DOI: 10.24193/tras.65E.7
Published First Online: 02/25/2022

THE ROLE OF THE LEADER IN THE INTEGRAL SYSTEM OF ETHICS MANAGEMENT IN MUNICIPALITIES

Rita TOLEIKIENĖ
Diana ŠAPARNIENĖ
Włodzimierz SROKA
Vita JUKNEVIČIENĖ

Abstract

Seeking good governance at local self-government, ethics management is a significant function in a public administration organization, in line with transparency, accountability, responsibility, openness and efficiency. Leadership is a key factor in driving organization towards ethical culture. Given this fact, the aim of this article is to disclose the role of leaders of the municipality in the formation and implementation of the integral ethics management system. The integral system of ethics management in the municipality is measured through the ethics management measures, processes and structures from the perspective of leaders at the political and administrative level, taking Lithuania as a case for the study.

Quantitative research in the form of a structured and standardized questionnaire was used. Research sample includes 274 respondents from Lithuanian municipalities. The findings of the research show that the political leader – the mayor of the municipality – is more symbolic one, more as supporter of the ethics management in a municipality, while the administrative leader – the director of the administration (head of the division) – is considered as the main figure in ethics management processes, as well the initiator and the personal example of ethical behavior.

Keywords: leader, leadership, integral system of ethics management, municipality, political and administrative layers, mayor, administrator.

Rita TOLEIKIENĖ

Lecturer, Institute of Regional Development, Šiauliai Academy, Vilnius University, Šiauliai, Lithuania
E-mail: rita.toleikiene@sa.vu.lt

Diana ŠAPARNIENĖ

Professor, Department of Sports, Recreation and Tourism, Faculty of Health Sciences, Klaipėda University, Klaipėda, Lithuania
E-mail: diana.saparniene@gmail.com

Włodzimierz SROKA (corresponding author)

Associate professor, Management Department, WSB University, Dąbrowa Górnicza, Poland
Tel.: 0048-602-744.239
E-mail: WSroka@wsb.edu.pl

Vita JUKNEVIČIENĖ

Associate professor, Research fellow, Institute of Regional Development, Šiauliai Academy, Vilnius University, Šiauliai, Lithuania
Visiting associate professor, School of Public Management, Governance and Public Policy, University of Johannesburg, Johannesburg, South Africa
E-mail: vita.jukneviciene@sa.vu.lt

Transylvanian Review of Administrative Sciences,
No. 65 E/2022, pp. 129–148

1. Introduction

Contemporary public administration organizations need good governance, i.e., high quality and efficient service provision as well as responsible, effective and transparent organizational management. Challenges raised over the past few decades together with the shift in the leadership paradigm have proven that the leader (the manager) must take more active roles (central agent of changes, entrepreneur and initiator of organizational innovations, motivator and personal example of morality and trust, etc.) in order to achieve the mission and goals of public administration organizations (Lee, 2020). The leadership is considered as the core of public administration's concern with the relationship between administrative structures and democracy (Ospina, 2017).

Ethics management is a significant part of the management in the public administration organization. It identifies and codifies organizational values, determines the organization's identity, structures its decisions and behavior, and provides measures and instruments to mitigate/eliminate ethics problems, causing social-economic problems and creating preconditions for the low level of trust of society in public administration organizations (Snellman, 2015; Ondrová, 2017; Andersson, 2019). Local self-government institutions are the institutions closest to citizens, and need to respond to their needs and expectations in an ethical way. The existence of a political and administrative dichotomy at the municipal level assumes that both political and administrative layers are important for the formation and implementation of ethics management (Yang and Holzer, 2005; Farazmand, 2009; Georgiou, 2014; Hartley, 2018). A municipality as a public administration organization formulates and uses such instruments inside the organization too, which raises the trust of employees, and maintains a set of values, attitudes, feelings and beliefs, which could be shared among employees and framed by an organization's code of conduct and performance (Arbab and Mahdi, 2018). An integral system of ethics management in the municipality is one of the main instruments that would contribute to the integrity of the whole of a municipality's performance, first of all reducing corruption and promoting the expression of ethical values (Huberts and Six, 2012; Six and Lawton, 2013). It unites all measures, processes and structures needed for continuous and efficient activity of the system and the implementation of ethics management goals. The leadership plays the crucial role in ethics management processes, given that the leader can shape the organizational culture. Moreover, the fit between the leader's and employees' values can be transformed into a high-performance outcome, while employees observe, assess, and judge their leader according to the reflection of their own and their leaders' values and behavior (Arslan and Yener, 2020, p. 5).

Despite the undoubted importance of the leadership in ethics management processes, there are just few studies conceptualizing the integral system of ethics management in a municipality (Maesschalck and Bertók, 2009; Maesschalck, 2011; Huberts and Six, 2012; Yuhariprasetia, 2015; Hoekstra, Huberts and Gaisbauer, 2016; Toleikienė and Juknevičienė, 2019), while the deeper analysis of the role of leaders in it remains absent. This clearly shows there is a research gap in the analysis of the role of leaders at political and administrative layers of municipality in the formation and implementation of the integral

system of ethics management, which in turn leads to the scientific problem which may be stated by the following research questions: what is the role of leaders at the political and administrative levels of the municipality in the formation and maintenance of integral ethics management system, and what measures are used by them in the integral ethics management system?

The aim of this paper is to present the role of leaders in the formation and implementation of the integral system of ethics management in the municipalities at the political and administrative levels. The tasks are: (1) to present the main features of the integral system of ethics management by emphasizing the role of leaders therein; (2) to disclose the role of mayor (political level) and director of administration (administrative level) to the formation and the maintenance of the integral system of ethics management in Lithuanian municipalities, identifying ethical behavior of leaders and the main used ethics management measures. Before addressing the research results, the present paper explored the concepts related to leadership and the integral system of ethics management, and thus provided the basis for the conceptual framework for the empirical study.

2. Theoretical background

2.1. Leadership and ethics management

Leadership that is ethical is important for a variety of reasons, for a customer, employee, and the organization as a whole. Leadership is a crucial element in creating a positive ethical culture in organizations. Since the process of leadership cannot be separated from the person acting as a leader, the traits and behaviors of them are essential. So, the concept of leadership is important in analyzing how leaders can influence the organization's ethics (its policy, infrastructure, culture, climate, etc.). It is defined as a process of social impact in which a leader directs members of an organization toward a goal by personally demonstrating an example of valued qualities and encouraging employees to adhere to values, principles and standards he/she promotes (Bryman, 1992; Bedi, Aspaslan and Green, 2016; Downe, Cowell and Morgan, 2016).

Various studies (Fu and Deshpande, 2012; Sajfert *et al.*, 2017) show that leaders play an important role in the ethical behavior of employees, as the head of the organization sets an example by his/her behavior, thus forming an informal type of behavior that is treated as ethically appropriate. An ethical leader is characterized primarily by being a moral person (illustrated by a leader's traits, behavior, and how he/she makes decisions), and being a moral leader/manager (when a leader creates codes of conduct for others through guidance, clear communication, reward and disciplinary systems) (Treviño, Hartman and Brown, 2000).

Leadership helps to create a 'moral organization' by institutionalizing values in the organizational culture (Lawton and Páez, 2015). When other social processes are not used, codes of ethics are also perceived as an insufficient tool to change or manage behavior. Codes do not work automatically; people must interpret them and translate them into action, so the success of codes depends on the culture of the organization. Thus, leaders with

the power to promote and encourage the application of ethics, or who, to the contrary, refuse to apply or informally ignore codes of conduct, can play a significant role in either helping to establish a culture of ethics, or in the failure to establish such a culture (Hassan, Wright and Yukl, 2014). The problem is that the codification of ethics in documents with statements as a basis for communication and regulation cannot always fully capture and determine how decisions should be made in different situations where ethical problems arise (Jensen, Sandström and Helin, 2009; West and Davis, 2011). The development of the ethics climate is needed — the enabling of organizational members' perceptions that their organization values enforce ethically correct behaviors.

It should be emphasized that relationships based on the law and on clear ethical standards in public administration organizations can create the ethics climate that is oriented to and relies on the paradigm of the effectiveness of public governance. Formal measures of ethics management usually dominate in organizations, where the core values are efficiency and effectiveness. The pursuit of efficiency in the organization does not always meet the standards of ethical conduct. Emerging ethical issues indicate a lack of consistency of practices and values within the organization. The implementation of ethical values can be possible just after the establishment of legal regulations in the practice of the organization. Such an approach of value implementation presupposes a gap between *de jure* and *de facto*. However, more effective informal measures can be used for the implementation of values, eliminating the gap between formal requirements and practice (Primec and Belak, 2018).

2.2. Integral ethics management system in the municipality[1]

Public administration organizations at the local level (municipalities) include political and administrative leaders. Most municipal leaders are council members or the mayor at the political level, the director of administration or the heads of departments or units at the administrative level. There are few leaders in an organization and they occupy a clear hierarchical leadership position from which they can leverage their impact on behavior. Mayors and heads/directors of administration are named as leaders of the municipality. The leaders are the central figures in ensuring the implementation of ethical initiatives based on a code of ethics, as well the awareness of political and administrative leaders is considered as the most essential factor for municipalities. At the political level, the judgment norms may derive from electoral mandate, party principles and concepts of the representative group, and at the administrative level they may derive from professional values and different goals such as efficiency and delivery (Downe, Cowell and Morgan, 2016). Thus, the strengthening of ethical behavior throughout the organization can be seen not only as a simple matter of implementing one code of ethics, but also as a struggle to defend the importance of a particular set of principles against other bases of a decision.

1 The political and administrative organization of local self-government in countries of the European Union has a number of basic common characteristics, but at the same time there are some specifics. The presented integral ethics management system in a municipality will be based on the Lithuanian case.

An integral system of ethics management of local self-government (the municipality) must comprise a strategy, practical experience, and all the institutions and their integrity, politics, practices and instruments that would contribute to the integrity of a given municipality and to the resistance of local authorities to corruption and other ethical issues (Huberts and Six, 2012; Six and Lawton, 2013). Therefore, the integral system of ethics management unites all the measures, processes and structures needed for the continuous and efficient activity of the system and the implementation of ethics management goals (see Figure 1).

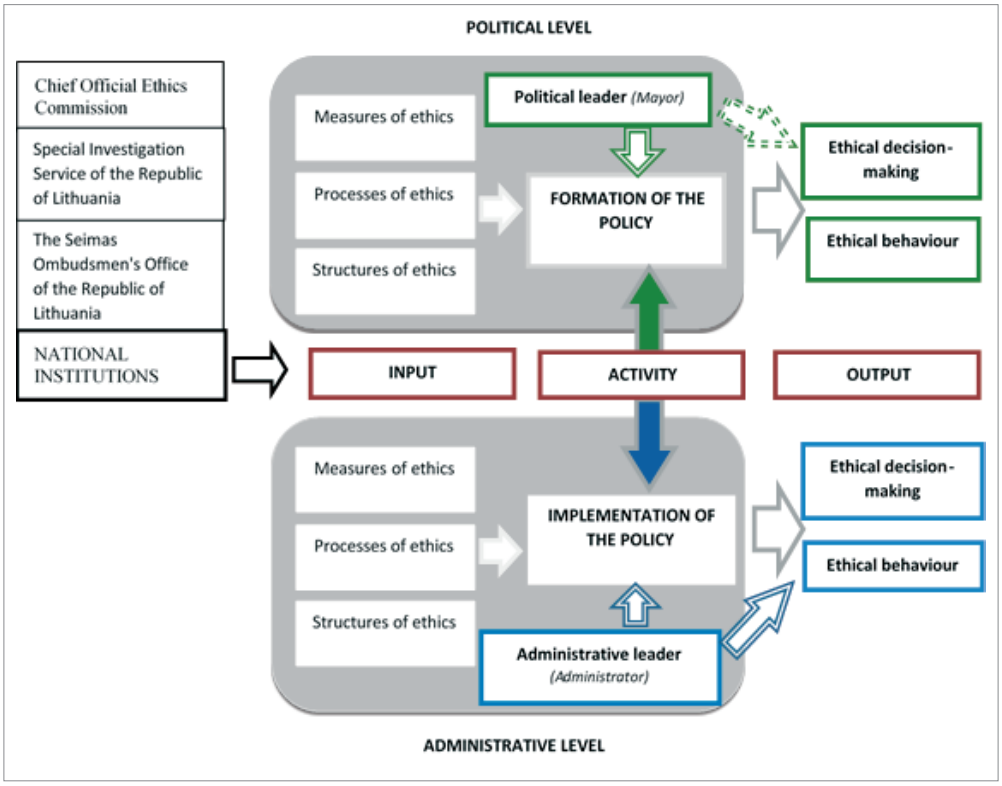

Figure 1: The integral system of ethics management in Lithuanian municipalities

Source: Authors' own contribution

Measures may be formal and informal. Formal measures include institutional instruments (laws, codes of conduct, vision, mission, standards, memberships in networks, etc.), instruments of human resources management (job descriptions, criteria for employees' selection, system of reward and punishment, training and ethics education, reporting order, 'Hot line', etc.), and structural instruments (committees, divisions or specialists, responsible for ethics, institutional ethics audit). Informal measures include the modelling of the leaders' role and leadership style, conversations about ethics, motivation and encouragements, ethical communication with others, and practice (examples) of ethical behavior.

All processes (procedures) are conducted according to laws, regulations, specific orders or descriptions, approved at the municipal level. The main players in this system are leaders, employees and specialized structures — institutionalized groups or specialists, responsible for issues of ethics management in the municipality.

The leader plays an important role in the ethics management depending on the level (political or administrative). One of the most significant roles that leaders have in a public administration organization is to promote, support, and maintain the ethical behavior of representatives at the political level and/or employees at the administrative level (Ghanem and Castelli, 2019). Their role is dependent on the sources of power as well as on the scale of the authority. In the integral system of ethics management, the leader has the following active roles: 'first violin', 'developer of ethical behavior', ethics communicator, problem solver (decision maker), supervisor, and controller of ethics.

In the Lithuanian case, political and administrative leaders gain the power (authority) from different sources. The Law on Local Self-Government of the Republic of Lithuania (2020) states that the mayor as a political leader is directly elected by the local community, while the director of municipal administration as the administrative leader is appointed to this position by the decision of the municipal council upon the provision of the mayor for the term of the municipal council (4 years) on the basis of political (personal) trust. The mayor is the member of a municipal council and he/she is responsible for the planning and coordination of activities of the municipal council, the representation of the municipality at various levels, the control and the supervision of activities of leaders in municipal public administration institutions, establishments and companies, etc.

The director of the administration is directly and personally responsible for the implementation of laws, the decisions of the Government and the municipal council in the territory of the municipality on issues assigned to his competence; he/she supervises heads of departments and units. The director appoints other leaders — heads of departments and units of the administration. Heads of units must undergo competitive procedures before being awarded the appointment to the position. As a leader, the director of administration has constant relationships with employees in the administration, influencing their decisions and behavior, while the mayor has to share political power with the legislature on the local level (the municipal council).

So, it should be emphasized that different sources of power and the scale of influence on subordinates may influence the role of the leader in the integral system of ethics management. Therefore, empirical research studies that reveal the specifics of this role are needed.

3. Research methodology

The research methodology is based on a deductive research approach and a quantitative research strategy. For the quantitative study, a survey method was used in order to disclose the role of the leaders — mayor, administration director and heads of divisions — in the practice of ethics management in municipalities. The survey method is one of the

most commonly used and popular data collection methods for collecting factual data (behavior, characteristics) and subjective data (awareness, attitudes, values, assessments, etc.) (Creswell, 2014). The survey, as a method of collecting social data, takes many forms. One of them is an online survey, which allows increasing the accessibility of the study population and the convenience of conducting the study. The description and the link to the survey were sent by e-mail to each of the respondents personally.

3.1. Research instruments

A quantitative study must ensure that the instrument used for the study is valid and reliable (Wong, Ong and Kuek, 2012; Cooper and Schindler, 2014). For the empirical research we used structured and standardized questionnaires; two questionnaires for two levels were used: at the political level — questionnaire for municipal councils' members, and at the administrative level — questionnaire for employees of municipal administration. The questionnaires consist of 8 blocks (12 questions/statements in each) dedicated to the analysis of the leader's role. Employees were asked to answer questions on the role of their direct leader — the administration director or heads of divisions, and the council members were asked about the role of the mayor.

For the measurement of such variables as 'organizational interaction patterns', 'ethical climate', 'ethical decision making', and 'unethical behavior' scales were constructed using the already validated questionnaire by Maesschalck (2004) and adapted for the context of municipalities in Lithuania. The part of the questionnaire designed to measure the role of a leader in shaping ethical behavior is based on Belak and Milfelner (2010), who argue that demonstrating a leader's ethical behavior is critical to developing ethical behavior in an organization. The leader's behavior, communication, and decisions must reflect the values, norms, and the main principles that must be followed in order to achieve behavior change. According to Wechsler (2013), a leader has the power to initiate unwritten rules and encourage them to be used as a basis for decision-making. The scale of questions measuring this construct consists of 12 statements designed to assess the role of the leader. This questionnaire scale is based on the results of a (previous) qualitative study (interview).

In order to provide a clear understanding for the respondents, the concept of a leader uses the term 'direct manager' in the questionnaire for employees, and the questionnaire for council members seeks to reveal the role of the mayor in the context of ethics management. The role of the leader is assessed on a 5-point Likert scale, where 5 – 'Strongly agree', 4 – 'Agree', 3 – 'Neither agree nor disagree', 2 – 'Disagree', 1 – 'Strongly disagree'. The statements of scales, designed to assess ethics management practices at the political and administrative levels, are evaluated on a 6-point Likert scale, where 1 – 'Really yes', 2 – 'Yes', 3 – 'Like yes and no', 4 – 'No', 5 – 'Definitely not', 6 – 'I don't know'.

The method of expert survey (oral and written) was chosen to validate scales (to assess clarity, comprehensibility and adequacy). Scales were submitted to 11 experts: 1 researcher in the field of organizational management, 5 members of municipal councils, and 5 employees in administrations.

3.2. The sample of the empirical research

This empirical research was conducted in one of ten Lithuanian counties, the Šiauliai region[2]. This region was selected for the sample using the criteria selection method according to three main criteria:

- Demographic criteria — the selected region has the number of inhabitants close to the medium number of inhabitants in a county (eliminating the capital region);
- Structural criteria — the number of municipalities in a region is the medium one (7); and
- Thematic criteria — the level of transparency in municipalities of the selected region as the outcome of ethics management. Transparency in municipalities is measured in 7 different spheres, including employees of a municipality, council of a municipality, anti-corruption, enterprises, finances, procurements, and participation, and provides the total evaluation. According to results of the national initiative 'George's Cap' (Transparency International Lithuania, 2018) the total evaluation of municipalities in the selected region has to be equally distributed among places from 1 to 23 (in three intervals: 1–8; 9–16; 17–23). The Šiauliai region has 7 municipalities: 3 of them are among the 8 most-transparent municipalities (1, 4, 8); 2 are among 8 medium transparent municipalities (13, 14); and 2 are among the least transparent municipalities (18, 22).

The research population from 7 municipalities was 180 municipal council members and 661 employees (civil servants and employees with job agreements) in the administrations[3]. In order to reach the entire population, the link to the survey was provided to all 841 respondents. As the survey was conducted online, the problem of very low activity appeared, the feedback of the survey was 32.6% (71 council members and 203 administrative employees). According to the formula for calculating the sample size presented by Rudzkienė (2005), the representative sample in this research could be 365 (122 council members and 243 employees), in which case the feedback of the survey was 75.07%. The survey sample (274 respondents) satisfies the projected distribution of demographic and occupational characteristics according to the selection criteria for municipalities with respect to the participation of respondents in activities of municipal structures of ethics

2 Lithuania is a unitary state, administratively divided into 10 counties and 60 municipalities. There is one-tier of self-government in Lithuania.

3 General structure of municipalities is established by the Law on Local Self-Government of the Republic of Lithuania (2020). The leadership belongs to the Municipality Council, the mayor, the director of administration, heads of divisions and municipality's controller. The Municipal Council consists of 41 and more councilors. Municipality's administration is a municipality's institution consisting of structural divisions, civil servants and structural territorial divisions not belonging to the structural divisions (affiliates of municipality's administration). The structure of the municipality's administration, regulations of its activities are approved and changed by the Municipality's Council on the proposal of administration director, upon the submission of the mayor.

management. Respondents who completed questionnaires consciously understood and believed in the benefit of this research, as questionnaires were completed in good faith and the survey data, despite their small size, are nevertheless reliable and valuable.

3.3. Methods of research data analysis

The research data were processed using SPSS (Statistical Package for Social Sciences). In addition to the used descriptive statistical methods, multidimensional statistical methods were used: factor and correlation analysis. The method of factor analysis was used to study the structure of the study variables, to reduce the primary study variables and form subscales. Factor analysis was performed on the basis of a correlation matrix; the main component method and VARIMAX rotation were used, i.e., rotation of variable axes in search of the maximum variance. One of the indicators that reveals the suitability of the matrix for factor analysis is the Kaiser-Meyer-Olkin (KMO) coefficient. In order to determine the psychometric appropriateness of the study variables, a reliability analysis of the scales was performed.

The validity of the scales was assessed by the Cronbach's alpha coefficient (acceptable coefficient variation range 0.5Cronbach's alpha1; the high internal consistency of the test instrument is indicated by high values of the Cronbach's alpha coefficient approaching 1. The correlation analysis used to assess the linear statistical relationship between variables. The strength of the relationships between the two variables was assessed by the Pearson correlation coefficient.

The quantitative research also followed general principles of research ethics: fairness; free choice; privacy and confidentiality; honesty; the right not to be exploited or violated. The analysis of the research results was performed in accordance with the principle of reasonableness — the research results are presented on the basis of respondents' opinions, and readers are informed about it.

4. Results of the research

The demonstration of a leader's ethical behavior is especially important for the development of an organization's ethical behavior, and values, norms, and basic principles must be reflected in managerial behavior, communication and decision-making in order to achieve positive changes (Belak and Milfelner, 2010).

Results of the administrative level empirical research reveal that administration employees believe that their direct leaders (supervisors) talk to employees about the situation and make decisions in accordance with the law (A=3.77, SD=0.78), as well as consult with legal professionals and other employees providing information on ethical issues (A=3.72, SD=0.78) (see Table 1). It should be noted that the statement that the direct leader pays little attention to the ethical behavior of employees is at the bottom of the ranking (A=2.71, SD=0.96), indicating that ethical issues are important to leaders.

Table 1: The role of the direct leader in promoting ethical behavior of employees: opinion of administrative employees (N=203)

Statements	Average	Median	Mode	Stand. Dev.
My direct leader talks to the employees about the situation and makes a decision in accordance with the law.	3.77	4.00	4.00	0.78
My direct leader consults with legal professionals and other staff who provide information on ethical issues.	3.72	4.00	4.00	0.78
In our municipality, the director of administration is an example of ethical behavior for civil servants.	3.57	4.00	4.00	0.91
My direct leader initiates conversations about possible ethical problems (in the unit, in the administration) and measures for their prevention.	3.53	4.00	4.00	0.88
My direct leader always notices the ethical behavior of an employee and encourages others to behave in an ethical manner.	3.52	4.00	4.00	0.89
My direct leader deals with the situation in accordance with the provisions of the Code of Ethics for Civil Servants.	3.52	4.00	4.00	0.81
My direct leader encourages employees to go to training on ethics.	3.36	3.00	4.00	0.90
When evaluating the performance of an employee, my direct leader pays special attention to the ethical misconduct of the employee.	3.34	3.00	4.00	0.87
My direct leader goes to training on ethical topics and presents the gained knowledge to us during meetings.	3.31	3.00	4.00	0.90
My direct leader pays special attention to newly recruited employees to remind them about the ethics provisions.	3.22	3.00	4,00	0,91
In the case of an ethical problem, my direct leader gives the information to the structures in the municipality (i.e., the Dispute Commission, the Ethics Commission of the Municipal Council, and the Anti-Corruption Commission).	3.15	3.00	3.00	0.78
My direct leader pays little attention to the ethical behavior of employees.	2.71	3.00	3.00	0.96

Source: The authors

The factor analysis was used to validate the psychometric validity of the scales and to construct sub-scales. By the method of Principal Components and Varimax rotation the statements of the scales about the features of the leader in the administrative level were singled out into the 3 factors (sub-scales). The statements were grouped meaningfully and named: 'A leader who follows formal measures', 'A leader as an example', 'A leader who maintains ethical standards'. Rather high correlations of ratings of the statements and the extracted factors were obtained, i.e., the correlation coefficient varies 0.59r0.84. The factor for descriptive variation ranges from 36.7% to 15.8% (the total explained variation is 52.5%). The high values of Cronbach α coefficient (0.41-0.92) show the high interior consistency of the factors; furthermore, all three factors are quite homogeneous.

The Kaiser-Meyer-Olkin (KMO) coefficient, which is presented as very high (0.92), explains that the matrix is applicable for factorial analysis. Thus, the scale parameters presented on the whole meet the methodological norm of construct reliability and factor validity (see Table 2).

Table 2: Features of the leader in the administrative level

Name of the Factor	Statements	N_{Item}	Factor weight L	Cronbach α coefficient	Factor descriptive variation (%)
A leader who follows formal measures	My direct leader goes to training on ethical topics and presents the gained knowledge to us during meetings.	7	0.84	0.92	36.7
	When evaluating the performance of an employee, my direct leader pays special attention to the ethical misconduct of an employee.		0.78		
	My direct leader initiates conversations about possible ethical problems (in the unit, in the administration) and measures for their prevention.		0.75		
	My direct leader encourages employees to go to training on ethics.		0.73		
	My direct leader pays special attention to the newly recruited employees to remind them about the ethics provisions.		0.72		
	My direct leader talks to the employee about the situation and makes a decision in accordance with the law.		0.70		
	My direct leader deals with the situation in accordance with the provisions of the Code of Ethics for Civil Servants.		0.62		
A leader as an example	My direct leader pays little attention to the ethical behavior of employees.	3	-0.81	0.41	17.5
	My direct leader always notices the ethical behavior of the employee and encourages others to behave in an ethical manner.		0.65		
	In our municipality, the director of administration is an example of ethical behavior for civil servants.		0.59		
A leader who maintains ethical standards	In the case of an ethics problem, my direct leader gives the information to the structures in the municipality (i.e., the Dispute Commission, the Ethics Commission of the Municipal Council, and the Anti-Corruption Commission).	2	0.86	0.65	15.8
	My direct leader consults with legal professionals and other staff who provide information on ethical issues.		0.66		

Source: The authors

The factor analysis of these statements has revealed three main specifics (roles) of the leader at the administrative level of the municipality:

- A leader who 'follows formal measures' (laws, training, interviews, assessment, meetings);
- A leader 'as an example', guided by his/her moral values and showing this as an example to other members of the organization; and

– A leader who 'maintains ethical standards' in conjunction with structures of ethics management of the institution.

Results of the political level empirical research also revealed the opinion of council members on the role of mayors as municipal leaders (see Table 3).

Table 3: The role of the mayor in promoting ethical behavior: opinion of council members (N=71)

Statements	Average	Median	Mode	Standard Deviation
Our mayor consults with legal professionals and other staff who provide information on ethical issues.	3.93	4.00	4.00	0.75
Our mayor deals with the situation in accordance with the provisions of the Code of Ethics for Politicians.	3.73	4.00	4.00	0.93
Our mayor talks to the council member about the situation and makes a decision in accordance with the law.	3.69	4.00	3.00	0.94
Our mayor encourages council members to go to training on ethics.	3.64	4.00	4.00	0.76
In the case of an ethical problem, our mayor gives the information to the structures in the municipality (i.e., the Ethics Commission of the Municipal Council, the Anti-Corruption Commission).	3.56	4.00	4.00	1.02
Our mayor pays special attention to newly elected council members to remind them about the ethics provisions.	3.53	4.00	4.00	0.96
In our municipality, the mayor is an example of ethical behavior for civil servants.	3.43	3.00	3.00	0.96
Our mayor initiates conversations about possible ethics problems in the council and measures for their prevention.	3.36	3.00	4.00	0.90
Our mayor always notices the ethical behavior of the council member and encourages others to do so.	3.31	3.00	3.00	0.91
Our leader pays little attention to the ethical behavior of council members.	2.80	3.00	2.00	0.99

Source: The authors

Respondents have stated that their mayor consults with specialists of the legal department and other employees who provide information on ethical issues (A=3.93, SD=0.75). They also noted that the mayor resolves the situation in accordance with the provisions of the Code of Conduct for Politicians (A=3.73, SD=0.93).

It was important to reveal the features of the mayor as a leader at the political level. The factor analysis of the statements' scales has distinguished 3 factors (sub-scales). The statements were grouped meaningfully and named: 'The mayor, who follows formal measures', 'The mayor, who follows informal measures', 'The mayor as an example'. Rather high correlation of the statements with the extracted factors were obtained, i.e., the correlation coefficient varies 0.65r0.89. The descriptive variation factor ranges from 36.8% to 13.6% (the total explained variation is 50.4%). High values of Cronbach α coefficient (0.72–0.81) and Kaiser-Meyer-Olkin (KMO) coefficient (0.79) likewise show that the scale parameters meet the methodological norm of construct reliability and factor validity (see Table 4).

Table 4: Features of the mayor as a leader in the political level, KMO=0.79

Name of the Factor	Statements	N_{Item}	Factor weight L	Cronbach α coefficient	Factor descriptive variation (%)
The mayor, who follows formal measures	Our mayor deals with the situation in accordance with the provisions of the Code of Ethics for Politicians.	6	0.89	0.72	36.8
	In the case of an ethics problem, our mayor gives the information to the structures in the municipality (i.e., the Ethics Commission of the Municipal Council, the Anti-Corruption Commission).		0.80		
	Our mayor talks to the council member about the situation and makes a decision in accordance with the law.		0.76		
	Our mayor pays special attention to the newly elected council members to remind them about the ethics provisions.		0.67		
	Our mayor consults with legal professionals and other staff who provide information on ethics issues.		0.67		
	Our mayor always notices the ethical behavior of the council member and encourages others to do so.		0.67		
The mayor, who follows informal measures	Our mayor encourages council members to go to training on ethics.	2	0.89	0.81	25.8
	Our mayor initiates conversations about possible ethical problems in the council and measures for their prevention.		0.65		
The mayor as an example	In our municipality, the mayor is an example of ethical behavior for civil servants.	2	0.86	0.81	13.6
	Our leader pays little attention to the ethical behavior of council members.		0.67		

Source: The authors

The factor analysis of these statements has revealed three main specifics (roles) of the leader at the political level of the municipality:

- The mayor, who 'follows formal measures' (laws, training, interviews, meetings);
- The mayor 'as an example', guided by his/her moral values and showing this as an example to civil servants, encouraging politicians to learn more about ethics; and
- The mayor, who 'follows informal measures' (discussions, encouragement, own example).

Results confirmed that administrative leaders usually play roles of ethics communicator, problem solver (decision maker), supervisor and controller of ethics (active roles), while political leaders prefer to become 'developers of ethical behavior' (passive role).

This article deals mainly with the scientific problem related to hypothetical presumptions concerning the impact of leadership behavior on the ethics climate in municipalities. In order to determine interrelation of variables and to verify hypothetical presumptions,

correlation analysis was used, i.e., Pearson's correlation coefficient was calculated. The value of correlation coefficients is presented in Table 5.

Table 5: Correlation analysis of the managerial behavior of an administrative leader and the ethics climate

	The leader, who follows formal measures	The leader as an example	The leader, who maintains ethical standards in conjunction with other institutions (structures)
1. Effectiveness	0.48*	0.34**	0.31**
2. Laws and public interest	0.39**	0.30**	0.27**
3. Organizational interests and friendliness	-0.38**	-0.24**	-0.25**
4. Orientation to stakeholders	-0.34**	-0.30*	-0.27**
5. Personal interests	0.32**	0.24**	0.21**
6. Personal ethics	-0.05	-0.15	-0.04
7. Interests of the team xxx	0.35**	0.18*	0.23**

* Correlation is significant at the significance level of 0,05
** Correlation is significant at the significance level of 0,01

Source: The authors

As we can see, the behavior of administrative leaders (administrative level) is connected to the ethics climate in the organization. Correlation analysis results showed that the strongest (in this case, moderate) and statistically significant correlation is seen between the leader, who follows formal measures and the effective ethical climate in the organization ($r=0.48$, $p<0.05$). And vice versa — there is a low relation (no correlation) between personal ethics and behavior. Hypothetically, it can be stated that the behavior of the administrative leader, who performs mostly managerial functions, is based on obedience to formal measures (laws and codes), seeking for the formation of the ethics climate oriented towards effectiveness in the organization; therefore, the personal ethics of such a leader are not so important. In this case, the activity of the administrative leader and the practice of relations are oriented towards results in terms of performance, so leaders' behavior has to be based on formal measures, too. Such insights correspond to the paradigm of the New Public Governance.

However, the results on the relation between the mayor's behavior and the ethics climate are highly eloquent (see Table 6). The strongest and statistically significant correlations were obtained between 'The leader, who follows informal measures' and the ethics climate dimension 'interests of team' ($r=0.64$, $p<0.01$), and between 'The mayor, who follows formal measures' and the ethics climate dimension 'efficiency and public interest' ($r=0.57$, $p<0.01$).

The representative institution of the municipality is the municipal council, and the mayor of the municipality is also a directly elected member of it. The success of the mayor

Table 6: Correlation analysis of the managerial behavior of a mayor and the ethics climate

	The mayor, who follows formal measures	The mayor as an example	The leader, who follows informal measures
1. Efficiency and public interest	0.57**	0.48**	0.47**
2. Interests of the team	0.21	0.28*	0.64**
3. Laws	0.42**	0.43**	0.54**
4. Orientation to stakeholders	0.22	-0.02	0.11
5. Personal ethics	0.03	-0.12	-0.06

* Correlation is significant at the significance level of 0,05
** Correlation is significant at the significance level of 0,01

Source: The authors

in representing citizens, a political party, or a movement, depends on his/her capacity to deal and make collective decisions with other members of the municipal council. The research results (regarding the political level) let us state that the mayor, seeking some agreements with the council (interests of the team) in the ethics management field, is mostly using informal channels and measures. Informal measures can form acceptable procedures and attitudes towards the implementation of formal measures of ethics management in the municipality. Moreover, when the mayor tends to follow formal measures, he/she justifies his/her proposals or conduct in accordance with the public interest or the pursuit of efficiency in the performance. Such insights correspond to the paradigm of the New Public Governance, as well.

5. Discussion

The results of the empirical research enabled us to define roles of leaders at political and administrative levels in the institutionalization of elements of the integral system of ethics management in Lithuanian municipalities (see Figure 2).

The leader's participation in the practice of ethics management is based on his/her (as a person) professional and moral responsibility. He/she is responsible for promoting (developing, maintaining) ethical behavior. This idea confirms the approach of the need for the leader's accountability and moral competence (Ghanem and Castelli, 2019).

The results of the empirical research confirmed that municipal representatives (council members and employees of administrations) expect the appropriate ethical behavior from the person holding a leading position in the municipality, including the demonstration of the initiative to create and maintain an ethical climate and a permanent involvement in the control over and solutions to ethical problems. Our insights support ideas about the significance of the leader's ethical behavior with respect to the ethics culture and climate in an organization shown by other researchers (e.g., Maesschalck, 2004; Fu and Deshpande, 2012; Downe, Cowell and Morgan, 2016; Sajfert *et al.*, 2017; Arslan and Yener, 2020).

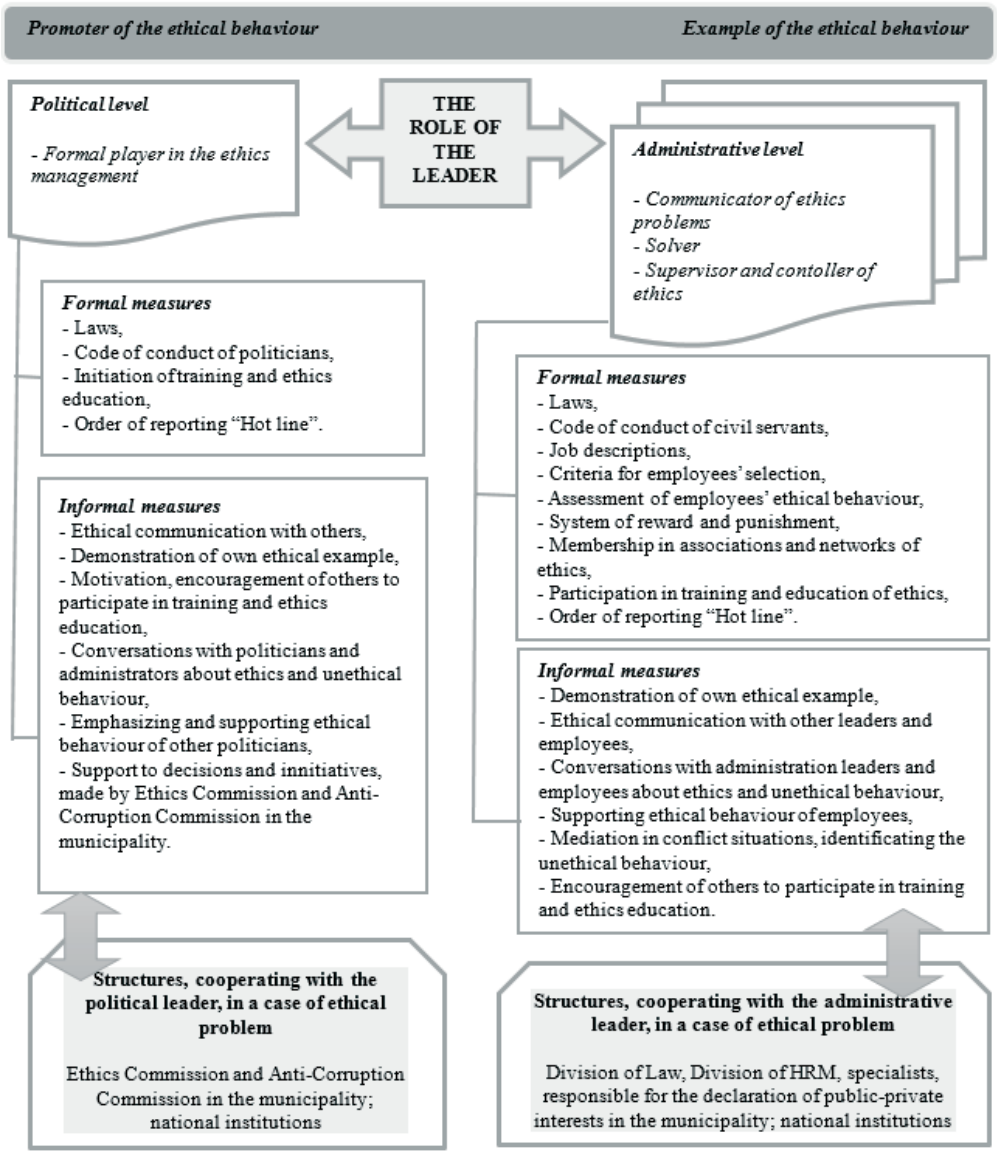

Figure 2: The role of leaders in the integral system of ethics management and measures used by them

Source: The authors

The research results explained that the behavioral model of a leader at the administrative level in the municipality is accepted by employees as an example; i.e., by his/her personal example, the leader inspires others to adhere to standards of ethical behavior and to ethical principles (even if they are unregulated). As a solver of ethical problems in the municipality, the leader (at the administrative level) must adhere to the values of transparency and clarity, and publicly react to violations of ethical values while showing intolerance of the

recurrence of these problems in the future. In the case of problematic situations, the leader must notice the negative phenomenon, provide information with respect to it and its prevention, clearly state his/her requirements, and remark on the situations that have arisen. The leader's responsibility is to express a negative/positive position in each individual case by communicating and making a decision, thus forming ethical norms in the municipality.

The role of the mayor (political level) is assessed differently, and it is revealed more through the support for the structure (the Ethics Commission of the Municipal Council). However, leaders' overemphasis on the achievement of organizational objectives can lead to ethical issues and negative consequences, especially when too little attention is paid to the implementation of measures of ethics management in the organizations' activities (such as reducing the risk of corruption). The research results allow one to state that leaders in municipalities do not link the implementation of measures of ethics management with activities of the organization, but support them separately as additional functions, for which resources are allocated minimally; preventive activities are not allocated with financial resources, and tasks are implemented as additional functions of public servants.

In summary, it could be stated that the mutual coherence between measures, processes and structures of ethics management and leadership in the municipality (at the political and administrative levels), are essential conditions for the development of the integral system of ethics management. The effectiveness of the municipal integral system of ethics management is manifested only in the context of the activities and results of the municipal institutions (council and administration) (through policy formation and implementation, and through ethics climate formation and maintenance). The result of the effectiveness of the system is assessed through the ethical decision making, ethical behavior of council members and civil servants, which attests to the ethical culture of the municipality (as an organization).

The research has some limitations. Even if the research sample meets methodological norms, the structure of research cases — number of municipalities included in the research, could be expanded. Therefore, further research could have several directions: empirical research conducted in all municipalities in Lithuania and/or comparative research conducted in neighboring countries, and the further analysis of political and administrative leadership processes in the formulation and implementation of an integral system of ethics management. Besides, quantitative research is limited by the way in which subjective experience is quantified. The research needs an opinion assessment of different situations, discussions in focus groups, interviews or etc., which can help better explore the situation.

6. Conclusions

The integral system of ethics management in the municipality includes both the political and the administrative levels. The consistent integration of measures, processes and structures, and the maintenance of integrity are key conditions for the effectiveness of ethics management. The change and development of the ethics climate, ethics management (measures, processes, and structures) in the context of integrity are crucial for the

coherence of the applied strategies of ethics management and the level of leaders' support. The leader has the power to shape the attitudes and processes of ethics management that determine the significance of ethics inside and outside the organization and to determine the (dis-)trust of organization members and society. In order to achieve integrity, it is necessary to strengthen the perception of ethics management as an integral process-oriented system of the organization; to strengthen attitudes of politicians and employees, encoding the created values/benefits; to develop mechanisms of ethics management that bridge the gap between what should be (a formal approach to the implementation of ethics management measures) and existing realities.

The main condition for the effectiveness of integral ethics management is ethical leadership. The administrative leader's approach to ethical values, promotion of ethical behavior and support to ethical structures determines the expression of ethics culture at the administrative level (value orientation), while the political leader's role in ethics management is a more formal one (compliance orientation). However, despite the political or administrative level, municipal leaders play an important role as the personal examples inspiring organizational members for ethical behavior. Therefore, the formation of the conscious perception of administration employees and council members of the benefits to the organization of this ethics management (such as building trust; reputation; helping to make ethical decisions) is very significant.

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