

# Examining Ethical Conduct Among Employees and Governance Standards in Suryabinayak Municipality, Bhaktapur, Nepal: A Case Analysis

Rita Bhandari

Email: rbrijal11@gmail.com

Kathmandu BernHardt College, Bafal Kathmandu  
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## Abstract

*This study investigates the crucial role of ethical conduct among public sector employees in Suryabinayak Municipality, Bhaktapur, Nepal, aiming to improve local government service delivery. Findings indicate satisfactory levels of ethical behavior, awareness of good governance principles, and transparency. However, challenges such as corruption, political interference, and bureaucratic obstacles persist, hindering effective governance. Recommendations emphasize the importance of ethical behavior to ensure equity, transparency, and quality in local government services. The research uses a mixed-methods approach, integrating qualitative information from interviews and questionnaires with quantitative analysis.*

**Keywords:** Ethics, Morality, Equity, Good Governance, Development, Bureaucracy

## 1. Introduction

The question of ethics and ethical behavior of public service employees remains a cornerstone of good governance that holds a state accountable to its people in the governance processes. Moreover, the normative value of ethics has shaped the trajectory of human civilization since antiquity. The collapse of multinational businesses and public enterprises such as Enron, WorldCom, and Tyco, and the subsequent financial crisis in the business world have brought into the limelight the negative repercussions of unethical behavior by executives and employees (Sausser, 2013). In private sector businesses, a thrust of research about ethical conduct has centred on digging out cultural elements that affect employees' ethical behavior and ethical decision-making (Verschoor, 2006). Although abundant research has been done on this topical issue in the private sector, the unethical behavior of employees is not unique to this industry (Meyers, 2004). And, there is a recurrence of many reports about unethical behavior by civil servants and government officials.

Ethical behavior is rather a two-way phenomenon as there is a positive correlation between an ethical environment of an organization, and employees' worldview on ethics and morality. In this light, a proper appreciation of the linkage between an organization's cultural values and the ethical behavior of its employees can provide a pathway to cultivating a strong ethical culture in a public sector organization. This is so because the

organization shapes and provides insight into employees' behaviors, beliefs, and values in the workplace (Bowman, et al., 2004). An organization's internal culture has the power to influence attitudes, control behavior, and establish ethical expectations as well as the will to meet them. The organizational culture has an enduring impact on the employees' ethical behavior that occurs in it; the ethical problem within the organization can thus be considered a cultural issue. A corporate culture is strongly underpinned by ethical principles and compliance initiatives. When the employees believe that their company is an ethical workplace, they tend to become quite positive about the organization's attempts to promote ethical behavior (Ethics Resource Center, 2009). As a result, a significant corpus of research works on ethical conduct has focused on cultural elements that influence employees' ethical behavior and ethical decision-making in various forms.

It is natural that the citizens do expect government employees to deliver public services in a more effective, efficient, and ethical manner. The trustworthiness of the government is upheld only through essential service delivery based on public service ethics, and moral codes of conduct. It is thus critically important for government employees to be well acquainted with public service ethics as well as the code of conduct, and to practice them in their day-to-day administrative business.

Nepal, one of the oldest nation-states in South Asia, has significantly transformed from a unitary, centralized governance system to a recent federal democratic parliamentary dispensation. In this remarkable transition, Nepal has been ruled under six Constitutions so far- Constitution of Nepal, 2015 being the most recent one. A decade-long Maoist insurgency that lasted from 1996 to 2006 raised many fundamental questions about unethical issues in the governance system. With the increased awareness of general people about rule of law and good governance, and the government's commitments to an open, democratic governance system, ethical behaviour of public employees has gained much focus and attention in governance discourse. For this, the political leaders and employees should respect the norms of ethical values in every sector of life.

In Nepal, the least developing nation, the rise in unethical employee behavior is the only issue. Officials and public servants are frequently the ones to denounce unethical activity by their employees. Within states and in confined areas that are smaller than the state as a whole, local governments are the authorities who establish and implement laws. A municipality is a locality (town, village, or other territory smaller than a state) that is governed by a body representing the local populace, with some autonomy and receiving at least some revenue from the locals who pay taxes for development administration.

Additionally, the revenue collected by these local authorities is used to offer a range of services that are seen as local in nature, as opposed to state and federal services. Local government is, by definition, the government of, for, and by the people who live there, elected to office. The speed, caliber, and method of public service delivery as well as

the general governance procedures have all been directly impacted by the culture of government workers. Therefore, it is important to manage the governance ideals in an effective and open way in order to encourage ethical behavior among personnel. In this light, this study seeks to:

- Explain how the public service ethics are understood by the Suryabinayak Municipality's government personnel;
- Examine the effectiveness of the code of conduct in place to deal with the unethical behavior of local government personnel; identify the main issues and obstacles to ethical behavior in local governance.

## **2. Literature Review**

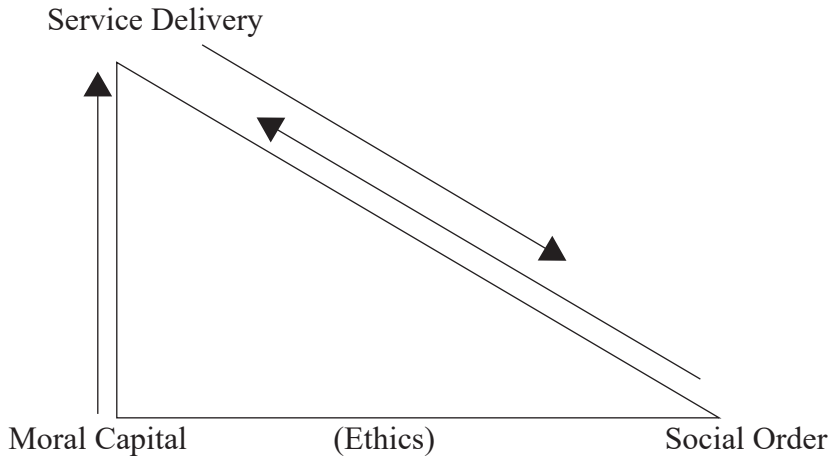
Public service ethics represents a prominent place in the governance processes. Without exception, every society or nation is impacted by ethical values and norms. The extent to which work ethics are ingrained in local government organizations is a recent global trend in public works. Local governments are required to meet the needs and aspirations of the local populace in a democratic polity that squarely rests on public servants' dedication to upholding these ethical values and standards. Ethics is about action and thought, particularly in circumstances where our choices could have an impact on the dignity and welfare of others.

The traditions of laws, regulations, and customs that are present in all cultures and that aim to justify, convince, and promote some acts while forbidding others, are referred to as morality; on the other hand, ethics suggests a methodical consideration of morality that makes up the area of philosophy dealing with moral questions whether a certain deed, law, or regulation is right or incorrect (Ajayi & Adeniji, 2009).

Morality is a set of behavioral norms that direct both individual and group conduct, and that relate to accepted norms for social and personal well-being. Discipline and a lack of it are the disclaimers of ethical behavior (Ogundele et al., 2009). The well-being and survival of individuals, small groups, businesses, and nations depend on disciplined conduct and behaviour. In a broader sense, discipline refers to order, which is the antithesis of chaos. This is a fundamental requirement for every community or society to thrive and prosper in all respects. Usually, breaking the law is unethical. When someone is purposely offended for no other reason than for one's own entertainment, etiquette infractions can also be immoral (Perry, 2000).

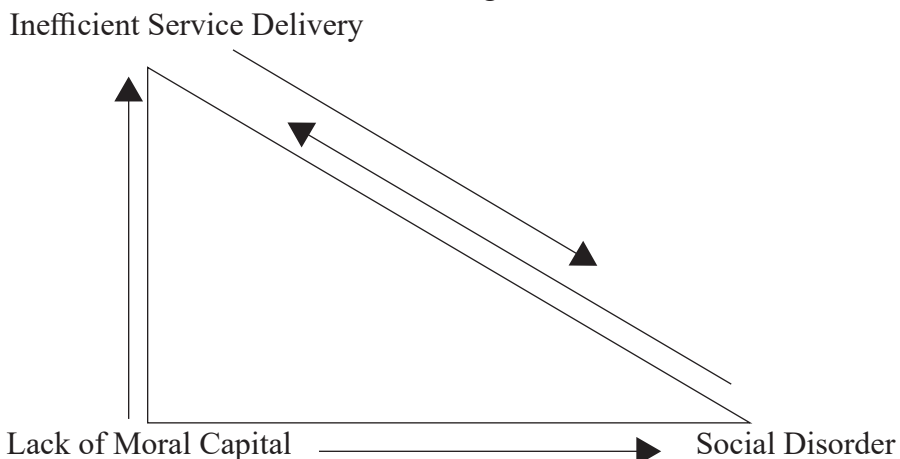
The United Nations Administrative Program claimed in 1997 that character is essential to the study and application of administrative ethics and that the biggest issue is the dearth of morally upright men and women in positions of authority, religion, and education, among others. A just society depends more on the moral integrity of its citizens and leaders than on its structures and systems. There are innumerable evidences that gross ethical mistakes

by organizational leaders have caused irreparable damage to the fundamental interests of the nation and the people. A direct link between moral capital, service delivery, and social order may well be understood in the following figure:



*Figure 1: Link between Moral Capital to Service Delivery and Social Order  
(Source: The Researcher, 2023)*

The above figure shows that moral capital is a solid foundation that leads to efficient service delivery and social order in public institutions. When ethics provides sufficient moral capital, it improves the quality-of-service delivery and ensures or guarantees social order. On the flip side, without sufficient moral capital provided by ethics, it is difficult, if not impossible, to maintain a culture of service delivery, let alone ensure social order in public institutions. Lack of moral capital leads to inefficient service delivery and ethical consequences of social disruption. Besides, social chaos can create an atmosphere of inefficient service delivery, while lack of service delivery can create an atmosphere of social chaos. This is well demonstrated in the figure below:



**Figure 2: Connection between lack of ethical investment to inefficient service delivery (Source: Researcher, 2023)**

The above-mentioned figure explains how ethics are essential to both managing public institutions and providing services in an efficient manner. Since ethics deals with standards of behavior or the standards to which human acts should adhere, it offers the morality required to govern behavior and guarantee effective service delivery in public organizations.

Ethics is the study of right and wrong. Why do we consider certain activities to be good and others to be bad? When we say something is awful, what do we mean specifically? Is it true that you will if you think about it? Or are certain things good or terrible regardless of our beliefs? What are the core moral principles, and how can we identify them? The field of ethics addresses these and related subjects.

A collection of moral principles, especially those that deal with human behavior, might be summed up as work ethics. Particularly, work ethics are concerned with what is morally upright, respectable, and widely accepted by a community, organization, or group. It can also refer to a set of behavior standards that are considered appropriate for a community, organization, or civilization. Employee behavior is essentially determined by their work ethics in a range of situations.

Bowen et al. (2007) holds the view that the process of determining There are many facets of ethics beyond whether a purpose is right or wrong. Making informed decisions and assessing if a choice is right or incorrect are crucial components of ethics. As stated by RICS (2000), In the construction industry, upholding ethical standards entails “making every effort to guarantee that our clients’ interests are appropriately recognized, while acknowledging and honoring the larger public interest.

According to RICS (2000), Many organizations and writers are making an effort to define ethics in the contexts of business, politics, organizations, individuals, and the workplace. Wasserman (2000) maintains that an essential aspect of ethics is continuing to be the study of the ideas, words, reasoning, processes, and judgments that shape people’s decisions, influence, and well-being.

In wealthy nations, services account for over 80% of GDP, but in developing nations, they only make up roughly 50%. (Sayeda et al., 2010).The service sector contributes significantly to employment and income in industrialized economies (Piercy & Rich, 2009). A service is “basically intangible, non-proprietary act or performance that one party can make available to another party,” according to Kettler (2003: 97). According to Palmer (2011),A good that is provided as a performance, an act, or an action that meets a need is called a service. Because of the nature and characteristics of services, the concept of quality service is intricate and difficult to measure.

Providing services that are necessary for human survival is a state’s main duty. Consequently, the establishment of local administrations as a third tier of government aims to enhance rural life and make government more accessible to the general public. Providing services

in a prompt, effective, and suitable manner is one way to improve public-government relations Kotler (2003) claims that service heterogeneity reflects how the feature of services, non-persistence, alludes to the fact that services exist in real time. These characteristics pose different challenges for service marketers and require unique marketing approaches (Boshoff & Du Plessis, 2009).

### **3. Research Design**

This paper uses both qualitative and quantitative research methodologies such as descriptive data, and semi-structured interviews, among others. Primary data, collected through structured questionnaires and semi-interview, is used to describe and analyze the study area. The employees of the Surya Binayak municipality, clients, and local government leaders are the universe of this study. Purposive or judgmental sampling is applied for selecting employees and leaders of Surya Binayak municipality. The total population stands at 4057 people from ward number 3 and 5 of Surya Binayak municipality, Bhaktapur district of Nepal. Out of that population, 15 participants each from five government offices as well as three political leaders and 70 clients of these respective wards were considered for the study.

The participants were asked to list significant facets of workers' ethical conduct. Within a four-week period, the interviews and other data collection were completed, and the structured questionnaires were communicated to the respondents. The qualitative data was analyzed in a thematically descriptive way, which consists of concrete descriptions about available data.

Among the research participants, the males were 44.3 %, and females, 55.7 % with the age groups of 20-30 (30 %), 30-40 (28.6 %), 40-50 (25.6 %) and 50-above (15.8 %). They hold educational qualifications of SLC (1.4 %), +2 or proficient certificate level (24.3 %), Bachelor (41.4 %) and Masters (32.9 %). Likewise, they belong to different ethnic groups such as Chhetri (47.1%), Brahmin (21.4%), Indigenous Nationalities (14.3 %), Dalit (11.4%) and Madhesi (4.3%).

### **4. Results and Analysis**

This segment offers a comprehensive conversation and analysis of the major findings of the study with the data measured in five Likert scale, where SD means Strongly Dissatisfied, D for Dissatisfied, N for Neutral, A for Agree, SA for Strongly Agree, S for Satisfied, and SS for Strongly Satisfied.

#### **Public Service Situation in Surya Binayak Municipality, Bhaktapur**

On the situation of public service delivery in the study area, the study reveals that traffic transportation shows SD-8, D-6, N-7, A-34, SA-15; Unemployment SD-5, D-10, N-5,

A-15, SA-35; Parking SD-5 ,D-5, N-5, A-15, SA-40; Education SD-5, D-10, N-5, A-20, SA-30, Air pollution SD-8 D-6, N-7, A-34, SA-15; Garbage and cleaning service SD-5, D-5, N-5, A-15, SA-40; Park and gardens SD-10, D-2, N-3, A-20, SA-35; Security SD-10, D-10, N-10, A-20, SA-20; Noise creation SD-10, D-10, N-2, A-13, SA-35; Lack of health service SD-20, D-15, N-5, A-15, SA-15; Electricity problem SD-30, D-5 N-10 A-10, SA-15; Water problem SD-10, D-2 N-3, A-20, SA-35. Overall, the study indicates that there is no major problem in service delivery with SD -0, D-0, N-15, A-15, SA-40.

### Ethical practices in different public sectors by employees

On the question of ethical practices by employees in various public sectors in the study area, the study shows SD-4, D-7 N-5 S-42, SS-12 in civil registry and citizenship services; SD-7, D-42 N-7 S-7, SS-7 in urban infrastructure; SD-22, D-27 N-12 S-5, SS-4 in public security services; SD-27, D-22 N-5 S-12, SS-4 in education in schools; SD-27, D-22 N-5 S-12, SS-4 in elders-oriented services; SD-24, D-25 N-12 S-5, SS-4 in fire brigade services; SD-22, D-27 N-12 S-5, SS-4 in emergency health/ambulance services; SD-10, D-4 N-12 S-22, SS-22 in social aids, SD-7, D-12, N-17 S-17, SS-17 in traffic management; SD-10, D-4 N-12 S-22, SS-22 in unemployment selection procedures; SD-14, D-8 N-22 S-12, SS-14 in parking contract; SD-32, D-24, N-20 S-7, SS-7 in education facilities and selection; SD-12, D-14 N-10 S-14, SS-20 in air pollution control.

### Efficiency Measures of Governance Practices

The study reflects that the majority of the respondents, that is, 45 % view that the efficiency of the existing governance practices is low. 25 % of them think that it is very low, with 17 percent, medium; 8.5 %, high and only 3.5 %, very high. This is a clear indication that local people are not much interested in local governance practices and service delivery practices. As per the respondents, there is no effective and efficient utilization of local sources for development activities. This well reflects the bad image of the local bodies in terms of good governance and financial discipline.

**Table 1. Level of Awareness of Local People on Governance Practices**

Response types	Level of Awareness	
	Response	Percentage
Very high	16	23
High	23	25
Medium	12	17
Low	14	21.5
Very Low	4	3.5
Total	70	100

(Source: Field Survey, 2022)

According to the research study, the majority of the people have good knowledge and awareness about the governance institutions and practices in local bodies.

**Table 2. Code of Ethics, Code of Conduct, Policies**

Response types	Consistent adherence to the Code of Ethics, Code of Conduct, policies and legislation	
	Response	Percentage
Fully consistent	27	41.66
Consistent	17	25
Less consistent	14	20
Not at all	12	13.33
Total	70	100

(Source: Field Survey, 2022)

Table 2 shows that there is a significant adherence to the code of ethics and prevailing laws as well as institutions by the public officials in the studied municipality.

**Table 3. Public Service Delivery in a Fair and Impartial Manner**

Response types	Act in a Fair and Impartial Manner	
	Response	Percentage
Fully Fair	22	33.33
Fair	32	50
Less fair	5	5
Unfair	7	8.33
Fully unfair	4	3.33
Total	70	100

(Source: Field Survey, 2022)

The study indicates that public institutions and officials provide public services in a rather fair manner in the best interests of the general public.

**Table 4. Level of openness and transparency in Governance**

Response types	Level of openness and transparency	
	Response	Percentage
Very high	4	5.72
High	23	32.85
Less low	13	18.57
Low	14	20
Very Low	16	22.85
Total	70	100

(Source: Field Survey, 2022)



The study shows that a focus is given to an open and transparent governance but there is a huge room for reform to this end.

**Table 5. Code of conduct sufficient to address ethical conduct**

Response	Leader	Percent
Yes	8	40
Neutral	4	20
No	8	40
Total	20	100

*(Source: Field Survey, 2022)*

According to the study, Surya Binayak Municipality local level officials' unethical activity cannot be controlled or prevented by the code of conduct alone. Therefore, it is essential to put other realistic and punitive measures in place to make sure that public employees follow moral principles and labor laws. In this sense, public employees' ethical behavior can be enhanced by training, rewards and punishments, connecting performance to career pathways, bolstering institutional capacity for monitoring institutions, and clearly defining tasks and responsibilities.

**The major findings of the study may be summed up as follows:**

- Employees' ethical practices in local government in Suryabinayak Municipality are at a satisfactory level.
- The level of ethical behavior among Suryabinayak Municipality employees is satisfactory.
- The level of consciousness on decent power practices in the local level is quite high.
- The public employees do adhere to the Code of Conduct and Ethics while according value and importance to integrity and morality.
- The employees are well aware of the value of ethics in workplace setting for efficient, effective and pro-people service delivery.
- The level of courteous behaviour towards customers, state of being informed about the code of conduct and prevailing legal frameworks, accessibility to information, and transparency of public service works is found to be satisfactory.
- Public officials do understand the value of service to client.
- More than half of the workforce is aware of the organization's code of ethics and follows it.
- The political and executive leadership communicate clearly about ethical values and standards to the employees in connection with the service delivery.

- There are enough norms of conduct in place to deal with the unethical service delivery practices in local government.
- The available codes of conduct are sufficient to address the unethical practice of service delivery in local governance.
- Corruption has remained a chronic problem that has hindered good governance practices at local level.

### **Convergent Findings:**

- The majority of respondents, comprising both leaders and employees, showed a strong understanding of the workplace code of behavior. The majority of leaders disagree that the town is appropriately implementing these norms of conduct, nevertheless.
- A large group of respondents (66.66% employees and 80 % leaders) opined that the unethical practices exist in the municipal office, and most of them are confronted with an ethical dilemma in the course of doing their jobs.
- Both employees and leaders hold the view of the necessity to uphold a higher standard of integrity and morality in public service delivery.
- The majority of respondents agreed that employees are encouraged to report ethical issues, with 66.66% of employees and 65% of executives agreeing.
- More than 90% of managers and staff members concurred that moral issues have an impact on output and service quality.
- According to the respondents, political involvement (21.43%) and corruption (35.72%) are among the biggest obstacles to local governance practices and have become long-standing issues in the local governance system.
- Although there are problems of electricity, civil registry, and citizenship service, no measures have been undertaken to improve in these areas for a better service delivery.

### **Divergent Findings:**

- The majority of workers (66.66%) believed that moral conduct had a significant influence on the provision of public services. More than 50% of leaders did, however, acknowledge that the impact on service delivery is smaller.
- The majority of workers prioritize receiving rewards for delivering improved, moral public services.
- While orders from leaders are used to ensure that duties are carried out ethically, the majority of staff follow the legal requirements.

## **5. Conclusion**

This research study has had identical aims and outcomes. Ogundele, Hassan, and Okafor have claimed that the restoration of moral values in municipals that serves as the foundation for moral health is the key to actual service delivery and national growth (2009). Overall, work ethics have an enduring impact on organizational performance and service delivery. The findings of this study demonstrate a substantial relation between unethical behavior and the efficacy as well as the effectiveness of the provision of local government services in Surya Binayak Municipality.

More often, the laws and regulations- critical for maintaining good ethics and effectiveness in the administration of public services- are disregarded, further marred by the entities in charge of public service ethics' lack of integrated and harmonized duties, responsibilities, and actions (Omisore & Oyende 2015).Municipalities, as local bodies, should carefully assess whether providing a given level of public services will be cost-effective and sustainable in the long run before deciding on that level. The study found that Surya Binayak Municipality had a low level of unethical behavior and moral dilemmas in the provision of public services, making it fairly comparable to that carried out elsewhere by Adeyemi (2016). In order to further encourage ethical behavior in its workforce, the Surya Binayak Municipality has implemented a number of practical measures, such as training, prizes, incentives, standards-setting, and directives. Similar results are also revealed by Adeyemi's investigation in two different municipalities in Riga and Vilnius.

In a nutshell, this study reveals that employees' ethical behaviour and practices, courteous treatment of the clients, access to information, and transparency in the activities of public institutions and their officials, among others, in Suryabinayak Municipality have remained satisfactory with a high level of awareness of the employees and the public about good governance practices. Though the existing legal frameworks and personnel code of conduct are in full force, both qualitative and quantitative analysis of the research data shows that rampant corruption, bureaucratic red-tapism, excessive political interference, lack of professional capacity, budgetary constraints, poor management and technological handicaps, etc. have taken roots in local governance, thus tending to jeopardize good governance practices. The study recommends that effectiveness, equity, value for money, quality, and transparency in local administration's provision delivery mechanisms and processes can be materialized only by adhering to proper ethical conduct by public officials.

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