

Strategies of Professional Ethics and Communal Governance

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Abstract

Promoting ethical orientation can facilitate the transition from the logic of government to that of governance involving participation, responsibility, transparency, and accountability. Therefore, it is interesting to define a strategy of professional ethics allowing the establishment of action reference framework which determines the general values and principles regulating action and future achievement. The purpose of this article is to investigate the significance of adopting a strategy of professional ethics for the implementation of local governance principles. The survey was conducted in the Tunisian context, namely Tunisian municipalities. The surveyed population comprises 72 public officials who have managerial positions with decision-making and supervision authority in their respective areas of professional activity. The collected data were analysed, using structural equation models with latent variables, particularly the Partial Least Squares approach (PLS). The findings demonstrate that the development of ethical orientation in the organisational structure of Tunisian municipalities is still in its embryonic stage. This explains their deployment of a reactive-defensive strategy of professional ethics. Deviations from the standards required in local governance are detected. This is attributable to the amplitude of the control mechanism imposed by the State and the restriction of authority accorded to Local Public Communities (LPC). This prevents them not only from identifying and implementing local regulatory mechanisms to control and improve management but also from taking the right initiatives to deter or at least reduce unethical behaviour shown by tenured public officials as well as external stakeholders.

Keywords: ethical orientation, strategy, professional ethics, communal governance, local public communities

1. Introduction

Local Public Communities (LPC) tend to implement the principles of communal governance which signal changing relationships between the State and the LPC, the implementation of a decentralisation process, the promotion of participative management, the strengthening of transparency, and the accountability of governance mechanisms. Abiding by the principles of local governance is not the responsibility of a single party, but requires the involvement of various stakeholders in local management. In this context, public officials have a role to play despite the presence of centralisation. They can take advantage of the flexibility left at their disposal in order to take measures facilitating the identification and implementation of local mechanisms designed for local governance. This depends on their attitude and professional profile, as they are expected to internalise certain high ethical standards which motivate them to adopt forms of ethical behaviour and reject practices of misconduct.

This new trend has led to the emergence of a pivotal concern, namely the need to integrate within the organisational structure a set of ethical values and principles which orientate the actions of public officials, elected representatives, and external partners. Therefore, the development of ethical behaviour becomes a new dimension to be taken into account in the implementation of the principles of communal governance. Such aptitude for connecting attitude with action requires the promotion of the ethical orientation at the individual, organisational, and stakeholders' levels.

However, the formalisation of the ethical process seems to be insufficient to ensure the implementation of local governance principles. The LPC needs a frame of reference which determines the general values and principles governing action and future achievement. This is the main orientation we seek to attain through the definition of strategies of professional ethics.

The objective of this paper is to examine, both theoretically and equally in connection with the particular case of

Tunisian municipalities, the promotion of ethical awareness, the strategies for maintaining ethical conduct as well as its status in the process of implementing the principles of communal governance. To achieve this goal, three steps were undertaken. First, a review of the literature was carried out in connection with the levels of developing the ethical orientation, the different strategies for sustaining ethical behaviour, and communal governance. Second, a survey was conducted among Tunisian municipalities to examine the development of the ethical orientation in the behaviour of public officials, identify the strategies adopted by municipalities regarding ethical conduct, and verify the implementation of the principles of communal governance. Third, a thorough statistical analysis was done to measure the impact of promoting the notion of ethical conduct on the adoption of strategies of professional ethics, and the influence of such strategies of professional ethics in turn on the implementation of the principles of communal governance.

2. The Rationale behind the Strategies of Ethics in Communal Governance

2.1 The Need for Promoting Ethical Orientation in Local Public Communities

LPC's are entrenched in a bureaucratic system which represents an obstacle to local governance. Their organisations are highly centralised, regulated and rigid, attaching more importance to processes than to outcomes. Conceived as a set of abstract, impersonal and objective rules, regulations in the LPC's determine modes of both management and action. They consist of legal texts which establish in detail the division of labour, the allocation of tasks, the hierarchy in responsibilities, the conditions of employment, the terms of remuneration, the allocation and use of resources, the choice of investments to be made, and the financing methods, etc. Furthermore, the direction of communal decisions is predetermined by regulations and control devices at hand. However, the life of a communal public manager includes other situations where evidence is less evident. These situations, which are characterised by the lack of reference guidelines orientating decisions and actions, highlight what the LPC expects from its managers.

In fact, in addition to bylaws and control devices, public managers still have at their disposal a margin of freedom or flexibility whereby they can either take initiatives in compliance with financial constraints, deadlines for completion of works, rational management and optimisation of means, or else divert the rules with no risk of penalty.

Quite certainly, along with this margin of freedom, the risk of deviation increases. It is therefore imperative to establish a set of directive guidelines serving as reference for public managers. In this respect, several theorists and practitioners have accorded more interest to ethical thinking. The main purpose is to maintain and promote behavioural practices governed by ethical standards and values urging public actors to take initiatives which favour the implementation of new management methods and new paradigms, such as the communal governance approach.

The emergence of such concern can be explained by several reasons. First, LPC officials take various and multiple decisions which constitute in the field of management a typical and insurmountable field of ethics. Second, the emergence of the ethical concern evolves in the same direction as the assertive claims formulated in new management methods which progress towards increased flexibility, the triggering of a decentralisation process, the valuation of a posteriori inspection, the development of participatory management, and user satisfaction. Third, the politico-economic and socio-cultural environments of the LPC nourish such ethical concern. Fourth, certainly last but not least, unethical behaviour generates intolerable repercussions for LPC management.

According to Van der Wal, Huberts, Van den Heuvel, and Kolthoff (2006), ethics are defined as a collection of moral values, standards, principles, and norms which provide a framework for action. Ethics are a set of principles frequently defined as a code of conduct; that is, a framework for actions (Lawton 1998: 16). Conversely, an unethical behaviour is defined by Baucus and Near (1991) as a behaviour which is not normally respectable or which is legally forbidden.

When applied to the field of public administration, ethics means a system of behavioural norms and values which orientate public officials' behaviour in order to build and improve the relationship with the self, the others, and the public administration, which in turn aims at nurturing good conduct framing their actions. Ethical behaviour denotes the quality of acting in accordance with the moral values, standards, principles, and norms accepted by the organisation's members and stakeholders. LPC's have vested interest in developing an ethical orientation at the individual (staff), organisational, and stakeholders' levels. The aim is to incorporate the ethical dimension in the LPC's daily decisions and actions.

Kohlberg's Model of Cognitive Moral Development (Kohlberg, 1981) allows the theoretical modelling of the

progressive ability of individuals to mentally dissociate themselves from embracing an egocentric point of view in order to adopt somebody else's perspective. The moral capacity to judge things develops from early childhood to adulthood according to an invariance model. The individual evolves in a sequential and one-directional way through three levels of moral development: pre-conventional, conventional and post-conventional (or principled), which are in turn composed of seven stages. The more individuals develop their own ethical reasoning, the more they tend to be aware of their actions, to assume their responsibility, and to face all the consequences generated by these same actions.

Dalla Costa (1998) examined the ethical orientation of an organisation, positing a movement of growth in terms of ethics. Such growth comprises three stages: compliance, compromise and commitment. The development of ethical orientation is characterised by the transition from a stage where the behaviour is guided by external constraints to one where ethical behaviour emerges from the culture of the organisation per se as an integral part of it. Following Marchildon's (2002) definition, ethical orientation within the organisation is a process of ascending motion. The organisation gradually moves from a perspective where its survival and growth are central to its concerns to another stage where other considerations than the economic ones, such as the well-being of people and the environment, gain momentum in the decision-making process.

This evolutionary movement not only implies that the organisation expresses its expectations and guarantees transparency through communicating its decisions and actions, but also means that it is keen to know what its stakeholders expect from it as well as their opinion about how it conducts its business. Through the cumulative effect of experience, practices and initiatives in terms of ethical conduct keep improving, gain confirmation and become part and parcel of formal managerial routines. The formalisation of these initiatives and these practices leads to their permanent accommodation within organisational structure.

The development of ethical orientation and practices in stakeholders' behaviour can be achieved through the commitment of the organisation to the process of managing its social responsibility through at least four phases: (1) identification of relevant stakeholders, (2) stakeholders' mutual recognition, (3) approval by each party of the fairness of the consultation rules, and (4) proposal and implementation of continuous improvement.

The formalisation of the ethical process and its accommodation within organisational structure allows the introduction of the ethical dimension in the management of LPC. The need for a relatively stable frame of reference determining the values and principles governing the course of municipal action urges the LPC's to adopt a given strategy of professional ethics. The aim is to determine a reference framework specifying the general values and principles governing action and achievement.

2.2 Types of Strategies of Professional Ethics

In a constantly changing environment, LPC's are invited to ensure that employees internalise certain high standards in order to sustain the viability of ethical behaviour through time. This would involve the implementation of a strategy of ethics reflecting an increased awareness of ethics, the adoption of strategic guidelines, the preventive protection of staff against various forms of unethical behaviour, the closer monitoring of public actors, the promotion of ethical standards, and especially the adoption of local measures to justify any act or decision based on the adopted ethical values and standards.

The literature seems to be relatively scanty on the topic of implementing a local strategy to maintain ethical behaviour. What we find really surprising is the negligence of strategic management field with regard to governance, business ethics and social responsibility concepts. Even if they [i.e. public officials at the communal level] harm the financial performance of a company by raising costs, it is almost impossible to sustain a business by ignoring them (Eyüp & Pazarcık, 2013: 295). We therefore maintain the essential tenets relating to strategies of professional ethics at the organisational level.

The question to be raised at this level pertains to the possibility of combining ethics and organisational strategy. To answer this question, Gélinier (1991) collected a series of supplementary testimonies and observations on this matter. He proved that organisational strategy and ethics can work jointly. This combination scheme contributes to increased performance through the definition of prohibited acts and the emergence of new values stimulating transparency, autonomy, respect for commitments, acting in pursuit of progress, etc. The organisation is then invited to take a standpoint and adopt a strategy for dealing with ethical issues.

Di Norcia (1998) considers that, when dealing with ethical or social issues, the organisation can take four traditional positions that coincide with its perspective of social responsibility: (1) hostile resistance, (2) legal compliance, (3) accommodation and (4) avant-gardism. Clarkson (1995) identifies four strategies to be correlated with the four traditional positions above: (1) reactive strategy, (2) defensive strategy, (3)

accommodation strategy and (4) proactive strategy.

Figure 1 below is a synoptic representation of the main positions and strategies, adopted by the organisation in terms of ethics and social responsibility, which determine its ethical orientation. The figure shows that the ethical orientation of an organisation is reflected in its posture on ethics and social responsibility at various stages.

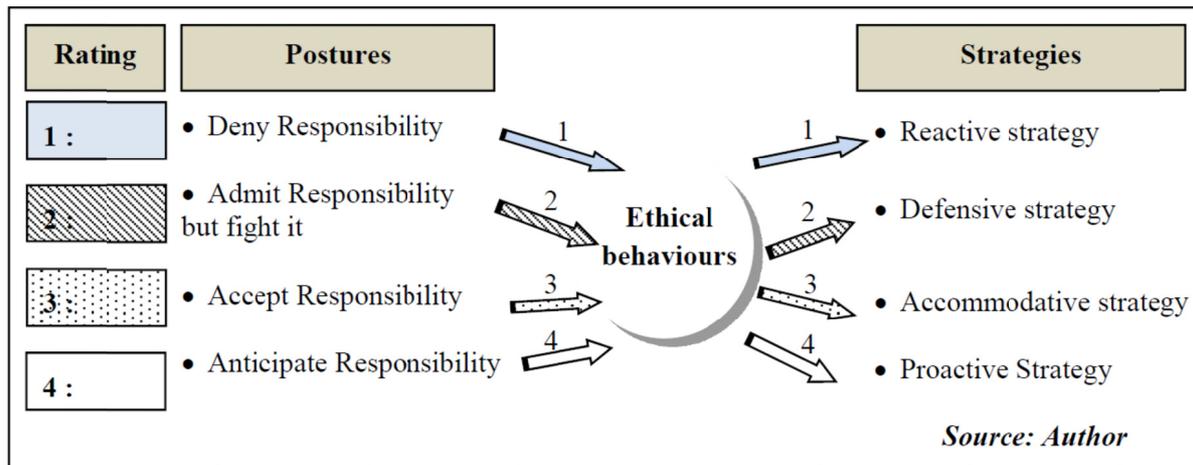


Figure 1. Postures and strategies of professional ethics

In the first stage (i.e. hostile resistance), the organisation focuses on its growth in order to achieve an essentially economic objectives. In the second stage, its posture is governed by laws, standards and other social constraints in order to avoid sanctions and promote acceptance. In the third stage, the organisation becomes familiar with the initiatives related to ethics and social responsibility, which by the way allows it to have a better corporative image. In the fourth stage, it is by moral conviction, respect for others and concern for their well-being that the organisation proceeds to the integration of social considerations into its structure and innovation in terms of ethics and social responsibility.

The organisation adopts a strategy posture that fits in its posture depending on the stage at which it localises itself. In the first two stages, it follows a reactive strategy (short-term strategy) and mainly aims at eliminating questionable attitudes and prohibiting certain behaviours. It can deny responsibility connected to the repercussions of organisational activities (reactive strategy), or admit such responsibility while simultaneously being engaged in a combat against it (defensive strategy). In the following two stages, the organisational attitude is rather proactive (long-term strategy) and the organisation tries to create new attitudes which are more consistent with what is optimal and to promote certain values that society wants to see boosted. Responsibility can therefore be accepted (accommodative strategy), or even anticipated by the organisation (proactive strategy).

Finally, it should be noted that LPC's have vested interest in initiating a proactive strategy of ethics insofar as it helps build a social identity and seeks to overcome the problems originating from the relationship between the organisation and its stakeholders. This strategy equally allows the determination of direction associated with action, especially in the presence of a certain margin of freedom and flexibility.

Thus, the adoption of a strategy related to ethics becomes a new dimension allowing the determination of direction followed by the actors' action, especially in the presence of higher levels of freedom. Such adoption depends on the level of development of ethical orientation in relation to the public actor, the organisation and the stakeholders. This allows the formulation of a first hypothesis (H1) stating that the importance of developing the ethical orientation lies in its presumed capacity to facilitate the adoption of a strategy of ethics linking attitude with action.

2.3 The Status of Strategies of Professional Ethics in Applying the Principles of Communal Governance

Nowadays, LPC's need to implement the principles of communal governance through improving responsibility, transparency, participation, and accountability of governance mechanisms. This makes it possible to "reduce the scope for persistently arbitrary or distorted policies, improve bureaucratic performance and thus reduce the uncertainties and costs of doing business, and improve the delivery of public services for businesses to be productive" (The World Bank, 2003: 10).

According to Heurgon and Landrieu (2000), governance aims to organise democratic debate, invent new configurations linking local and global, individual and collective, and give more significance to the undertaken projects through the very process of collaborative development. In governance, there is a distinction between the level of the governance system encompassing a whole country (central governance) and the level of the structures (local governance) (Wirtz, 2001: 1).

The act of strengthening communal governance requires the observance of certain principles oriented towards the development of relationships between the State and the LPC's which have transformed the State into a kind of state-holding company that withdraws from local government (Zghal, 1999: 3). Good governance requires the adoption of reforms geared towards reducing bureaucracy through reducing regulatory intervention, the transferral of certain powers and responsibilities to the LPC's, the allocation of responsibilities to the LPC's, autonomous action, and conceding more flexibility of action in the delivery of services without permanent interference from political stakeholders or central authorities (OECD, 1997, p 7; Trosa, 1995, p 42.).

The implementation of the principles of communal governance is confronted with an organisational framework characterised by a clear centralisation of administrative and political power. To reduce this burden, and remaining within the framework of the general regulations in force, new initiatives should be taken to accomplish the transfer of skills, the promotion of local freedoms, the strengthening of public officials' capacities, the establishment of a posteriori controls, and the participation of local actors in matters pertaining to their own sphere of activity at the central level (Council of Europe, 1997: 5). Resorting to these initiatives can be an effective tool not only for redressing the derailment threatening numerous LPC's but also for improving the system of state governance.

To encourage good behaviour and prevent misconduct, good communal governance requires the utilisation of effective internal and external control mechanisms by stakeholders (Council of Europe, 1999: 25). In this regard, the LPC's are bound to change their attitude towards stakeholders. They are called for further and closer communication with them.

In addition, Good governance requires the strengthening of transparency and integrity as well as the promotion of ethical orientation in the purpose of promoting the involvement of public officials in further work and reducing the costs of control and sanctions related to professional misconduct.

Across the globe, there has been growing interest in the promotion of good governance, including the achievement of high ethical standards of conduct in public institutions (Cowell et al., 2013: 29). This is reflected in the widespread rolling out of codes of conduct, statements of values, and processes for addressing misconduct allegations (Fording et al., 2003; West & Davis 2011).

The integration of the ethical dimension in the implementation of the principles of communal governance is also meant to be an element of stability in order to be able to cope with the risks of deviation in law enforcement, especially in the presence of faults and the existence of enough room for autonomous action. Therefore, the LPC has vested interest in implementing a strategy of ethical behaviour to make public officials' behaviour more predictable. This justifies our second hypothesis (H2) stating that the application of a strategy of ethical conduct occupies an important position in the implementation of the principles of good communal governance.

2.4 The Conceptual Model

Strengthening communal governance involves the public policy notion of centre-periphery dominance and other traditional instruments of government. Such strengthening requires progress in the mode of exercising political action and the development of organisational, economic, and socio-cultural frameworks which should be geared towards skills transfer, capacity-building of public officials, the mobilisation of local resources, the encouragement and recognition of local initiatives, the participation of stakeholders, and the publication of information.

Through leaving more room for flexibility and freedom to public managers, the implementation of the principles of communal governance requires the development of the officials' sense of ethical orientation and the adoption of a proactive strategy of ethics. This aims at promoting the long-term commitment of staff to perform better, ensure good behaviour, and avoid the dangers of ethical deviation.

In summary, as displayed in figure 2 below, the implementation of the principles of communal governance (responsibility, transparency, participation, and accountability), urges the LPC to be confronted with the need to define and apply a strategy of ethics (H2). The adoption of such a strategy remains subject to the development of ethical conduct at the individual, organisational and stakeholders' levels (H1).

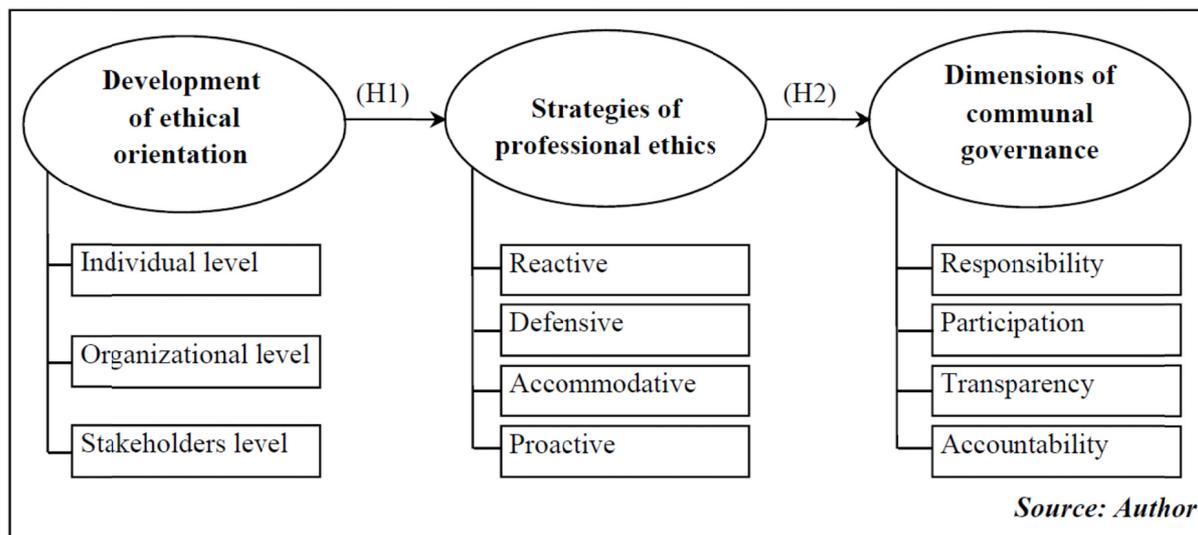


Figure 2. The conceptual model

3. Methodological Procedures

In this study, we are concerned with a population of public executives in various municipal areas. Data are collected directly from a sample of municipal decision-makers and officials. The purpose is to analyze the influence of the development of ethical behaviour on the strategies of professional ethics, on the one hand, and the influence of strategies of professional ethics on applying principles of communal governance, on the other hand.

The methodology used consists in correlating the levels of development of ethical behaviour (levels of individual, organization, and stakeholders) with the strategies of professional ethics (reactive, defensive, accommodative, and proactive) as well as the dimensions of communal governance (responsibility, participation, transparency, accountability).

The research hypotheses have been tested in the Tunisian context. A survey was conducted on a sample of 72 public officials in 9 Tunisian municipalities. It was implemented via a questionnaire dealing with the development of municipal officials' ethical and unethical behaviour. The questionnaire comprises four parts. Part 1 deals with the personal data of the officials interviewed (professional rank, duration of experience, department or unit) and the characteristics of the municipalities (operating budget, real workforce, functional structure, use of new information and communication technologies). Part 2 is related to the levels of development of ethical behaviour. Its aim is to analyse the development of ethical behaviour at three levels: individual, organizational, and stakeholders. Part 3 in the questionnaire contains questions related to the strategies of professional ethics adopted by the officials in the performance of their official functions. Part 4 is related to the dimensions of communal governance. The questions are about the capacity to develop and implement sound public policy based on good governance principles.

The questionnaire was administered in the form of a semi-structured interview comprising questions which are easy to answer. Interviewees responded to all measurement items using a 5-point Likert-type scale (from strongly disagree to strongly agree). The questionnaire piloting targeted 10 public officials in 2 Tunisian municipalities, which led to some necessary modifications required for drafting its final version and ensuring the smooth running of the ensuing interviews.

The analysis of the data was performed by the XLSTAT-Pro (2014) software. It comprises two phases: the first phase is exploratory. It consists in purifying measures by Principal Component Analysis (PCA) and testing their reliability by calculating Cronbach's α value. This exploratory analysis is applied to all latent variables. The second phase is the confirmatory analysis. It consists in confirming the factor structure obtained from PCA analysis and testing the research hypotheses through Structural Equation Modelling (SEM).

4. Structure of the Sample

Concerning the characteristics of the officials interviewed, they are decision-making staff and occupying control

positions: Director, 16.7%; Assistant Director, 20.8%; Head of Department, 33.3%; Department manager, 6.9%; Head of Unit, 22.2%. The number of surveyed senior officials in leadership positions is relatively limited because of the difficulties encountered in career progression in terms of ranks. Concerning their professional tasks, 30.6% of the surveyed officials hold executive positions in technical fields, 26.4% in resources & municipal affairs, 25% in finance & administration affairs, 11.1% in hygiene & environment, and 6.9% in economic & social affairs.

Approximately 54 per cent of respondents have twenty years or more of tenure at the time of the survey, which indicates the difficulties encountered in promoting the officials to senior positions.

The requirement of seniority is not related to a particular professional task. Our interviewees consider that in all the areas of activity considered, seniority will only be taken into account when an official having spent a number of years working in a municipal sector of activity would demonstrate ability to fully assume his responsibilities.

Concerning the characteristics of the surveyed municipalities, 38.9% have an operating budget exceeding 10 million dinars (TND), 55.6% have an operating budget between five and ten million Tunisian dinars, and the rest (5.5%) have an operating budget less than 5 million Tunisian dinars. The majority of municipalities have a real workforce of more than 200 employees (59.7%), 30.6% have a workforce ranging between 100 and 200 employees.

The officials interviewed raised the issue of deficiency in operational structures. This deficiency is explained by the lack of municipal financial resources and the inability of municipalities to make their own decisions pertaining to the adaptation measures which are likely to meet their needs in terms of skills. In reality, the decisions related to hiring and promoting staff in order to fill vacancies as stipulated by operational structures are taken in collaboration with the central authority governing municipal action. This centralisation has brought about several conflicts between the general orientations of ministry-run departments and the municipal needs in terms of skills. Municipalities are allowed less freedom in their hiring and career management decisions which are restricted by political power.

Fifty-nine point seven percent (59.7%) of the respondents use new information and communication technologies (NICT) in 75% of their work. The using of NICT is mainly explicable by the availability of the equipment and materials (hardware, software, and computer networks) and the development of software applications for local governance (population and cadastral registers, local taxes, accounting and budget, and human resources management).

5. Results

The aim of this section consists in testing the reliability of retained values and verifying the hypotheses presented in the research model.

5.1 Adjustment of the Model

According to the PLS approach, the Goodness-of-Fit (GoF) index is used as an indicator of the overall verification of adjustment quality (Vinzi et al., 2010). The computation of the GoF values (cf. Table 1) shows that comparative GoF and those based on internal and external models are high and also tend to translate a good quality of model adjustment to the data. The PLS approach favours the external model (0.974) which measures the correlation between latent variables and their respective indicators rather than the internal model (0.528) which emphasises the estimation of relations between the latent variables.

Table 1. Adjustment quality of the model

GoF	Value
External Model	0.974
Internal Model	0.528

Note. GoF = Goodness-of-Fit

To confirm the factor structure of the research model and to verify convergent validity, we proceeded to the computation of the Average Variance Extracted (AVE). The value of the AVE must be superior to 0.5. In addition, in order to verify the reliability of the model's latent variables, we resorted to the computation of Dillon and Goldstein Rho (PCA) which must be larger than 0.7 (Vinzi et al., 2010). The results of convergent validity and of

reliability are displayed in Table 2 below. They reveal that the Dillon and Goldstein Rho (PCA) values and the AVE values confirm the unidimensional nature and the reliability of the retained latent variables.

Table 2. Test reliability and convergent validity of the latent variables

Latent variables	PCA	AVE
Development of ethical behaviour:		
Level of individual	0.830	0.615
Level of organization	0.897	0.583
Level of stakeholders	0.886	0.639
Strategies of professional ethics:		
Reactive/Defensive	0.889	0.659
Accommodative/Proactive	0.908	0.741
Dimensions of communal governance:		
Responsibility/Participation	0.912	0.769
Transparency/Accountability	0.834	0.622

Note. PCA = Dillon and Goldstein Rho; AVE = The Average Variance Extracted

To test the discriminate validity of the variables, we proceeded to the computation of discriminate validity (Shared variance < AVE). According to Rich (1997), as long as the values of shared variances are inferior to those of the AVE, the discriminatory nature of indicators is confirmed, which has been the case for the indicators of the research model (cf. Table 3).

Table 3. Test of the discriminate validity of the variables

	L_indiv.	L_org.	L_stk.	Rea/Def.	Acc/Pro.	Res/Par.	Tra/Acc.	AVE
L_indiv.	1	0.089	0.090	0.016	0.029	0.025	0.000	0.615
L_org.	0.089	1	0.032	0.044	0.032	0.041	0.000	0.583
L_stk.	0.090	0.032	1	0.047	0.061	0.002	0.072	0.639
Rea/Def.	0.016	0.044	0.047	1	0.550	0.033	0.074	0.659
Acc/Pro.	0.029	0.032	0.061	0.550	1	0.050	0.002	0.741
Res/Par.	0.025	0.041	0.002	0.033	0.050	1	0.139	0.769
Tra/Acc.	0.000	0.000	0.072	0.074	0.002	0.139	1	0.622

5.2 Confirming Research Hypotheses

The analysis of statistical results related to the structure model by using the structural equations method, and according to the PLS approach, is displayed in figure 3 below:

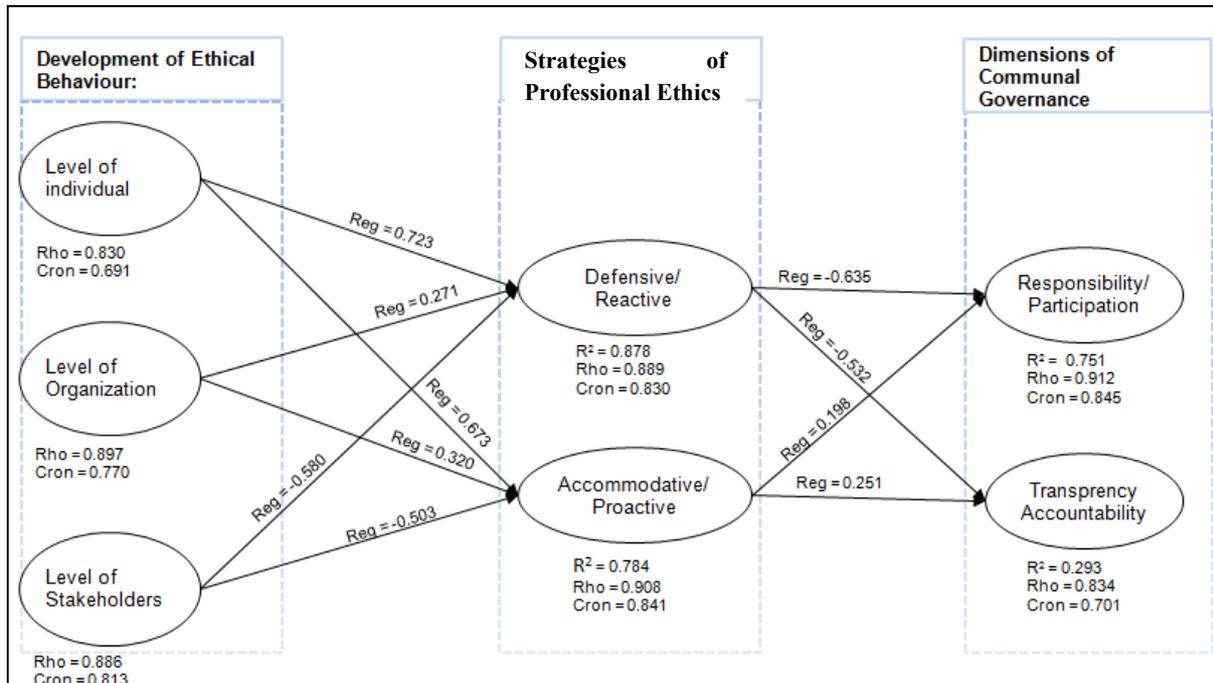


Figure 3. Post-estimation model structure

The results of the structure model after assessment show that the Squared Multiple Correlations (R^2) values of the latent variables relating to strategies of professional ethics are high; "Defensive/Reactive strategies" (0.878) and "Accommodative/Proactive" (0.784). These latent variables are well explained. The R^2 value of "Accommodative/Proactive" related to the "Responsibility/Participation" is as high as (0.751). However the R^2 value of "Accommodative/Proactive" related to the "Transparency/Accountability" is low (0.293).

In order to verify these results, an analysis of significance for regression relationships has been carried out and displayed in Table 4 below.

Table 4. Critical ratios and path coefficients of the latent variables

	Strategies of professional ethics				Communal Governance			
	Rea/Def.		Acc/Pro.		Res/Par.		Tra/Acc.	
	CR	Reg	CR	Reg	CR	Reg	CR	Reg
L_indiv.	4.135	0.723	4.408	0.673				
L_org.	5.703	0.271	5.618	0.320				
L_stk.	-7.312	-0.580	-4.028	-0.503				
Rea/Def.					-4.149	-0.635	-5.081	-0.532
Acc/Pro.					1.315	0.198	1.360	0.251

Note. CR = Critical Ratio; Reg = Path Coefficient

This analysis shows that the regression links between the variables of strategies of professional ethics and the other latent variables of development of ethical behaviour at the levels of the individual, the organisation, and the stakeholders are significant, with a threshold value of 5% (Critical Ratio > 1.96). This also applies to the regression links between the dimensions of communal governance and the strategies of professional ethics where the values are significant with a threshold value of 5% (Critical Ratio > 1.96).

The results of the structure model after assessment show that the R^2 values of the latent variables relating to Reactive/Defensive strategy and dimensions of communal governance are high. However, the regression links

between Accommodative/Proactive strategy and dimensions of communal governance are not significant, with a threshold value of 5% (Critical Ratio < 1.96).

6. Interpretation of results

After having tested the reliability of the retained variables and confirmed the research hypotheses, it is important to explain the impact of the development of ethical behaviour on the strategies of professional ethics. On the other hand, we analyse the influence of the strategies of professional ethics on the dimensions of communal governance.

6.1 *The Impact of Development of Ethical Behaviour on the Strategies of Professional Ethics*

6.1.1 The Individual Level

The results of data analysis show that the development of ethical behaviour at the individual level affects all the strategies of professional ethics: Defensive/Reactive (Reg = 0.723; CR = 4.135) and Accommodative/Proactive (Reg = 0.673; CR = 4.408).

Interviewed in a straightforward way on the ethical issue, our respondents consider that the fact of asking questions about business ethics is itself an implicit form of suspicion, because for them the term “municipal officer” (public servant) is a symbol of ethical behaviour. They add that, on the one hand, within the municipal organisational structure we cannot talk about misconduct and that there is no place for corrupt officials and, on the other hand, after all any municipal officer is literally innocent until proven otherwise.

Other interviewees claim that attitude and action are two separate phenomena. The municipal officer is judged on the basis of his actions whereas his attitudes and beliefs belong to him, and he remains the only judge in this respect.

Moreover, ethics in municipalities is considered as a feeling of social belonging. It focuses primarily on individual morality, but remains ambivalent and oscillates between idealism (ethics of professional duty) and utilitarianism.

In addition to the role of regulations, the behaviour of municipal employees is influenced by the socio-cultural context. Indeed, already containing elements not in harmony with ethical behaviour (such as, laxity, irresponsibility, abuse of discretion due to being vested with power), the socio-cultural context within which public officials operate could involve municipal action in nepotism, favouritism, abuse of power, fraud, increased benefit costs, deficient quality, etc. The reactions of municipalities to such deviant behavioural forms are different. The results of the survey show that public officials perform a dual role, referring sometimes to the technocratic logic of obsolete regulations and procedures, and some other times to the significant degrees of flexibility allowing them such freedom of action. Thus, if the degrees of freedom left in the hands of public officials can be exploited in different ways in public organisations, it is certainly because the latter do not have the same standards guiding their employees' activities in such situations.

6.1.2 The Organisational Level

It seems that the impact of ethical development at the organisational level is not strong in all the strategies of professional ethics: Defensive/Reactive (Reg = 0.271; CR = 5.703) and Accommodative/Proactive (Reg = 0.320; CR = 5.618).

The interviewees, who are supervisors especially operating in small and medium-sized municipalities, have declared they are rarely surrounded by employees having the requisite professional skills and to whom they can partially delegate the burden of some of their responsibilities. Consequently, they find themselves burdened with a considerable workload and obliged to face an executive diary full of routine tasks and daily managerial activities to the detriment of innovative design and initiative aimed at improving the management of local affairs.

The results of the survey show that the officials in charge of municipal activities are subject to the logic of public administration. They are subject to predefined standards and legal constraints (regulations and bylaws). For that reason, they are obliged to abide by the procedures imposed by the supervisory authority generally specifying the tasks of each administrative department. The central administrative authority exerts several forms of control to ensure compliance with a body of preset rules and standards. A priori preventive and anticipatory control devices interfere at the moment of decision-making and also in a posteriori way. In the political logic, public officials are obliged to respect and ensure a balance between, on the one hand, the general guidelines and aspects of local development enacted and approved by the central government at the national level, and the needs of citizens on a local scale, on the other hand.

Generally speaking, communication tends to follow a descending direction. Its objective is to inform municipal

staff and to present and clarify the new decisions. It also takes an ascending direction. Its objective is therefore to inform the municipal council not only on the amounts which constitute the development budget, project progress, the status of municipal assets, but also about the difficulties encountered in local management. Communication promotes dialogue among local elected officials and city officials at the municipal level, which is likely to lead to the motivation and involvement of all stakeholders.

The formalisation of professional ethics in the surveyed municipalities has not even reached the initial phase of development. This is because the development of ethics at the organisational level requires that there should be an internal audit team that acts relatively independently so as to verify the implementation of ethical standards. In reality, there is neither special staff nor any such team to coordinate or check municipal decisions and actions in terms of their relation to ethical requirements.

Our respondents insist on compliance with regulations in the exercise of their business. They are keen to see the prohibition of professional misconduct through the application of sanctions. However, the regulations and control mechanisms in place are flawed, which makes municipalities rather exposed to management problems and to the virtual emergence of misconduct. Punishment is therefore an indispensable measure to be taken in order to redress deviation and misconduct, but its actual implementation at the municipal level remains insufficient.

6.1.3 The Level of Stakeholders

Data analysis indicates a negative correlation between the ethical behaviour at the stakeholders level and the Defensive/Reactive strategy (Reg = -0.580; CR = -7.312) and the Accommodative/Proactive strategy (Reg = -0.503; CR = -4.028).

Municipal actions are carried out under the influence of several stakeholders: central authorities, governmental departments, other municipalities, suppliers, citizens, the media and interest groups.

The analysis of relationships among stakeholders allows us to claim that over recent years, some public service delegations have, to a certain extent, experienced considerable progress. Equal access to public procurement required by the regulations in force is decisively important for transparency and for fighting against any professional misconduct.

The lack of sufficient funds and cash flow for self-financing projects places municipalities in a situation of dependence vis-à-vis external partners, such as suppliers of capital that grant them conditional aid. This gives rise to two consequences. First, tender offers are not always granted to companies that can provide the best quality. Second, municipalities find themselves obliged to accept those partners' proposals, which leads, in some cases, to either reduced profits or increased opportunity costs.

Similarly, due to financial barriers (lack of funds and financial resources), some municipalities accept attractive offers the amounts of which by far exceed their profitability. This obliges external partners not to comply with the conditions determined in the specifications, and according to which these activities must be performed. Despite this act of bypassing the clauses of the specifications agreed upon, the municipalities still do not apply the sanctions and coercive measures stipulated by the regulations in force.

The inefficiency of external partners is mainly explicable by the lack of financial and human resources necessary for the performance of certain works that exceed the capabilities and technological skills of communal partners.

The asymmetry of information compared to the private sector is an unfavourable factor hindering the strengthening of ethical behaviour. Indeed, the lack of exchange of information and views with suppliers, contractors and consulting firms is the direct cause of several failures and deficiencies encountered in the procurement and execution of public contracts, such as the difficulty to determine the scope of the market and the lack of knowledge of market opportunities when opting for a given procurement procedure.

Information measures only fall under the external control of the activities of local public authorities. Indeed, on the occasion of the inspection mission to be performed by the inspector appointed by the ministry, the general inspectorate of public services under the authority of the Prime Ministry, the general inspectorate of national finance as well as that of departmental inspections, the inspectorate of the Court of Auditors, all employees are mobilised to prepare and submit the necessary documents.

The results of data analysis of the relationship between, on the one hand, the development of ethical orientation at the individual, organisational and stakeholders' levels and the strategies of professional ethics, on the other hand, verify the first research hypothesis (H1).

6.2 *The Impact of Strategies of Professional Ethics on the Dimensions of Communal Governance*

The Defensive/Reactive strategy has a negative correlation with dimensions of communal governance: Responsibility/Participation (Reg = -0.635; CR= -4.149) and Transparency/Accountability (Reg = -0.532; CR= -5.081).

The adoption of either a reactive or defensive strategy in relation to ethics represents the origin of deviations from the requirements of municipal governance. The use of the concept of communal governance in municipalities proves to be delicate to handle when the latter are dominated by centralisation, strict regulation, and bureaucracy. Further difficulties emerge when they do not have enough skilled staff, responsibilities are not clearly allocated, and political parties exert pressure on elected representatives and local officials to impose their priorities.

As far as the public sector is concerned, the principles of communal governance are blocked by regulations paralysing initiative, by limited local autonomy, and also by the absence of control exerted by partners (citizens, media, interest groups, private companies, contractors and suppliers).

The principles of accountability and participation require an organisational framework facilitating the transfer of skills, the promotion of local liberties, the participation of local elected representatives and appointed officials in local development and management control. Nonetheless, these principles are hindered by conflicting relationships which can emerge due to power play and personal strategies designed by the city council and the permanent staff of the municipality. Moreover, the dual supervision exercised by the ministry and the governorate of the district specifying the rules for managing municipal resources reduces the margin of autonomy otherwise enjoyed by municipalities. The problems pertaining to the lack of material resources (software tools, office equipment, transport facilities, etc.) and intangible assets (lack of staff and skills) and the absence of effective and structured methods of coordination between municipal departments make it difficult for them to achieve the objectives of effectiveness and efficiency in the management of municipal resources and the harmonisation of the different actions of the agencies involved in the same municipal area (project management, municipal assets management, procurement, municipal taxes, etc.).

The principles of local resource mobilisation and implementation of new rules of partnership relationship with the private sector are impeded by a local economic context characterised by the centralisation of financial resources, the defaulting financial situation of certain municipalities (financial imbalance, insufficient flow for self-funding, unstable funding sources and accumulation of debts to suppliers), the lack of a quality approach, the absence of indicators to measure economic viability and the quality of services provided, the inefficiency of entrepreneurs, and the lack of competition.

The socio-cultural context of municipalities is characterised by a hierarchical and centralised system of organisation, slow administrative procedures, red tape, inequitable distribution of workload, lack of career prospects, absence of a system of appraisal and validation of acquired experience hampering staff participation and involvement in local development.

Communication between city staff and the city council follows both an ascending and descending direction to allow the exchange of information concerning the decisions of the council, project progress, changes in budget rubrics, the statement of municipal assets, difficulties encountered, etc. Communication with partners (citizens, associations ...) is limited to the dissemination of general information. This information is not enough to ensure that partners could be in a position to judge the relevance and effectiveness of municipal decisions. This communication system hardly facilitates transparency and accountability, which are the principles of good governance.

As to the Accommodative/Proactive strategy, it seems that its impact is not strong across all the dimensions of communal governance: Responsibility/Participation (Reg = 0.198; CR= 1.315) and Transparency/Accountability (Reg = 0.251; CR= 1.360).

Municipalities' reactions vis-à-vis deviant behaviour are different. Indeed, concerning cases of passive forms of deviant behaviour (e.g. asymmetric information flow, loss of records (valid written evidence) for certain municipal assets, certain officials' lack of serious professional conduct, etc.), no punitive measure has been taken against local stakeholders insofar as there is no concrete evidence. As for the active forms of deviant behaviour (e.g. illegal exploitation of administrative delays, stealing equipment before its delivery, diversion of funds, establishing contacts and relations with illegal bidders, etc.), they are not all sanctioned either for lack of physical evidence or for fear that the employee should lose his job in the event of a malversation charge being denounced. If punitive measures are ever taken, the forms of sanction differ. Some punitive measures are

decided by the Chair of the Municipality and are limited to staff transfer, change of position, or withdrawal of privileges related to professional position. Other legal decisions taken against officials have reached up to some years of imprisonment.

Communal governance is hampered by the failure to adopt a proactive or accommodation strategy of professional ethics. Indeed, failure to integrate social considerations and aspects of innovation in the ethical sphere has contributed to the emergence of professional misconduct shown by some public officials. Professional misconduct is the source of inefficiency in the management of municipal resources, the decline in the credibility of the municipality, the poor quality of service, user non-satisfaction and the deteriorating sense of trust shown by partners (citizens, suppliers, associations, media ...) vis-à-vis the municipality.

According to the analysis of these results, the second hypothesis (H2) related to the impact of adopting strategies of professional ethics on the dimensions of communal governance has been verified.

7. Conclusion

LPC's are firmly grounded in a bureaucratic system. Their organisations are highly centralised, regulated and rigid. In order to cope with the malfunctioning of the bureaucratic system and reduce, or even eliminate, the risk of deviation and waste of public funds, public officials have an important role to play. In addition to regulations they are required to abide by to the rules of efficiency and effectiveness. This will facilitate the transition from the bureaucratic to the managerial model and will reinforce the implementation of the principles of good governance. Presumably, this involves taking good initiatives by adopting ethical behaviour. That is why the LPC's have vested interest in taking a position on the ethical issue and developing ethical orientation at three levels: at the level of the individual (public officials), the organisation (administration), and stakeholders.

The development of ethical behaviour could promote the adoption of a strategy of professional ethics linking attitude with action. Such a strategy is likely to stabilize and maintain ethical behaviour among municipal officials who will internalise a set of high ethical standards. The attainment of the objectives of effectiveness and efficiency in municipal action remains hardly feasible through just well-intentioned approaches and managerial procedures. It rather requires good municipal governance whose establishment necessitates a process of decentralisation which broadens and reinforces the legislative, institutional, organisational and financial basis of local democracy and equally creates better opportunities for stakeholder participation. In addition, good municipal governance requires the adoption of an ethical approach which encourages adhering to accountability, taking good initiatives, backing skills development schemes, and following transparency in public management.

The survey conducted on 72 public officials in charge of senior managerial positions and municipal departments shows that the development of ethical thinking at the individual level (public servant) of the municipal organisation and that of the stakeholders influences the strategy of professional ethics adopted by the municipalities investigated in the study. Indeed, despite the centralist conception of municipal organisation and notwithstanding regulatory action, public officials tend to take good initiatives to improve efficiency and effectiveness in the management of municipal resources.

The results of the survey show that the internalisation and formalisation of ethics in the organisational structure of Tunisian municipalities are still in an embryonic phase. Nonetheless, this should not hide the involvement of municipalities in using a reactive/ defensive strategy of ethics. Even if this strategy is implicit, it can still help, through legal and procedural constraints, to prohibit dishonest behaviour and malpractice. Punishment is an indispensable step to address any risk of deviant behaviour but remains insufficient for the stability and sustainability of ethical behaviour.

Deviations from the requirements of municipal governance reveal that overall efficiency cannot be guaranteed exclusively through adherence to pre-set rules, standards and procedures, decentralisation, and good managerial approaches and procedures. It additionally requires the adoption of a strategy of ethics. The promotion of ethical thinking should urge public officials to take good initiatives and dissuade, or at least reduce, unfair behaviour and professional conduct driven by various actors' opportunism, whether they be individuals or groups of individuals.

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