Ethical Leadership Principles in South African Public Administration Lost Opportunity or Alive with Possibility

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Abstract:

South Africa is a society emerging from a chequered and troubled past with a legacy of impairments in terms of education skills, opportunities, resentments, equality and perceptions. As in many societies, corruption is recognized as a major hindrance to good governance in the public sector. The South African government has prompted the public sector to focus on anti-corruption measures as part of their mechanisms to prevent and curb corruption. It is evident that these mechanisms are insufficient to prevent and curb corruption, due to poor governance practices, such as weakness and gaps in legislation. Furthermore, the public sector has seen that there are unethical and even toxic leaders, who exploit the loopholes in the systems and processes and seek to fulfil their personal desires at the expense of their departments. It is therefore argued that there is increasingly a need for ethical leadership in the public sector. This article therefore suggests the need for ethical leadership to prevent and curb corruption and to promote good governance in the S.A. public sector. Ethical leadership is associated with leader effectiveness and good governance. Leaders need to demonstrate ethical leadership in their daily behaviors, decisions and actions. By sending out strong messages about ethics and establishing clear reward and sanction systems to hold public sector employees accountable for their actions, leaders can do a lot to promote good governance in the public sector. This may need to be linked to values inherent in certain uniquely cultural and South African traditions.

Keywords: *Public sector, corruption, leadership, governance.*

1. Introduction

With a population of just over 50 million, South Africa (S.A.) has extensive gold, platinum, coal and other mineral resources, well-developed financial, legal, communications, energy, transport and mining sectors, an established 120 year-old stock exchange, and reliable transport, energy and communications infrastructures.

   South Africa has a fully functional judicial and legislative system (based on long established Roman-Dutch legal principles), with extensive legislation governing commerce, labor, social and property issues as well as laws and regulations associated with agencies overseeing competition, copyright, and communications policies, conform to international norms and conventions. The population comprises various

cultural, ethnic and racial backgrounds (e.g. the population largely derives from European extraction and indigenous African tribes), also has 11 official languages, (and scores of unofficial ones). Although English is the most commonly spoken language in commerce, it is only the fifth most spoken 'home' language. The country's democratic Constitution, recognizes all 11 official languages, to which the state guarantees equal status.

The country's financial systems are sophisticated and robust, surviving the 2008 financial crisis relatively intact with extensive banking and financial services regulation and policing. Since the advent of democracy in 1994, tax compliance has steadily improved and the revenue service (S.A.R.S) prides itself on innovative e-filing and digital applications to speed-up tax submissions, as well as an efficient turn-around for the country's growing tax base. South Africa is - until 2015 - eligible for preferential trade benefits under the U.S. African Growth and Opportunity Act (AGOA), and the two countries have a bilateral tax treaty eliminating double taxation.

South Africa is a member of the United Nations, International Monetary Fund, World Bank, G-20, World Trade Organization, and Organization for Economic Cooperation and Development, and recently (2011) became the 5th constituent of the so-called 'BRICS' emerging nations trade grouping, thereby joining the rapidly growing economies of Brazil, Russia, India and China. South Africa's GDP growth in 2011 was 3.1%.

However, there are many socio-economic problems, such as high unemployment (officially 25%), illiteracy, and certain areas of the public sector – such as the health service and local government (divided into 9 geographical provinces), that often function poorly, and are frequently characterized by ill-informed uncaring public officials. Recently the Public Service and Administration Minister announced a programme to professionalize the public service by introducing compulsory induction training from October 2013, (Aboobaker, S., 2012).

Recognizing the need for improvement, and following six months of nationwide public consultation, a draft long-term vision and strategic plan for South Africa has recently been devised by government. This road-map – The National Development Plan-2030 – sets down strategies to address poverty by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes, and crucially in terms of the focus of this article, outlines the steps that need to be taken by the state to strengthen accountability, improve coordination and prosecute corruption in the public service.

Although S.A. ranked 54th out of the 178 countries listed in Transparency International's 2010 Corruption perceptions index, South Africa's Auditor-General (AGSA) – with a constitutional mandate to ensure oversight, accountability and governance in the public sector, uncovered R26,4bn in "unauthorised, irregular and fruitless expenditure" in his review of S.A. government and public sector departments during the 2010/2011 financial year (De Lange 2011).

The AGSA – which celebrated its centenary of public sector auditing in 2011 – audits 8 metropolitan, 283 municipalities and a further 60 local government entities annually, within 3 months from receipt. On average, about 50 % achieved a clean financially unqualified audit (S2.2.2) after correction conform to pre-determined objectives or misstatements, within the audit period, with the remainder tarnished by various "negative disclaimers, adverse findings or qualified opinions." The key drivers of failed audit outcomes include deficiencies in internal controls, poor HR, and problematic I.T., as well as by oversight committees which the AGSA attributes to:

a) Officials in key positions lack minimum required skills and competencies (72%);
b) Lack of consequences for poor performance and transgressions by officials and leaders (70%);
c) Mayors and councillors do not timeously respond to requests from the AG for information/corrections and fail to "take ownership of the implementation of key controls," (57%) (S2.1.5).

The AGSA notes that "numerous errors need to be corrected by auditors during the audit despite consultants being brought in to assist municipalities, and that some were submitted too late to be completed in the time period," (AGSA Report, 2012). Overall, the AGSA opines that drivers of audit outcomes are "that leadership should set the tone from the top regarding the importance of internal controls and expected standards of conduct" and that for the purposes of corrective action, the different components of internal control are categorised as leadership, financial and performance management and governance" – the drivers of internal control (AGSA Report, 2012, 4.1.1), Heese and Allan (2012:4). Somewhat ironically, the S.A. Public Protector, (mandated to investigate corruption in public administration), noted that there would soon be no money left for service delivery in SA, due to the alarming increase in corruption in government departments in the public sector (Madonsela 2011).

Although the shift from the stigma of apartheid, (which excluded the majority of South Africans from ownership and/or control of productive assets and resources and participation in the economy), to democracy in 1994, was achieved relatively peacefully, many organizations remain hierarchical in structure, while industrial and employee relations are often characterized festering resentments (and on occasion simmering violence, most recently apparent in an aggressive dispute between a private sector mining company, its employees, competing trade unions, and police intervention, (Paton and Seccombe 2012), Although legislation aimed at promoting economic transformation and eliminating resentment was introduced almost a decade ago, its record in relation to equalizing the wealth of ordinary workers has been patchy: average annual incomes for most blue collar and public sector employee remains stubbornly below R 50,000 p.a. (= 4,500 UK pounds = $ 7,000 (BMR 2010).

The Black Economic Empowerment (BEE) Act of 2003, targets sectors areas of the South African economy, such as energy, banking, and mineral beneficiation. These key development areas have specific criteria attached to measure more broadly-based economic participation outcomes, such as equality of ownership, increased employment, more equitable income distribution, opportunity and access to services.

In February 2007 the Codes of Good Practice on Broad-Based Black Economic Empowerment (B-BBEE) were formalized by the government to provide a clear framework to measure broad-based BEE across sectors of the economy. The Codes define criteria and quantify seven scorecard categories: Ownership, Management, Employment Equity, Skills Development, Preferential Procurement, Enterprise and Socio-Economic Development.

The advantages of being BEE-compliant are access to the Department of Trade and Industry B-BBEE Opportunities Network to assist businesses to tender for preferential procurement and or enterprise development opportunities – typically in the form of tenders for government contracts.

However, circumvention of the B-BBEE Act and Codes has led to a process termed 'Fronting,' involving deliberate attempts to falsify and misrepresent scorecard data regarding compliance, and typically involve such practices as 'window-dressing,' in which a few formerly economically black/disadvantaged people are nominally appointed to prominent positions (e.g. as directors/managers) in an enterprise on the basis of tokenism, while the rest of the organization remains 'business as usual,' all with the objective of appearing BEE-compliant. The Public Protector (January 2012) referred to so-called '*tenderpreneurs,*' who participate in public procurement self- enrichment schemes and treat government funds as 'orphaned money'. The Public Protector said that those involved in such schemes "make use of personal connections to the powerful to score lucrative government contracts, often benefiting from inflated fees while delivering shoddy service. Pseudo entrepreneurs collude with public officials and office bearers to deprive citizens, not only of enormous resources but also of service delivery," (Madonsela, T. 2012).

In a prominently quoted speech, Gwede Mantashe, the secretary-general of the governing party (the ANC), warned against BEE companies using the state as their 'cash cow' by providing poor-quality goods at inflated prices. He said it was unacceptable for contractors to charge taxpayers R20 million for a public school, when the private sector might only spend half the cost on a similarly specified project. Questioning the country's tender system, Mantashe noted the need to move away from a 'tender state', to a state that actually has capacity to do business: "The state must be able to do what it has to do and never make secondary, what has to be a primary objective." He stated that if the primary objective of the state is to "deliver food to a school, who delivers it, is secondary." He concluded that the public had for too long tolerated the situation where BEE companies build bridges that got 'eroded at the first rainfall,' (Mantashe, G., 2012).

Although neither the Public Protector nor Mantashe actually used the term '*corruption'* to describe these scenarios, not everyone's perception might regard such schemes as corrupt. As noted by Jos (1993) and others, empirical studies of corruption depend on exactly where one is 'standing.' Some authors consider that definitions of corruption may be biased in favour of 'Western standards,' which are not universally applicable in a developing country/emerging economy context and thus overlook the fact that whether such "an action is corrupt depends on the social context, within which it occurs." Actions are situationally dependent on their setting, in this case their socio/cultural /economic context. For example, in contemporary China, the DaZhong taxi company only buys one brand of vehicle, since the city also owns the Shanghai Automotive Industry Corporation (SAIC), which in turn manufactures the taxi: "so long as the DaZhong buys VW Santanas, there is a good chance that its licence to manage the city's largest fleet of nearly 9000 taxis will be renewed by the city authorities   To enter and compete in China you need a licence. To get a licence you need a friend. " (Dunne, M 2011).

According to Jos (1993), "Identical actions may be totally acceptable in one society...and yet be considered corrupt in another," thus preventing the 'neutral' observer/commentator from providing an absolute definition of corruption, or avoiding cultural bias. Thus when a national daily South African newspaper interviewed nine black businessmen from industrial sectors such as infrastructure, property, construction and transport (on condition of anonymity), they stated that it was something of a norm to "pay to get a tender, pay to be paid, and. grease the
machinery," (Rampiedi, P.2012): these just amounted to the hidden transaction costs of 'doing business' in a developing society.

Thus despite legislation concerning tenders in government, 34% of all government departments awarded contracts to officials and their close family members. Although there are a number of initiatives to curb corrupt practices in the public sector, it is evident that corruption, in various forms, exists.

The Public Service Accountability Monitor (PSAM) of the United Nations argues that a major obstacle to poor service delivery in South Africa, especially at local government, is poor governance, which includes not only corruption, but also poor leadership performance by government officials in their management of public resources and a lack of political will to act against underperforming officials (Luyt, 2008:2). The poor management of public resources, absence of adequate accountability mechanisms and a lack of transparency, in turn impact public service delivery (Naidoo 2009).

In their report of South African local government, the Department of Co-operative Governance and Traditional Affairs (COGTA) (2009: 10) identified the following as casual reasons for distress in municipal governance:

- Poor ability of councillors to deal with the demands of local government;

- Inadequate accountability measures and support systems and resources for local democracy;
- Poor compliance with regulatory and legislative frameworks;
- Tensions between the political and administrative interface;
- Lack of clear distinction between the legislative and executive; and
- Insufficient separations of powers between municipal councils and political parties.

Their assessment revealed that party-political factionalism and polarisation has led to the deterioration of municipal functionality. These relate to the issues of democracy, representation, and inclusion, power sharing and the relationship between institutions of governance, such as the legislature, the executive and the judiciary, political parties and civil society organisations – all facets of political governance that affect the decision-making process that impact individual's lives, livelihoods and lifestyles (Naidoo 2009). Nepotism, patronage and corruption leads to a lack of citizenry confidence and trust in the system, as the municipal accountability system is perceived to be ineffective and inaccessible to many citizens (COGTA, 2009:11). Clearly, greater trust in public administration processes is vital (discussed later).

Of course, examples of corruption and maladministration pervade the world over, often on a grander scale than in South Africa, whether it be the corruption conviction of Rod Blagojevich, the former Illinois governor, or the municipal bankruptcy of Alabama's Jefferson County following a complex $3.14 billion sewer bond debt scandal. The reasons are often similar, with links established between corruption and lack of ethical leadership and poor governance, (Naidoo 2011; Pillay 2004, Simpson *et al.* 2012).

This article discusses certain known corrupt practices that exist in the S.A. public sector, and puts forward the argument for ethical leadership to promote good governance. Pillay (2004:590) states that success in eradicating corruption depends on the promotion of good governance. However, success in promoting good governance requires effective leadership (Naidoo 2011), in the form of exemplary moral and ethical values. Ethical leadership is needed to resist the abuse of entrusted power for private gain, as well as potential interference and to protect anti-corruption agencies' operational independence, in turn facilitating good governance.

2. Preventing Corruption in the South African Public Sector

Various mechanisms and initiatives have been put in place since 1994 to prevent and combat corruption in S.A. However, it is also critical to determine their effectiveness in relation to the prevention and combating of corruption in the S.A. public sector including:

2.1 The Constitution of the Republic of South Africa 1996

Section 195 of the Constitution of the Republic of South Africa 1996 indicates that Public Administration must be governed by democratic values and principles, such as:

- The promotion of a high standard of professional ethics;
- The promotion of efficient, economic, and effective use of resources;
- That transparency must be fostered by providing the public with timely, accessible and accurate information; and
- That public administrations must be accountable.

Legislation also exists to translate the principles of the Constitution to promote good governance in the public sector.

3. The Prevention and Combating of Corrupt Activities Act 12 of 2004

The Prevention and Combating of Corrupt Activities Act (12 of 2004) outlines a framework for the strengthening of measures to prevent and combat corruption, provides for investigative measures, places restrictions on persons convicted of corrupt activities relating to tenders and contracts, and provides for extra-territorial jurisdiction if required. Government and Municipal Departments are required to periodically conduct audits of selected projects to identify weaknesses and malpractices in procurement processes. However, as was discussed earlier, audit skills and controls are often less than robust, especially in the smaller metros.

4. The Protected Disclosures Act 26 of 2000

The Protected Disclosures Act 2000 is intended to protect 'whistleblowers' who disclose information about unlawful or corrupt conduct against occupational detriment. The Act declares that criminal and other irregular conduct in organs of state is detrimental to good governance. However, Diale and Holtzhausen (2005:17) state that in its current form the Act "falls short of the practicality of its provisions and [lacks protection for] current and future whistleblowers."

5. Public Finance Management Act, 1999 (Act 1 of 1999)

The *Public Finance Management Act, 1999 (Act 1 of 1999)* (PFMA) introduced Tender Boards to help monitor the activities supply chain management departments. The medium-term expenditure framework (MTEF) also compels national government departments to budget within strategic goals.

Section 39 of the Public Finance Management Act, states that the Accounting Officer (AO) must exercise tight financial control over expenditure and is obligated to

report all financial irregularities to the provincial treasury. Section 40(4) provides for a mechanism whereby the AO must report monthly to the Treasury for the previous month's revenue and expenditure. This ensures that expenditure is spread over the financial year and can thus prevent 'fiscal dumping' at the end of the fiscal year, therefore curbing the scope for corruption by limiting the scope for artificially inflating budgets and thus promoting better governance.

6. Regulations for Procurement Practices

The Minister of Finance, Pravin Gordhan, in his Budget Speech (2012: 26), reported that the 'National Treasury had issued new regulations which require departments to submit annual tender programmes, limit variations to orders, and require disclosure of all directives'.

   Other steps that are to be implemented by the National Treasury to improve procurement capacity in the public sector include (Gordhan, 2012:26) include:

- Strengthening fragmentation in the system and the national procurement architecture;
- Appointing a Chief Financial Officer (CFO) in the Resource Management (RM) Department within the National Treasury to assess the competencies and capabilities required by relevant public servants to perform the procurement function.
- Developing a national price reference system, to detect deviations from acceptance price;
- Undertaking a joint review of the validity and cost effectiveness of all government property leases; and
- Improving the ability of departments to set the specifications for tender.

7. Institutions to Curb and Prevent Corruption

'Doing the right thing' is often thought to stem from watching others do the 'right thing,' and in this respect, trust in the both the institutions and the fairness and equity of the processes within them is vital, sometimes more than the actual outcomes themselves, (Van Ryzin, 2011 745-760).

   In this respect Chapter 9 of the South African Constitution establishes institutional safeguards such as the Constitutional Court, the Public Protector, and the Auditor-General, all characterised by safeguards on their independence and ability to investigate, gather and analyse information, following due process. Amongst various so-called 'Chapter 9' SA institutions charged with ensuring that public administration activities are in line with the values and principles enshrined in the Constitution and geared to promoting good governance, are:

- The Public Protector, who is mandated to investigate any corruption in state affairs, or in public administration, that is alleged or suspected to be improper or prejudiced;
- The Auditor-General (AGSA), who audits and reports on the accounts, financial statements and financial management at all levels of government to ensure efficiency and economical use of public resources (as previously discussed).

In addition, the Department of Public Service and Administration, oversees the national and provincial government; Siswana (2007: 225) adds that 'in the SA context, it is imperative for institutions of governance, such as the Electoral Commission, and Public Service Commission (PSC), as well as Parliament and provincial legislatures to enforce, securitise and monitor the applications of the above legislative frameworks to instil a good governance culture in the public sector. These create conditions for an accountable government in the best traditions of democracy.

It is argued that pre-emptive attention should be devoted to the prevention of corruption and to identifying and eliminating systemic regulative and organisational *lacuna* that contribute to corruption. Preventive measures include reforming regulatory frameworks to reduce the discretionary powers of public officials, increasing the transparency of decision making procedures and improved skills training, particularly for those public servants occupying fiscally sensitive positions. More importantly, those interacting with the public sector need to be more informed about available protections and legislation, as well as the procedures of the Public Finance Management Act intended to curb and prevent corruption.

7.1 Manifestations of corruption

Recent information regarding reported public sector corruption in S.A. is reflected in Table 1.

Table 1. Corruption in the S.A. public sector for 2004-2010 as at 31 June 2010

Categories of corruption	Number of Occurrences	Percentages
Fraud and bribery	1 511	19%
Mismanagement of government funds	870	11%
Abuse of government resources	985	13%
Procurement irregularities	720	9%
Social Housing allocation irregularities	450	6%

Appointment irregularities	627	8%
Social grant fraud	420	5%
Identity document fraud	781	10%
Unethical behaviour	580	8%
Criminal conduct	512	7%
Other	310	4%
Total	**7 766**	**100%**

Adapted from the Public Service Commission (PSC) Report 2011

The National Anti-Corruption Review Report in 2004 concluded that although S.A. has made great strides in fighting corruption, serious challenges remained in the public sector. The report highlighted that corruption in national government had decreased, but corruption increased at local government levels (Humphreys & Weinstein 2009:370).

Statistics S.A.'s 2011 'Victims of Crime Survey', reported that bribery is the most common form of corruption in organs of state:

> *Households were asked if any public official asked for money, favours or a present for a service that he or she was legally required to perform. 5,6% of households indicated they were asked for money by government officials for a service. The results show that paying a bribe (e.g. to the traffic police to avoid traffic fines) was the most common form of corruption. Other services where bribes were solicited include those involving driver's licences (15,9%), employment applications (13,8%), or identity document/passport matters (13,3%). (*Statistics S.A.'s Victims of crime survey (2011:34)

Although, the proportion of people asked to pay bribes in relation to traffic fines has increased since 2007, bribes paid when visiting prisons and involving pension or social welfare grants have decreased.

In closely examining corruption in the provincial sphere in Table 2, it is also important to note the relatively small proportion of cases that have been resolved through closure.

Table 2. Cases of alleged corruption in provinces: 1 Sept 2004 to 31 June 2010

Province	Number of cases referred	Feedback received	Percentage of feedback received	Cases closed	Percentage of cases closed
KwaZulu-Natal	409	191	47%	43	11%
Free State	203	49	24%	26	13%
Mpumalanga	791	300	38%	196	25%

Western Cape	251	185	73%	30	12%
North West	307	133	43%	65	21%
Eastern Cape	424	83	20%	19	4%
Limpopo	300	96	32%	36	12%
Northern Cape	70	17	24%	16	23%
Gauteng	1 188	500	42%	268	23%
Total	**3 949**	**1 522**	**39%**	**699**	**18%**

Adapted from Public Service Commission (2011)

Comparison in Table 2 shows that while certain provinces have proportions of closed cases exceeding 20%, other provinces have significantly lower 'resolutions' indicating inconsistent progress in fighting corruption. Following a National Anti-Corruption Summit in 2002, the government adopted a Public Service Anti-Corruption Strategy, initiating an anti-corruption hotline in 2004: by 2008, 4,202 cases of alleged corruption had been reported to the Public Service Commission (PSC). According to government, R86m was recovered through successful investigation and disciplinary procedures, though it is hard to know what proportion of losses to the state fiscus remain unaccounted for.

However, a closer look at corruption in 2012 indicates that there have been certain egregious breaches. In Limpopo province, five provincial departments were 'taken over' by national government, as they were deemed not to have the capacity to deliver services (Rampedi 2012). A recent Limpopo scandal involved the tendering and outsourcing for (non-delivery of thousands of text-books to schools in the impoverished and administratively troubled region. Limpopo has a shortfall of more than R2bn, an overdraft of R700m and it recently applied to a commercial bank for a further overdraft facility, which was declined.

In Bloemfontein (2012), seven people were recently charged with unlawful practices involving tenders in the Free State education department, worth about R30m (News24.com: 2012). The Auditor-General (2012) found that over 50% of tenders in the province were given either to government workers or their family members. The report also stated that "there was still much to be done to address deficient asset management processes and practices in the province, while the prevalence and magnitude of irregular expenditure incurred by eleven departments and three public entities were unacceptably high" (Sowetan 2012).

Other prominent cases of corruption at national government include the Public Works Department that spent money on suspect leases that enriched a privileged few. This led to the dismissal of the former Minister of Public Works (Bryson 2011). At local government, it is evident that corrupt practices are also on the increase (Smyth, Reddel & Jones 2005). For example, a municipal councilor was arrested when he was found by the Department of Home Affairs with immigration stamps, allegedly being used on travel documents at the border between Zimbabwe and S.A. (News24.com 2012).

In light of the above, it is evident that corruption – whether formalised through BEEE legislation and policies that leads to company fronting or government tendering and outsourcing, characterised by collusion and lack of monitoring skills, or mere bribes, lies and falsification – does exist in the S.A. public sector. More seriously, corruption has an impact economically, politically and socially, especially on inward investment.

8. Challenges in Addressing Corruption in the Public Sector

Amongst the challenges in addressing corruption, are that public officials enjoy wide discretionary powers. Gumede (2011:20) argues that "*there are still many 'legislative gaps' in S.A.'s corruption fighting infrastructure..... relating to how to deal with dual employment of public servants, manage conflicts of interest and deal with the 'revolving door' phenomenon, in which senior public servants and politicians, after leaving a job in the public and political sector – join the private sector... bringing with them all the inside information, contacts and influence*". There is limited capacity in the Public Service Commission (PSC) to scrutinise disclosures of conflict of interest, as it can only randomly scrutinise 30% of all senior managers' disclosures in the public sector, and has no powers of its own to prosecute transgressors.

Although the Auditor-General investigates corruption, other agencies are required to police and prosecute. Integrity committees, for example, cannot investigate cases of corruption, neither can they penalise the guilty. The government thus needs to give attention to public servants implicated in corruption inquiries, who have apparently not faced disciplinary action from within their own departments, perhaps due to limited investigative resources and skills. In addition, it can take more than 60 days to finalise disciplinary enquiries even for minor offences (Businesslive 2012). This is costly for government, as department officials may be suspended from duty with full pay without rendering services. It is therefore suggested that the pace of disciplinary hearings should be accelerated to prevent cost and time delays.

It is perhaps not surprising therefore that Independent civil society bodies, such as 'Corruption Watch' have been established (2012), launching a website and SMS hotline to receive reports of corruption, a secure portal for evidence-based whistle blowing activity and a resource for information about corrupt activities in South Africa. A vocal public interest law centre, "SECTION 27," (named after Section 27 of the South African Constitution, which enshrines the country's commitment to socio- economic rights), has also been at the forefront of exposing administrative ills, most recently with the non-delivery of text books to schools referred to previously.

Anti-corruption bodies should be shielded from undue political interference. To this end, genuine political will to fight corruption is the key prerequisite. Such political will must be embedded in a comprehensive anti-corruption strategy, in which the level of independence can vary according to specific needs and conditions of each department. Structural and operational autonomy are important, along with a clear

legal mandate. This is particularly important for law enforcement bodies. Transparent procedures for appointment and removal of corrupt leaders together with proper human resource management and internal controls are important elements to prevent undue interference. Independence should not amount to a lack of accountability. Although such a body would have to account to politicians, it should not be managed by political office bearers, which could affect its independence (Glenister v President of the Republic of S.A. and Others, 2011). The principles of the rule of law and human rights should be adhered to, with regular performance reports to executive and legislative bodies, and public access to information allowed.

Other aspects of concern are that only 40% of public administration departments have anti-corruption policies of reasonable quality, with patchy evidence of implementation. The remaining 60% either have no policies, or very basic policies of poor quality. Ten percent (10%) of departments have clear written objectives which are well integrated with other objectives and with evidence of planning and monitoring against objectives. Forty-five percent (45%) of departments have written objectives dealing with corruption. Only 15% of the departments were found to have advanced investigative capacities, while 25% have basic capacity. The PSC found that many anti-corruption investigative units established in departments at the provincial level, are dysfunctional. The remaining departments were found to have no basic investigative capacity (Public Service Commission 2011).

Departmental feedback reports submitted to the PSC show that departments are often lenient, with only written or final warnings to officials found to be associated with corruption. The imposition of disciplinary sanctions against officials found guilty of corruption is often limited due to weak organisational mechanisms in public sector departments. The PSC also found that disciplinary enquiries are very time-consuming, (Public Service Commission, 2011).

There are also challenges around the investigative capabilities of the enforcement agencies, (e.g. abuses of power, lack of transparency and openness). There is therefore a critical need to address these challenges to curb the prevention of corruption. It should be mandatory for investigative units to be established within departments. Provinces should establish centralised anti-corruption investigative units. It is suggested that Provinces commit greater resources to investigate corruption. In particular, integrity management units should be created through the appointment of appropriately skilled persons and by training of officials in the discipline of forensic investigation. Failure to do so will impact negatively on successful prevention and curbing of corruption which will erode efforts to build integrity within the public sector. A centralised anti-corruption investigative unit could ensure that there is proper coordination of cases in provincial departments and that evidence is not 'misplaced' (Public Service Commission 2011:ix).

Currently investigative capacities in the local sphere of government are also fragmented and therefore need coordination and integration. The effective utilisation of funds and expertise is an important success factor for the local governance

framework. Strict adherence to legislation and the Public Finance Act (2002) must be ensured. The prevalence of under-spending must be avoided and monitored in relation to different projects. Poor financial skills, financial management, lack of financial controls, non-adherence to labour policies, dysfunctional labour forums and a breakdown in the labour and management interface are features of the majority of municipalities who have 'qualified audits' or 'disclaimers' applied to them (De Lange 2011). The importance of investing in people is critical, particularly where technical, managerial and leadership skills are required (Cooperative Governance and Traditional Affairs 2009). It is also important to promote ethical leadership to curb corruption and promote good governance in the public sector.

9. Ethical Leadership to Curb Corruption and Promote Good Governance

Many definitions of leadership exist and it is not the purpose of this article to analyze them here, but unique situational factors may be especially relevant in an African context. In addition to transformational leadership (Bass *et al.* 2003), which is especially thought to facilitate organizational change and employee satisfaction by looking beyond self-interest, to focus on the needs of the organization, and information use is thought to help improve the performance of organizations generating and relying on data quality (recall the Auditor General's critique of data from municipalities, discussed earlier), (Moynihan *et al.* 2011), the philosophical traditions of Africa, may offer an important contribution to the theory and practice of leadership which can be put into practice on a global platform.

   African humanism or '*Ubuntu'*, evokes both reason and empathy as the basis for ethical leadership. Ubuntu – articulated in the Zulu proverb *umuntu ngumuntu ngabantu* – means that 'a person is a person because of other people.' Khoza (2011) contends that the reciprocal relationship between the individual and the social collective, stimulates caring and progressive thought and action, which is especially apt in the relationship between leader and followers –especially in bureaucratic organisations, such as those typified by the public sector.

   While Ngambi's definition of leadership is relatively conventional, *"the process of influencing others' commitment towards realizing their full potential in achieving a shared vision, with passion and integrity",* implying a leadership that facilitates self-empowerment in followers that inspires passion and compassion, and galvanizes all facets of an organisation to function at its maximum potential, it is a precursor for a more holistic leadership model requiring that leaders incorporate head, heart and hands, into what she terms the "*RARE* Principles" of Responsible, Accountable, Relevant and Ethical leadership.

   Conversely, Ngambi describes a "*toxic leadership*" intermittently present on the African continent, where legacies of empowerment and opportunity have often been squandered to kleptocracy, xenophobia and equally toxic "*followership*." Recent corruption scandals in the public sector where it has been said that those with "the

right connections can get a sympathetic hearing from the powers that be," (Khoza, 2012), have raised important questions about the role of national leadership in shaping ethical conduct, a perception held by Khoza (2012) in criticising contemporary "short-term, transitional and ethically weak transactional leadership styles."

Kroukamp (2011:29) argues that leadership should involve promoting public sector ethics. It is further suggested that more emphasis on ethical leadership in the public service could curb corruption and ensure good governance. Leadership that is participatory, consensus-oriented, accountable, transparent, responsive, effective, efficient, equitable and inclusive, following the rule of law, with the views of communities taken into account and the voices of the most vulnerable in society heard in decision making, it is argued, will help ensure that corruption is minimised.

According to Van Aswegen and Engelbrecht (2009:228), ethical leadership "demonstrates the will and ability to strategically position, design, and sustain an organization successfully, to develop employee competence and to direct human and organizational energy in pursuit of performance and achievement that stand the ethical test of effectiveness and efficiency". Van Den Akker, Heres, Lasthuizen & Six (2009), contend that being an ethical leader is about being both a moral person and a moral manager. Ethical leaders increase awareness of what is right, good and important, inspiring their followers to become leaders, who go beyond their self- interest for the good of the organisation. Palanski and Yammarino (2007), classify the various meanings of integrity into five general categories, namely integrity as wholeness, consistency between words and actions, integrity as consistency in adversity, integrity as being true to oneself, and integrity as moral or ethical behavior. Integrity implies that an individual's behaviour is consistent with espoused moral values, implying that a person is honest and trustworthy. According to Van Aswegen and Engelbrecht (2009), most scholars consider integrity to be a requirement for ethical and effective leadership. Integrity, in particular, is recognised as the core value of leaders. To promote good governance, both political and administrative leaders should therefore act with integrity at all times and support the ethos of democracy such as that which crafted the Constitution of the Republic of S.A. Avey, Palanski and Walumbwa (2010), Walumbwa *et al.*, and Neubert, Carlson, Kacmar, Roberts and Chonko (2009) indicate that ethical leadership fosters individual perceptions of a more ethical climate. Ethical leadership argue Brown & Treviño, (2006) may portend outcomes, such as followers' job satisfaction and dedication, and their willingness to report problems to management.

In the African context, Ngambi (2011) highlights the resource of spiritual intelligence in the leader-follower relationship. The more 'spiritually aware' leader will she argues, comprehend their subordinates' reaction to events or decisions, and at least be aware of their feelings. Equally, followers will respect 'authentic leaders', who display consistently principled behaviour whatever the circumstances. The solution to

ethical problems, such as corruption in the S.A. public sector, may therefore rely on a spiritually aware moral and competent leadership nexus.

Given a more ethical leadership, mechanisms of curbing corruption can be implemented more vigorously, thus promoting good governance. It is therefore crucial that managements create organizational cultures of openness and transparency in which unethical conduct becomes visible and employees and managers are accountable. In addition, it is suggested that public sector departments need ethical training programmes to create and maintain a culture that promotes appropriate behavior. However, in a society historically characterized by inequality, between the employed, the unemployed and the unemployable, and also amongst the ranks of the employed in terms of cultures, education and experience, inculcating a uniform attitude to ethical leadership may prove a long and winding path, (see further Zajac and Comfort, 1997).

In order to strengthen the public sector culture, a programme of structural and procedural changes could be implemented by management as a means of institutionalising ethics (Van Aswegen & Engelbrecht 2009:228). These could include formulation of ethical codes and value statements, management and corporate ethical education, public sector ethical performance evaluations, disciplinary codes for breaches of procedures, and channels for seeking advice or reporting violations (for example support of whistleblowers), ethics 'hotlines', conducting ethics audits, scrutiny by ethics committees and informational newsletters. However, as has been used to describe American CEO Alan Mulally's leadership philosophy at Ford, (Hoffman, B, 2012): "*The leader's job is to remind people of that vision, make sure they stick to the process and keep them working together,"* – which as mentioned above, is often hard to achieve, especially in the stratified South African social and organizational contexts.

Ngambi (2011) also suggests the need for '*African Intelligence'* (AQ), rooted in traditional African community values and the 'village model' of leadership, where respect and accountability are daily practiced. However, the building of an ethical climate in the S.A. public sector requires more than just leaders who behave ethically. It requires the proactive management of ethics. Such leaders have to be motivated and committed to achieve the vision of an ethical public sector. However, as Zajac and Comfort (1997: 548) remind us: "organizational learning is not always a fully realized process. Rather it involves organizational progress through stages of awareness, information gathering, inquiry, change, evaluation and revision of action. The extent to which organizational learning culminates in actual behavioral change depends in part on the mix of receptiveness to, and constraints upon [the] change characteristic of each organization." Overhauling ethics cultures is therefore often hard to achieve in any long established organization, especially those practicing public administration.

South Africa's journey from restricted access to education, information, opportunities and resources, although by now well established, is still an emergent

process. The country is still characterized by inequality, patriarchy and hierarchy in an almost self-re-enforcing cycle. To import leadership styles and techniques from other developed societies, and expect them to transform public administration and service delivery in South Africa, does so at the risk of ignoring local history, experience, culture and values. To adapt and integrate leadership skills, and at the same time capitalize on strongly embedded norms and values discussed above, and apply them to contemporary public administration in order to improve attitudes, service, efficiency and delivery both towards, and from within, the public service, must surely be the ultimate prize, for which to strive.

10. Conclusion

The article presented a background to contemporary public administration in South Africa and discussed issues relating to deficiencies, skills, especially as they relate to perceptions of and methods to prevent and combat corruption in the S.A. public sector. It also explored the challenges to curbing corruption and suggested the critical need for ethical leadership to curb corruption and promote good governance in the S.A. public sector.

   Despite mechanisms to prevent and curb corruption in the S.A. public sector, it is evident that corruption exists. It is apparent that public sector leadership entrusted with state resources, enrich themselves instead of acting as custodians of the state and that poor governance compounds the corrosive consequences of corruption. This article examined corruption and its effects on good governance in the S.A. public sector. The article identified corrupt practices in the S.A. public sector and recognised the critical need for ethical leadership to curb corruption and promote good governance in S.A. It is evident that successful eradication of corruption and promotion of good governance therefore depends on ethical leadership. Ethical leadership – with African nuances – is therefore suggested to help prevent the abuse of entrusted power for private gain, reduce potential interference and protect anti- corruption agencies' operational independence, thus potentially enabling better governance.

   Given the above, it is therefore hoped, that the successful application of ethical leadership principles in the context of South African public administration, is in the words of a recent patriotic marketing slogan 'alive with possibility.'

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