provides a better understanding of the problem or an issue in which a combination of both questionnaires and interviews of few individuals at an executive level.

1.6.2.1.1 Research approach

The study considered an approach that would increase the possibility to increase the validity of the results. Questionnaires or a measuring instrument was used as part of the study approach.

1.6.2.1.2 Research participants

Creswell and Creswell (2018) define a target population as the totality of all subjects that conform to a set of specifications, comprising the entire group of persons that the researcher is interested in and to whom the research results can be generalised. It is described as the entire set of units from which the survey data are to be used to make inferences (Yin, 2016). The geographic and temporal characteristics of the target population need to be delineated, as well as the age, the gender and in some cases, race (Bryman *et al,* 2014). This enables the researcher to determine what the preferences are that relate to each category. It is therefore important to state that the target population of a research survey can be human beings or even objects, depending on what the researcher is analysing or where the research topic is centralised.

Regarding the above explanation, the target population of this study was all the employees and councillors who are working at the Emfuleni Local Municipality located in Vanderbijlpark. The study identified different stakeholders within the Municipality that could be the target of unit analysis which is the Council which comprises of 81 political office bearers, the Mayoral Committee comprising of 10 Political Executive Leadership assisting the Executive Mayor, Council Committees (Section 79 and 80 Committees) comprising of non-independent executive directors i.e. the Audit Committee and the Municipal Public Accounts Committees, Executive directors, Middle Management form post level 1-3, Senior Officials at the supervisory level, junior officials. This region was selected because the researcher was more familiar with it.

1.6.2.1.3 Measuring instrument

The researcher was personally responsible for the administration and collection of all questionnaires. The study utilised a sequential exploratory method wherein the initial phase of qualitative data collection and analysis was followed by a phase of quantitative data collection and analysis.

Qualitative Assessment

This study made use of qualitative methodology, i.e. face to face interviews. To this end, an ethnographic research was conducted with the key members of the institution i.e. the Mayor, Speaker, Members of the Mayoral Committee, Municipal Manager and Executive Directors.

Survey questionnaires were designed in order to provide guidance as to the required responses from the targeted respondents. All members were given an opportunity to be free to express the opinions and ideas. Scheduled appointment with individual members were designed and executed.

Quantitative Assessment

- *Questionnaire* (**Refer to*: Appendix A***)

De Vos *et al,* (2011:188) stipulate that the advantages of self-administering questionnaires include saving time and increased response rates due to the personal contact factor.

For purposes of the current study, the questionnaires used in the personal interview were distributed to all employees and stakeholders of the Municipality via email and the survey ran for a few weeks (Maximum 4 weeks) and the estimated time for the completion of each questionnaire was 20min (*Refer to measurement instrument 1).*

The measuring instrument comprised the following sections:

Section A – demographic profile of the respondent

The first section of the questionnaire focused on obtaining demographic information such as age, gender, marital status, race, educational background and income, length of service and job status in the organisation.

Section B – assessing the effectiveness of ethics at a local municipality

Section B1- consisted of two questions. The first question required that functionaries and Councillors indicate their overall satisfaction with the ethics of the municipality on a scale of 1 to 6, depending on the extent to which they were satisfied or not. The second question required that functionaries and Councillors to identify the top 3 threats faced by the municipality, in order of importance.

Section B2 - consisted of 30 statements, required an answer each, ranging between "strongly agree" to "strongly disagree." Each statement had to be carefully considered to decide to what extent participants agreed or disagreed with the statement in the context of their workplace and the environment that they operated in. Functionaries and

Councillors had to bear in mind that there was no right or wrong answer – the objective was to get their perception.

Section B3 – this section of the questionnaire consisted of four open-ended questions which provided the respondent with an opportunity to express their views freely. Functionaries and Councillors were free to increase the lines to allow for more writing space, if necessary.

Section B4 - was aimed at measuring the perceptions that exist, pertaining to Management. Functionaries and Councillors had to consider each point carefully to respond truthfully, in order to provide the researcher with valuable feedback of opportunities for growth and improvement.

In the event that employees and Councillors had more to say than what the space in the questionnaire permitted, they were advised to document such comments under the section GENERAL.

Pilot study

A pilot study is a research study conducted before the intended study (Privitera ,2018). Questionnaire pilot testing is critical is a critical step in conducting research. The practice questionnaires were sent to the intended population which was 15 employees and Councillors within all levels of work in respective departments. The study was done to find out whether the participants understand the questionnaire instruction. The questionnaire was collected 3 days after submission and the results were analysed. The results of the pilot testing were presented at the NWU business school, feedback was provided. The necessary changes and redesign of the questionnaire were made where possible.

1.6.2.1.4 Statistical data analysis

Data gathering is the precise, systematic gathering of information relevant to the research sub-problems, using methods such as interviews, participant observation, focus group discussion, narratives and case histories (Creswell *et al*., 2018). The empirical phase, which involves the actual collection of data, is followed by preparation for data analysis (Bryman *et al,* 2014). Data collection begins with the researcher deciding from where and from whom data will be collected. In the current study, the data collection process involved functionaries and councillors at Emfuleni Local Municipality. Due to the nature of the research, the targeted respondents were the Speaker of Council, Members of the Mayoral Committee, Municipal Manager, Section 56 employees (Executive Directors) including all functionaries of the Municipality. This is done to ensure the relevance of data in evaluating the Municipality's effectiveness in implementing the code of conduct, ethical standards and practices.

Different types of data collection techniques exist (such via the internet, telephone, mail and face to face interviews) and each one has its unique strengths and weakness, which uses its own opportunities of circumstances and time (Yin, 2016:38). Hair *et al,* (2013:190) note that questionnaires can be classified as either structured or unstructured. A structured questionnaire consists of a set of closed-end questions requiring the selection of a choice answer among pre-determined possible responses (Yin, 2016:76). The fact that the researcher determines the possible responses in advance lends to the ease of administering structured questionnaires in research (Creswell *et al*, 2018:190). As a result, participants are required to engage limited cognitive effort when completing structured questionnaires, whereas the researcher can so easily capture the responses after data collection. Contrastingly, an unstructured questionnaire comprises loosely structured and open-ended questions that allow participants to reply in their own words (Creswell *et al*, 2018:92).

Data analysis is the process of describing, categorising and interpreting the data collected (Creswell *et al*, 2018:97). Yin (2016:94) state that data are analysed by means of statistical techniques in order to investigate variables and their effects. The purpose of collecting research data is to make relevant conclusions about the problem that is being investigated and to use the data to answer the research questions (Creswell *et al*, 2018:176). Quantitative data from the returned questionnaires was coded and entered into a Microsoft Excel spreadsheet. SPSS version 25.0 was used to analyse the data in conjunction with the university's statistical consultation services.

1.6.2.1.5 Descriptive statistics

Descriptive statistics are procedures used to summarise, organise and make sense of a set of scores or observations (Privitera, 2014:5). Descriptive statistics include frequencies, means and standard deviations and are typically presented graphically, in tabular form (in tables), or as summary statistics (single values). In this study, the SPSS program was used to determine the frequencies, the mean and the standard deviation.

- *Frequencies*

When raw data is organised into frequency distribution, it is easier to understand the relationship between the independent variable and the dependent variable. The frequency is a summary display of how often a category, range or range of scores occurs (Privitera, 2014:32). The demographic data collected in respect of gender, marital status, age, education level, income category, length of service in the workplace and current job status, were organised through frequency tables and presented in charts, using Microsoft Excel. This was done in order to present the data graphically.

- *The Mean*

The purpose of calculating the mean is to find a score that best represents all of the scores for a construct. It is calculated by adding together all the scores and then dividing the total by the number of scores (Privitera, 2018). In this study, the mean was utilised to determine the level of job satisfaction and organisational commitment amongst the administrative staff at the municipality.

- *Standard Deviation*

The standard deviation is by far the most frequently used index of variability. It is the most stable measure of variability and includes every score in its calculation (Privitera, 2018) In essence, the standard deviation helps in understanding approximately how much a particular score deviates from an average score. These standard deviation scores are demonstrated in tabular form for ethics effectiveness.

- *Statistical analysis*

Privitera (2018) explain that inferential statistics strive to make inferences and predictions based on the data gathered. Inferential statistics are also used to draw conclusions about significant relationships between variables. In the current study, these included the correlation analysis, regression analysis and factor analysis.

1.6.2.2 Research design – qualitative pilot study

According to Bryman *et al* (2014) a pilot study is a first-rate way of finding out whether the study would be practicable or not. Even though it may take time at first, it could save researchers much time in the end if they take the trouble to determine which approaches would and would not be effective in solving the overall research problem.

1.6.2.2.1 Research approach and data collection

This researcher followed a mixed-methods design by implementing both quantitative and qualitative research designs in order to investigate, explore and understand how the code of conduct, standards and practices impact the effectiveness of ethical behaviours and conduct of Emfuleni Local Municipality. The type of mixed-methods design followed a concurrent triangulation design, as stated by Creswell (2018:213). Theoretically speaking, the triangulation is used because the strengths of each approach can be applied to provide not only a more complete result, but also one that would be more valid (Yin, 2016).

1.6.2.2.2 Research strategy

In this study, the researcher made use of non-experimental, descriptive survey research by using questionnaires for quantitative components and use phenomenological strategy for quantitative components of the study. According to Yin (2016), Creswell *et al* (2018) and Privitera (2018) a phenomenological study is a study that attempts to understand people’s perceptions, perspectives and understandings of a particular situation.

1.6.2.2.3 Research setting

The study setting included the various literature review on code of conduct, ethical standards and practices impact on effectiveness of ethical behaviours and conduct of Emfuleni Local Municipality, the research method used to elicit information from the respondents-questionnaire for quantitative approach while interview for qualitative approach. The setting also included entry and the establishment of the researcher’s role in these methods of data collections.

1.6.2.2.4 Sampling

Sample can be described as ‘extent of a populace’ (Privitera, 2018). A cautiously chosen sample can offer data characteristic of the populace from which it is drawn (Privitera, 2018). According to Creswell *et al* (2018), the larger the population, the smaller the percentage of that population needs to be sampled and vice versa. However, larger samples enable researchers to make representative and accurate conclusions and to make more accurate predictions than in smaller samples. In other words, the sample size is the number of respondents included in a study. In this study, the sample size was set at n=150 respondents.

Researchers collect information by a wide variety of methods, ranging from the experimental designs used in the physical sciences through to the surveys more common in the social sciences Creswell *et al* (2018). Many of these methods of gathering information involve two choices of experimental subjects, namely, probability sampling and non-probability sampling. In this study, focus was directed to non-probability sampling since it is the approach used in selecting the respondents.

This study focused on non-probability sampling, which is defined as a sampling technique in which the samples are collected in a particular way that does not provide all the individuals in the target population equal chances of being selected (Privitera, 2014). Elements chosen in a non-probability sampling technique are usually selected based on their accessibility or by the purposive personal judgment of the researcher (Privitera, 2018).

Despite several constraints and criticisms, Creswell *et al* (2018) stated that non-probability sampling technique is cheaper to conduct, generally used when a particular sampling frame is not accessible, very useful when the target population is widely spread in a way that does not allow the efficiency of cluster sampling, is often used in exploratory studies and is mainly considered when the researcher is not focused on working out what proportion of population gives a specific response but rather in obtaining a variety of reactions on ideas that people may have.

There are various types of non-probability sampling techniques, which include convenience or availability sampling, quota sampling, snowball sampling, judgment or purposive sampling and self-selective sampling. In this study, the convenience or availability sampling, which is probably the most common of all sampling techniques, was chosen for selecting the respondents. With convenience sampling, the sampling elements are chosen because they are fairly accessible to the researcher (Privitera, 2018:246). Furthermore, they are easy to access and do not require expert judgment to select a specific representative population.

1.6.2.3 Strategies employed to ensure quality data

Data quality in a qualitative research paradigm involves the rigorous efforts put in by the researcher from data generation and interpretation to conclusion (Privitera, 2018:97). In addition, this study adopted six methods for measuring overall qualitative research quality: clarification and rationalisation, technical thoroughness, sample representativeness, explanatory rigor, reflexive and evaluative rigor and transferability (Creswell *et al*, 2018)

1.6.2.4 Ethical considerations

In scientific research, all stakeholders have ethical issues, which should be considered (Privitera, 2018:16). Special consideration was given to ethical respects such as right to privacy, confidentiality and anonymity of research participants. Furthermore, the respondents' right to equality, justice and freedom of choice, expression and access to information as well the right to human dignity/life and protection against harm were ensured. Since this study used people as respondents, the principle of informed consent was followed. The study was conducted after permission had been granted by the Emfuleni Local Municipality. In addition, all sources from which the information was obtained were acknowledged, as recommended by (Privitera; 2018). Anyone of the respondents could withdraw at any time.

1.7 LIMITATIONS OF THE STUDY

This study was about assessing the effectiveness of ethical codes in Local Government Institutions. It covered the code of ethic, trust, efficiency, transparency, conflict of interest and the ethics management structures put in place. This study was conducted in the region of Vanderbijlpark. It only targeted employees from the Emfuleni municipality - all department included. The age of the respondents did not matter as long as they were employed at the Municipality they were allowed to participate in this study. Moreover, results of the study are not a true reflection of the effectiveness of the codes in local government in general as it only focused on 1 municipality out of a total of 293 municipalities available in South Africa. In short, the results of the current study cannot be generalised.

1.8 CONTRIBUTION OF THE STUDY

- The study is instrumental to the Local Government in generating knowledge on the code of conduct, ethical standard and practices. This will also provide a feedback to the Local government about the effectiveness of the Code of Conduct, ethical conduct and Ethics in fighting for the public interest in government business and the problems faced in enhancing good governance and delivering services to the communities
- The study provides an understanding of ethical risks facing Local Government and its resultant impact on the delivering of services to the general communities.
- The study will also assist to ensure improved levels of communication of the code of conduct and how information regarding the code of conduct is to be disseminated and assist local government functionaries to realise their professional obligation to render services to the communities.
- The recommendations of this study will make a significant contribution to the researchers and scholars on the understanding of the factors that influence and shape the effectiveness of the Code of Conduct and Ethics and identify the needed remedies for enhancing the effectiveness of the code.

1.9 LAYOUT OF THE STUDY

Chapter 1: Scope and nature of the study

The current chapter comprised the background to and the scope of the study. It focused on the objectives of the study, the problem statement and the research methodologies. The research methodology and ethical considerations were also outlined in this chapter.

Chapter 2: Literature review

This chapter includes review of literature on effectiveness of a code of conduct impact the effectiveness of ethical practices and conduct at Local Government.

Chapter 3: Empirical investigation

This chapter focuses on the sampling and data collection, as well as on how the acquired data were analysed. Attention shall be given to the techniques that were utilised in order to ensure that efficient, effective and reliable results were obtained in the interpretation of the responses. The chapter further deals with the statistical analysis, interpretation and evaluation of the research findings derived from the data collected through questionnaires and interviews.

Chapter 4: Conclusion and recommendations

Chapter 4 provides the conclusions drawn from this study based on the findings reported. Recommendations are tabled and discussed in this chapter. These are made with the view of improving the compliance of ethics effectiveness and organisational commitment of all administrative staff members at the Emfuleni local municipality.

1.10 CHAPTER SUMMARY

The current chapter comprised of the background to the scope of the current study. It focused on the objectives of the study, the problem statement and the research methodologies. The research methodology and ethical considerations were also outlined in this chapter.

In the next chapter, the review of literature on effectiveness of a code of conduct impact the effectiveness of ethical practices and conduct at Local Government is performed.

CHAPTER TWO: LITERATURE REVIEW

2.1 INTRODUCTION

A literature review is where existing research on the topic or phenomena of the study is examined in order to determine what is already known about it, in the form of research conducted and methods employed (Bryman & Bell, 2016:8). This chapter discusses the nature and orientation of the content of code of conduct, the key concepts of ethical codes and their relationship. Emphasis on local government codes of conduct, the purpose and influence of ethical codes on this institution are also explored. The importance of the content of the codes of conduct in addressing common corruption activities and risks in the public service particularly local government institution is also discussed in this chapter. Local government regulatory requirements, ethical governance, challenges faced by whistle blowers as well as factors causing effective/ineffective management of local government are also tabled and discussed in this chapter. The discussion herein is guided by the usage of research materials such as books, journals as well as internet sources that focus on ethical codes, principally at a local government institution level.

Code of Conduct for Municipal Employees (Refer to: ***Appendix C***)

Code of Conduct for Municipal Councilors (Refer to: ***Appendix D***)

2.2 NATURE AND POSITIONING OF THE CONTENT OF CODE OF CONDUCT

Code of conduct can be termed as a system used by most organisations in overseeing conduct (Rossouw, 2016:5). A composed documentation describing moral guidelines of an institution. These guidelines incorporate standards of how to interface with partners and customers, administration standards, controls on consistence with the law and working environment security (Nkyabonaki, 2018: 14). Organization for Economic Co-Operation and Development (2013) states that the codes of conduct are typically directional as they are rule-based yet they may likewise be a blend of desire and directional methodologies. There is a view that having an ethical code of conduct legitimises an organisation (Rossouw, 2016:5).

Organisations that do not have a set of accepted rules are constrained by their partners or even constrained by law, to have one regardless of whether it costs time and cash (Nkyabonaki, 2018:14. Morals and qualities are basics in building up honesty of an organisation (Rossouw, 2016:5). The public service has mutual principles which contribute to the design of codes (Mozumder, 2016:169). He further stated that standards of conduct originate from values and codes can consequently be aspiring or directional or both. This however, can result in confusion between codes of ethics and codes of conduct. (Mozumder, 2016:171). Regularly these terms are utilised jointly as it is done in this study.

Corruption in the public sector is viewed as the most "significant untrustworthy conduct" and this type of ethical misconduct is committed because of pure narrow-minded enthusiasm to the detriment of another person as well as a result of financial or social conditions (Sanchez *et al*, 2011:191). Rossouw (2016:25) asserts that individuals are susceptible to their immediate surroundings (Albrecht, 2013). If unethical conduct is tolerated, even persons with great moral qualities can end up degenerate. The ideal impacts of the battle against debasement will be lost if certain components in the improvement and execution procedure of such codes are missing and as such will render codes “toothless bull dogs” (Zeger van der Wal, 2017). It is therefore important that an organisation has a mechanism in place to manage behaviour in particular at local government level.

2.2.1 The key concepts of ethical codes

2.2.1.1 Ethics, values and the code of conduct

Ethics can be described as a part of philosophy field of study that deals with how individuals or organisation should live and interact with concepts such as right and wrong (Fieser & Pojman, 2012:1). Ethics are inclination that impact conduct in human relations, compatible to a code of standard, the principle of behaviour, the obligation of a researcher and the canons of conduct of a given vocation (Mozumder; 2016:182). Ethical behaviour denotes behaviour that is not beneficial for oneself but in addition useful for other individuals. In this way, conduct focuses on activities that are good just for an individual is seen to be deceptive. While value are beliefs on what is right or wrong (Rossouw, 2016:118).

Values refers to the principles that are used to determine whether an action or behaviour is good, not only for oneself but for another (Zeger van der Wal, 2017:188).

Code is the foundation upon which professionalism is built, in that it is a set of in-house guidelines, which standardises members of a particular professional group (Sanchez *et al,* 2011:191). Profession is referred to as “vocation of calling” and comprises the public management (Zeger van der Wal, 2017:171). An additional tenacity of code is to highpoint to any workforces how to avoid conflicts of interests and how to conduct themselves in their public and private lives (Nkyabonaki, 2019:88). A code may be a blend of a lawful structure which provides for legal obligations and matching sanctions, it is an ethical framework which defines core values which an institution must aim at (Mozumder; 2016:182). The framework also places interest on what values anticipated from personnel and describes their legal responsibilities. In other words, the code communicates to the employee on what his/her individual responsibilities are under the law and what the limits of his/her liability are (Zeger van der Wal, 2017:175). Apart from the above-mentioned tenacity, codes offer guidance on the running of the organisation. It further highlights the fact that an organisation must ensure that it has mechanisms to support the employee in complying with the standards of conduct. These may be protected disclosures/reporting mechanisms if the employee has an obligation to report corruption (Nkyabonaki, 2019:90).

2.3 ANALYSIS OF THE LOCAL GOVERNMENT CODE OF CONDUCT

Imparting an ethical culture encompasses a more delegation of obligation and discretion of Civil Servants, budgetary pressures and new forms of delivery (Matsiliza, 2013:112). Dosoloane (2012:265) states that the Local Government code of ethics schedules to guide councillors and municipal officials are available in the Municipal Systems Act, (32 of 2000). The South African Constitution (1996) also helps as a guide for the activities of the municipal officials to maintain the Bill of Rights, Principles of Co-operate Government and Inter-governmental relations. Public officials are anticipated to identify and comprehend basic ethics and principles they are expected to apply at workplace (Nyawo, 2017:65). There is a requirement for a reasonable division of their work and where the limits of acknowledged conduct reside (Matsiliza, 2013:113).

These ethics should be enlightened, circulate in gatherings, work-shops and be updated at appropriate time (Nyawo, 2017:64; Biegelman & Bartow, 2016). Section 195 of the Constitution of the Republic of South Africa 1996 specifies that Public Administration must be governed by democratic values and principles, such as; the promotion of a high standard of professional ethics; the promotion of efficient, economic and effective use of properties; that transparency must be fostered by providing the public with timely, accessible and accurate information; and that public managements must be answerable to any action (Bryman *et al*, 2017).

Talks on defilement and mal-administration in South African public administration have been a subject of disagreement, where various researchers in the field of local government and public management referred to debasement as one of real worries that obstruct on the advancement of good administration (Zeger van der Wal, 2017:178, Rossouw, 2016, Nyawo, 2017:61). It has been noticed that without moral culture likelihood for corruption and mal-administration can be consumed in high levels (Zeger van der Wal, 2017:182). Local government workers are faced with a widespread of ethical matters and problems (Nyawo, 2017:65). The Provincial and Local Government Departments are charged with the oversight and simplification of the Anti-corruption policy as a response to address the ever-increasing corruption in the South African local government (DPLG, 2018).

South African Local Government Association (SALGA) stated that the most noticeable difficulties in the South African local government comprise the abuse of public trust, mal-administration and corruption (SALGA, 2019). The misuse of public trust comprises lying and other forms of dishonesty, misapplication of authority by officials and councillors, racket and pestering of staff members and clients/ public (Nyawo, 2017:69). The administrators are always attracted with gifts from their communities and the public. Their characters and act of corruption is always reflected as bad by the media and the society when they receive those gifts and fail to declare them to their offices and when they are lie (Matsiliza, 2013:114).

According to Dosoloane (2012:300), corruption signifies any manner or conduct in connection to individuals trusted with duties in a public institution or any organisation which violates their responsibilities as public servants on accepting undue enjoyment of any kind. Dishonours and subornation in public service reveal corruption.

When a civil servant abuses his or her position for self-gain, they constitute menace to democracy and the rule of law (Zeger van der Wal, 2017:176) Corruption also demoralises economic right, where civil servants can receive gratification in order to perform their statutory duty. Dosoloane (2012:300). This is revealed in supply chain management where civil servants in municipality unable to conform to supply chain management processes and procurement rules in the tender process and during procurement (AGSA, 2018).

2.4 THE PURPOSE AND INFLUENCE OF ETHICAL CODES IN LOCAL GOVERNMENT

Government image relies on the comportment of public officials the impression of its populace with respect to the satisfactory norms of administrations offered by the functionaries Dosoloane (2012:169). It is, therefore, fundamental that public representatives' performance impartially and justly to everyone, not only paying lip service to transparency and honesty (Zeger van der Wal, 2017:178). Ethical principles and conduct prospects of civil workforces are typically indicated in a code of ethics, normally documented in rules and regulations (Nkyabonaki, 2019) mentioned that ethics is concerned with what is fundamentally human in environment. In intuition and acting in a moral way, the individual makes himself an observer to what decidedly recognises people and mission for pride. Ethics therefore is not about the self in isolation but fundamentally has a social quality.

Morals are regularising, it is an ability to differentiate amongst accessible options on the foundation of clarification of shared standards surrounded in a progressing institutional practice and in a more extensive type of common life (Nyawo, 2017:66) Good administration incorporates ten standards as requirements of moral local governance. These principles are:

- Participation: to urge all people to express their right to air their opinion in the course of making decisions regarding the public interest, both directly and indirectly.
- Rule of Law: to realise law implementation which is just and unbiased for all, devoid of immunity, while honouring basic human rights and noting the standards predominant in the culture.
- Transparency: to establish joint trust amongst the government and the public through the provision of information with guaranteed easy access to accurate and adequate information.
- Equality: to give equivalent chances to all individuals from the general public to improve their welfare.
- Responsiveness: to expand the sensitivity of government officials to the goals of the general population.
- Vision: to build up the district dependent on an unmistakable vision and methodology, with interest of the populace in every one of the procedures of

advancement so they get a feeling of proprietorship and duty regarding the advancement of their areas.

- Accountability: to build the responsibility of leaders with respect to choices in all issues including the public importance.
- Oversight: to grow the tasks of supervision in the activities of government and the implementation of development by involving the private sector and the general public;
- Efficiency and Effectiveness: to guarantee public service delivery by utilising all available resources optimally and responsibly and
- Professionalism: to improve the ability and good aura of government chairmen with the goal that they are fit for giving simple, quick, exact and reasonable administrations.

These principles are essentials to improve ethical environment for good local governance (Nyawo, 2017:66; Daft, 2014). Moreover, the Code of Ethics is an imperative for good local governance in South Africa (SALGA, 2018). The tenacity of Municipal Code of Ethics is to guarantee straightforwardness and moral direct by government workers and authorities; to re-establish or encourage public trust and citizen sureness in the government administration (Elia, 2015) and to exhibit a formal and systematised duty to moral conduct by government authorities (Masters & Graycar, 2015:45). The code of conduct offers rules to both authorities and employees of what kind of moral conduct is anticipated from them (Collier, 2017). The code similarly suggested the spirit in which public officials should perform their civil obligations; the action to take to circumvent conflict of interest; and the terms of public official’s personal conduct and private interest (Mandeli, 2016:119). Notwithstanding a code of ethics and its motivations identified above, procedure is likewise made among the doctrine of majority rule government for the conduct of public employees.

However, the impact or influence of ethical code of conduct in local government cannot be overemphasis. According Mozumder (2016:183), the enactment and implementation of a code of conduct is an important factor in shaping whether a code is effective and hereby highlights the following influences: A code of conduct increases the likelihood that local government employees and councillors will conduct themselves in positive ways (Gordon & Miyake, 2015:172). Ethical behaviour should become a habit and effective codes allow elected officials to test their actions against expected standards; a code of conduct does not take away one's own moral autonomy or absolve the municipal functionary or councillor from the obligation to reason. A code of conduct provides at most a strong *prima facie* reason to act in a certain way; a code of conduct can function as a professional statement, that is, it expresses the public service's commitments to a specific set of moral standards. This has both cognitive and emotive value (Zeger van der Wal, 2017:173). It gives people joining a profession – the civil service - a clear set of values to which they are expected to subscribe.

2.5 IMPORTANCE OF THE ETHICAL CODES

Management cannot presume that every employee within the municipality comprehends the misconducts and the behaviours that are illegal in an organisation. Hence, a principal issue that may happen in the content of codes is the absence of clarification of the activities or potential dangers of corruption and the behaviour that is restricted. Occasionally, acts of corruption are not plainly explained. While a few acts of corruption might be understood, some part like receipt of gratification, entertainment and conflict of interest may not be clear to staff member. Correspondingly, the behaviour that is precluded in the acts that connected with such risk should similarly be plainly defined (Downe *et al*, 2016:900).

Magahy and Pyman (2010:57–76), as cited in Zeger van der Wal (2017:173) steered a global assessment on the ethics and business conduct of 32 nations' defence ministries and armed forces. One of the intentions was to evaluate the strength of principles relating to precise actions/dangers of corruption. The common actions and the inherent dangers in all of these nations were bribery, acceptance of gratifications, entertainment, conflict of interest and post separation/ employment activities. The SA Code, International Code, Model Code in addition to the OECD Guideline and Technical Guide list comparable activities/risks.

It was established that the content of codes required clarification in explaining the above-mentioned behaviours and/or risks of corruption (Downe *et al*, 2016:900).

2.6 LOCAL GOVERNMENT REGULATORY REQUIREMENTS AND THE CODE OF CONDUCT

There are numerous governmental mandates set up to encourage moral conduct and nature of administration by the local government employees and councillors in South Africa, this does not automatically assure a corruption-free organisation (Dosoloane, 2012:169). It is notwithstanding, fundamental to give a diagram of the most significant administrative orders so as to demonstrate that these orders could without a doubt fill in as supporting systems for creating and continuing an abnormal state of moral conduct in public service institutions and municipalities. The following is a summary of selective statutory and regulatory measures introduced to uphold ethical conduct by public service officials especially in local government institutions

- The Constitution of the Republic of South Africa (1996) envisages that the actions of public officials be in line with the values and principles in public administration and be upheld by all public personnel in the provisioning of services to society (South Africa, 1996). The Constitution is the highest norm and can be identified as the foundation of service delivery in the South African Public Service (Constitution 1996: Section 2).
- The Constitution of the Republic of South Africa (1996) foresees that the activities of civil servants be in accordance with the standards and values in public administration and be supported by all member of staff in the provisioning of services to the public. The Constitution is the uppermost rule and can be acknowledged as the groundwork of service delivery in the South African Public Service (Constitution 1996, Section 2). Practically speaking, this shows all laws,

activities and foundations practicing legislative power are liable to the Constitution. In terms of the Constitution, the universal tasks of the government are in three ways which have been allocated to discrete subdivisions known as; the legislative, the executive and the judicial authorities (Constitution 1996, Sections 43, 85 & 165). Public administration must be represented by the law based qualities and standards revered in the Constitution which incorporates; a great standard of proficient principles must be encouraged and upheld; productive, monetary and compelling utilisation of assets must be encouraged; government agencies and department including municipalities must be development-oriented; services delivery must be given to the masses objectively, fairly, justifiably and without prejudice; public needs should be reacted to and the people must be urged to take part in policy-making etc.

- The Public Service Act promotes high standards of ethical behaviour and further stipulates procedures to be followed when dealing with ineffective and inefficient officials. Dosoloane (2012:111) states that the Public Service Act must be considered the most significant of every single lawful arrangement pertinent to the conduct of public personnel. Section 20 of the Act deals with misbehaviour and is a principal instance of the efforts to restrict corruption and maladministration by means of law-making (Dosoloane, 2012:243). Section 21 of the Act frowned at misconduct on the part of civil servants and the following is a list of few wrongdoings for which a municipal functionary and/or a councillor can be put on trial in accordance with section 21, which states that contravening or failing to comply with any provision of this Act; negligence or indolence in the carrying out of his or her duties; undertaking, without the permission of a relevant executing authority, any private agency or private work in any matter connected with the performance of his or her official function or the carrying out of his or her duties; making use of his or her position in the public service to promote or to prejudice the interest of any political party; attempting to secure intervention from political or outside sources in relation to his or her position and conditions of service in the public sector, unless this occurs in an endeavour to have any grievance redressed through Parliament or a provincial legislature etc.

The Public Finance Management Act (PFMA), The Municipal Financial Management Act 56 of 2003 (MFMA), the Treasury Regulations for departments, constitutional institutions and trading entities, the Provincial Tax Regulations Act, 2001 including the he finance management system require designated officials to disclose their financial interests so that there should be no financial misunderstanding in their dealings with private matters. This financial legislation also addresses ethical behaviour in financial matters in general for the public service. Financial management should therefore be excellent in order to prevent corrupt activities. The Municipal Finance Management Act 56 of 2003 (MFMA), the Treasury Regulations for departments, constitutional institutions and trading entities, the Provincial Tax Regulations Act, 2001 and the Financial Management System necessitate elected officials to disclose their financial interests so that there should be no financial misunderstanding in their dealings with private matters. This financial legislation also addresses ethical behaviour in financial matters in general for the public service. Section 2 of PFMA aim at protection of transparency and accountability in order to promote the sound management of expenditure, revenue, liabilities and assets. Therefore, it can be affirming that financial management should be excellent in order to prevent corrupt activities.

- Code of Conduct in this case refer to chapter 2 of the Public Service Regulations (2001), the Executive Members Ethics Act and the Code of Ethics 2000, codes of conduct in provincial legislatures and the Code of Conduct for Municipalities, Schedule 1 and 2 of the Local Government Municipal Systems Act 32 of 2000 (Refer to: ***Appendix C and D***) and also Schedule 5 of the Local Government Municipal Structures Act 117 of 1998 which stipulates the behaviour of civil servants including municipalities employees and gives practical effect to the relevant constitutional provisions relating to the public service stated above, all employees are expected to comply with the Code of Conduct.

- Prevention and Combating of Corruption Activities Act 12 of 2004, the act focuses on measures to prevent and combat corruption and corrupt activities efficiently and effectively in order to enhance ethical conduct of municipal functionaries and councillors at local government. Furthermore, this Act provides for investigative measures in respect of corruption and related corrupt activities and the establishment and endorsement of a register in order to place certain restrictions on persons and enterprises convicted of corrupt activities relating to tenders and contracts (South Africa 2004).
- Intergovernmental Relations Framework Act 13 of 2005 caters for the fact that South Africa has always been highly conscious of differences between individuals, it is unlikely that legislation and current initiatives will suffice to enforce ethical behaviour among councillors and municipal employees.

2.7 ETHICAL GOVERNANCE IN LOCAL GOVERNMENT

Ethical governance is concerned about the standards of conduct of all holders of public office, including provisions in relation to financial and commercial activities (Downe *et al*, 2016: 900) High ethical standards are a cornerstone of good governance.

It is used and applied internationally on how governments do their business while putting in place features that bring about effective and efficient procedures that in return allows government and the general public partake in running their municipal activities (Oketch, 2016:2). Ethical governance as a key feature of good governance is predicated upon responsiveness towards people’s needs and demands and the ability to coordinate a democratic balance with efficiency and equity as core principles (Oketch, 2016:2).

Furthermore, the core capabilities of ethical governance are grouped into three foremost captions: integrity, accountability and standard management.

2.7.1 Integrity

The integrity of an organisation comprises of a framework of a wide range of elements. These elements are supported by a strong program of internal controls, which includes standards of conduct (Nyawo, 2017:64). Integrity can be explained under; ethical vision, communication, commitment and leadership (Rossouw, 2016:61).

The ethical vision allows employees identify the prominence of ethical standards in local governance thus allowing the local government institution to develop an ethical culture and values for the institution (Zeger van der Wal, 2017:190). Communication enhances dissemination of relevant information, policies, procedures and guidance on ethical standards to members, staff, the public, other individuals and organisations with which the council is involved and encouragement of listening, dialogue and feedback. While, commitment and leadership foster individual and corporate responsibility to promote and encourage high standards of conduct in the institution by actively involved in setting values and standards for the institution by members and senior staff (Škrbec & Dobovšek, 2013).

2.7.2 Accountability

Accountability is an ethical concept concerning proper behaviour and it deals with the responsibilities of individuals and organisations for their actions towards other people and agencies (Rossouw, 2016:61). The concept is used in practical settings, notably in describing arrangements for governance and management in public services and private organisations (Oketch, 2016:2). The term is often used synonymously with concepts of transparency, liability, answerability and other ideas associated with the expectations of account-giving.

As an aspect of governance, it has been central to discussions related to problems in the public sector, non-profit and private (corporate) worlds (Nyawo, 2017:65). So also, as integrity, accountability is sub divided into; organisational management, system and process operation and objectivity and scrutiny. Organisational management shows that the local government institution has clearly defined and well understood roles and responsibilities for both members and staff and clear management processes for policy development, implementation and review, decision making, monitoring and reporting. (Menzel, 2015:349).

2.7.3 Standards management

The nature of the management practices is crucial to improving performance, efficiency and service delivery within the public sector (Henson, 2019). Nevertheless, municipalities, faces numerous connected problems comprising, poor capacity and weak administrative systems proved by poor financial and administrative management, weak technical and planning capacity, governance challenges and uneven fiscal capacity (Henson, 2019; Menzel, 2015:348; Nyawo, 2017:66). Department of Cooperative Governance and Traditional Affairs (COGTA) states that in each key performance area, performance is evaluated against standards established by the relevant transversal departments e.g. Municipality and Department of Housing). Standard management include; standard integration, people and practice management, training and development and planning and review (COGTA, 2019).

Standard integration makes the promotion, maintenance and development of high standards of conduct essential to all the institution's processes. An expectation that members and staff will operate to the highest standards of conduct, encouragement to do so, are term to be people and practice management, it also includes acknowledgement of the conduct, on occasions, some personnel may fail to do so but the willingness to address this form part of people and practice management. Training and development recognises the need for and commitment to training and development in relation to ethical standard.

While, acknowledgement of the need for organised and consistent review of the implementation and operation of the ethical framework in the institution and the capability to embark on this and demonstration of continuous improvement is termed planning and review (Henson, 2019).

2.8 CHALLENGES FACED WITH WHISTLE BLOWERS IN THE LOCAL GOVERNMENT ENVIRONMENT

Whistle blowing can also be seen as a discrete form of discord, predominantly where matters of public health, safety, fraud or abuse of office are involved (Disoloane, 2012:196) describes whistle blowing as reporting on basic issues which lie at the heart of human activity. It covers loyalty and the question of dubious practices. It concerns communication and silence. It is about practicing what one preaches and about leadership. Its emphases on responsibility toward others and the accountability of those in charge. It is where public and private interests meet. In general whistle blowing contains calling attention to unlawful acts, typically in order to stay away from mischief (Disoloane, 2012:196; Nyawo, 2017:65).

2.9 DEALING WITH WHISTLE BLOWING IN LOCAL GOVERNMENT INSTITUTIONS

For local governments to act fairly, they must be allowed to deal with maladministration or consider whether it is in fact a misconduct. This implies that the authority must be aware on time about it to allow the authority to act proactively. So as to act proactively, it is fundamental that the municipalities have a whistle-blowing plan in place (Downe *et al,* 2016:803) which ought to incorporate the following appropriate and accessible internal channels to report wrongdoing – this could include channels such as complaints, grievance and disciplinary procedures; and alternative channels, such as the people who are implicated in the matter of concern might not be harmed by those who reported them, for example if the organisation suffers from systemic maladministration, mismanagement or corruption, it might be dangerous to raise concerns through internal channels.

Practically, an individual may choose a third choice, the choice to keep silent, specifically if he or she understands that his or her evidences could be erroneous or that there might be an innocent explanation, especially if the superiors are aware of it and remain silent. A person might also consider his or her private interests before taking action. It is clear that a paradigm shift in the local government culture is crucial.

This paradigm shift should be away from external restrictions (when wrongdoing is belatedly dealt with) to harder internal control with preventive management systems to limit inappropriate conduct place (Downe *et al*, 2016:803).

2.9.1 Impact of whistle blowing on local government

The consequence of whistle-blowing on the image of local government can be positive or negative. Aside from the impact of whistle-blowing on the management structure and working environment of the local government, which may upset member of staff relationship, different contentions might be represented that whistle-blowing can negatively affect the authoritative picture of the organisation (Disoloane, 2012:197) The organisation can be uncovered, frequently without being conscious of it and may all of a sudden face far reaching media inclusion (generally undesirable) and communal protest. Whistle-blowing can similarly assist the local government, specifically if issues can be brought to the attention of top management, which may amend these issues and circumvent public disapproval, costly court cases, infringement of legislation and other negative outcomes (Disoloane, 2012:197; Master & Gayear, 2015:55)

2.9.2 Whistle blowers' protection in the South African public service

Because of the results experience by the informants or whistle-blowers, The Protected Disclosure Act 26 of 2000 was promulgated which otherwise known as 'Whistleblowers Act". This Act makes liberally clear the South African government's pledge to the right to speak freely and its goal to make an atmosphere of straightforwardness in both the general population and private circles. It additionally makes broad arrangement for strategies to empower and help staff members in making secured exposures on the unlawful or unpredictable behaviour of managers or workers, without the dread of exploitation or retaliation. It is basic that the disclosure be valid and made in accordance with some basic honesty (Disoloane, 2012:197).

The processes protected in the Protected Disclosures Act are of utmost significance, in that, they make available the probable whistle-blower protection from occupational disadvantage (Rossouw, 2016:177).

The Act prohibits the company from endangering a worker to industrial impairment upon having made a protected disclosure and it brings an end to escalating instances of retaliation to whistle-blowing. However, the employee who makes the disclosure is protected only if he or she acts in accordance with the procedure provided for in the Act (Rossouw, 2016:177; Downe *et al*, 2016:820).

2.9.3 Challenges faced with whistleblowers

A sequence of grave difficulties perseveres with regard to the security of whistle-blowers and channels of reportage, for instance, dangers of vengeance and actual execution of rules. Subsequently, control of popular assessment in the media through purported "counterfeit news", can make it simpler for those blamed for offense to expel those reactions as being false. This study hereby highlighted some of the challenges faced by whistle-blowers at the level of local government governance. Some of the indicated difficulties are not essentially limited to the municipalities or provincial level, but may have more noteworthy consequences at this level of government or are more urgent to address in order to foster an overall legal framework and practice that ensures effective reporting and protection for individuals who disclose their concerns in the public interest.

- Internal reporting: from the jurisprudence perspective, a given staff member is obliged to have made determinations to report within the organisation where s/he is based and suspects a misconduct. These determinations have to be made known preceding to the person openly revealing information if the person is to enjoy from protection, as the court has stated that this as one of the fundamentals that are required to eligible a person for protection.

- Anonymous reporting: the likelihood for the people to report anonymously is very pertinent at the local and regional level. Correspondingly, to issues regarding internal reporting, even in cases where the individuals do not face grave repercussions, the smaller work community may be a more challenging environment to report suspected wrongdoing. If the individual is obliged to always disclose their identity in cases of reporting, even if protection of confidentiality is foreseen, there may still be a disincentive for the individual because of the important consequences that could follow, such as dismissal, retaliation, hostile working environment.
- Increasing trust: clear processes for reporting intensify trust within a working atmosphere which also foster trust in local and regional governance overall. Lack of trust and reliability of reporting channels are often indicated as reasons why individuals do not report at all even when they suspect or have information about a wrongdoing.
- Scope of protection: gradually, both local and regional authorities rely on public-private partnerships. Hence, in countries that do not include the private sector to their protection regime, if the reporting is done by individuals employed by the private company they may not be protected.
- Workplace protection: local and regional authorities, have within their remit, many prerogatives that could foster a working environment where individuals are incentivised and trust the protection mechanisms in order to report any suspected wrongdoing. Some of the main challenges within the workplace pertain to knowing the applicable rules and having full clarity of procedures. Local and regional authorities have the opportunity to enhance reporting by providing clear guidance on the specific limits to the type of information that may be disclosed in the public interest.

2.10 ENVIRONMENT OF PUBLIC SECTOR ORGANISATION

Public management takes place in the political, social and economic setting. Circumstantially, the socio-political and economic environment becomes a challenge in public administration (Muswaka, 2018:110). It is significant that the managerial leaders take into account the above environmental analysis because ignoring social, political and economic features during the planning and implementing of government programs could have a detrimental effect on achieving departmental objectives, the mission and vision and government in general (Muswaka, 2018:110). It is therefore essential that the understanding and scrutiny of the environment become vital, especially during transformation of the Public Service in particular.

Good governance is anticipated to drive economic growth and development. From a critical viewpoint, South Africa is a middle-income country with pockets of first world characteristics, such as infrastructure and some exceedingly magnificent segments of the population (Gumede & Dipholo, 2014:45). On the other hand, the majority of people constituting more than 85% of the country's population who live in the rural areas are extremely poor.

This situation is not likely to change unless principles of good governance are practiced at all spheres of government including its public enterprises (Gumede & Dipholo, 2014:45).

Good governance entails competent management of state resources be they natural, physical and financial as well as greater accountability by the government. The awarding of tenders for government projects in South Africa has been heavily criticised by scholars for being corrupted by a few political elites for personal benefits. South Africa has been criticised for corruption that is widely practiced in all spheres of government. When corruption, either institutional or systemic, is left unchecked by a country, the result is poor governance.

In South Africa, bureaucratic red tape is affecting most government departments. Since the early 1990s, South Africans across the political and professional divide have expressed grave concern about governmental efficiency, effectiveness and competitiveness in service delivery. With the creation of a single public service after 1994 that resulted from the merging of the four states of the Transkei, Bophuthatswana, Venda and Ciskei that were established by the apartheid regime for black people and the self-governing territories, government bureaucracy became too large and extra-ordinarily hierarchical (Gumede & Dipholo, 2014:46). Public Administration became a source of poor service delivery. It is worth noting that South Africa embraced the democratisation process as an impetus for public sector reforms and liberalisation of the markets. Thus, the process of decentralisation was formalised with the constitutional establishment of local government and provincial governments.

The rationale for decentralisation is that local government is closer to local communities hence better placed to respond to their needs timely. However, between 1994 and 2010 the South African government has failed to take full advantage of the new wind of change thrust upon by the New Public Management (NPM) atmosphere (Gumede & Dipholo, 2014:45). Thus, South Africa still suffers from bureaucratic red tape, systemic corruption, inefficiency, ineffectiveness, poor service delivery, poor accountability and nepotism particularly in the award of government tenders to political dynasties of former liberation movements who claim their legitimacy from the liberation struggle.

2.11 FACTORS CAUSING INEFFECTIVE MANAGEMENT OF LOCAL GOVERNMENT

The obligation of the local government is to improve the general welfare of society by delivering services to individuals and to private and other public sector organisations, playing an important part in both the country and the global economy (Kaptein, 2015:611). Local government has a wide range of interested party and each of these interested party has its own interests, resulting in a variety of expectations which are imposed on the public sector (Björk *et al*, 2014:27). In order to address the needs and expectations of all these stakeholders, the public sector needs to be effective and efficient in fulfilling its responsibilities. Efficiency and effectiveness in a public sector relate to the maximisation of resources, relative to the outputs achieved (Björk *et al*., 2014:27; Hung, 2016:292).

The South African local government has often been accused of not delivering services to its citizens (Magahy & Pyman, 2014. The mass media have reported on service delivery protests that are indicative of inadequately addressed problems in the public sector (Akinboade *et al*, 2013:465). These protests cannot all be blamed on municipalities perceived dismal performance – it is evident that something more serious underlies these problems, possibly involving underperformance in all spheres of government (Björk *et al*., 2014:29).

Various aspects impeding service delivery include incompetent public servants, a lack of accountability, poor human resources practices, inadequate procurement practices and a lack of leadership (Janse van Rensburg, 2014:33). Key problem areas that have emerged include service delivery difficulties, poor management of finances, high levels of unemployment, nepotism and corruption (Akinboade *et al*, 2012:183). Although these aspects and problems all contribute to the inadequate service delivery in South Africa, Francis (2013:29) suggests that ineffective leadership is the ultimate key problem and that it has been evident in the South African public sector environment for quite some time. Francis (2013:29) adds that this situation is predominantly caused by appointing incompetent senior officials and the absence of accountability from public sector leaders. However, there is limited scientific evidence on what works best in improving the performance of the public sector (Blum *et al,* 2012:3).

2.12 FORMS AND COMPONENTS OF EFFECTIVE MANAGEMENT IN LOCAL GOVERNMENT

The form in which local government was established in South Africa was through the Municipal System Act of 2000 and the Municipal Performance Regulation for Municipal Managers and Manager Directly Accountable to Municipal Managers of 2006, which provide for the establishment and implementation of a performance management system for each and every municipality in South Africa (Blum *et al,* 2012:3).In order to comply with legislation and to improve on good governance and service delivery it is essential for the municipality to adopt a policy on performance management. The performance policy framework provides guidance in terms of the municipality’s cycle and processes of performance planning, monitoring, measuring, reviewing, reporting, auditing and quality control.

In today's highly vibrant municipal environment, strategy has been important. To succeed, municipalities need to continuously reshape themselves (Naoum, 2015). This requires tremendous strategic agility as well as superior execution of the chosen strategy (Matsiliza, 2013). Municipalities that fail to engage their people to strategy execution fail to achieve their full potential. Success requires that employees are truly engaged and committed to their work and share the values and goals of the municipality (Mcdonald, 2016). Therefore, for local government to effectively succeed, the following components must be highly managed as stated in Municipal Planning and Performance Management Regulations.

2.12.1 Commit people to objectives

Municipal employees need to be motivated to work for reaching mutual goals by allowing them to examine the municipality’s vision, strategy and operational targets (Huczynski, 2014). It enables personnel at all levels of the municipality to identify their individual responsibilities and targets so that strategy becomes understandable in an everyday operational sense.

2.12.2 Monitor, analyse and benchmark performance

In terms of section 19 of the Structures Act, sections 39 – 41 of the Municipal Systems Act and section 7 (2) of the Municipal planning and performance management regulations the municipality must develop a performance management system (PMS) to monitor, scrutinise and standardise its performance.

Other legislative necessities include section 152 of the Constitution, Chapter 6 of the Municipal Systems Act, White Paper on Service Delivery and Chapter 6 of the Municipal Financial Management Act (MFMA).

2.12.3 Execute strategy

The PMS ought to be planned to drive hierarchical change, accomplish persistent improvement and surpass execution targets. It ought to furthermore act as an exceptional directing framework for business management that commits people to targets and procedures. It should correspondingly concentrate on management procedures and practices and it should not be considered an annual form filling in exercise (Hosie *et al*, 2016).

2.12.4 Get results fast

The PMS should be applied in such a way to allow the Council and its people to start enjoying the benefits of performance management from the first day of implementation.

2.12.5 Engage employees and communities

Instinct reveals that when workers are genuinely occupied with their work and in the qualities and objectives of the local government, their conduct will for the most part be supporting metropolitan accomplishment. It appears to be similarly undeniable that separated or disengaged workers are probably not going to put forth a strong effort. So as to affirm this instinct a few researches have been conducted. Research certainly shows that involved workers are more faithful—and the bigger the number of more faithful workers, the lower the expenses of recruiting, employment, training and developing, not to mention the positive effects on production. Engaged workers are likewise more eager to give additional determination when the metropolis wants it. Engaged employees in client confronting jobs are bound to treat clients in manners that emphatically impact consumer loyalty. The same goes for communities. The local communities are mandatory to be participating in the improvement, enactment and review of the municipality’s PMS, precisely in connection to setting of suitable significant performance indicators and performance targets for the local government.

2.13 COMMON TRANSGRESSIONS IN PRIVATE AND PUBLIC SECTOR

2.13.1 Bribery

Transparency International Corruption Perception Index (2018) posed that the debasement, by and large characterised as the maltreatment of endowed power for individual gain, given that corrupt practices are obviously covered in confidentiality, their occurrence and economic impact are especially challenging to quantify, but estimates do occur (TICPI, 2018). According to Muswaka (2018:110), bribery is the giving or getting of anything of significant worth that would impact an official decision or business choice which incorporates any type of delight offered wrongfully to the recipient either legitimately or in a roundabout way. Bribery offers can take many procedures comprising gifts, luxurious entertaining like lunches, holidays, exclusive tickets to sport games, drugs, sexual favours, employment either for the bribe taker or his/her family or friends. Advances can be paid off; houses and cars may be given as gifts (Rossouw, 2016:89). However, it is part of this study to assess the effectiveness of code of conduct at local government level when employee is confronted by an actual or potential act of bribery (Orlitzky *et al*, 2013:405).

2.13.2 Economic extortion and illegal gratuity

The Association of Certified Fraud Examiners (ACFE,2019), stated that economic extortion happens when a worker or official, through the improper utilisation of genuine or compromised power or fear, requests cash or some other thought to abstain from victimising a business decision (ACFE, 2019). Economic extortion is contrary to bribery. Rather than a client offering payment to a staff member to impact his business decision, the staff member request that the client pay him for advantageous handling or to avoid hostile behaviour (ACFE, 2019). Illegal gratuities on the other hands are something of significant worth given to a staff member to reward a decision after it has been made, instead of impact it before the decision is made (ACFE, 2019). This misconduct is comparable to bribery except that an illicit tip does not necessitate evidence of intent to impact the employee's decision-making. Rather than paying the staff member to make a decision, the client compensate the staff for a decision the employee formerly made (Ormston *et al*, 2014:5). Illegal gratuities are simply presented as a "thank you" for something that has been done.

In proving an illegal gratuity, there is no need to show that the client planned to impact the employee's actions; it is enough to show that the employee accepted an award based on his performance (ACFE, 2019).

2.13.3 Conflict of interest

Akinboade *et al* (2012:183) indicated that this is a circumstance wherein a representative has a private or individual intrigue which is probably going to seem to impact the target exercise of an aspect(s) of their organisation Conflict of interest can be financial, non-financial and relative or friend interest. On the word of conflict of interest is the point at which a representative, supervisor or official of an organisation has a concealed personal or money related enthusiasm for an issue which is to the hindrance of the organisation (Gumede & Dipholo, 2014:44). It is imperative to note that the variance among this type of corruption and the others is that here the staff member is acting out of pure self-interest and not for and on behalf of anyone else (ACFE, 2019).

In other words, the staff member is not being bribed. If an interest is disclosed, then it is not a conflict of interest (Zeger van der Wal, 2017:172).

2.13.4 Post-separation/employment activities

As result of labour mobility, personnel moving to another organisation are gradually liable to utilise their talents and skills in a related or even a competing organisation as posed by the Crime & Misconduct Commission (2013). This intensifies the possibility that issues of undue impact, conflict of interest and data insecurity may arise when workforces or personnel leave a government agency to seek after a related prospect in the private sector (CMC, 2013) and this can generate substantial risks for government agencies' business and reputation. The Public Service Commission’s Directive No.2/09 affirms that employment separation procedures necessitate that public service departments and offices have processes in place to manage the risks when any personnel want to leave the organisation (PSC, 2018). Government agencies in such circumstances are open to three broad classes of risk; undue influence, conflicts of interest and information or data security (Starling, 2015).

Undue impact happened when the respectability and notoriety of a department corrupted by an occurrence that raises doubt about the decency or unbiasedness of a procedure or of choices made by leaving personnel, either previously or after they have left public sector employment (Zeger van der Wal, 2017:175). Information is property and it must constantly be considered as a business resource (Mozumder, 2016:169). It different from tangible resources therefore it is barely impossible to attach a price on and, once stolen, it can be challenging or difficult to recover from those who have taken advantage (Singleton & Singleton, 2015). The misfortune or abuse of secret official or business data because of poor data security can harm an organisation’s repute, business operations and productivity (Cartier, 2018:63). In the event that the masses lose trust in the truthfulness of a government’s agency procedures and decisions, people may be less eager to contribute in its genuine efforts to gather information (Cartier, 2018:63; Mozumder, 2016:169). While conflict of interest has been discussed above.

It can therefore be assumed that the above highlighted variables are the transgressions that are causing local government lack of service delivery and accountability in particular. Thus, code of conducts should provide example and guidance on the steps to be taken when an employee is confronted with or suspect any of these variables.

This study therefore assesses the effectiveness of ethical codes at a local government level in order to enhance employees' much needed guidance and mechanism to report such nefarious activities.

2.14 KEY SUCCESS FACTORS OF AN ETHICAL CODE AND FUTURE TRENDS

Huberts and Six (2012) mentioned that the goal of ethics code is to prevent and detect criminal conduct while promoting an organization's ethical standards and values. Every day key decisions are made about how resources are used (Koolma, Hulst, & Van Montfort, 2017). The ethical imperative is that it ensures that resources are used in the most appropriate way within the context of the organisation and the broader context of the municipality including the community (Macaulay, Newman & Hickey, 2014). Ethical codes support a culture of openness, trust, and integrity and business practices (Adelstein & Clegg, 2016). A positive effect on the employees' surroundings, creating an atmosphere of decision making that fosters is maintained Ethical codes enhances effectiveness, foster a positive ethical culture, heighten awareness of the function and its activities, and sharpen corporate focus on risk management (Koolma et al, 2017).

The Department of Cooperative Governance and Traditional Affairs (COGTA) introduced the Public Sector Integrity Management Framework and the purpose was to strengthen measures and standards for managing integrity and promotes ethical conduct in the public service. This Framework provides provisions for managing unethical conduct that can arise as a result of financial interests, gifts, hospitality and other benefits, post public employment and remunerative work outside the public service. is intended to set down the stance to "fraud and corruption", as well as to reinforce existing systems, policies, procedures, rules and regulations of the Municipality aimed at deterring, preventing, detecting, reacting to, and reducing the impact of fraud and corruption, where such dishonest activities subsist. A means by which employees is able to raise concerns with the appropriate line management or specific appointed person, where they have reasonable grounds for believing that there is fraud and corruption (Macaulay et al., 2014).

Yahong and Lavena, (2015) stated that "organizations are faced with the question, not only whether to adopt an ethics program, but also which components to adopt when". Establishment and maintenance of the ethics management strategies and programs is a challenge for municipalities and institutionalising the ethics management programs and establishing infrastructure is a way to assist with this challenge and change the ethical culture of the employee (Rossouw, 2016). Further proposals are made in respect of deployment of ethics officers in the public service and minimum conduct requirements (Brandsma, & Schillemans, 2012). Some of these measures will require legislation to become enforceable.

Yahong et.al., (2015) realized that poor ethical culture is one of the business risks and he that businesses need to start thinking about how to measure culture and values including governance and environmental impacts. Key factors such as formal systems of rewards and punishment (Nelles & Alcantara, 2014). Brandsma et.al., (2012) stated that there should be an ethics integration with stakeholder as they will mostly deal with organisations that are committed to authentic values and ethics.

2.15 CHAPTER SUMMARY

This chapter reviewed and discussed literature on the nature and orientation of the content of the code of conduct with regard to local government institution. The definition of key concepts connected to this study was also explored. An analysis of Local Government Code of Conduct, purpose and influence of ethical codes in local government as well as the importance of the content of the code of conduct in addressing common corruption activities and its risk in public sector were discussed. The literature review did not leave out local government regulatory requirement and ethical governance including challenges faced with whistleblowers in local government.

The chapter concluded with a literature review on environment of public sector organisation, factors causing ineffective management of public sector and forms and components of effective management in local government institution.

The next chapter presents the research design and methodology used in the study.

CHAPTER THREE: EMPIRICAL INVESTIGATION

3.1 INTRODUCTION

This chapter presents an interpretation and analysis of the results of data collected from Emfuleni municipality through open and close ended questions. The purpose of collecting research data is to make relevant conclusions about the problem that is being investigated and to use the data to answer the research questions (Wagner *et al*., 2012). Neuman (2000) describes data analysis as a search for patterns recurrent behaviours or objects in data. In the process, examinations, sorting, categorisation, evaluation, comparison and synthesis of the coded and recorded data is done. Welman and Kruger (2004) add that data are analysed by means of statistical techniques in order to investigate variables and their effects. Quantitative data from the returned questionnaires were captured into SPSS version 25.0 to validate, analyse and make inferences from the data.

The aim of the study was to assess the effectiveness of ethical codes and determine how it impacts municipal functionaries and councillors to exercise moral judgment, prevent misconduct and unethical behaviour to ensure long term sustainability of local government institutions.

3.2 RESEARCH METHODOLOGY

The survey took a mixed methods approach using a self-completion questionnaire with quantitative and some qualitative questions that add richness to patterns emerging from quantitative data. Yin (2014) suggest that it is always best to utilise several methods of data collection to adequately address research questions comprehensively, often in sequence. Using this combination of approaches, there will potentially be great power, which will provide both breadth and depth of analysis within a single investigation. With a survey, it will be possible to measure the reactions of a great number of people to a limited set of questions – thus facilitating comparison and statistical aggregation of the data. Qualitative wealth of detailed information from the open-ended questions will increase understanding of ethics in the municipality based on these cases and situations.

3.2.1 Questionnaire (Refer to: ***Appendix A***)

The questionnaire consists of three sections, sections A, B and C with coded questions in the quantitative section that are coded based on fixed-alternative answers, Likert scales. The results are represented in tables and charts showing frequencies and drawing conclusions through inferential statistics.

3.2.1.1 Section A: Demographic information

The first section of the questionnaire and there were seven (7) questions used and focused on obtaining demographic information such as - respondent branch, cluster, level of work, tenure, gender, educational level and age.

3.2.1.2 Section B1

Section B1 consists of two questions. The first question requires that respondents indicate general satisfaction with the ethics of the municipality on a scale of 1 to 6, depending on the extent of satisfaction. The second question requires respondents identify the top 3 threats faced by the municipality, in order of importance. Prior to answering the questions, the researcher provided basic definitions of ethics, theft, fraud and corruption to ensure respondents interpret the questions in context.

3.2.1.3 Section B2

Section B2, consisting of 30 statements, requires an answer each, ranging between “strongly agree” to “strongly disagree.” Respondents must consider each statement carefully and decide to what extent they agree or disagree with the statement in the context of their workplace and the environment that you operate in.

3.2.1.4 Section B3

Section B3 of the questionnaire consists of four open-ended questions, which provided respondents with the opportunity to express their views freely with an opportunity to add more content in spaces provided.

3.2.1.5 Section B4

Section B4 is aimed at measuring the perceptions that exist, pertaining to Management. In this section respondents were urged to consider each point carefully and respond truthfully, in order to provide Management with valuable feedback of opportunities for growth and improvement.

3.2.2 Section C: General code of ethics information

Section C of the questionnaire deals with the General Code of Ethics Information. In the event that Participants have more that they would like to comment on that they may feel was not covered in the preceding questions, the questionnaire encourages that functionaries and Councillors please feel free to comment under the section General

3.3 STUDY POPULATION

A population group is described by Welman *et al*. (2005) as a group of potential participants to whom the results of the study will be generalised. In the current study, the population is the totality of all Emfuleni employees (460) upon which specific conclusions will be made. An invitation was sent to all employees working for the Emfuleni Local Municipality to act as respondents to the study.

Municipality to act as respondents to the study.

3.4 DATA COLLECTION

Privitera (2018) described as the "process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer queries, stated research questions, test hypotheses, and evaluate outcomes.” The questionnaire was distributed to a population of 460 employees to collect qualitative and quantitative data methods through emails to the employees who were office based. For service workers, hard copies of the questionnaire were printed and distributed during meetings. The employees were given 3 days to respond to the questionnaires. Out of 460 questionnaires distributed, 146 questionnaires were returned. The information was captured on an excel spreadsheet.

Data was collected to improve the quality of decision making with regard to ethics management at the municipality.

3.5 CONFIDENTIALITY

Respondents were made aware of the aims and objectives of the study and their consent in this regard was solicited, stating that their participation was completely voluntary and that they could withdraw at any time without further obligation. According to Neuman (2000), it is important to ensure that the information provided by participants is treated as confidential at all times (i.e. no information on any particular subject should be released). The researcher assured respondents of their right to privacy, wherein their responses would be kept confidential and results would be reported in aggregated form. Respondents were also asked not to write their names on the survey questionnaires so as to remain anonymous.

3.6 STATISTICAL ANALYSIS

Data gathering is the precise, systematic gathering of information relevant to the research sub-problems, using methods such as interviews, participant observation, focus group discussion, narratives and case histories (Yin, 2016). The empirical phase, which involves the actual collection of data, is followed by preparation for data analysis (Creswell, 2018). Data collection begins with the researcher deciding from where and from whom data will be collected. The data collection process involves functionaries and councillors at

Emfuleni Local Municipality. Due to the nature of the research, the targeted respondents are, the Speaker of Council, Members of the Mayoral Committee, Municipal Manager, Section 56 employees (Executive Directors) including all functionaries of the Municipality. This is done to ensure the relevance of data in evaluating the Municipality's effectiveness in implementing the code of conduct, ethical standards and practices.

Different types of data collection techniques exist (such via the internet, telephone, mail and interviews) and each one has its unique strengths and weakness, which uses its own opportunities of circumstances and time (Privitera, 2014). Yin (2016) note that questionnaires can be classified as either structured or unstructured. A structured questionnaire consists of a set of closed-end questions requiring the selection of a choice answer among pre-determined possible responses (Privitera, 2014:282). The fact that the researcher determines the possible responses in advance lends to the ease of administering structured questionnaires in research (Creswell, 2018). As a result, participants are required to engage limited cognitive effort when completing structured questionnaires, whereas the researcher can so easily capture the responses after data collection. Contrastingly, an unstructured questionnaire comprises loosely structured and open-ended questions that allow participants to reply in their own words (Creswell, 2018).

Data analysis is the process of describing, categorising and interpreting the data collected (Yin, 2016). Privitera (2014) state that data are analysed by means of statistical techniques in order to investigate variables and their effects. The purpose of collecting research data is to make relevant conclusions about the problem that is being investigated and to use the data to answer the research questions (Wagner *et al,* 2012:176).

Quantitative data from the returned questionnaires was coded and entered into a Microsoft Excel spreadsheet. SPSS version 25.0 was used to analyse the data in conjunction with the North West University Statistical Consultation Services. In this study, various approaches were used to analyse data.

3.5.1 Descriptive statistics

Descriptive statistics are procedures used to summarise, organise and make sense of a set of scores or observations (Privitera 2014). Descriptive statistics include frequencies, means and standard deviations and are typically presented graphically, in tabular form (in tables), or as summary statistics (single values). In this study, the SPSS program was used to determine both descriptive and inferential statistics.

3.5.1.1 Frequencies

When raw data are organised into frequency distribution, it is easier to understand the relationship between the independent variable and the dependent variable. The frequency is a summary display of how often a category, range or range of scores occurs (Privitera, 2014). The demographic data collected in respect of gender, marital status, age, education level, income category, length of service in the workplace and current job status, were organised through frequency tables and presented in charts, using Microsoft Excel. This was done in order to present the data graphically.

3.5.1.2 The mean

The purpose of calculating the mean is to find a score that best represents all of the scores for a construct. It is calculated by adding together all the scores and then dividing the total by the number of scores (Privitera, 2018). In this study the mean was utilised to determine the level of job satisfaction and organisational commitment amongst the administrative staff at the municipality.

3.5.1.3 The standard deviation

The standard deviation is by far the most frequently used index of variability. It is the most stable measure of variability and includes every score in its calculation (Privitera, 2018).

In essence, the standard deviation helps in understanding approximately how much a particular score deviates from an average score. These standard deviation scores were demonstrated in tabular form for ethics effectiveness.

3.5.1.4 Inferential analysis

Privitera (2018) explain that inferential statistics strive to make inferences and predictions based on the data gathered. Inferential statistics are also used to draw conclusions about significant relationships between variables (Bryman *et al,* 2014). These include correlation analysis, regression analysis and factor analysis.

3.5.2 Response rate to the questionnaire

The total population of employees in Emfuleni municipality is 2200, the questionnaire was distributed to total of 460 employees located in the head office in Vanderbijlpark and other branches within the Municipality, to which the achieved sample size is 146, which is reliable to draw inferences on the population ((Privitera, 2018). While respondents made effort to answer all questions, some were deemed sensitive.

3.5.3 Discussing research results

3.5.3.1 Results: Section A – Demographic information

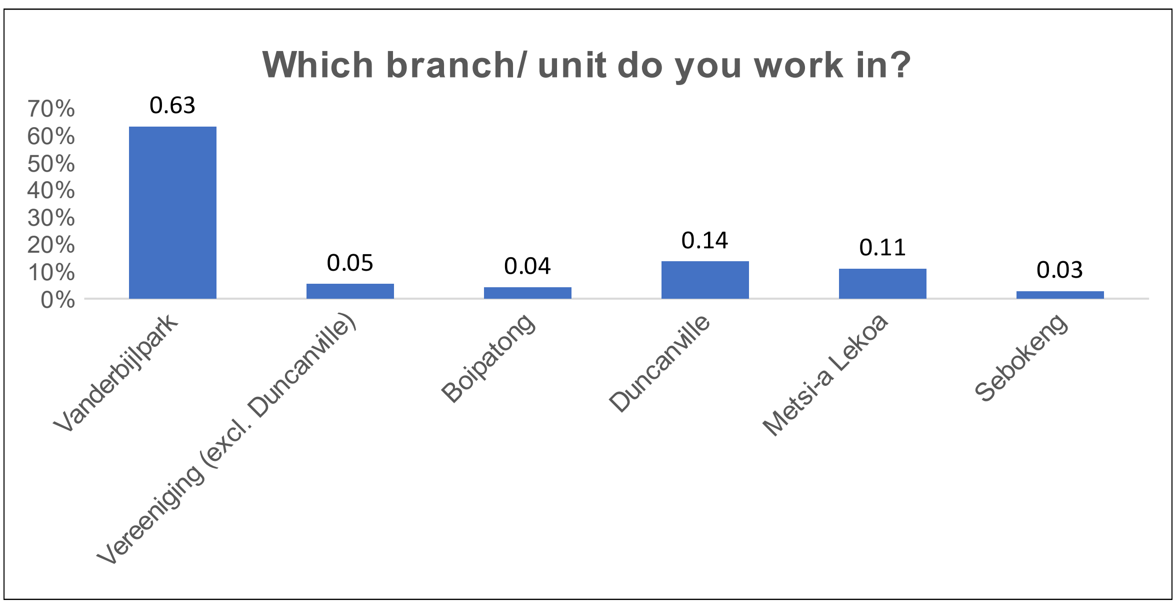


Figure 3. 3: Statistical Analysis of the Branch/ unit of the Respondents at the Municipality.

The majority of employees (63%) were from Vanderbijlpark, followed by Duncanville (14%) and Metis-a Lekoa (11%). Sebokeng, Boipatong, Vereeniging contributed the balance of 12%.

Figure 3.3 above shows the various branches for the respondents.

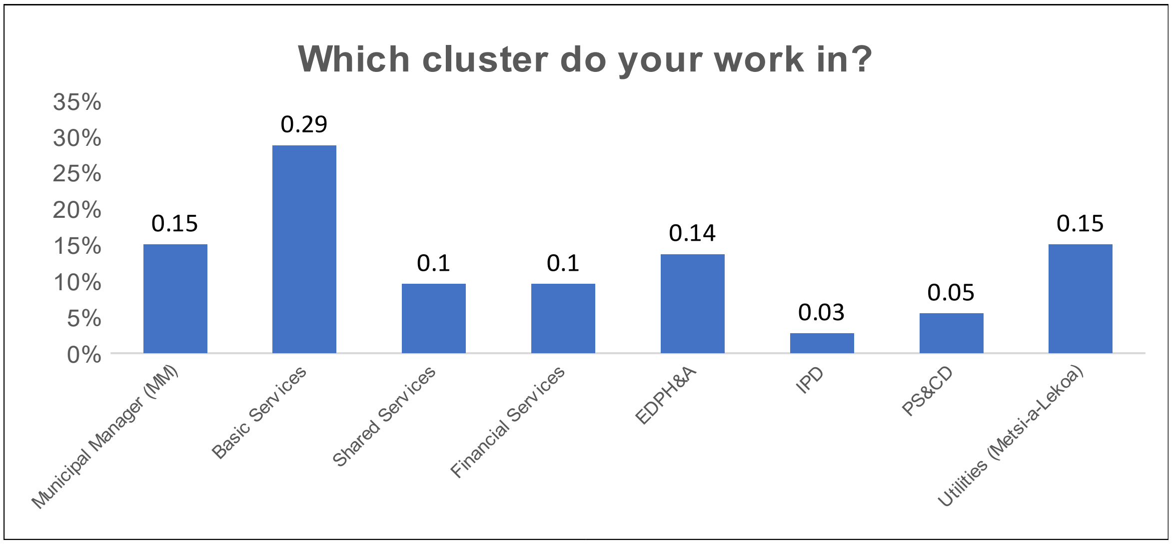


Figure 3. 4: Statistical Analysis of the work cluster/ department of the Respondents at the Municipality

Municipal managers constitute 15% of the sample, Basic Services (29%), Shared Services (10%), Finance (10%), EDPH&A (Economic Development Planning, Housing &Agriculture) were 14%. IPD (Infrastructure Planning & Development) 3%, PS & CD (Public Safety and Community Development),5% and Utilities (15%) was represented by 15% of the total sample. Another important demographic to the study is the level of work for the various respondents, shown in Figure 3.3 below.

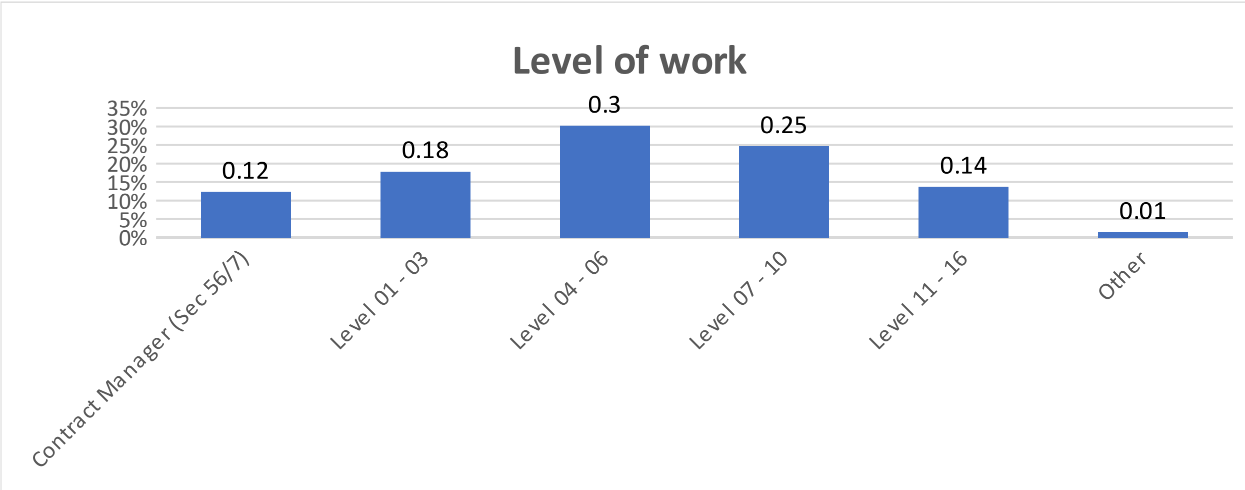


Figure 3. 5: Statistical Analysis of the Level of work of the Respondents at the Municipality

Contract managers constitute 12% of the sample, levels (1-3) at 18%, levels (1-4), 30%, levels (7-10), 25% while level (11-16) is 14%. The next graph shows the number of years respondents have been in service.

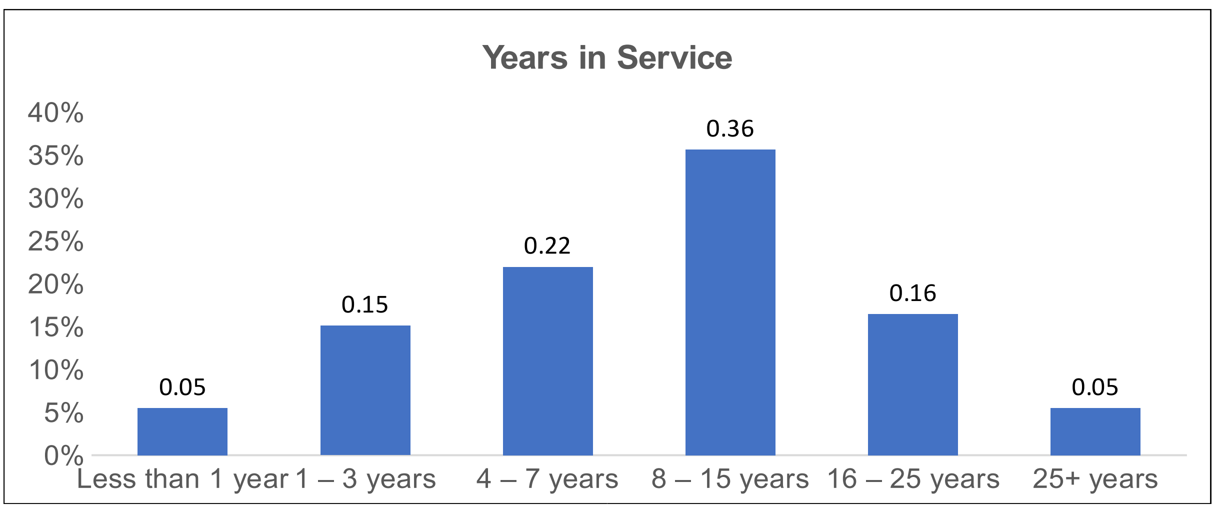


Figure 3. 6: Statistical Analysis of the years' service of the Respondents at the Municipality

The majority (36%) of respondents have been working for the municipality for 8 to 15 years, 16% have been working between 16 to 15 and 5 % have at least 25 years of service.

Figure 3.7 below illustrates the gender distribution among respondents.

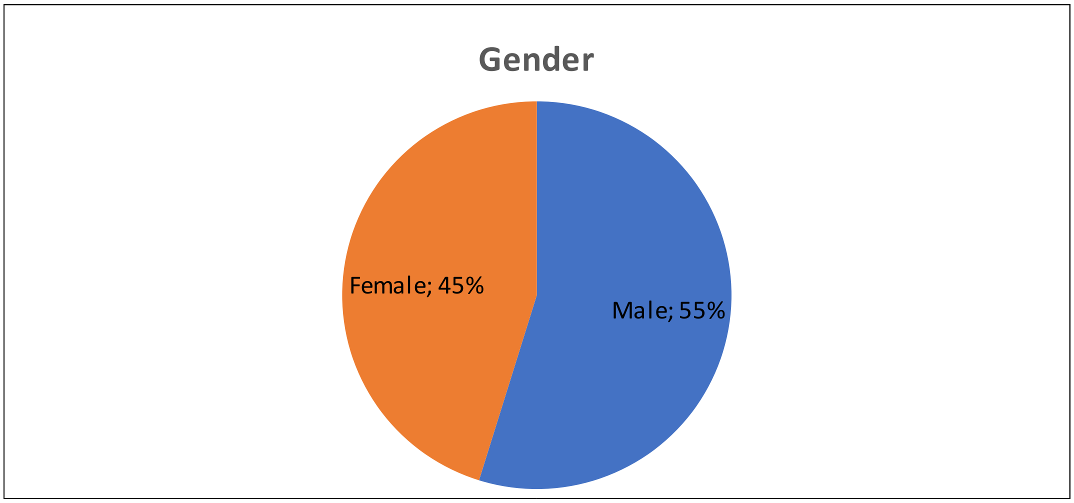


Figure 3. 7: Statistical Analysis of the Gender of the Respondents at the Municipality

Male respondents are 55% of the sample while females constitute 45%. This is in line with the overall population distribution of the municipality workforce where males are relatively more than females.

The qualifications of respondents were also key to the study, as illustrated in Figure 3.6 below.

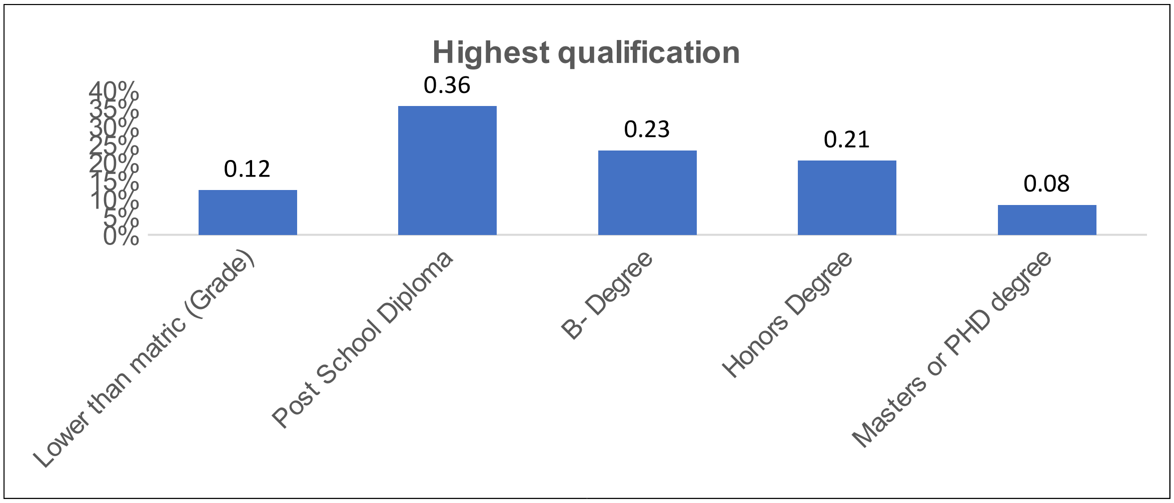


Figure 3. 8: Statistical Analysis of the Highest Qualification of the Respondents at the Municipality

Fewer employees (12%) do not have a matric qualification this consist of more individuals who are service workers. Post school diploma holders are at 36%, while bachelor's degree are 23%. Post graduates (honours, 21%) and Masters or PhD constitute 8% and consist of individuals who are in management positions.

The age of respondents is shown in Figure 3.9.

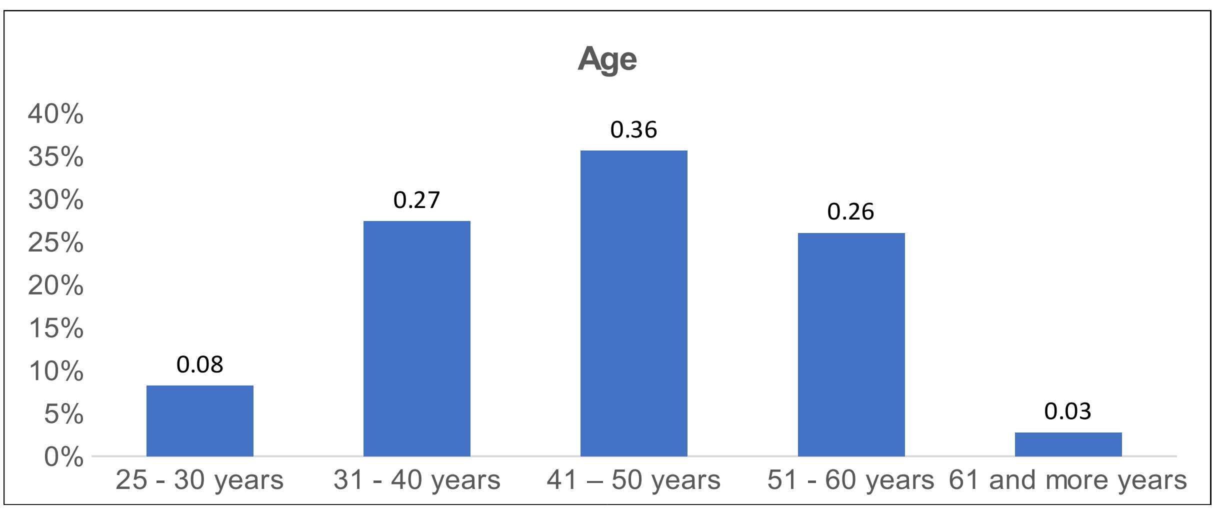


Figure 3. 9: Statistical Analysis of the Age of the Respondents at the Municipality

Around 8% of respondents were between 25 and 30 years of age, twenty seven percent of respondents were between 31 and 40 years. The majority of respondents (36%) are aged between 41 and 50 years, while 29% are at least 51 years of age. The next critical question that plays an important role in finding out the general perception of respondents around ethics and practices, good governance, risk management and compliance with laws.

3.5.3.2 Results: Section B: Overall ethics satisfaction and ethical treats faced within the municipality

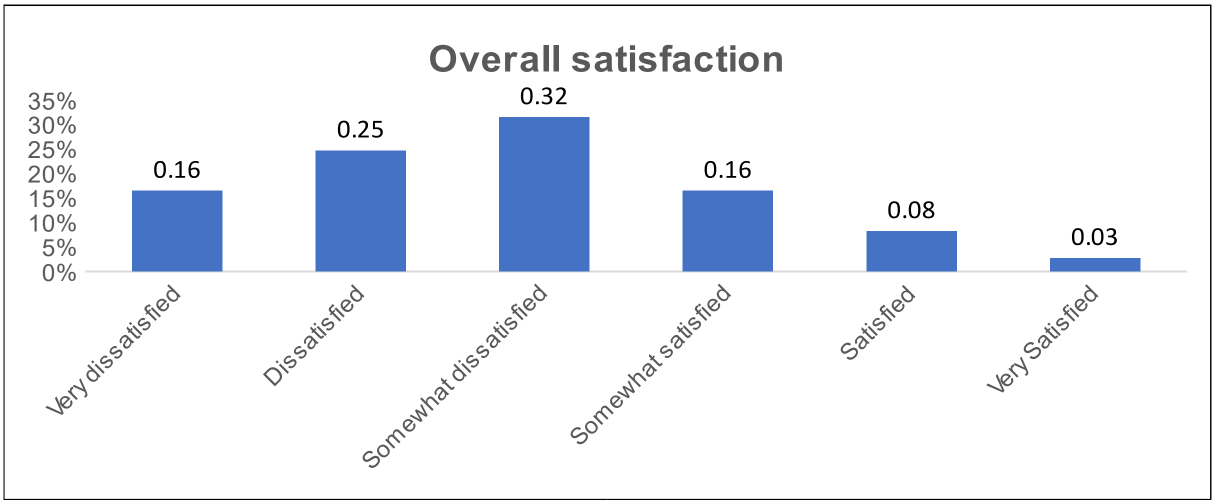


Figure 3. 10: Results Section B1(a) - Statistical analysis of the overall satisfaction of the with Emfuleni Municipality Ethics Management and Practices.

The majority (73%) of respondents were dissatisfied with matters of ethics and practices, good governance, risk management and compliance within Emfuleni Municipality. A lower proportion (23%) indicted their levels of satisfaction as somewhat satisfied, satisfied or very satisfied.

To investigate this further, the next question is aimed at finding out the top three perceived risks or problems in the Emfuleni Municipality.

On the other hand, despite the confidential clause as assured by the researcher, there emerged a mild degree of non-responsiveness on this question, were respondents left some questions blank. However, this did not compromise the quality of answers nor the overall participation in the study.

Below is a table showing the rankings of each of the problems cited by respondents.

To avoid inflating the numbers, raw counts have been used since most numbers are less than 30, wherein use of % could be misleading.

Table 3. 1: Results B1(b) – Statistical Analysis of the ethical treats faced by the Municipality

	Rank 1	Rank 2	Rank 3	Frequency
Disclosure of confidential information/ wrongfully disclosing privileged information	32	4	2	38
Tender fraud	32	2	4	38
Abscondment	30	2	2	34
Inappropriate acceptance of gifts	6	6	18	30
Misuse or theft of company information for personal gain	24	-	6	30
Autocratic Management Style	8	8	10	26
Unauthorised use of municipal vehicles	2	10	14	26
Theft of cash	10	6	10	26
Abusive/ disrespectful treatment of staff	8	10	4	22
Fraudulent payment instructions from superior	6	8	8	22
Misuse of organisation property	10	2	10	22
Accepting bribes/ kickbacks from suppliers and contractors	8	8	6	22
Working in unsafe condition	20	-	-	20

Non procedural procurement practices	6	-	12	18
Conflict of interest	2	12	4	18
Nepotism treatment of family and friends	2	8	6	16
Bribery of clients	4	6	6	16
Gross Insubordination	-	4	12	16
Disrespectful treatment of suppliers	-	4	10	14
Rude, abusive, insolent, provocative, intimidatory, Aggressive behaviour	4	2	8	14
Withholding information from clients	4	4	6	14
Unauthorised moonlighting (earning an extra income without permission	2	6	6	14
Theft of company assets	2	2	8	12
Defrauding clients	6	-	6	12
Prolonged leave	4	2	4	10
Falsified / fraudulent qualifications	6	2	-	8
Theft, Unauthorised possession of and malicious damage to the employer's property	2	4	2	8
Consuming alcohol or using intoxicating drugs whilst on duty	2	-	2	4
Blackmailing by staff	2	-	-	2
Sexual harassment	2	-	-	2

(Source: Own compilation)

For problems listed by at least 30 respondents as ranking number 1, the top three were, disclosure of confidential information/ wrongfully disclosing privileged information, tender fraud and abscondment, inappropriate acceptance of gifts and misuse or theft of company information for personal gain.

All respondents who selected "working in a safe environment", attested that it was a number one risk. Blackmailing and sexual harassment were mentioned twice as number one but at very low frequencies, two apiece. While defrauding clients was mentioned by 12 respondents, 6 of them rank it as a number 1 problem.

High in second ranking are conflict of interest, abusive/ disrespectful treatment of staff and unauthorised use of municipal vehicles were ranked top problems by at least 10 respondents each.

In third place, with at least 10 mentions are allegations of inappropriate acceptance of gifts, unauthorised use of municipal vehicles, non-procedural procurement practices, gross insubordination, autocratic management style, disrespectful treatment of suppliers, theft of cash and misuse of organisation property. All in all, there is a considerable prevalence of risky practices and behaviours across echelons of the municipality. The next question investigated the extent to which respondents agreed with given statements presented below.

While question ratings range from 1 to 6 where 1 means strongly disagree, 2=disagree, 3=somewhat disagree, 4= somewhat agree, 5= agree and 6= strongly agree, the respondents were recorded in SPSS into two categories Disagree (1+2+3) and Agree (4+5+6).

Table 3. 2: Results B2 – Statistical Analysis of the overall ethics awareness within the Municipality

	Agree		**Disagree**
I know what is expected of me in terms of preventing and detecting fraud and corruption.	**97%**		**3%**
Employees are afraid to report unethical conduct	**90%**		**10%**
There is an atmosphere of fear in this organisation	**89%**		**11%**
I am aware of fraud or corruption incidents in the last two years that have gone unreported in the organisation.	**88%**		**12%**

I am aware of fraud or corruption incidents in the last two years that have gone unpunished by the organisation.	**81%**		**19%**
Employees are afraid to give bad news to superiors	**79%**		**21%**
Employees are afraid to ask questions about ethics in the Municipality	**74%**		**26%**
I feel secure in my job.	**73%**		**27%**
My organisation has a staff Code of Conduct which outlines the behaviours that are expected of everyone in the workplace.	**70%**		**30%**
I am confident that my co-workers would not commit fraud or steel from the organisation.	**66%**		**34%**
There are occasions where feel pressured to behave unethically	**64%**		**36%**
I know the consequences of being found guilty of fraud.	**63%**		**37%**
I am confident that Management understands their responsibilities for preventing and detecting fraud and corruption.	**53%**		**47%**
Employees know what is the right thing to do	**47%**		**53%**
My manager sets a good example of ethical behaviour.	**40%**		**60%**
Roles and responsibilities are sufficiently separated to ensure that one person on his/her own is not able to pass fraudulent transactions.	**33%**		**67%**
New employees at my organisation undergo pre-employment screening that includes criminal history checks.	**33%**		**67%**
Senior Management Team is committed to ethics	**30%**		**70%**
Internal controls (preventative measures) are reviewed as part of every fraud investigation.	**30%**		**70%**
My organisation has a policy that protects whistle-blowers.	**29%**		**71%**

There are strict security measures in place that prevent people from abusing sensitive information.	**27%**		**73%**
I know of cases where whistle-blowers were victimised.	**27%**		**73%**
I actively participate in creating a culture of zero tolerance for corrupt activities in the organisation.	**26%**		**74%**
I am confident that my organisation will take all reasonable action to recover any money lost through fraud and corruption.	**26%**		**74%**
Employees of the Municipality behave ethically	**22%**		**78%**
If I were to raise any concerns that I may have regarding fraud or corruption and unethical conduct, I know that my concerns will be taken seriously and I would not suffer any retaliation.	**21%**		**79%**
According to the law I have to report any behaviour that appears to be suspicious, even when I am not sure.	**18%**		**82%**
I know how and where to report incidents of fraud or suspicious behaviour.	**18%**		**82%**
I am willing to report suspicious or unethical behaviour if I know about it.	**18%**		**82%**
The climate in the municipality makes it easy to make ethical decisions	**16%**		**84%**
Fraud in the organisation has no negative impact on me.	**14%**		**86%**
My organisation takes a proactive approach to preventing fraud and corruption.	**14%**		**86%**
My manager encourages staff to come forward if they see or suspect fraud or corrupt activities.	**12%**		**88%**
I am confident that incidents of fraud and corruption that occur in the organisation will be reported to the police.	**12%**		**88%**
Unethical behaviour is dealt with consistently	**12%**		**88%**
My organisation has designated a person who is responsible for fraud risks, including investigation.	**11%**		**89%**

When fraud or suspicious behaviour is reported, the matter is promptly and thoroughly investigated.	**11%**		**89%**
I feel equipped to deal with ethical issues	**10%**		**90%**
Fraud has little impact on the wellbeing and sustainability of the organisation.	**4%**		**96%**
There is a whistle blower hotline in the organisation.	**1%**		**99%**
Management communicates incidents of fraud to all staff in the organisation.	**1%**		**99%**
There is an awareness of ethics in this Municipality	**0%**		**100%**

(Source: Own compilation)

While 97% of respondents indicated that they are aware of what is expected of them in preventing and detecting fraud and corruption, a high number, (90%) also report fear of reporting unethical conduct. A total of 86% of respondents indirectly confirmed that fraud in the organisation has some negative impact on them. While 4% of respondents agreed that fraud has little impact on the wellbeing and sustainability of the organisation, just 12% confirmed that incidents of fraud and corruption that occur in the organisation have a chance of getting reported to the police. For 89% of respondents, there is an atmosphere of fear in the municipality where 88% of respondents know of fraud or corruption incidents that had gone unreported. In cases where reports were made, 81% of fraud or corruption incidents cases are said to have gone by unpunished. On speed of expedition, 11% of respondents indicated that in cases where fraud or suspicious behaviour were reported, the matter was promptly and thoroughly investigated.

Internal controls (preventative measures) are reviewed as part of every fraud investigation as confirmed by only 30% of respondents and 14% said there was some intervention by the municipality to prevent fraud and corruption. There is another inherent risk in roles and responsibilities were 33% of respondents showed sufficiency to ensure one person on his/her own is not able to pass fraudulent transactions. When it comes to the organisation on-boarding process for new employees, a third of respondents confirmed pre-employment screening that includes criminal history checks. A very low level (11%) of respondents were aware of designated personnel responsible for fraud risks and investigations within the municipality. Which raises concerns with regard to the municipality ensuring that there is an appropriate fraud and ethics reporting mechanisms.

It is appalling to note that 0% of respondents agreed with the statement that there is any sort of awareness of ethics within the municipality and that only 30% of the management team is committed to ethics. A lesser percentage (54%) also showed confidence that management understands their responsibilities for preventing and detecting fraud and corruption. Forty percent of respondents also confirmed that their managers set a good example of ethical behaviour. In terms of transparency, only 1% of respondents confirmed that management communicates incidents of fraud to all staff in the organisation. About 3 in 4 respondents indicated that employees are afraid to ask questions about ethics in the municipality. Only 12% of direct managers were said to have in some way encouraged staff to come forward if they see or suspect fraud or corrupt activities. Against these incidences, only 29% of respondents indicated that they know about the municipal policy to protect whistle blowers, but 27% also knew of intimidation cases that had occurred to whistle-blowers. There is a lack of consistency when it comes to dealing with unethical behaviour as asserted by 12% of respondents.

On personal levels, a tenth of respondents felt equipped to deal with ethical issues and still 1% of respondents were aware of a whistle-blower hotline in the organisation. A total of 64% of respondents confirmed that they felt pressured to behave unethically in some incidences, but it’s a relief to note that 66% of respondents are confident that co-workers would not commit fraud or steal from the organisation and also that 63% were aware of the consequences of being found guilty of fraud. Less than half (47%) of respondents confirmed that employees know the right thing to do.

3.5.3.3 Results B3- Statistical Analysis of the ethics perspectives through open-ended questionnaire at the Municipality

This sub-section analyses the qualitative questions presented to participants by analysing the results obtained from the open-ended questions and cluster them together into similar themes.

The following changes are what participants believed must take place if the municipality is to become a 'good corporate citizen', proactively assisting in the fight against crime and corruption and exercising good ethical conduct.

Table 3. 3: Changes to be made for municipality to become a good corporate citizenship

Theme	Frequency
Performance management systems • Management provides proper direction for the job well done • Management to appreciate employees • Performance Management Reviews • Support or reward provided for ethical behaviour • Recognise professional and dedicated employees	55%
Accountability • Setting tone at the top • Councillors and Senior management are held accountable for breaking the rules • Considering code of ethics when decisions are made o Fair decisions made affecting the employees • Sufficient resources to do the work	45%

(Source: Own compilation)

Two major aspects of being a responsible corporate citizen include having a performance management system and promoting accountability across ELM. A total of 56% of respondents indicated that the face of ELM could be improved by recognising and promoting professionalism. Lack of performance management may be one aspect leading to negligence of adherence to ethical conduct.

Accountability may also be improved by encouraging top management to set an example of good ethical practices and improving consistency by making reference to the code of ethics whenever decisions are made. Top management is also accountable in ensuring that employees have the necessary tools of trade to improve service accountability.

Table 3. 4: Incidents of fraud encountered within the municipality as identified by the participants

	Frequency
Employee victimisation	15%
Incorrect claim of overtime, travel claims, leave	20%
Irregular, fruitless and wasteful expenditure	25%
Lack of customer care (Communities)	10%
Swearing, rudeness and bullying	20%
Nepotism	5%
Unethical instructions given to subordinates	5%

(Source: Own compilation)

While respondents could recall the incidents, very few mentioned that nothing was done and the rest did not respond. There were considerable (25%) mentions of wasteful expenditure and 20% mentioned dishonesty when claims were submitted for leave, overtime or travel.

All participants indicated that they were not aware of any actions taken to prevent these fraudulent activities from occurring again.

Table 3. 5: Strengths / Key determinants that makes participants proud as employees of the municipality.

	Frequency
Conducive working environment	30%
Sufficient resources to get the job done	30%
Fair system of performance management	15%
Fair treatment of employees	10%
Provision of good service delivery to the communities	10%
Recognition of good work.	5%

(Source: Own compilation)

The most common strengths mentioned among participants were provision of sufficient resources (30%) by ELM for employees to do their work and a conducive working environment. Fifteen (15%) indicated that there is a fair performance management system while there were few participants at five percent (5) indicating that good work is recognised by management

Table 3. 6: Major ethical weaknesses as identified by participants within the municipality

	Frequency
Autocratic leadership	5%
Lack of performance management systems • Feel like I am not adding value • Lack of growth prospects • Unfair practices • Not being appreciated	90%

Poor Reputation of the institution	5%

(Source: Own compilation)

The most prevalent weakness mentioned was the lack of performance management (90%) that led some respondents to feel like there is no space for growth within municipality, or felt unappreciated. Unfair practices were also mentioned. Five percent (5%) or respondents mentioned the low brand image of municipality as a weakness.

Table 3. 7: Ethical risks and unethical behaviour that the municipality is exposed to

	Frequency
Abuse of time and resources (leave)	10%
Counter- productive employee behaviour	5%
Illegal strikes	15%
Inconsistency in appointment process	10%
Inaccurate reporting of financial and non-financial information.	10%
Manipulation of internal controls	20%
Outsourcing	5%
Political interference	20%
Sexual harassment	5%

(Source: Own compilation)

There is a high risk of manipulation of internal controls (20%) and political interference also at 20%. Illegal strikes were mentioned in 15% of instances and sexual harassment at 5%.

Table 3. 8: Ethical improvement as recommended by the participants

	Frequency
Performance management systems • Employee recognition • Ethics to form part of the Implementation of Consequence management • Proper appointment including avoiding nepotism • Performance Support of employees by management agreements • Training and development	55%
Focus on ethics • Tone at the top (Leadership), • Establishment of the hotline • Training on the code of conduct • Institutionalisation of the ethics programmes	30%
Managed or reduced political interference	5%
Change the culture of the institution	5%
Decisive leadership	5%

(Source: Own compilation)

Fifty-five (55%) of the participants indicated improvement in performance management, while thirty percent (30%) indicated that leadership tone, training on the code of conduct, and institutionalisation of the ethics programmes can change and improve the ethical behaviour of the employees within the Municipality.

There is also need to focus on having an anonymous hotline to report suspected cases.

The next table gives insight into the perception of employees towards their managers in line with work, again recorded into agree and disagree statements derived from the Likert scale in the questionnaire.

3.5.3.4 Results: Section B4 (a) – Statistical Analysis the perception that exist, pertaining to management in the Municipality

Table 3. 9: Results Section B4 - Statistical Analysis of the perceptions that exist, pertaining to Management at the Municipality

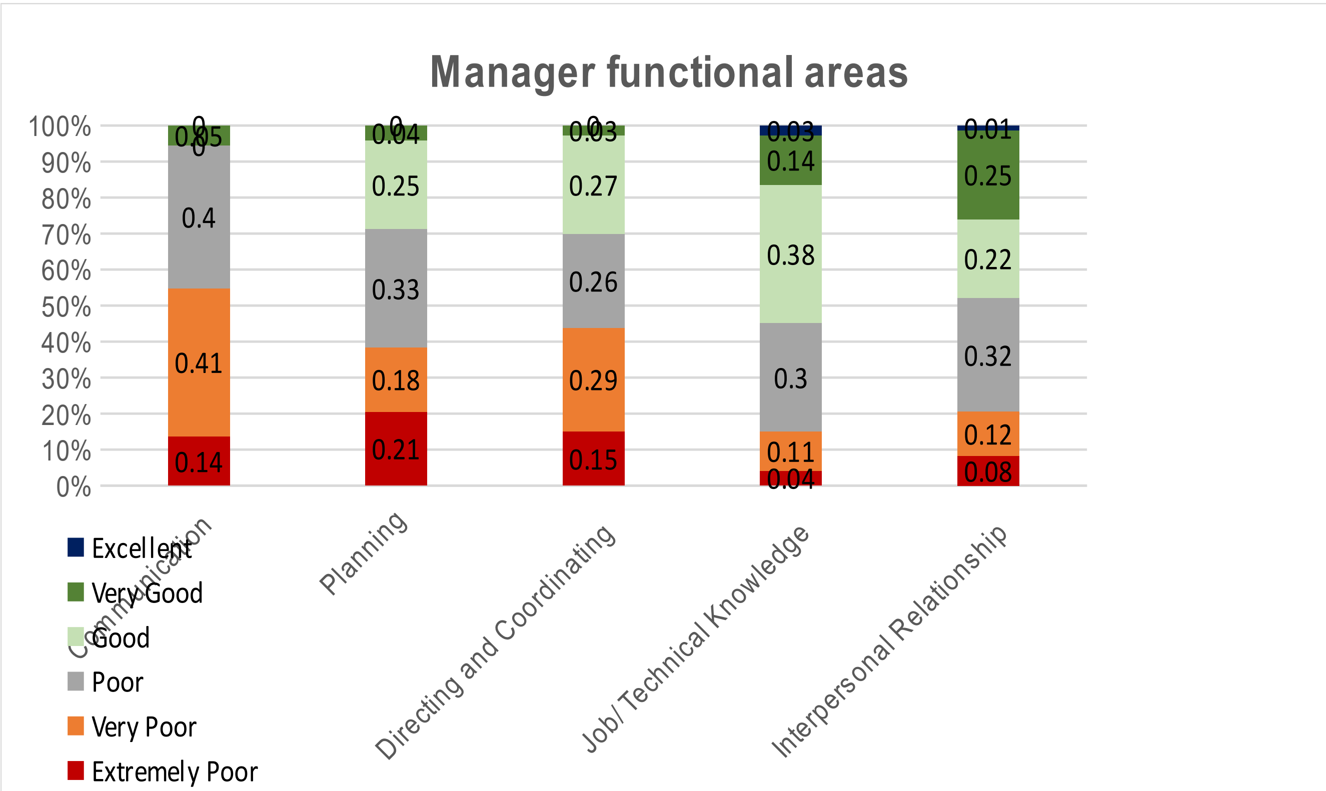
	Agree		**Disagree**
My supervisor is knowledgeable about my work.	**78%**		**22%**
My supervisor takes time to listen to me.	**64%**		**36%**
My supervisor gives me fair reviews.	**59%**		**41%**
My supervisor is willing to promote me.	**21%**		**79%**
My supervisor trains me whenever necessary.	**27%**		**73%**
My supervisor makes sure I have sufficient training.	**29%**		**71%**

(Source: Own compilation)

Seventy-eight (78) percent of respondents agreed that their direct managers are knowledgeable about their work. In 64% of cases supervisors are said to take time to listen to subordinates and 59% did give fair performance reviews. The other aspects of performance management were rated low.

Twenty nine percent (29%) of respondents agreed that supervisors make sure they have sufficient training, 27% did receive trained when necessary but 21% said there was some form of willingness by their managers to promote them. Managers were then rated by respondents for functional area skills, results of which are shown in the graph below.

Figure 3. 11: Managers' responses on functional areas



(Source: Own Compilation)

Surprisingly, most managers (48%) had mastered the art of interpersonal relationships, but 95% of managers were rate poor on communication. Planning was good in 29% of managers, 30% on directing and coordinating and job knowledge was higher at 55%.

The next question pertains to awareness levels of the municipal code of ethics.

3.5.3.5 Results: Section B4 (b) – Statistical Analysis the municipal employee awareness level of the code of ethics

Table 3. 10: Results Section B4(b) - Statistical Analysis of the municipal employee awareness level of the code of ethics

	Does the organisation have a code of ethics	***If yes, do you have a copy of the code of ethics?***	***Have you received training in ethics?***	***Do new employees receive orientation on ethics***	***Is there a facility (an "ethics hotline") where behaviour can be safely reported?***
Yes	51%	Yes (14%) No (86%)	30%	3%	0%
No	8%		68%	88%	79%
I Don't Know	41%		1%	10%	21%

(Source: Own Compilation)

Just over half (51%) of respondents were aware of the organisational code of conduct and 41% were not sure. Of those that were aware, 14% had a copy thereof. Thirty percent (30) of respondents had received ethics training and in 3% of cases, respondents confirmed that new employees received ethics orientation.

3.5.4 Exploratory factor analysis on the ethical codes at the Municipality

A factor analysis was used for this study in the evaluation of tests and scales to determine the Cronbach alpha Coefficients of the questions to measure the constructs of the study. The scale developer starts with a large number of individual scale items and questions and, by using factor analytic techniques, it can determine the validity of the instrument or questionnaire. The Kaiser-Meyer Olkin (KMO) and Bartlett's test of sphericity was used with the KMO index ranging from 0 to 1, with 0.6 as the minimum value for a good factor analysis while Bartlett's test of sphericity should be significant ($p<0.05$) for the factor analysis to be considered appropriate (Creswell and Clark, 2011). The condensed scores can be observed in *Table 3* below.

3.5.4.1 Application of factor analysis

According to Creswell and Clark (2011) factor analysis is a collection of methods used to examine how underlying constructs influence the responses on a number of measured variables. Factor analyses are performed by examining the pattern of correlations between the observed measures. Measures that are highly correlated (either positively or negatively) are likely influenced by the same factors, while those that are relatively uncorrelated are likely influenced by different factors. This analysis allows the researcher to determine if the responses are influenced by a number of variables. This is done in order to determine in which variables the HODs become engaged.

Table 3.11: Test for sampling adequacy.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.24
Bartlett's Test of Sphericity	Approx. Chi-Square	3567.821379
	df	1378
	Sig.	1.3468E-193

(Source: Own Compilation)

For the factor analysis, the Kaiser-Meyer-Olkin (KMO) method was used in order to analyse the data. Jackson (2010) states that Kaiser-Meyer-Olkin (KMO) measures the sampling adequacy which should be greater than 0.6 for a satisfactory factor analysis to proceed.

It also tests whether or not the partial correlations among variables are small. This implies that any value greater than 0.6 is significant in order to proceed with a factor analysis. In this case, the KMO Measure of Sampling Adequacy = 0.24 < 0.6, so there is no sufficient correlation to proceed with factor analysis.

A regression analysis is used to test the hypothesis that there exists a model that fits

3.5.5 Reliability of the measurability instrument

Reliability refers to consistency, accuracy and dependability with which the instrument measures data (Polit & Beck, 2012). The questionnaire was subjected to reliability analysis based on the use Likert scale questions in SPSS. The Cronbach Alpha statistic was used to test the questionnaire for reliability by assessing the internal consistency of the questions (Grove *et al*., 2013). A higher Cronbach Alpha value is more desirable as it indicates better internal consistency of the research instrument, ideally a Cronbach Alpha score of 0.800.

Table 3. 12: Reliability coefficients

Scale	Number of items	Cronbach Alpha	Comments
Q3	42	0.480	Inadequate
Q5	6	0.298	Inadequate
Q7	5	0.417	Inadequate

(Source: Own Compilation)

A Cronbach Alpha around 0.7 and greater normally recommended. However, there are steps taken to improve the Cronbach Alpha level for an adequate result. Some of the items were reversed in order to obtain a good and consistent result for the analysis.

3.5.6 Multiple Regression Analysis at the Municipality.

3.5.6.1 Regression Analysis Q1 & Q3

This section tests the possibility of fitting 3 regression models to the data with one dependent variable: **overall satisfaction of participants with the Municipality as an organisation that is ethical, practices good governance, effective risk management and complies with laws?**

Hypothesis 1

H_{01}: the linear model does not fit the data

H_{11}: The linear model fits the data

The variables considered: Q3_1 to Q3_42

Table 3. 13: Regression model summary Q1 & Q3 (SPSS output: simple linear regression goodness of fit)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.815[a]	.665	.526	.880

The model summary above indicates that there is high correlation between the factors with a coefficient of determination, R^2 = 0.815, meaning that 82% of the variance is explained by fitting a linear regression model to the data and it's a very good model.

Table 3. 14: The ANOVA used to test hypothesis for Q1 & Q3

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	155.134	42	3.694	4.772	.000[a]
	Residual	78.171	101	.774		
	Total	233.306	143			

Due to the fact that the p-value = 0.000 which is less than 0.05, the null hypothesis of no fit is rejected therefore at least one of the variables (Q3_1 to Q3_42) is not equal to zero.

The following table shows the estimates of the linear model.

Table 3. 15: The connection of set of data Q1 and Q3 (Coefficients)

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.678	1.307		-.518	.605
	I know what is expected of me in terms of preventing and detecting fraud and corruption.	-.005	.124	-.003	-.039	.969
	There is an awareness of ethics in this Municipality	-.206	.190	-.124	-1.083	.281
	Employees of the Municipality behave ethically	.128	.077	.135	1.668	.098
	Employees are afraid to ask questions about ethics in the Municipality	.086	.100	.083	.856	.394
	Employees are afraid to give bad news to superiors	-.222	.132	-.150	-1.685	.095
	Employees are afraid to report unethical conduct	.156	.104	.127	1.498	.137
	I feel equipped to deal with ethical issues	-.374	.143	-.304	-2.616	.010
	Senior Management Team is committed to ethics	.072	.068	.091	1.066	.289
	Employees know what is the right thing to do	.267	.080	.306	3.336	.001
	The climate in the municipality makes it easy to make ethical decisions	-.095	.101	-.085	-.949	.345

	There are occasions where feel pressured to behave unethically	.300	.079	.319	3.816	.000
	Unethical behaviour is dealt with consistently	-.087	.091	-.089	-.949	.345
	There is an atmosphere of fear in this organisation	.182	.142	.132	1.280	.204
	I actively participate in creating a culture of zero tolerance for corrupt activities in the organisation.	.187	.080	.199	2.333	.022
	I am confident that my co-workers would not commit fraud or steel from the organisation.	.151	.122	.158	1.234	.220
	My manager sets a good example of ethical behaviour.	.091	.070	.108	1.296	.198
	I am confident that Management understands their responsibilities for preventing and detecting fraud and corruption.	.164	.070	.194	2.328	.022
	According to the law I have to report any behaviour that appears to be suspicious, even when I am not sure.	.129	.083	.133	1.555	.123
	I know the consequences of being found guilty of fraud.	-.100	.110	-.091	-.911	.365
	My organisation has a staff Code of Conduct which outlines the behaviours that are expected of everyone in the workplace.	-.098	.073	-.120	-1.343	.182
	My organisation has designated a person who is responsible for fraud risks, including investigation.	-.252	.117	-.200	-2.152	.034
	My organisation takes a proactive approach to preventing fraud and corruption.	-.112	.114	-.098	-.977	.331
	New employees at my organisation undergo pre-employment screening that includes criminal history checks.	-.076	.073	-.105	-1.043	.299
	My manager encourages staff to come forward if they see or suspect fraud or corrupt activities.	.148	.122	.111	1.214	.228
	I know how and where to report incidents of fraud or suspicious behaviour.	.211	.086	.221	2.450	.016

	I am willing to report suspicious or unethical behaviour if I know about it.	-.214	.093	-.223	-2.303	.023
	If I were to raise any concerns that I may have regarding fraud or corruption and unethical conduct, I know that my concerns will be taken seriously and I would not suffer any retaliation.	.140	.076	.160	1.850	.067
	My organisation has a policy that protects whistle-blowers.	-.028	.104	-.025	-.273	.785
	There is a whistle-blower hotline in the organisation.	.132	.177	.065	.745	.458
	There are strict security measures in place that prevent people from abusing sensitive information.	-.075	.078	-.093	-.964	.337
	Roles and responsibilities are sufficiently separated to ensure that one person on his/her own is not able to pass fraudulent transactions.	.228	.074	.251	3.068	.003
	When fraud or suspicious behaviour is reported, the matter is promptly and thoroughly investigated.	-.049	.093	-.046	-.525	.601
	Management communicates incidents of fraud to all staff in the organisation.	.117	.126	.068	.926	.357
	I am confident that my organisation will take all reasonable action to recover any money lost through fraud and corruption.	-.126	.059	-.167	-2.128	.036
	I am confident that incidents of fraud and corruption that occur in the organisation will be reported to the police.	-.007	.098	-.006	-.076	.939
	Internal controls (preventative measures) are reviewed as part of every fraud investigation.	-.030	.101	-.033	-.299	.766
	I am aware of fraud or corruption incidents in the last two years that have gone unreported in the organisation.	.112	.111	.090	1.010	.315
	I am aware of fraud or corruption incidents in the last two years that have gone unpunished by the organisation.	.019	.094	.021	.196	.845
	I know of cases where whistle-blowers were victimised.	-.117	.098	-.132	-1.201	.232

	Fraud in the organisation has no negative impact on me.	-.014	.116	-.011	-.123	.902
	Fraud has little impact on the wellbeing and sustainability of the organisation.	.204	.123	.155	1.658	.100
	I feel secure in my job.	-.108	.069	-.138	-1.579	.117
Legend: a. Dependent Variable: Overall, how satisfied are you with Emfuleni Municipality as an organisation that is ethical and practices good governance, risk management and complies with laws?						

(Source: Own Compilation)

The variable highlighted in yellow in the table above are the ones significant to the model since their p-values are less than 0.05.

- Overall satisfaction with Emfuleni Municipality as an organisation with ethical and practices good governance, risk management and complies with laws = -0.678
- -0.374 I feel equipped to deal with ethical issues
- -0.252 My organisation has designated a person who is responsible for fraud risks, including investigation
- -0.214 I am willing to report suspicious or unethical behaviour if I know about it
- -0.126 I am confident that my organisation will take all reasonable action to recover any money lost through fraud and corruption
- \+ 0.164 I am confident that Management understands their responsibilities for preventing and detecting fraud and corruption
- \+ 0.187 I actively participate in creating a culture of zero tolerance for corrupt activities in the organisation
- \+ 0.211 I know how and where to report incidents of fraud or suspicious behaviour
- \+ 0.228 Roles and responsibilities are sufficiently separated to ensure that one person on his/her own is not able to pass fraudulent transactions
- \+ 0.267 Employees know what is the right thing to do
- \+ 0.3 There are occasions where feel pressured to behave unethically.

3.5.6.2 Multiple Linear Regression: Q1 & Q5

Hypothesis 2

H_{02}: the linear model does not fit the data

H_{12}: The linear model fits the data

The variables considered: Q5_1 to Q5_6

Table 3. 16: The regression model summary Q1 & Q5 (SPSS output: simple linear regression goodness of fit)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.490a	.240	.207	1.136

The model summary above indicates that there is high correlation between the factors with a coefficient of determination, R^2 = 0.49, meaning that 49% of the variance is explained by fitting a linear regression model to the data. The model is not very good since there is variation from other factors not considered in this instance. However, Anova shows that the model is valid.

To test the hypothesis, ANOVA is used as shown in the table below.

Table 3. 17 The ANOVA used to test hypothesis for Q1 & Q5

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.618	6	9.436	7.310	.000[a]
	Residual	179.437	139	1.291		
	Total	236.055	145			

a. Predictors: (Constant), My supervisor makes sure I have sufficient training., My supervisor gives me fair reviews., My supervisor is knowledgeable about my work., My supervisor is willing to promote me., My supervisor takes time to listen to me., My supervisor trains me whenever necessary.

b. Dependent Variable: Overall, how satisfied are you with Emfuleni Municipality as an organisation that is ethical and practices good governance, risk management and complies with laws? Mark with X.

Due to the fact that the p-value = 0.000 which is less than 0.05, the null hypothesis of no fit is rejected therefore at least one of the variables (Q5_1 to Q5_6) is not equal to zero.

The following table shows the estimates of this second linear model.

Table 3. 18: The connection of set of data Q1 and Q5 (Coefficients[a])

Model		Unstandardised Coefficients B	Unstandardised Coefficients Std. Error	Standardised Coefficients Beta	t	Sig.
1	(Constant)	-.580	.597		-.971	.333
	My supervisor is knowledgeable about my work.	.372	.077	.368	4.812	.000
	My supervisor takes time to listen to me.	.057	.076	.057	.739	.461
	My supervisor gives me fair reviews.	.034	.062	.040	.542	.588
	My supervisor is willing to promote me.	.132	.092	.108	1.430	.155
	My supervisor trains me whenever necessary.	.210	.094	.171	2.237	.027
	My supervisor makes sure I have sufficient training.	.147	.096	.116	1.529	.129
a. Dependent Variable: Overall, how satisfied are you with Emfuleni Municipality as an organisation that is ethical and practices good governance, risk management and complies with laws? Mark with X.						

(Source: Own Compilation)

So, in this model, only two variables are significant to impact employee satisfaction with ethical practices, good governance, risk management and compliance with laws.

So the regression model for this second case is:

Overall satisfaction with Emfuleni Municipality as an organisation with ethical and practices good governance, risk management and compliance with laws = -0.580 + 0.372. My supervisor is knowledgeable about my work + 0.21 My supervisor trains me whenever necessary

3.5.6.3 Multiple Linear Regression Q1 & Q7

<u>Hypothesis 3</u>

H_{03}: the linear model does not fit the data

H_{13}: The linear model fits the data

The variables considered: Q7_1 to Q7_5

Table 3. 19: The regression model summary Q1 & Q7 (SPSS output: simple linear regression goodness of fit)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.534a	.285	.260	1.098

The model summary above indicates that there is high correlation between the factors with a coefficient of determination, R^2 = 0.534, meaning that 82% of the variance is explained by fitting a linear regression model to the data. Like the second model, the third model is also not very good, however, ANOVA tests show that the model is valid.

To test the hypothesis, ANOVA is used as shown in the table below.

Table 3. 20: The ANOVA used to test hypothesis for Q1 & Q7

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	67.287	5	13.457	11.163	.000[a]
	Residual	168.768	140	1.205		
	Total	236.055	145			

a. Predictors: (Constant), Interpersonal Relationship, Communication, Job/ Technical Knowledge, Planning, Directing and Coordinating

b. Dependent Variable: Overall, how satisfied are you with Emfuleni Municipality as an organisation that is ethical and practices good governance, risk management and complies with laws? Mark with X.

Due to the fact that the p-value = 0.000 which is less than 0.05, the null hypothesis of no fit is rejected therefore at least one of the variables (Q7_1 to Q7_5) is not equal to zero.

The following table shows the estimates of this third linear model.

Table 3. 21: The connection of set of data Q1 and Q7 (Coefficients[a])

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.586	.476		1.232	.220
	Communication	-.155	.100	-.112	-1.551	.123
	Planning	.193	.082	.176	2.349	.020
	Directing and Coordinating	.318	.088	.275	3.607	.000
	Job/ Technical Knowledge	.075	.090	.063	.839	.403
	Interpersonal Relationship	.276	.078	.271	3.514	.001

(Source: Own Compilation)

So, in this model, three variables are significant to impact employee satisfaction with ethical practices, good governance, risk management and compliance with laws.

So the regression model for this case is:

Overall satisfaction with Emfuleni Municipality as an organisation with ethical and practices good governance, risk management and compliance with laws = 0.586 + 0.193 Planning + 0.318 Directing & coordinating + 0.276 Interpersonal relationship

Further Analysis to enhance the effectiveness of the ethical conduct and the implementation of the code at the Municipality

3.5.7 Chi-square test of independence (Refer to: ***Appendix B***)

The main objective of this study was to find out the effectiveness of ethical codes.

McHugh (2013) describes the Chi-square statistic as a “non-parametric (distribution free) tool designed to analyze group differences when the dependent variable is measured at a nominal level and as a significant statistic which should be followed with strength statistic”. Chi-square test was therefore carried out to investigate differences in awareness levels and training, by various demographics to determine if demographics influence levels of awareness of codes. The full results are shown in the attached Appendix B, thereby presenting summaries results in this section.

*3.5.7.1 Does the organisation have a code of ethics * Which cluster do you work in*

Hypothesis $H_{01}$$H_{01}$: Does the organisation have a code of ethics does not depend which cluster you work in

H_{01}: Does the organisation have a code of ethics depends which cluster you work in

Result: Chi-square = 0.030<0.05

Decision: Reject H_{01}

Conclusion: Employees from EPH&A, Finance, Shared services and PS&CD Public Safety and Community Development are more likely to be aware of the code of ethics.

*3.5.7.2 Does the organisation have a code of ethics * Level of work*

Hypothesis H_{02}

H_{02}: Does the organisation have a code of ethics does not depend on level of work

H_{02}: Does the organisation have a code of ethics depends on level of work

Result: Chi-square = 0.00<0.05

Decision: Reject H_{02}

Conclusion: Employees in contractual work, levels 1-3 and levels 7-10 are more likely to be aware of the code of ethics.

*3.5.7.3 Does the organisation have a code of ethics * Highest qualification?*

Hypothesis H_{03}

H_{03}: Does the organisation have a code of ethics does not depend on highest qualification

H_{03}: Does the organisation have a code of ethics depends on highest qualification

Result: Chi-square = 0.004<0.05

Decision: Reject H_{03}

Conclusion: Employees with qualifications less than matric, diploma or masters or PhD are more likely to be aware of the code of ethics.

*3.5.7.4 If yes, do you have a copy of the code of ethics? * Which cluster do you work in?*

Hypothesis H_{04}

H_{04}: 3.10.1.4 If yes, do you have a copy of the code of ethics does not depend on Cluster

H_4: 3.10.1.4 If yes, do you have a copy of the code of ethics depends on highest Cluster

Result: Chi-square = 0.009<0.05

Decision: Reject H_{04}

Conclusion: Employees in Public Safety & Community Development is the only department more likely to have the code of ethics.

*3.5.7.5 If yes, do you have a copy of the code of ethics? * Years in Service*

Hypothesis H_{05}

H_{05}: Does the organisation have a code of ethics does not depend on years in service

H_{05}: Does the organisation have a code of ethics depends on years in service

Result: Chi-square = 0.000<0.05

Decision: Reject H_{05}

Conclusion: Employees with 1-3 years in service are more likely to have the code of ethics while employees with at least 16 years in services would not have a copy.

*3.5.7.6 If yes, do you have a copy of the code of conduct? * Highest qualification*

Hypothesis H_{06}

H_{06}: Does the organisation have a code of conduct does not depend on highest qualification

H_{06}: Does the organisation have a code of conduct depends on highest qualification

Result: Chi-square = .006 < 0.05

Decision: Reject H_{06}

Conclusion: Employees a masters or PhD are more likely to have a copy of the code of ethics

*3.5.7.7 Have you received training in ethics? * Which cluster do you work in?*

Hypothesis H_{07}

H_{07}: 3.10.1.8 Have you received training in ethics does not depend on which cluster you work in

H_{07}: Have you received training in ethics depends on which cluster you work in

Result: Chi-square = .000 < 0.05

Decision: Reject H_{07}

Conclusion: Infrastructure Planning & Development are more likely to receive ethics training

*3.5.7.8 Have you received training in ethics? * Years in Service*

<u>Hypothesis H_{08}</u>

H_{08}: Have you received training in ethics does not depend on years in service

H_{08}: Have you received training in ethics depends on years in service

Result: Chi-square = .001 < 0.05

Decision: Reject H_{08}

Conclusion: Employees with 4-7 years in services are more likely to have received ethics training

*3.5.7.9 Have you received training in ethics? * Gender*

<u>Hypothesis H_{9}</u>

H_{09}: Have you received training in ethics does not depend on gender

H_{19}: Have you received training in ethics depends on gender

Result: Chi-square = .035 < 0.05

Decision: Reject H_{09}

Conclusion: Male employees are more likely to have received ethics training

*3.5.7.10 Do new employees receive orientation on ethics * Level of work*

Hypothesis H_{10}

H_{010}: Do new employees receive orientation on ethics does not depend on level of work

H_{110}: Do new employees receive orientation on ethics depends on level of work

Result: Chi-square = .017 < 0.05

Decision: Reject H_{010}

Conclusion: All levels of employees are not likely to have seen new employees receive ethics training

*3.5.7.11 Do new employees receive orientation on ethics * Age*

Hypothesis H_{11}

H_{011}: Do new employees receive orientation on ethics does not depend on level of work

H_{111}: Do new employees receive orientation on ethics depends on level of work

Result: Chi-square = .044 < 0.05

Decision: Reject H_{011}

Conclusion: All employee age groups are not likely to have seen new employees receive ethics training

The results in this subsection show that awareness and training of ethics codes is linked to particular demographics within the ELM.

3.5.8 Strategic elements suggested by Participants under general comments:

The questionnaire provided participants with an opportunity to provide general comments with regard to improving the ethical culture within the municipality. The table below shows strategic elements were suggested by the participants.

Table 3. 22: N*umber of strategic elements suggested by participants.*

Theme	Frequency
Policy reinforcement • Compliance with policies governing appointments • Consistent application of policies and procedures • Policy on receiving gifts • Direct action against unethical behaviour	15%
Stakeholder engagement • Improve communication with external stakeholders	5%
Promote accountability • Political and administrative leadership needs to take responsibility and be accountable • Executive Management commitment with regard to the promotion of ethical culture and upholding ethical standards is vital • Putting in place an ethics structure	25%

○ *Appointment of ethics champions with the departments* ○ *The provision of council ethics committee*	
<u>Institute effective performance management systems</u> • Staff / employees who are willing to do the right thing must always be supported • The municipality can improve if employee's morale can be enhanced as most of the employees are demoralised to perform their responsibilities to the best of their abilities • Fair and transparent recruitment process	30%
<u>Improve efficiencies</u> • Procurement processes needs to be closely monitored • Improvement of customer care and delivery • The municipality is always receiving services of the service providers, may be consider insourcing some of these services. • Provision of resources to employees to better manage service delivery mandate	25%

(Source: Own Compilation)

Participants provided additional comments as reflected below.

- Provision of resources to employees to better manage service delivery mandate

- The municipality improve if employee morale can enhance as most of the employees are demoralised to perform their responsibilities to the best of their abilities
- The support is required from the leadership and management and also to drive the process of ensuring that all employees are made aware of the code of conduct and or the code of ethics
- Biased attitude against employees must be prevented at all time
- Consistent application of policies and procedures
- Good relationship between the political and administrative component
- Executive Management commitment with regard to the promotion of ethical culture and upholding ethical standards is vital
- Improve communication with external stakeholders, Procurement processes needs to be closely monitored and Improvement customer care and delivery.
- The provision of council ethics committee

Among the suggestions to improve an ethical, anti-fraud and anti-corruption culture, were policy aspects where the Municipality may have to relook at its policies to strengthen implementation. To this end, one suggestion was also made that, in the event of a violation of policy, the Municipality should be seen to be taking appropriate remedy steps.

Participants mentioned in the quantitative elements, most employees are not aware of designated personnel who deal with issue of ethics, so, it is imperative that relevant steps be taken in this direction. Another suggestion is putting in place working and effective performance management systems, where ‘good’ behaviour is rewarded. Procurement processes also need a review in order to keep improving efficiencies and add value to Municipality processes.

3.6 CHAPTER SUMMARY

This chapter presented the findings of the study, descriptive statistics and qualitative data. Hypotheses were tested and conclusions drawn for the regression models. It has been concluded that the satisfaction levels of respondents with ethical elements is in some way related to a number of factors deduced from regression models like willingness to report unethical behaviour, having the municipality to take reasonable action to recover any money lost through fraud and corruption, management understanding their responsibilities for preventing and detecting fraud and corruption among others.

In the next chapter (four), the study will conclude with the main findings and recommendations.

CHAPTER FOUR: CONCLUSIONS AND RECOMMENDATIONS

4.1 INTRODUCTION

This chapter presents an overview of the study, conclusions and recommendations that can be derived from the findings as well as recommendations for future studies. The study aimed at assessing the effectiveness of ethical codes and to determine how ethical codes impacts municipal functionaries and councillors in their exercising of moral judgment, prevention of misconduct and other unethical behaviours in order to ensure long term sustainability of local government institutions.

4.2 MAIN FINDINGS OF THE STUDY

4.2.1 Findings from the literature study

The purpose of the literature review was to examine the body of knowledge, the principles and theories of ethical conduct in local government. These principles and theories were reviewed as per the studies previously conducted by other researchers. The researcher herein further investigated the legislative background governing ethical conduct within local government. The definition of the concepts relating to ethical conduct such as ethics, code of conduct etc. was provided.

Through literature review, the researcher gained an understanding of ethical conduct in local government which assisted with research questions and the objectives of the study.

4.2.2 Findings from the empirical study

4.2.2.1 Conclusion regarding the Demographic Information

On the extent of implementation, chi-square tests for independence revealed the dependencies as reflected on the table below.

Table 3.23: Chi-square tests for independence.

No	Variable 1	Categorical Variables 2	Chi-square test of independence	Result
1 - 3	Does the **organisation** have a **code of ethics?**	Cluster	0.030<0.05	Reject H_{01}
		Level of work	0.00<0.05	Reject H_{02}
		Highest qualification	0.004<0.05	Reject H_{03}
4 - 6	Does **employees** have a copy of the **code of ethics?**	Cluster	0.009<0.05	Reject H_{04}
		Years in service	0.000<0.05	Reject H_{05}
		Highest qualification	.006 < 0.05	Reject H_{06}
7 - 9	Have employees received **training** in ethics?	Cluster	.000 < 0.05	Reject H_{07}
		Gender	.035 < 0.05	Reject H_{08}
		Years in service	001 < 0.05	Reject H_{09}
10 - 11	Does new employees receive **orientation** on ethics?	Level of work	.017 < 0.05	Reject H_{010}
		Age	.044 < 0.05	Reject H_{011}

(Source: Own Compilation)

Knowledge of awareness of the code of ethics is influenced by an employee’s cluster, level of work and highest qualification attained. In the event that one is aware of the code of ethics, possession is influenced by also the cluster, years in service and educational qualifications.

On training, certain clusters have trained their employees more than others, again the tenure of an employee is a determinant and years in service as well as gender. Employees with 1-3 years in service are more likely to have the code of ethics while employees with at least 16 years in services would not have a copy.

Regardless of their level of work and age, some respondents were not aware of new employees who had received orientation on ethics. In general, awareness and training of ethics codes is linked to particular demographics within the ELM.

4.2.2.2 Conclusion on the awareness levels for ethical codes at the Municipality

The study revealed that just over half (51%) of respondents were aware of the organisational code of ethics wherein 14% had a copy thereof. So, the effectiveness of ethical codes may simply be hampered by the lack of awareness, because 49% of respondents were not aware of the existence thereof. The second aspect affecting effectiveness, could be lack of training as only thirty percent of respondents had received ethics training. For one without prior knowledge of ethics, on boarding processes for new employees have also not done much on ethics awareness, occurring in 3% of cases. At descriptive statistics level a number of factors are seen to be affecting the effectiveness, 30% could confirm that senior management is committed to ethics. Processes are also not properly aligned with effective implementation of the code, only 30% of respondents confirmed that internal controls (preventative measures) are reviewed as part of every fraud investigation.

4.2.2.3 Conclusion on the reliability and validity of the study

There was no internal consistency of the data in this regard as sensitive issues like fraud and corruption in an organisation are not easy to investigate. The question of anonymity posed a problem for many employees, as people expressed a concern that their jobs could be in jeopardy, however, this ultimately gave a voice in to employees in their organisation's affairs and culture.

4.2.2.4 Conclusion regarding performance of the managers

Statistical regression analysis confirms that overall satisfaction with Emfuleni Municipality as an organisation with ethical and practices good governance, risk management and compliance with laws is positively impacted by supervisor is knowledgeable about participants work and supervisor training them whenever necessary.

4.2.2.5 Conclusion regarding the managerial competencies

It can also be concluded that some managerial core competencies positively impact employee's overall satisfaction with Emfuleni Municipality as an organisation with ethical and practices good governance, risk management and compliance with laws. Two significant factors from regression analysis are planning, directing and coordinating and interpersonal relationship.

4.2.2.6 Conclusion on the employee's satisfaction with the aspects of the codes

Statistical regression analysis further confirmed the negative effect of the following factors on employee satisfaction with aspects of the codes:

1. Respondents do not feel equipped to deal with ethical issues.
2. The municipality has no designated a person who is responsible for fraud risks, including investigation.
3. Lack of willingness to report suspicious or unethical behaviour when spotted or known.
4. Lack of confidence in ELM taking all reasonable action to recover any money lost through fraud and corruption.

Qualitative analysis in section B3 also showed that as part of weaknesses within ELM, 90% of respondents believe the lack of an effective performance management system is a problem, which can then impact the effective implementation of the codes. From regression analysis, employees know how and where to report incidents of fraud or suspicious behaviour, but the qualitative knowledge also says employee victimisation (15%) occurred in fraud incidences that respondents had witnessed, a further crippling effect to the effectiveness of the codes.

4.2.2.7 Conclusion regarding the level of implementation and oversight of an existing code of conduct in promoting ethical standards and practices in the Municipality

Emfuleni Local Municipality has currently approved the ethics strategy and policies aligned to a formal code of conduct in terms of Schedule 2 of the MSA. Related statements, policies (including procedures covering fraud and corruption) and aspirational views are not yet available and needs to be revised and customised to the Municipality's environment. There are no easily accessible ways for people to confidentially report alleged violations of the code of conduct, policies and other acts of misconduct.

4.2.2.8 Conclusion regarding the extent to which the Municipality succeeds in enhancing its own ethical climate and that which operates externally

Regular declarations by employees, suppliers and customers that they are aware of the requirements for ethical behaviour in transacting the organisation's affairs are available. A designated person (e.g. an ombudsman) to whom employees can go for advice on how to deal with and whether to report an ethical issue. Ethics training for all employees, suppliers and major customers, including exercises in ethical decision-making with scenarios like those employees might encounter in their jobs has not yet commenced.

4.2.2.9 Conclusion regarding the level of compliance on institutionalisation of ethical practices

Based on the results of the assessment, ethical practices are not yet institutionalised within the Municipality. This calls for the Municipality to advocate and drive the ethics cause in which there would be a leadership commitment.

This commitment can be implemented through the development of ethics policy statement to communicate purpose, intention and commitment to ethics including defining roles and responsibilities for both management, employees and Councillors. Ethics needs to be embedded into the Municipality's Culture through the appointment of Ethics Committee reporting to Council and approval of the ethics office organisational structure to ensure Effective ethics management, the provision of ethical guidance and advisory services to senior management and all employees. The Municipality has to establish Ethics Key Performance Indicators and embed in Management Performance Agreements/ Scorecards to enable the achievement of accountability over Ethics Management implementation and reporting. To provide the Council and Management with relevant and reliable information about the achievement of ethics objectives, the outcomes of ethics initiative and the quality of the Municipality's ethics performance, the ingoing assessment of the company's ethics performance should be conducted. This will also allow accountability to the communities.

4.2.2.10 Conclusion regarding the driving factors on ethical management in Emfuleni local municipality

This is answered by factor analysis: Results of Q3 and Q1 regression which determines the overall response to the question: how satisfied are you with Emfuleni Local Municipality as an organisation that is ethical and practices good governance, risk management and complies with laws?

4.2.3 General conclusion from literature review and empirical study

Only 29% of respondents indicated that they know about the Municipality's policy to protect whistle blowers, but 27% also knew of intimidation cases that had occurred to whistle-blowers. These factors are detractors to the effective implementation of the code of ethics.

The current study has also confirmed some positive effects on satisfaction of employees with the ethics code for ELM. Respondents indicated their confidence in their management's ability to understand their responsibilities for preventing and detecting fraud and corruption. Roles and responsibilities are sufficiently separated to ensure that one person on his/her own is not able to pass fraudulent transactions.

Although employees feel some pressure to behave unethically, they know the right things to do. They actively participate in creating a culture of zero tolerance for corrupt activities in the organisation.

Of great importance is that staff members were given an opportunity to voice their opinions and share their perceptions, in order for the organisation to use such information in determining the way forward and to assist in making informed decisions that will affect all of the people. Optimising employee awareness is key to the successful countering of fraud and corruption in any business and sound, insightful employee awareness research is key to understanding how to achieve that optimisation. Soliciting employee feedback on various aspects of the business should be a regular part of the HR function, or any other strategic aspect of business.

If you could ‘read’ your employees’ minds, you would have higher retention rates, lower absenteeism, improved productivity, better customer service, better morale and active participation in the prevention of fraud and corruption. Whilst mindreading remains in the realm of sci-fi, you can do the next best thing: ask employees what they’re thinking.

A further hindrance was the perception of a vast majority of employees, expressing views that this was a futile exercise as “nothing would change”.

4.3 CONCEPTUAL FRAMEWORK

*Table 3.24**:** Conceptual framework of the study of the assessment of the effectiveness of ethical codes at a local government institution.*

Emphasis	*Constructs*	*Methodology*	*Results*
Demographics	Branch Cluster Level of work Years in service Gender Highest qualification	**Chi square testing** New employee ethics orientation o The availability of code of conduct, ethics Training on ethics	Employees from governance department likely to be aware of the ethical codes than the ones on technical departments. Employees in higher level of work are more likely to be aware of the code of ethics and have the ethical codes. Employees in certain departments are more likely to receive orientation and training on ethics than others
Overall Satisfaction Ethical and practices good governance, Risk management Compliance with laws and regulation	Leadership commitment Awareness of ethics Prevention and detection of fraud Reporting unethical conduct Ethical decision-making Reporting of unethical behavior Consequence management Availability of code of conduct and ethics Establishment of the ethics and fraud office Whistle blower Hotline Whistle blower protection Ethics communication	**Questionnaire testing (quantitative)** Participants perceptions of 460 population (146 Sample)	90% of the participants reported fear of reporting unethical conduct 81% of the participants reported of fraud or corruption incidents cases goes unpunished. 64% felt pressured to behave unethically in some incidences 73% indicated that the municipality has no policy that protects whistle-blowers.
Ethical treats	The treats believed to be the greatest problem. Employee negligence Fraud Corruption Inappropriate acceptance of gits etc.	**Questionnaire testing (quantitative)** Participants identify the greatest treats 460 population (146 Sample)	The following were the top 5 ethical treats as mentioned by participants. • Disclosure of confidential information/ wrongfully disclosing privileged information • Tender fraud • Corruption • Misuse or theft of company information for personal gain • Abscondment
Management functional areas and management core competencies.	Communication Planning Directing and Coordinating Job/ Technical Knowledge Interpersonal Relationship Performance reviews Willingness to promote subordinates Sufficient continuous training of staff Knowledgeable about their work	**Questionnaire testing(quantitative)** Participants perceptions of 460 population (146 Sample)	95% rated management poor on communication 64% of cases supervisors are said to take time to listen to subordinates 59% rated that there are unfair performance reviews
General comments	Improving ethical culture Anti- Fraud	**Questionnaire testing (Qualitative)**	Tone at the top (Leadership), Establishment of the hotline

	Anti- Corruption **fight against crime and corruption** **exercising good ethical conduct.** Stopping unethical behaviors and conduct	Participants perceptions of 460 population (146 Sample)	Training on the code of conduct Institutionalisation of the ethics programmes Performance management Ethics to form part of the Implementation of Consequence management

(Source: Own Compilation)

Good governance, service delivery to communities and organisational reputation can be threatened by illegal and unethical conduct within the municipalities. Government of South Africa thorough legislation has developed the ethical code of conduct to prevent municipal officials and councillors to behave in a matter that will not be against the achievement of strategic objectives. These codes are meant to fight corruption and other forms of illegal and unethical behaviours in organisations. Further King IV Codes issued guidelines however these are not enforceable. The current study assessed the effectiveness of ethical codes of conduct at a local government institution in Gauteng. The study further aimed to assess whether the Municipality had mechanism in place to ensure compliance with the code of ethics as dictated by various pieces of legislation governing the local government sphere.

As stated in the foregone chapters the researcher herein conducted an extensive literature review with a view of unpacking the key concepts related to ethics e.g. values, corruption, code of conduct etc. To this end, the theories and philosophical views of other researchers were considered and applied in the process of conduction the current study. Notably, the research framework of the study has been outlined and thoroughly applied in the empirical study chapters. The set objectives of the study have been achieved.

4.4 CONTRIBUTION OF THE STUDY

The study is instrumental to the local government in generating knowledge on the code of conduct, ethical standard and practices. This will also provide some feedback to the local government about the effectiveness of the Code of Conduct, ethical conduct and

Ethics in fighting for the public interest in government business and the problems faced in enhancing good governance and delivering services to the communities.

The study will provide an understanding of ethical risks facing local government and its resultant impact on the delivering of services to the general communities.

The study will also assist in ensuring improved levels of communication of the code of conduct and how information regarding the code of conduct is to be disseminated and assist local government functionaries to realise their professional obligation to render services to the communities.

The study will contribute to the body of knowledge that already exist and assist municipalities to enhance the implementation and institutionalisation of the ethical codes within local government which may consist of ensuring there is leadership commitment, governance structures are set up, ethics risk assessment are conducted, Ethics Key Performance Indicators are embed in Management Performance Agreements/ Scorecards and there is proper reporting and monitoring etc. enhancing the integrity and accountability to the public.

The recommendations of this study will make a significant contribution to the researchers and scholars on the understanding of the factors that influence and shape the effectiveness of the Code of Conduct and Ethics and identify the needed remedies for enhancing the effectiveness of the code.

4.5 RECOMMENDATIONS AND MANAGERIAL IMPLICATIONS

Chapter 12, Schedule 1 and Schedule 2 of the Local Government Municipal Systems Act 32 of 2000 outlines the Code of Conduct for councillors and this code of conduct applies to every member of a municipal council and municipal functionaries. The Local Government Municipal Structures Act 117 of 1998, Schedule 5 also outlines the Code of Conduct for municipal councillors. The aim of this Act is therefore to create an environment that is rich in moral and ethical values and behaviour.

A properly institutionalised of code of conduct must be developed for guiding the municipality's ethics performance. It is therefore necessary and prudent to involve employees in developing such an instrument. Communication of the code should start before the document is completed. The code of conduct should be supported by the ethics related policies that provide detailed guidance for dealing with ethics related issues e.g. gift policy. This should allow for the description of and identification of the organisational values of the municipality as adopted by Council. The Ethics office should be assigned with the overall responsibility for the ethics helpline.

The Municipality should offer a toll-free ethics help line. Employees and other stakeholders should be encouraged to seek advice *before* engaging in an activity to avoid and manage conflicts of interest. The hotline number must be available and accessible to everyone 8 hours per day in English, Afrikaans, Sesotho and Zulu. Helpline should be accessible from any ethics office duty station by telephone or email. The helpline should serve as a central contact point where critical ethics related comments and advice are received and dealt with and employees and other stakeholders should be informed of the about the helpline during the ethics training sessions as scheduled Employees must be encouraged that, if they know that another staff member in their department or office has engaged in conduct for which a disciplinary measure may be imposed, they should report this information directly to the ethics office. All matters that are reported must be treated confidentially and allows for reporting concerns anonymously, if permitted by laws.

The Reporting to Senior Management on a quarterly basis must be done which will inform the Council as to the process through which concerns were investigates, the total number of concerns expressed during the reporting period, including the percentage that were addressed, resolved and found to be unsubstantiated during the reporting period and the types of misconduct reported including the level of satisfaction of those that used the reporting mechanisms and a properly institutionalised of code of conduct must be developed for guiding the municipality's ethics performance. Tone of the code must be integrated, direct is as far as it aims to discourage current behaviours and practices however be aspirational by showing confidence in its people that they can support and believe in its values without threats of submission. This automatically builds confidence amongst employees.

In order to improve the effectiveness of the code of ethics, firstly ELM may have to raise awareness by publishing the ethics code. On boarding processes will have ethics awareness content included or the Human resources department to ensure it is thoroughly covered. Since respondents do not feel equipped to deal with ethical issues, training and having a designated a person who responsible for fraud risks, including investigation should assist with increasing effectiveness of the codes. If the ELM can take all reasonable action to recover any money lost through fraud and corruption, it can increase employee confidence and willingness to report suspicious or unethical behaviour. Awareness and training on ethics is linked to particular demographics, so, there is a need for consistent implementation across all business units. Additional controls to be considered by management: -

- Develop a counter fraud culture;
- Implement controls that everyone signs up to;
- Conduct annual review of fraud risk and internal controls;
- Consider having dedicated fraud officer the board;
- Encourage staff and volunteers to raise concerns;
- Promote fraud awareness and consider;
- Conduct employment screening and get reference checks;
- Guard against excessive trust and complacency and
- Report suspected fraud.

4.6 RECOMMENDATION FOR FUTURE RESEARCH

As a qualitative follow up to the finding that 64% of respondents felt pressured to behave unethically sometimes, it is proposed a qualitative study be commissioned among a number of municipalities. The aim would be to understand the soft elements affecting employees to behave unethically.

4.7 EVALUATION OF THE ACHIEVEMENT OF THE STUDY OBJECTIVE

4.7.1 Primary objective

The study aimed at assessing the effectiveness of ethical codes and determine how it impacts municipal employees and councillors in their exercising of moral judgment, prevent misconduct and unethical behaviour to ensure long term sustainability of local government institutions is argued in Chapter 1. It is considered important that the findings of the research be evaluated against the primary research objective.

Effective and efficient delivery of services to the Communities has become a challenge over the past years as promulgated by the Local Government: Municipal Systems Act, 32 of 2000.

This occurs because Municipal employees and Councillors lacks understanding of the Code of Conduct and ignore the importance of service delivery and get involved in unethical conduct and corrupt activities

The research study was also meant to answer the question "How effective is the ethics codes in improving the employees and councillors conduct?"

Chapter 12, Schedule 1 and Schedule 2 of the *Local Government Municipal Systems Act 32 of 2000,* outlines the Code of Conduct for councillors and this code of conduct applies to every member of a municipal council and municipal functionaries and also *Local Government Municipal Structures Act 117 of 1998*, Schedule 5 outlines the Code of Conduct for municipal councillors. Its aim is therefore to create an environment that is rich in moral and ethical values and behaviour.

4.7.2 Secondary objectives

To determine the level of implementation and oversight of an existing code of conduct in promoting ethical standards and practices in the Municipality.

- Refer to ***4.2.2.7*** above

To determine the extent to which the Municipality succeeds in enhancing its own ethical climate and that which operates externally.

- Refer to ***4.2.2.8*** above

To establish the level of compliance on institutionalisation of ethical practices

- Refer to ***4.2.2.9*** above

To determine the driving factors on ethical management at the municipality.

- Refer to ***4.2.2.10*** above

4.8 MAJOR FINDINGS

The code increases the probability that Municipal Officials and Councillors will behave in a certain manner but the some of the clauses in the code conduct are not easy to implement and not always easy to enforce it. Code is a uniform set of ethical guidelines and applications **throughout local government**.

It is also clear that codes of conduct have been drafted to be as comprehensive as possible, but they **do not provide a detailed standard of conduct, there is lack of awareness amongst the municipal employees and there is no proper structures to support the implementation thereof.** Based on these findings, the researcher can therefore conclude that the code is not effective in enhancing the behaviour and conduct of municipal employees and councillors.

4.9 ADDITIONAL FINDINGS

The code of conduct as provided by the legislation was assessed based on the recent practices as advocated by (Rossouw, 2017).

Extent of the ethics code adoption and applicability at the Municipality

- **Implementation and enforcement of the code of conduct -** The code increases the probability that Municipal employees and Councillors will behave in a certain manner but the some of the clauses in the code conduct are not easy to implement and not always easy to enforce it. The code is a uniform set of ethical guidelines and applications throughout local government. It is also clear that codes of conduct have been drafted to be as comprehensive as possible, but they do not provide **a detailed standard of conduct**.
- **Policy provision -** The code is not supported by ethics related policies. Where available for e.g. Alcohol abuse is managed in terms of Council resolution of 04 April 2005. Procedure or Policy for Alcohol or Substance Abuse. Absenteeism and desertion are managed in terms the Council of the erstwhile Western Vaal Metropolitan Council. These policies and resolutions have not been reviewed since to accommodate the current situation
- **Alignment to Municipal Values-** Code is not aligned to the ethical vision, mission and values as outlined in the IDP
- **Consistency** - The code is not consistent in some instances the clauses are specific and enforceable and in some it is vague. The code is more directional and, in most cases, focus on the behaviour than the values that employees and councillors must uphold.
- **Tone of the code -** The tone of the code is Instruction, negative “to deter wrongdoing and promote good corporate practices”
- **Aspiration -** The code is not aspirational and it does not envisage change
- **Behaviours -** The code does not state what are the desirable and undesirable behaviour

- **Recallability -** Hard for employees to remember all directives contained in the Code

4.10 CONCLUSION

There is an increasing recognition of the need to provide ways for people to raise concerns about suspected wrongdoing by promoting internal policies and procedures which offer proper safeguards to actual and potential whistleblowers within ELM. The organisation should strive to create a culture which will facilitate the disclosure of information by employees relating to criminal and other irregular conduct in the workplace in a responsible manner by providing clear guidelines for the disclosure of such information and protection against reprisals as a result of such disclosure (The Protected Disclosures Act, Act 26 of 2000). Eradication of criminal and other irregular conduct within the Municipality should be promoted. The Municipality should aim to inspire, encourage and enable staff to raise concerns within the Municipality rather than overlooking a problem or blowing the whistle to inappropriate channels. Systems and processes through which an individual or other stakeholder can report concerns about illegal, irregular, dangerous or unethical practices related to the Municipality's operations and a place for seeking ethical advice should be availed as one of the mechanisms to enhance ethical conduct.

ELM should work towards increasing the levels of awareness through publishing the code and training of employees. Performance management systems will also close the gap for employee rewards and recognition and will probably improve the sense of feeling appreciated amongst employees.

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APPENDIX A: QUESTIONNAIRE

QUANTITATIVE AND QUANTITATIVE QUESTIONNAIRE

Dear Emfuleni Local Municipality Employee and councillor.

Fraud and corruption are matters that affect all parts of our society and our economy, often with detrimental consequences for all parties involved and affected.

The ultimate objective is to establish a culture that supports and fosters zero tolerance of fraud and corruption activities. The fight against fraud and corruption needs to harness the expertise and enthusiasm of every member within the workplace, as well as the members of the larger external community. Imperative to the success of the campaign is to have a clear understanding of the perceptions, behaviours and attitudes of the employees, as well as the prevailing culture within the municipality.

The researcher is conducting an independent survey on organisational awareness and practices with regard to ethical implementation of ethical codes and ethical conduct.

Please be assured that your response to this survey is confidential and will be kept completely anonymous. The study will under no circumstances reveal the identities of people. ALL data will be collated and analysed and the outcomes will be communicated based on the demographics below. Any questions pertaining to the survey or concerns you might have may be directed Ms. ML Mabunda @ lauram@emfuleni.gov.za

The survey will run from beginning of June to July 2019.It would be appreciated if you would complete the survey as soon as possible. **There are no right or wrong answers. Please be honest when answering the questions.**

You have the following options available to submit your response:

- Complete the form electronically, save it and mail it as an email attach and/or lauram@emfuleni.gov.za .**Please omit the instructions (first page) in your return.**

- Print the form, complete in **<u>ink/ pen,</u>** not pencil and place in one of the drop boxes allocated in your building/ work area.

Thanks in advance for your co-operation.

In order to assist you in the process, please consider the following when answering the questionnaire:

1. Please clearly indicate the demographics pertaining to you – where do you work, which cluster do you belong to, how long have you worked for the municipality and which age category do you fit into.

2. In order to ensure a common understanding of the meaning of specific terms used in the survey, please consider the definitions provided when answering.

3. Section B1 consists of two questions. The first question requires that you indicate your overall satisfaction with the ethics of the municipality on a scale of 1 to 6, depending on the extent to which you are satisfied or not. The second question requires that you identify the top 3 threats faced by the municipality, in order of importance.

4. Section B2, consisting of 30 statements, requires an answer each, ranging between "strongly agree" to "strongly disagree." Consider each statement carefully and decide to what extent you agree or disagree with the statement in the context of your workplace and the environment that you operate in. Bear in mind that there is no right or wrong answer – we are only interested in YOUR perception.

5. Section B3 of the questionnaire consists of four open-ended questions, which provide you with the opportunity to express your views freely. Feel free to increase the lines to allow for more writing space, if necessary.

6. Section B4 is aimed at measuring the perceptions that exist, pertaining to Management. Please consider each point carefully and respond truthfully, in order to provide Management with valuable feedback of opportunities for growth and improvement.

7. In the event that you have more that you would like to comment on that you may feel was not covered in the preceding questions, please feel free to comment under the section General.

Demographics

The following information is used for analytical purposes only. Please complete by selecting the demographics applicable to you (only one X per category please).

A. Which branch/ unit do you work in?

Vanderbijlpark	
Vereeniging (excl. Duncanville)	
Boipatong	
Bophelong	
Duncanville	
Evaton	
Metsi-a Lekoa	
Sebokeng	
Sharpeville	
Other	

B. Which cluster do you work in?

Municipal Manager (MM)	
Basic Services	
Shared Services	
Financial Services	
EDPH&A Economic Development Planning, Housing &Agriculture	
IPD Infrastructure Planning & Development	
PS&CD Public Safety and Community Development	
Utilities (Metsi-a-Lekoa)	
Internal Audit	
Other	

C. Level of work

Contract Manager (Sec 56/7)	
Level 01 - 03	
Level 04 - 06	
Level 07 - 10	
Level 11 - 16	
Other	

D. Years' service

Less than 1 year	
1 – 3 years	
4 – 7 years	
8 – 15 years	
16 – 25 years	
25+ years	

E. Gender

Male	
Female	

F. Highest qualification

Lower than matric (Grade)	
Matric (Grade 12)	
Post School Diploma	
B- Degree	
Honors Degree	
Masters or PHD degree	
Other	

G. Age

Less than 25 years	
25 - 30 years	
31 - 40 years	
41 – 50 years	
51 - 60 years	
61 and more years	

Definitions

Ethics

- Ethics are moral principles that govern a person's behaviour and conduct.
- A code of right and wrong (acceptable and unacceptable behaviour).
- The rules or laws of a profession, standards of professional behaviour.
- A system of moral values, the rules that are generally accepted by a group of people pertaining to what is right and wrong.

Theft

- Theft is the dishonest taking of property belonging to another person or entity with the intention of depriving the owner permanently of it.
- The taking of another person's or entity's property without that person's permission or consent with the intent to deprive the rightful owner of it.
- Can range from taking stationery from the work to the theft of a company's intellectual property.
- A criminal act in which property belonging to another is taken without that person's consent.
- Theft is actually a broad term, encompassing many forms of deceitful taking of property, including swindling, embezzlement and false pretences.

Fraud

- Fraud is a deliberate misrepresentation that causes a person or business to suffer damages, often in the form of monetary losses through deception or concealment.
- All activities involving dishonesty and deception that can drain value from a business, directly or indirectly, whether or not there is personal gain.
- Intentional and dishonest act involving deception or misrepresentation, to obtain or potentially obtain an advantage for themselves or any other person, e.g. falsifying timesheets, false invoicing, disclosing tender information, etc.

- Can range from the exaggeration of expenses to international fraud.

Corruption

- Corruption is any abuse of a position of trust to gain an unfair advantage. This includes both corrupting someone else and being corrupted oneself.
- It is the abuse of entrusted power for private gain, e.g. accepting gifts or other gratuities to perform part of an official function, or omit to perform an official duty.
- Dishonest or fraudulent conduct by those in positions of power, typically involving bribery.
- It can include giving or accepting bribes or inappropriate gifts, double dealing, under-the-table transactions, manipulating elections, diverting funds, laundering money and defrauding investors.

Section 1

1. Overall, how satisfied are you with Emfuleni Municipality as an organisation that is ethical and practices good governance, risk management and complies with laws? Mark with X.

Very dissatisfied	**Dissatisfied**	**Somewhat dissatisfied**	**Somewhat satisfied**	**Satisfied**	**Very Satisfied**
1	2	3	4	5	6

2. From the list below, select **only 5** risks or threats that you believe is currently the greatest problem in the Municipality. Number then as 1, 2 and 3, where 1 is the highest and 3 is the lowest threat.

Types of unethical behaviours	
Employee negligence	
Fraud	
Corruption	
Non procedural procurement practices	
Nepotism treatment of family and friends	
Inappropriate acceptance of gifs	

Autocratic Management Style	
Abusive/ disrespectful treatment of staff	
Disrespectful treatment of suppliers	
Prolonged leave	
Unauthorised use of municipal vehicles	
Falsified / fraudulent qualifications	
Disclosure of confidential information/ wrongfully disclosing privileged information	
Misuse or theft of company information for personal gain	
Conflict of interest	
Theft of cash	
Bribery of clients	
Abscondment	
Gross Insubordination	
Rude, abusive, insolent, provocative, intimidatory, Aggressive behaviour	
Consuming alcohol or using intoxicating drugs whilst on duty	
Fraudulent payment instructions from superior	
Misuse of organisation property	
Withholding information from clients	
Theft, Unauthorised possession of and malicious damage to the employer's property	
Accepting bribes/ kickbacks from suppliers and contractors	
Theft of company assets	
Blackmailing by staff	
Sexual harassment	
Unauthorised moonlighting (earning an extra income without permission	
Working in unsafe condition	
Defrauding clients	
Tender fraud	
Other	

Section 2

Consider each of the following statements carefully and decide to what extent you agree or disagree with the statements in the context of the work that you do and the environment that you operate in. There is no right or wrong answer – only how strongly you feel about each statement. Please mark with X.

Statement	Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
1. I know what is expected of me in terms of preventing and detecting fraud and corruption.						
2. There is an awareness of ethics in this Municipality						
3. Employees of the Municipality behave ethically						
4. Employees are afraid to ask questions about ethics in the Municipality						
5. Employees are afraid to give bad news to superiors						
6. Employees are afraid to report unethical conduct						
7. I feel equipped to deal with ethical issues						
8. Senior Management Team is committed to ethics						
9. Employees know what is the right thing to do						
10. The climate in the municipality makes it easy to make ethical decisions						
11. There are occasions where feel pressured to behave unethically						

12. Unethical behaviour is dealt with consistently						
13. There is an atmosphere of fear in this organisation						
14. I actively participate in creating a culture of zero tolerance for corrupt activities in the organisation.						
15. I am confident that my co-workers would not commit fraud or steel from the organisation.						
16. My manager sets a good example of ethical behaviour.						
17. I am confident that Management understands their responsibilities for preventing and detecting fraud and corruption.						
18. According to the law I have to report any behaviour that appears to be suspicious, even when I am not sure.						
19. I know the consequences of being found guilty of fraud.						
20. My organisation has a staff Code of Conduct which outlines the behaviours that are expected of everyone in the workplace.						
21. My organisation has designated a person who is						

responsible for fraud risks, including investigation.						
22. My organisation takes a proactive approach to preventing fraud and corruption.						
23. New employees at my organisation undergo pre-employment screening that includes criminal history checks.						
24. My manager encourages staff to come forward if they see or suspect fraud or corrupt activities.						
25. I know how and where to report incidents of fraud or suspicious behaviour.						
26. I am willing to report suspicious or unethical behaviour if I know about it.						
27. If I were to raise any concerns that I may have regarding fraud or corruption and unethical conduct, I know that my concerns will be taken seriously and I would not suffer any retaliation.						
28. My organisation has a policy that protects whistleblowers.						
29. There is a whistleblower hotline in the organisation.						
30. There are strict security measures in place that						

prevent people from abusing sensitive information.						
31. Roles and responsibilities are sufficiently separated to ensure that one person on his/her own is not able to pass fraudulent transactions.						
32. When fraud or suspicious behaviour is reported, the matter is promptly and thoroughly investigated.						
33. Management communicates incidents of fraud to all staff in the organisation.						
34. I am confident that my organisation will take all reasonable action to recover any money lost through fraud and corruption.						
35. I am confident that incidents of fraud and corruption that occur in the organisation will be reported to the police.						
36. Internal controls (preventative measures) are reviewed as part of every fraud investigation.						
37. I am aware of fraud or corruption incidents in the last two years that have gone unreported in the organisation.						
38. I am aware of fraud or corruption incidents in the last two years that have						

gone unpunished by the organisation.						
39. I know of cases where whistle-blowers were victimised.						
40. Fraud in the organisation has no negative impact on me.						
41. Fraud has little impact on the wellbeing and sustainability of the organisation.						
42. I feel secure in my job.						

Section 3

1. Describe/ list the changes you believe must take place if the municipality is to become a 'good corporate citizen', proactively assisting in the fight against crime and corruption and exercising good ethical conduct.

1. Describe any incident(s) of fraud in the organisation in the last 2 years that you know of and whether anything was done to stop it from happening again. Be as specific as possible, as these are the issues that will determine the actions to be taken on the way forward.

3. List 3 strengths/key determinants that make you proud to be an employee of the municipality?

4. List 3 weaknesses/key determinants that could make you leave the municipality?

5. Can you think of any ethical risk or examples of unethical behaviour, other than those mentioned above, that the municipality is exposed to?

6. What is the one, single thing that will do most to improve ethics in this Municipality?

Section 4

1. Consider each of the following statements and consider to what extent the statement applies to your immediate supervisor/manager. Please mark with X.

Statement	**Strongly Disagree**	**Disagree**	**Somewhat Disagree**	**Somewhat Agree**	**Agree**	**Strongly Agree**
1. My supervisor is knowledgeable about my work.						
2. My supervisor takes time to listen to me.						
3. My supervisor gives me fair reviews.						
4. My supervisor is willing to promote me.						
5. My supervisor trains me whenever necessary.						
6. My supervisor makes sure I have sufficient training.						

2. Provide YES, NO or I DON'T KNOW answer to the following questions

Statement	**Yes**	**No**	**I Don't Kno**
Does the organisation have a code of ethics			
If yes, do you have a copy of the code of ethics?			
Have you received training in ethics?			
Does new employees receive orientation on ethics			

Is there a facility (an “ethics hotline”) where behaviour can be safely reported?			

3. Consider each of the following functional areas and rate how well your manager performs in each. Mark with X.

Statement	**Extremely Poor**	**Very Poor**	**Poor**	**Good**	**Very Good**	**Excellent**
1. Communication						
2. Planning						
3. Directing and Coordinating						
4. Job/ Technical Knowledge						
5. Interpersonal Relationship						

General comments

Please feel free to share any other information that you may deem relevant to improving the culture within ELM, specifically with regard to ethics, anti-fraud and anti-corruption.

APPENDIX B: EFFECTIVENESS TEST OF THE ETHICAL CODES THROUGH CROSSTABS, CHI SQUARE AND SYMMETRIC MEASURES (MEASURE OF ASSOCIATIONS).

The main objective of this study was to find out the effectiveness of ethical codes. Chi-square test was therefore carried out to investigate differences in awareness levels and training, by various demographics to determine if demographics influence levels of awareness of codes.

The table below serves as a road map for measure of effectiveness of the ethical codes.

No	***Variable 1***	***Categorical Variables 2***
1 - 3	Does the **organisation** have a **code of ethics**	• Cluster • Level of work • Highest qualification
4 - 6	Does **employees** have a copy of the **code of ethics**	• Cluster • Years in service • Highest qualification
7 - 9	Have employees received **training** in ethics	• Cluster • Gender • Years in service
10 - 11	Does new employees receive **orientation** on ethics	• Level of work • Age

1. Does the organisation have a code of ethics * Which cluster do you work in?

1.1 Crosstab - Does the organisation have a code of ethics * Which cluster do you work in?

% within Which cluster do you work in?

		Which cluster do you work in?								***Total***
		Municipal Manager (MM)	***Basic Services***	***Shared Services***	***Financial Services***	***EDPH&A Economic Development Planning, Housing &Agriculture***	***IPD Infrastructure Planning & Development***	***PS&CD Public Safety and Community Development***	***Utilities (Metsi-a-Lekoa)***	
Does the organisation have a code of ethics	Yes	36.40%	47.60%	57.10%	71.40%	70.00%		75.00%	36.40%	50.70%
	No	9.10%	4.80%	14.30%		10.00%	50.00%		9.10%	8.20%
	I Don’t Know	54.50%	47.60%	28.60%	28.60%	20.00%	50.00%	25.00%	54.50%	41.10%
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

1.2 Chi-Square Tests - Does the organisation have a code of ethics * Which cluster do you work in?

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	25.442[a]	14	.030
Likelihood Ratio	24.944	14	.035
Linear-by-Linear Association	.198	1	.656
N of Valid Cases	146		

a. 12 cells (50.0%) have expected count less than 5. The minimum expected count is .33.

1.3 Symmetric Measures - Does the organisation have a code of ethics * Which cluster do you work in?

		Value	Approx. Sig.
Nominal by Nominal	Phi	.417	.030
	Cramer's V	.295	.030
N of Valid Cases		146	

2. Does the organisation have a code of ethics * Level of work?

2.1 Crosstab - Does the organisation have a code of ethics * Level of work?

% within Level of work

		Level of work						***Total***
		Contract Manager (Sec 56/7)	***Level 01 - 03***	***Level 04 - 06***	***Level 07 - 10***	***Level 11 - 16***	***Other***	
Does the organisation have a code of ethics	Yes	66.70%	76.90%	40.90%	55.60%	10.00%	100.00%	50.70%
	No	11.10%	7.70%	13.60%	5.60%			8.20%
	I Don't Know	22.20%	15.40%	45.50%	38.90%	90.00%		41.10%
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

2.2 Chi-Square Tests - Does the organisation have a code of ethics * Level of work?

	Value	*df*	*Asymp. Sig. (2-sided)*
Pearson Chi-Square	35.260[a]	10	.000
Likelihood Ratio	38.825	10	.000
Linear-by-Linear Association	13.860	1	.000
N of Valid Cases	146		

a. 8 cells (44.4%) have expected count less than 5. The minimum expected count is .16.

2.3 Symmetric Measures- Does the organisation have a code of ethics * Level of work?

		Value	*Approx. Sig.*
Nominal by Nominal	Phi	.491	.000
	Cramer's V	.347	.000
N of Valid Cases		146	

3. Does the organisation have a code of ethics * Highest qualification?

3.1 Crosstab – Does the organisation have a code of ethics * Highest qualification?

% within Highest qualification

		Highest qualification				Highest qualification	Total
		Lower than matric (Grade)	Post School Diploma	B- Degree	Honours Degree	Masters or PHD degree	
Does the organisation have a code of ethics	Yes	77.80%	50.00%	47.10%	40.00%	50.00%	50.70%
	No	22.20%	11.50%	5.90%			8.20%
	I Don't Know		38.50%	47.10%	60.00%	50.00%	41.10%
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

3.2 Chi-Square Tests - Does the organisation have a code of ethics * Highest qualification?

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.665[a]	8	.004
Likelihood Ratio	31.415	8	.000
Linear-by-Linear Association	9.602	1	.002
N of Valid Cases	146		

a. 6 cells (40.0%) have expected count less than 5. The minimum expected count is .99.

3.3 Symmetric Measures - Does the organisation have a code of ethics * Highest qualification?

		Value	Approx. Sig.
Nominal by Nominal	Phi	.394	.004
	Cramer's V	.279	.004
N of Valid Cases		146	

4. If yes, do you have a copy of the code of ethics? * Which cluster do you work in?

4.1 Crosstab - If yes, do you have a copy of the code of ethics? * Which cluster do you work in?

% within Which cluster do you work in?

		Which cluster do you work in?								*Total*
		Municipal Manager (MM)	***Basic Services***	***Shared Services***	***Financial Services***	***EDPH&A Economic Development Planning, Housing &Agriculture***	***IPD Infrastructure Planning & Development***	***PS&CD Public Safety and Community Development***	***Utilities (Metsi-a-Lekoa)***	***Total***
If yes, do you have a copy of the code of ethics?	Yes	18.20%	4.80%		28.60%	20.00%		50.00%	9.10%	13.70%
	No	81.80%	95.20%	100.00%	71.40%	80.00%	100.00%	50.00%	90.90%	86.30%
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00 %

4.2 Chi-Square Tests - If yes, do you have a copy of the code of ethics? * Which cluster do you work in?

	Value	*df*	*Asymp. Sig. (2-sided)*
Pearson Chi-Square	18.672[a]	7	.009
Likelihood Ratio	18.435	7	.010
Linear-by-Linear Association	1.280	1	.258
N of Valid Cases	146		

a. 8 cells (50.0%) have expected count less than 5. The minimum expected count is .55.

4.3 Symmetric Measures - If yes, do you have a copy of the code of ethics? * Which cluster do you work in?

		Value	*Approx. Sig.*
Nominal by Nominal	Phi	.358	.009
	Cramer's V	.358	.009
N of Valid Cases		146	

5. ***If yes, do you have a copy of the code of ethics? * Years in Servic***

5.1 Crosstab - If yes, do you have a copy of the code of ethics? * Years in Service

% within Years in Service

		Years in Service						***Total***
		Less than 1 year	***1 – 3 years***	***4 – 7 years***	***8 – 15 years***	***16 – 25 years***	***25+ years***	
If yes, do you have a copy of the code of ethics?	Yes	25.00%	45.50%	6.30%	11.50%			13.70%
	No	75.00%	54.50%	93.80%	88.50%	100.00%	100.00%	86.30%
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

5.2 Chi-Square Tests - If yes, do you have a copy of the code of ethics? * Years in Service

	Value	***df***	***Asymp. Sig. (2-sided)***
Pearson Chi-Square	26.417[a]	5	.000
Likelihood Ratio	25.171	5	.000
Linear-by-Linear Association	14.718	1	.000
N of Valid Cases	146		

a. 5 cells (41.7%) have expected count less than 5. The minimum expected count is 1.10.

5.3 Symmetric Measures - If yes, do you have a copy of the code of ethics? * Years in Service

		Value	Approx. Sig.
Nominal by Nominal	Phi	.425	.000
	Cramer's V	.425	.000
N of Valid Cases		146	

6. If yes, do you have a copy of the code of ethics? * Highest qualification

6.1 Crosstab - If yes, do you have a copy of the code of ethics? * Highest qualification

% within Highest qualification

		Highest qualification					Total
		Lower than matric (Grade)	Post School Diploma	B- Degree	Honors Degree	Masters or PHD degree	
If yes, do you have a copy of the code of ethics?	Yes	11.10%	23.10%		6.70%	33.30%	13.70%
	No	88.90%	76.90%	100.00%	93.30%	66.70%	86.30%
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

6.2 Chi-Square Tests - If yes, do you have a copy of the code of ethics? * Highest qualification

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.535[a]	4	.006
Likelihood Ratio	17.929	4	.001
Linear-by-Linear Association	.024	1	.878
N of Valid Cases	146		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 1.64.

6.3Symmetric Measures - If yes, do you have a copy of the code of ethics? * Highest qualification

		Value	Approx. Sig.
Nominal by Nominal	Phi	.316	.006
	Cramer's V	.316	.006
N of Valid Cases		146	

7. Have you received training in ethics? * Which cluster do you work in?

7.1 Crosstab - Have you received training in ethics? * Which cluster do you work in?

% within Which cluster do you work in?

		Which cluster do you work in?								***Total***
		Municipal Manager (MM)	***Basic Services***	***Shared Services***	***Financial Services***	***EDPH&A Economic Development Planning, Housing &Agriculture***	***IPD Infrastructure Planning & Development***	***PS&CD Public Safety and Community Development***	***Utilities (Metsi-a-Lekoa)***	
Have you received training in ethics?	Yes	45.50%	33.30%	28.60%	28.60%	30.00%	100.00%		9.10%	30.10%
	No	54.50%	66.70%	57.10%	71.40%	70.00%		100.00%	90.90%	68.50%
	I Don’t Know			14.30%						1.40%
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

7.2 Chi-Square Tests - Have you received training in ethics? * Which cluster do you work in?

	Value	*df*	*Asymp. Sig. (2-sided)*
Pearson Chi-Square	39.304[a]	14	.000
Likelihood Ratio	33.265	14	.003
Linear-by-Linear Association	4.944	1	.026
N of Valid Cases	146		

a. 13 cells (54.2%) have expected count less than 5. The minimum expected count is .05.

7.3 Symmetric Measures - Have you received training in ethics? * Which cluster do you work in?

		Value	*Approx. Sig.*
Nominal by Nominal	Phi	.519	.000
	Cramer's V	.367	.000
N of Valid Cases		146	

8. Have you received training in ethics? * Years in Service

8.1 Crosstab – Have you received training in ethics? * Years in Service

% within Years in Service

		Years in Service						***Total***
		Less than 1 year	***1 – 3 years***	***4 – 7 years***	***8 – 15 years***	***16 – 25 years***	***25+ years***	
Have you received training in ethics?	Yes	25.00%	27.30%	62.50%	19.20%	16.70%	25.00%	**30.10%**
	No	75.00%	72.70%	37.50%	80.80%	75.00%	75.00%	**68.50%**
	I Don't Know					8.30%		**1.40%**
Total	**100.00%**	**100.00%**	**100.00%**	**Total**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

8.2 Chi-Square Tests - Have you received training in ethics? * Years in Service

	Value	*df*	*Asymp. Sig. (2-sided)*
Pearson Chi-Square	30.922[a]	10	.001
Likelihood Ratio	26.737	10	.003
Linear-by-Linear Association	4.159	1	.041
N of Valid Cases	146		

a. 8 cells (44.4%) have expected count less than 5. The minimum expected count is .11.

8.3 Symmetric Measures - Have you received training in ethics? * Years in Service

		Value	*Approx. Sig.*
Nominal by Nominal	Phi	.460	.001
	Cramer's V	.325	.001
N of Valid Cases		146	

9. Have you received training in ethics? * Gender

9.1 Crosstab – Have you received training in ethics? * Gender

% within Gender

		Gender		Total
		Male	Female	
Have you received training in ethics?	Yes	37.50%	21.20%	30.10%
	No	60.00%	78.80%	68.50%
	I Don't Know	2.50%		1.40%
Total		100.00%	100.00%	100.00%

9.2 Chi-Square Tests - Have you received training in ethics? * Gender

	Value	*df*	*Asymp. Sig. (2-sided)*
Pearson Chi-Square	6.697[a]	2	.035
Likelihood Ratio	7.542	2	.023
Linear-by-Linear Association	2.939	1	.086
N of Valid Cases	146		

9.3 Symmetric Measures - Have you received training in ethics? * Gender

		Value	*Approx. Sig.*
Nominal by Nominal	Phi	.214	.035
	Cramer's V	.214	.035
N of Valid Cases		146	

a. 2 cells (33. %) have expected count less than 5. The minimum expected count is .90.

10. Does new employees receive orientation on ethics * Level of work

10.1 Crosstab - Does new employees receive orientation on ethics * Level of work

% within Level of work

		Level of work						Total
		Contract Manager (Sec 56/7)	Level 01 - 03	Level 04 - 06	Level 07 - 10	Level 11 - 16	Other	
Does new employees receive orientation on ethics	Yes		7.70%	4.50%				2.70%
	No	66.70%	92.30%	86.40%	88.90%	100.00%	100.00%	87.70%
	I Don't Know	33.30%		9.10%	11.10%			9.60%
Total		**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

10.2 Chi-Square Tests - Does new employees receive orientation on ethics * Level of work

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.584[a]	10	.017
Likelihood Ratio	23.288	10	.010
Linear-by-Linear Association	1.984	1	.159
N of Valid Cases	146		

10.3 Symmetric Measures - Does new employees receive orientation on ethics * Level of work

		Value	Approx. Sig.
Nominal by Nominal	Phi	.384	.017
	Cramer's V	.272	.017
N of Valid Cases		146	

11. Does new employees receive orientation on ethics * Age

11.1 Cross tab – Does new employees receive orientation on ethics * Age

% within Age

		Age				***Age***	***Total***
		25 - 30 years	***31 - 40 years***	***41 – 50 years***	***51 - 60 years***	***61 and more years***	
Does new employees receive	Yes	16.70%		3.80%			2.70%
	No	83.30%	95.00%	80.80%	89.50%	100.00%	87.70%

orientation on ethics	I Don't Know		5.00%	15.40%	10.50%		9.60%
Total		**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

11.2 Chi-Square Tests - Does new employees receive orientation on ethics * Age

	Value	*df*	*Asymp. Sig. (2-sided)*
Pearson Chi-Square	15.880[a]	8	.044
Likelihood Ratio	14.920	8	.061
Linear-by-Linear Association	3.134	1	.077
N of Valid Cases	146		

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .11.

11.3 Symmetric Measures - Does new employees receive orientation on ethics * Age

		Value	*Approx. Sig.*
Nominal by Nominal	Phi	.330	.044
	Cramer's V	.233	.044
N of Valid Cases		146	

Appendix C: MUNICIPAL SYSTEMS ACT, 2000 – Schedule 2: Code of Conduct for Municipal Employees

1. Definitions

In this Schedule "partner" means a person who permanently lives with another person in a manner as if married.

2. General conduct

A staff member of a municipality must at all times-

a. loyally execute the lawful policies of the municipal council;
b. perform the functions of office in good faith, diligently, honestly and in a transparent manner;
c. act in such a way that the spirit, purport and objects of section 50 are promoted;
d. act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised; and
e. act impartially and treat all people, including other staff members, equally without favour or prejudice.

3. Commitment to serving the public interest

A staff member of a municipality is a public servant in a developmental local system, and must accordingly-

a. implement the provisions of section 50(2);
b. foster a culture of commitment to serving the public and a collective sense of responsibility for performance in terms of standards and targets;
c. promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution;
d. obtain copies of or information about the municipality’s integrated development plan, and as far as possible within the ambit of the staff member’s job description, seek to implement

the objectives set out in the integrated development plan, and achieve the performance targets set for each performance indicator;

e. participate in the overall performance management system for the municipality, as well as the staff member’s individual performance appraisal and reward system, if such exists, in order to maximise the ability of the municipality as a whole to achieve its objectives and improve the quality of life of its residents.

4. Personal gain

1. A staff member of a municipality may not-

a. use the position or privileges of a staff member, or confidential information obtained as a staff member, for private gain or to improperly benefit another person; or
b. take a decision on behalf of the municipality concerning a matter in which that staff member, or that staff member's spouse, partner or business associate, has a direct or indirect personal or private business interest.

2. Except with the prior consent of the council of a municipality a staff member of the municipality may not-

a. be a party to a contract for-
   i. the provision of goods or services to the municipality; or
   ii. the performance of any work for the municipality otherwise than as a staff member;
b. obtain a financial interest in any business of the municipality; or
c. be engaged in any business, trade or profession other than the work of the municipality.

5. Disclosure of benefits

1. A staff member of a municipality who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose in writing full particulars of the benefit to the council.

2. This item does not apply to a benefit which a staff member, or a spouse, partner, business associate or close family member, has or acquires in common with all other residents of the municipality.

6. Unauthorised disclosure of information

1. A staff member of a municipality may not without permission disclose any privileged or confidential information obtained as a staff member of the municipality to an unauthorised person.
2. For the purpose of this item "privileged or confidential information" includes any information-
a. determined by the municipal council or any structure or functionary of the municipality to be privileged or confidential;
b. discussed in closed session by the council or a committee of the council;
c. disclosure of which would violate a person's right to privacy; or
d. declared to be privileged, confidential or secret In terms of any law.
3. This item does not derogate from a person's right of access to information in terms of national legislation.

7. Undue influence

A staff member of a municipality may not-

a. unduly influence or attempt to influence the council of the municipality, or a structure or functionary of the council, or a council or, with a view to obtaining any appointment, promotion, privilege, advantage or benefit. or for a family member, friend or associate;
b. mislead or attempt to mislead the council, or a structure or functionary of the council, in its consideration of any mutter; or
c. be involved in a business venture with a councilor without the prior written consent of the council of the municipality.

8. Rewards, gifts and favours

1. A staff member of a municipality may not request, solicit or accept any reward, gift or favour for-
a. persuading the council of the municipality, or any structure or functionary of the council, with regard to the exercise of any power or the performance of any duty;
b. making a representation to the council, or any structure or functionary of the council;
c. disclosing any privileged or confidential information; or
d. doing or not doing anything within that staff member's powers or duties
2. A staff member must without delay report to a superior official or to the speaker of the council any offer which, if accepted by the staff member, would constitute a breach of subitem (1).

9. Council property

A staff member of a municipality may not use, take, acquire, or benefit from any property or asset owned, controlled or managed by the municipality to which that staff member has no right.

10. Payment of arrears

A staff member of a municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months, and a municipality may deduct any outstanding amounts from a staff member's salary after this period.

11. Participation in elections

A staff member of a municipality may not participate in m election of the council of the municipality, other than in an official capacity or pursuant to any constitutional right.

12. Sexual harassment

A staff member of a municipality may not embark on any action amounting to sexual harassment.

13. Reporting duty of staff members

Whenever a staff member of a municipality has reasonable grounds for believing that there has been a breach of this Code, the staff member must without delay report the matter to a superior officer or to the speaker of the council.

14. Breaches of Code

Breaches of this Code must be dealt with in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of this Act.

APPENDIX D: MUNICIPAL SYSTEMS ACT, 2000 – Schedule 1: Code of Conduct for Municipal Councillors

Preamble

Councillors are elected to represent local communities on municipal councils, to ensure that municipalities have structured mechanisms of accountability to local communities, and to meet the priority needs of communities by providing services equitably, effectively and sustainably within the means of the municipality. In fulfilling this role councillors must be accountable to local communities and report back at least quarterly to constituencies on council matters, including the performance of the municipality yin terms of established indicators. In order to ensure that councillors fulfil their obligations to their communities, and support the achievement by the municipality of its objectives set out in section 19 of the Act, the following Code of Conduct is established.

Definitions

1. In this Schedule "partner" means a person who permanently lives with another person in a manner as if married.

General conduct of councillors

2. A councillor must- a. perform the functions of office in good faith, honestly and a transparent manner; and b. at all times act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised.

Attendance at meetings

3. A councillor must attend each meeting of the municipal council and of a committee of which that councillor is a member, except when- a. leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the council; or b. that councillor is required in terms of this Code to withdraw from the meeting.

Sanctions for non-attendance of meetings

4.1 A municipal council may impose a tine as determined by the standing rules and orders of the municipal council on a councillor for: a. not attending a meeting which that councillor is required to attend in terms of item 3; or b. failing to remain in attendance at such a meeting.

4.2 A councillor who is absent from three or more consecutive meetings of a municipal council, or from three or more consecutive meetings of a committee, which that councillor is required to attend in terms of item 3, must be removed from office as a councillor.

4.3 Proceedings for the imposition of a fine or the removal of a councillor must be conducted in accordance with a uniform standing procedure which each municipal council must adopt for the purposes of this item. The uniform standing procedure must comply with the rules of natural justice.

Disclosure of interests

5.1 A councillor must-

a. disclose to the municipal council, or to any committee of which that councillor is a member, any direct or indirect personal or private business interest that that councillor, or any spouse, partner or business associate of that councillor may have in any matter before the council or the committee; and b. withdraw from the proceedings of the council or committee when that matter is considered by the council or committee, unless the council or committee decides that the councillor's director indirect interest in the matter is trivial or irrelevant.

5.2 A councillor who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose full particulars of the benefit of which the councillor is aware at the first meeting of the municipal council at which it is possible for the councillor to make the disclosure.

5.3 This section does not apply to an interest or benefit which a councillor, or a spouse, partner, business associate or close family member, has or acquires in common with other residents of the municipality.

Personal gain

6.1 A councillor may not use the position or privileges of a councillor, or confidential information obtained as a councillor, for private gain or to improperly benefit another person.

6.2 Except with the prior consent of the municipal council, a councillor may not- a. be a party to or beneficiary under a contract for- i. the provision of goods or services to the municipality; or ii. the performance of any work otherwise than as a councillor for the municipality; b. obtain a financial interest in any business of the municipality; or c. for a fee or other consideration appear on behalf of any other person before the council or a committee.

6.3 If more than one quarter of the councillors object to consent being given to a councillor in terms of subitem (2), such consent may only be given to the councillor with the approval of the MEC for local government in the province.

Declaration of interests

7.1 When elected or appointed, a councillor must within 60 days declare in writing to the municipal manager the following financial interests held by that councillor: a. shares and securities in any company; b. membership of any close corporation; c. interest in any trust; d. directorships; e. partnerships; f. other financial interests in any business undertaking; g. employment and remuneration; h. interest in property; i. pension; and j. subsidies, grants and sponsorships by any organisation.

7.2 Any change in the nature or detail of the financial interests of a councillor must be declared in writing to the municipal manager annually.

7.3 Gifts received by a councillor above a prescribed amount must also be declared in accordance with subitem (1).

7.4 The municipal council must determine which of the financial interests referred in subitem (1) must be made public having regard to the need for confidentiality and the public interest for disclosure.

Full-time councillors

8. A councillor who is a full-time councillor may not undertake any other paid work, except with the consent of a municipal council which consent shall not unreasonably be withheld.

Rewards, gifts and favours

9. A councillor may not request, solicit or accept any reward, gift or favour for- a. voting or not voting in a particular manner on any matter before the municipal council or before a committee of which that councillor is a member; b. persuading the council or any committee in regard to the exercise of any power, function or duty; c. making a representation to the council or any committee of the council; or d. disclosing privileged or confidential information.

Unauthorised disclosure of information

10.1 A councillor may not without the permission of the municipal council or a committee disclose any privileged or confidential information of the council or committee to any unauthorised person.

10.2 For the purpose of this item "privileged or confidential information" includes any information- a. determined by the municipal council or committee to be privileged or confidential; b. discussed in closed session by the council or committee; c. disclosure of which would violate a person's right to privacy; or d. declared to be privileged, confidential or secret in terms of law.

10.3 This item does not derogate from the right of any person to access to information in terms of national legislation.

Intervention in administration

11. A councillor may not, except as provided by law- a. interfere in the management or administration of any department of the municipal council unless mandated by council; b. give or purport to give any instruction to any employee of the council except when authorised to do so; c. obstruct or attempt to obstruct the implementation of any decision of the council or a committee by an employee of the council; or d. encourage or participate in any conduct which would cause or contribute to maladministration in the council.

Council property

12. A councillor may not use, take, acquire or benefit from any property or asset owned, controlled or managed by the municipality to which that councillor has no right.

Duty of chairpersons of municipal councils

13.1 If the chairperson of a municipal council, on reasonable suspicion, is of the opinion that a provision of this Code has been breached, the chairperson must- a. authorise an investigation of the facts and circumstances of the alleged breach; b. give the councillor a reasonable opportunity to reply in writing regarding the alleged breach; and c. report the matter to a meeting of the municipal council after paragraphs (a) and (b) have been complied with.

13.2 A report in terms of subitem (1)(c) is open to the public.

13.3 The chairperson must report the outcome of the investigation to the MEC for local government in the province concerned.

13.4 The chairperson must ensure that each councillor when taking office is given a copy of this Code and that a copy of the Code is available in every room or place where the council meets.

Breaches of Code

14.1 A municipal council may- a. investigate and make a finding on any alleged breach of a provision of this Code; or b. establish a special committees- i. to investigate and make a finding on any alleged breach of this Code; and ii. to make appropriate recommendations to the council.

14.2 If the council or a special committee finds that a councillor has breached a provision of this Code, the council may-

a. issue a formal warning to the councillor; b. reprimand the councillor; c. request the MEC for local government in the province to suspend the councillor for a period; d. fine the councillor; and e. request the MEC to remove the councillor from office.

14.3 a. Any councillor who has been warned, reprimanded or fined in terms of paragraph (a), (b) or (d) of subitem (2) may within 14 days of having been notified of the decision of council appeal to the MEC for local government in writing, setting out the reasons on which the appeal is based. b. A copy of the appeal must be provided to the council. c. The council may within 14 days of receipt of the appeal referred to in paragraph (b) make any representation pertaining to the appeal to the MEC for local government in writing. d. The MEC for local government may, after having considered the appeal, confirm, set aside or vary the decision of the council and inform the councillor and the council of the outcome of the appeal.

14.4 The MEC for local government may appoint a person or a committee to investigate any alleged breach of a provision of this Code and to make a recommendation on whether the councillor should be suspended or removed from office.

14.5 The Commissions Act, 1947 (Act No.8 of 1947), may be applied to an investigation in terms of subitem (3).

14.6 If the MEC is of the opinion that the councillor has breached a provision of this Code, and that such contravention warrants a suspension or removal from office, the MEC may- a. suspend the councillor for a period and on conditions determined by the MEC; or b. remove the councillor from office.

14.7 Any investigation in terms of this item must be in accordance with the rules of natural justice.

APPENDIX E: MUNICIPAL AUTHORISATION LETTER TO CONDUCT RESEARCH

NWU

13 Vaal Drive
33 Le Voila
Sylviavale,
Vanderbijlpark
Date: 18/03/2019.

Emfuleni Local Municipality
Cnr Frikkie Meyer and
P.O Box 3
Sylviavale
Vanderbijlpark
1911

Dear Sir/Madam

APPLICATION FOR AUTHORIZATION TO CONDUCT A RESEARCH PROJECT AS PART OF MY MBA REQUIREMENTS

I, Mavendo Laura Mabunda, personal employee number: W01814, confirm that I'm an **MBA** part-time student at the North-West University Business School (Potchefstroom). One of the requirements to complete my **MBA** degree is to write a mini-dissertation, and I was given a project to work on in order to complete the specific requirement.

Project Title: ASSESSING THE EFFECTIVENESS OF ETHICAL CODES AT A LOCAL GOVERNMENT INSTITUTION

My plan is to conduct my investigation by sending randomly a questionnaire to the both functionaries and Councilors of the municipality, assess ethics related documentations, interview members of the Executive in relation to this subject and would like to ask for your approval (in the form of a letter) for me to continue with the research.

Yours truly,

Ms. ML Mabunda (ID#: 820805 0485 086)

Approved by: Mr. D Nkoane – Municipal Manager

PP. 20 March 2019

Signature: Date

1

Letter of Authorization: NWU MBA Research 2019

APPENDIX F: LANGUAGE EDITING CERTIFICATE

DECLARATION

I, C Vorster (ID: 710924 0034 084), Language editor and Translator and member of the South African Translators' Institute (SATI member number 1003172), herewith declare that I did the language editing of a mini-dissertation, written by Ms ML Mabunda (student no 30923808), from the North-West University.

Title of the mini-dissertation: Assessing the effectiveness of ethical codes at a local government institution

C Vorster

2 December 2019

C Vorster	Date

cvlanguage.editing@gmail.com

APPENDIX G: PERMISSION TO SUBMIT LETTER

NWU®
NORTH-WEST UNIVERSITY
NOORDWES-UNIVERSITEIT
YUNIBESITI YA BOKONE-BOPHIRIMA

Higher Degrees Administration

SOLEMN DECLARATION AND PERMISSION TO SUBMIT

Solemn declaration by student

I, Mavondo Laura Mabunda

declare herewith that the thesis/dissertation/mini-dissertation/article entitled (exactly as registered/approved title),

Assessing the effectiveness of ethical codes at a local government Institution

which I herewith submit to the North West University is in compliance/partial compliance with the requirements set for the degree:

Masters in Business Administration

is my own work, has been text-edited in accordance with the requirements and has not already been submitted to any other university.

LATE SUBMISSION: If a thesis/dissertation/mini-dissertation/article of a student is submitted after the deadline for submission, the period available for examination is limited. No guarantee can therefore be given that (should the examiner reports be positive) the degree will be conferred at the next applicable graduation ceremony. It may also imply that the student would have to re-register for the following academic year.

Ethics number: NWU-00736-19-A4

ORCID: 0000-0002-6347-4719

Signature of Student

University Number 30923800

Signed on this 29 day o November of 20 19

Permission to submit and solemn declaration by supervisor/promoter

The undersigned declares that the thesis/dissertation/mini-dissertation/article:

- [x] complies with the A-rules and the technical requirements provided for in the Manual for Master's and Doctoral studies and in faculty rules;
- [x] has been checked by me for plagiarism (by making use of Turnitin software for example) and a satisfactory report has been obtained;
- [x] and that the work was language edited before submission for examination.

Faculty specific requirements as per A-rules: 1.3.2, 4.3.3, 4.2.4, 4.10.4, 5.3.2

- [x] complies with regards to faculty rules on submission or acceptance by an accredited scientific journal;
- [x] complies with regards to faculty rules on peer reviewed conference proceedings;

- [x] the student is hereby granted permission to submit his/her article/mini-dissertation/ dissertation/thesis for examination.

Signature of Supervisor/Promoter

Date 04/12/2019

[illegible]

[illegible]