

Ethics and Professionalism in Lesotho's Public Sector: An Empirical Perspective

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Received: November 1, 2024 Accepted: February 14, 2025 Published: July 16, 2025

doi: 10.5296/jsss.v12i1.23021 URL: <https://doi.org/10.5296/jsss.v12i1.23021>

Abstract

Unethical behaviour in the workplace is a persistent global challenge, and Lesotho's public sector is no exception. While conventional tools such as codes of ethics, legislative frameworks, and self-regulation mechanisms exist, they have not curbed the prevalence of misconduct. This study investigates the underlying economic and institutional factors that may increase susceptibility to unethical behaviour among public service professionals in Lesotho. A descriptive quantitative approach was employed, drawing on secondary data from reputable sources for the period 2005–2023. The Corruption Perceptions Index (CPI) served as the dependent variable, with six macroeconomic indicators analysed for their potential influence on ethical outcomes: income per capita, inflation, foreign direct investment (FDI), unemployment rate, vulnerable employment, and dependency ratio. Time series estimation was conducted using Ordinary Least Squares (OLS) after ensuring all variables met stationarity requirements. The findings indicate that among the variables examined, only income per capita had a statistically significant association with CPI trends. This suggests that economic pressures linked to income levels may affect the ethical orientation of professionals under institutional stress. While limited to the context of Lesotho, the results highlight the importance of addressing structural economic vulnerabilities in public service reform. Broader and more inclusive studies across African contexts are recommended to validate these findings and support regional strategies for strengthening ethics and professionalism in governance.

Keywords: ethics, unethical behaviour, code of ethics, dependency ratio, income relative hypothesis, ethics compliance

1. Introduction

The problem of unethical behaviour in Lesotho's public sector has eroded public and investor's trust in government institutions (Kali, 2020). The existing legal frameworks and codes of conduct that are intended to instil ethically compliant conduct seem to be wanting. This is evidenced by continued deliberate acts of malpractice such as fraudulent awarding of tenders, looting of public funds, bribery and favouritism. Ultimately, corruption and all sorts of unethical behaviour in the public domain engender conflict. Political instability in Lesotho has been mostly attributed to matters relating to corruption, abuse of power, and nepotism (Pherudi, 2022). Since her independence in 1966, Lesotho's economic growth and development has been hindered by systemic and grand corruption¹. For the most part, the civil community which is entrusted with the stewardship of national resources and public administration habitually sabotages the government.

In order to regulate behaviour in the public service, two major legal frameworks were adopted in Lesotho; namely the Public Service Act 2005 (Lesotho Government, 2005) and Codes of conduct. They draw their mandate from the Constitution of Lesotho (1993), which is the supreme law in the country. These two documents provide a comprehensive approach on all matters of conduct that the public servants should take into consideration for their day-to-day responsibilities. They also forearm public servants to be aware of potential moral dilemmas and how they should handle them. Public Service Act 2005 enshrines the responsibilities and rights of public servants during and off duty. Its objective is to develop and maintain stable, efficient and effective public service (Section 2). On the other hand, codes of conduct prescribe expected behaviour from the servants in order for them to continuously project a professional image of the public service (Section 15(i)).

However, these legal frameworks are perpetually faced with radical resistance and lack of enforcement. Lack of compliance with legal frameworks has drastically engendered moral decay within the Lesotho Public Service. This is mirrored in the prevalence of rampant corruption under different forms coupled with a series of malpractices by the public servants (Mokete, 2023). Prevalence of corruption within Lesotho Public Service has undermined the efficacy of the pronounced legal frameworks thus leading to lack of trust between the citizens and public servants (Lebakeng, 2021; Dorasamy, 2021; Membe, 2022). Failure to uphold ethics in the public service has led to weakened state institutions, poor project management, injustice, maladministration, poor service delivery, weak infrastructure development, and failure to provide and maintain basic needs such as health and education in the country (Kali, 2020; Nkopane, 2023).

Against this background, this study addresses the following questions: besides darker personality traits, and bad organizational cultures, what are the underlying causes of unethical behaviour in public service? Could failure to adhere to ethical codes of conduct be attributed to the country's economic performance? To answer these questions, this study investigates factors that underpin unethical behaviour in the public sector of Lesotho. That is, the study answers the preceding questions by investigating, empirically, factors that influence corruption levels in Lesotho. It is our belief that this will better help us understand what influences technocrats to behave unethically irrespective of their knowledge of law and ethics. It is, therefore, necessary to outline and discuss, within the limits of this study, the

¹ Transparency International defines grand corruption as the abuse of power by senior government officials so that national resources could benefit the few at the expense of the many.

ethical challenges that are prompted by lack of compliance to the legal frameworks that are geared to regulate behaviour of the public service. Subsequent to this discussion, informed recommendations will be made on how best the public servants in Lesotho can be encouraged to project a professional image and comply with the current legal frameworks in order to restore trust and tarnished image of the public service.

Since most of the available literature on professional ethics is theoretical, this paper uses a descriptive quantitative method which correlates theory with empirical analysis to investigate factors that underpin unethical behaviour in the public sector. The goal is to assess the extent to which ethical compliance is practiced in Lesotho's public sector. To achieve this, the paper is divided into three sections: the first section examines current literature on the causes of unethical behaviour in the workplace; the second section deals with the method of analysis including where empirical data was gathered, and how it is presented and interpreted. The last section presents results which are then used to make inferences to the curiosity of this paper before the conclusion.

2. Literature Review

2.1 Ethics in the Public Sector

Scandals involving public officials in Africa and elsewhere in the world have captured attention of the media, scholars, the public, and corporate leaders. These scandals often manifest in various ways such as shady privatization deals, acceptance of bribery, bad service, diversion of foreign aid, fraudulent procurement of tenders, and so on. Public officials are moral actors whose behavioural patterns can be studied and manipulated. As such, Treviño (1986: 601) notes that “behavioural ethics has become a legitimate and necessary field of social scientific inquiry.” Indeed, several studies have been conducted to address the subject matter. For example, in the United States, among many other ethics related institutions, there is an Ethics and Compliance Initiative (ECI) which periodically conducts longitudinal and cross-sectional studies of workplace-conduct from employee's perspective since 1994 (Verschoor, 2018).

For more than three decades, researchers have attempted to investigate the underlying factors that prompt individuals to digress from ethical standards in the workplace, and yet little is known about why and under what circumstances professionals continue to behave unethically (Kish-Gephart et al., 2010: 1). Recently, reviewed qualitative literature on behavioural ethics has noted that these studies produced a series of inconsistent findings for different antecedents of unethical behaviour at workplace, hence researchers such as Butterfield and O'Fallon (2005) as well as Tenbrunsel and Smith-Crowe (2008) have called for quantitative studies to “derive statistically valid conclusions” about actual causal determinants of unethical behaviour (Kish-Gephart et al., 2010: 1).

What then, are the underlying factors that influence unethical behaviour in the workplace? To answer this question, the Chartered Institute of Personnel and Development (CIPD) in conjunction with the Centre for Evidence-Based Management (CEBMA) and the Australian National University (ANU) undertook a rapid evidence assessment (REA) of the scientific literature about the predictors of unethical behaviour in the workplace in 2019. Using Kish-Gephart et al.'s (2010) framework for bad apples, bad barrels and bad cases as their tool of analysis, they concluded that “there is not one main factor that accounts for why unethical behaviour occurs” rather, there are multiple causal factors at individual, organizational, and

situational levels².

In other cases, research also reveals that in the countries (especially the Global South) where higher populations of people are living below the poverty line, where basic needs are often not met, and unemployment rate is also high, ethical behaviour in the workplace is nearly an impossible ideal (Bertucci, 2000: 1). For instance, it has been argued that in Africa as in other parts of the world, people know the distinction between right and wrong in the workplace but because of such facts as depicted by Bertucci, for most African professionals, it is money and not ethics that really matters for their family's welfare (Gichure, 2006). Lesotho is one of the developing countries where there is a high rate of unemployment standing at around 18.29% in 2021³, and it has been postulated that about 50% forms part of the larger portion of the population which lives below the poverty line although population growth is not significant in the context of this study.

In line with the above discussion, we are interested in establishing whether there is a relationship between unemployment rate and unethical behaviour, and whether there is a causal relationship between dependency ratio and unethical behaviour. Using Lesotho as our case study, this study investigates factors which drive unethical behaviour in the workplace using empirical analysis. Although much of the literature on professional ethics has been compiled, most researchers have not utilized econometric methods to test their theories or arguments using empirical data specifically for the context of Lesotho and Africa as a whole. Therefore, this paper attempts to fill this gap in knowledge by studying the aforementioned relationship using actual data to nullify or confirm arguments raised in the literature.

2.2 Ethics and Professionalism in Lesotho's Public Service

Public servants are the stewards of national resources and enablers of national development goals. Rakolobe (2021) points out that the calibre of employees that make up civil servants is deterministic of the effectiveness and efficiency of the government's ability to provide its citizenry with quality services. Rakolobe further argues that efficient public service needs to align with Max Weber's notion of ideal bureaucracy wherein the processes of recruitment, dismissal and rewards are meticulously undertaken. Efficient bureaucratic system thus yields social stability and good governance. Ideally, to gain public trust and respect, public service needs to be neutral, independent and legitimate (Thabane, 2017). However, in 2017, the Government of Lesotho (GoL) dubbed Lesotho's public service as unprofessional and politicized.

It is cogent to demonstrate the significance of ethics and professionalism for the public servants before advocating the need for the public servants to undergo training. It has to be acknowledged from the onset that the distinction from ethics and professionalism is only nominal. This is premised on the ultimate objectives of these two concepts. Ethics aims to embrace good human conduct and shun evil in people's lives, while professionalism aims at embracing good practices and avoiding malpractices in professions. The former has a universal approach while the latter is applicable only to professionals. It logically follows, therefore, that we find professionalism as a subset of ethics since it is essentially underpinned by ethical principles. It is therefore imperative for professionals to remain ethical and radiate

² Further details on the study are found here at
<https://cebma.org/wp-content/uploads/CEBMA-CIPD-REA-Unethical-Behavior.pdf>

³ See more details at
<https://www.statista.com/statistics/448024/unemployment-rate-in-lesotho/>

professionalism at all times.

Public servants are charged with a vast and unique responsibility of becoming custodians and administrators of public resources. In order to diligently execute their tasks, they have to uphold profound principles of professionalism. The United Nations protocol on Ethics and Professionalism in the public service (2000) indicates that professionalism for public servants encompasses all other values that ought to guide them such as loyalty, neutrality, transparency, punctuality, effectiveness, impartiality and other similar values that enhance their efficiency in the provision of services to the public.

Unethical issues have been perpetual in the Public Service in Lesotho (Khasoane, 2017). This is the phenomenon that continues to rock management, since it downplays initiatives geared towards improving the facelift of service delivery in the public domain. It has also tainted expected professionalism amongst the public servants. The inherent paradox in the prevalence of unethical issues in Lesotho is that the perpetrators are knowledgeable and skilled professionals whom the legitimate expectation would be that they contribute in the improvement of ethical culture in the public service.

Unethical issues in the public service in Lesotho are systemic in ministries and their departments.⁴ They have permeated almost all offices. For example, the cases before the Public Accounts Committee on public resources embezzlement, bribes involved in the recruitment of public servants and promotions based on favouritism are indicative of the overwhelming prevalence of unethical issues in the public service in Lesotho. This state warrants haste intervention to restore the dignity and integrity of the Public Service.

2.3 Prevalence of Corruption Within Lesotho's Public Service

Corruption is a very elusive concept. This makes it hard to be defined and comprehended from a common perspective. For ages, it has been defined as the abuse of public office for personal gain, but this definition is very particular to public officials or public servants and turns to undermine far reaching corrosiveness of corruption. Corruption transcends the boundaries of the public sector and permeates all sectors in a society. It is encountered in all walks of life. This study, therefore, adopts a more comprehensive definition of corruption by Stapenhurst and Kpundeh (1999) which states that it is the abuse of power, most often for personal gain or for the benefit of the group to which one owes allegiance.

To effectively perform up to its mandate, public service needs to be “shielded” from political control (Torstendahl 1991, in Peter & Pierre, 2004: 2). However, political interference is rampant in Lesotho's public service. Specifically, Lebakeng (2021) highlights that corruption in Lesotho manifests through political polarization, compromised procurement and poor service delivery. In the same manner, Rakolobe (2019) laments that politicized public service and corruption has significantly compromised national development.⁵ In comparison with other African countries, the Afrobarometer's report (2021) reveals that out of the 34 countries

⁴ Auditor General's Report (2022) highlights serious concerns on multiple incidents of unexplained differences in cash balances for various ministries and departments, along with regularization of excess expenditure and non-compliance with legislation regulating reporting responsibilities.

⁵ For a detailed account of the incidences of corruption in Lesotho, see Teboho J. Lebakeng's book chapter (chap. 11) titled: *Political Polarization, Compromised Procurement and Poor Service Delivery in the Kingdom of Lesotho* in *Public Procurement, Corruption and the Crisis of Governance in Africa* (2021).

surveyed, Lesotho is the second highest country with corruption perception levels at a staggering 78% following Gabon which stood at 84%.⁶

As it has been highlighted, the legal frameworks in the public service in Lesotho stand as ideals without conforming strategies for implementation. It is due to this deficiency that there is noncompliance to these legal frameworks, a phenomenon that has created a permissive environment and later escalated into rampant corruption by the public servants. In demonstrating immorality of corruption, Gould in Sööt, (2012: 290) refers to moralists and behaviourists' contention on corruption as an immoral phenomenon which is reflected through selfish and unethical conduct. The inference drawn from this assertion is that corruption in the public service is squarely an ethical issue that can be combated through cultivation of vibrant ethical culture. The following are the manifestations of corruption in Lesotho's public service:

2.3.1 Nepotism

Nepotism has largely been used as a synonym, and interchangeably with favouritism, such that it is more concerned with hiring or giving unmerited favour to one's relatives in an organization (Prokosch, 2001). Besides few proponents of nepotism who hold that it is a good practice under the conviction that charity begins at home, this practice seems to undermine a number of ethical principles and values. Public Service Act 2005, section eight emphasizes equitable and merit-based recruitment. Section eight, sub-section one states that: *"Entry into and advancement within the public service shall be based on merit, namely: ability, qualifications, knowledge, skill and aptitude after a fair and open competition which assures that all citizens of Lesotho receive equal opportunity."*

It is evident that nepotism categorically breaches the essential contents of the above legal framework and poses a serious ethical challenge in recruitment and placement system in the public service in Lesotho. Nepotism should also be identified as a form of corruption since it has the features of the above presented definition of corruption. Those who recruit employees under the influence of nepotism abuse the power of their office in order to attain selfish objectives and this makes nepotism the most corrupt practice.

It is also cogent to aver that meritocracy and fairness are ignored under nepotism. This negation has detrimental consequences mainly in the provision of prompt and efficient services. It is therefore plausible to attribute lack of competence in the public sector in Lesotho to poor recruitment and placement in which nepotism plays a big role.

2.3.2 Conflict of Interest

Conflict of interest in the public service refers to inconsistency that arises between a public duty and private interest that has a potential of influencing the performance of official duties and responsibilities (Public Sector Agencies Fact Sheet No.3, 2003). Conflict of interests are mostly common where public officials have the power to make decisions or act in a manner that can promote their personal, groups or family interest at the expense of organizational interests. It defies transparency, accountability, fairness and justice since public officials can solely make decisions based on what suits their biased and selfish needs.

The public service in Lesotho has fallen prey to several conflicts of interest, which mainly

⁶ Afrobarometer conducts face-to-face interviews in the language of the respondent's choice with nationally representative samples of 1,200 to 2,400 that yield country-level results with margins of error of +/-2 percentage points at a 95% confidence level.

occurred in the procurement process. Procurement offices have become victims of great disrepute due to conflict of interest in the tender awarding process. This malpractice led to ridiculous inflation of prices, thus leading to Government overspending and erosion of public finances.

2.3.3 Public Resources Embezzlement

Public resources embezzlement can be defined as theft of assets by a person in position of trust or responsibility over those assets (Cai & Li, 2011). The public officials are entrusted to administer public resources on behalf of the public and for the common good of the public. The argument is that it is the public who rightfully ‘owns’ national resources but not the public officials. The public officials only act as the custodians of these resources in order to ensure that equity and fairness prevail in their allocation. However, the cropping tendency amongst the public officials is to shelve their role as custodians and administrators of public resources. Consequently, they constantly misuse public resources for their own private ends.

Embezzlement of public resources is rampant in the public service in Lesotho. It manifests itself in the misuse of office equipment and resources and escalates in grand corruption. Misuse of government cars, telephone, and funds has become the order of the day. This also demonstrates lack of accountability mechanisms within the public service in Lesotho. Lack of accountability can lead to different forms of corruption in the public service while accountability can only be restored through effective legal frameworks.

2.4 Effectiveness of Legal Frameworks in the Public Service

The universal rationale for legal frameworks is to become principles that clearly articulate what ought to be done in any sphere of life. Thus, as principles they provide direction for a course of action. It has to be noted that there is a vast difference between legal frameworks as principles and how they are implemented or how their compliance is enforced. This leads to the self-evident truth that there can be best legal frameworks without adherence and this downplays their efficacy.

The public service in Lesotho has a number of legal frameworks, which for the purpose of this paper it would not be practical to discuss all of them herein. More focus will be based on Public Service Act 2005, which draws its mandate from the Constitution as the supreme law in the Country. The Act has as its major mandate the maintenance of stable, efficient and effectively managed public service (Public Service Act 2005, section 2). It also entails the duties, expectations, rights, and privileges of the public servants.

It is under the canopy of Public Service Act 2005 that Code of Conduct for the public servant is found. Code of Conduct as a legal framework sets out a strong work ethic for public servants and commits them to combating negative work habits in the public service in Lesotho. Codes of conduct supplement the Public Service Act 2005 on expected behaviour and conduct of public servants during and off duty.

Efficacy of legal framework is mirrored in the complying behaviour of the subjects. Prevalence of malpractices and unethical behaviour in the public service in Lesotho are indicative of a lack of enforcement mechanism and efficient compliance program. Lack of enforcement downplays the rationale of the legal frameworks and turns what they outline impossible. It also deprives the subjects a sense of ownership and commitment. Above all, if there is no enforcement of such legal frameworks, they are deemed to be optional and not obligatory. It mostly rests in the hands of leadership in the public service in Lesotho to support the current legal frameworks with vibrant compliance and enforcement mechanisms.

2.5 Conceptual Framework

At the national level, unethical behaviour is usually measured through corruption levels. The Corruption Perceptions Index (CPI) is an indicator used to assess the extent of corruption in any country. It is calculated for close to 180 countries globally. It assigns higher (lower) values for countries with lower (higher) levels of corruption. The index ranges between 0 and 100. Thus, it is a percentage which works in opposing directions to speak both to corruption and anti-corruption degrees. For instance, if one country has 65 percent of corruption, this means it has 35 percent of anti-corruption behaviours. And, as the anti-corruption index increases, corruption declines on the other hand. It is compiled annually by the Transparency International organisation⁷. The index may as well communicate the state of various aspects like economic management, structural policies, institutions, public sector management, political state, and law enforcement. Moreover, it may be postulated that the scores – like those of the closely related proxy, the Country Policy and Institutional Assessment (CPIA) – are deduced from existing policies and the extent of the impact brought by the implementation of legislation in the host country – not proposed institutional states (World Bank, 2023). It may not be shocking to find that non-demographically governed states and low-income countries are characterised by higher rates of corruption (World Data, 2023).

In order to obtain inductively objective results, we measured unethical behaviour relative to at least six explanatory variables: income per capita, unemployment rate, age dependency ratio, foreign direct investment, inflation, and vulnerable employment. Developing countries usually have low income per capita, high unemployment rate, high dependency ratio, and lower concentration of foreign direct investment.

We hypothesize that:

At lower levels of income per capita, the higher the chances of unethical behaviour being practiced in the workplace.

We, however, do not assume a direct causal effect or linear association between the outcome variable (corruption) and income per capita, but over relatively prolonged timeframes, better income levels may ameliorate staggering corruption levels. This is due to the fact that in the Least Developed Countries (LDCs) such as Lesotho, corruption is usually high. Similarly, when the unemployment rate is high, this often puts financial pressure on individual households whereby one breadwinner's income is divided into multiple expenses to cater for his dependents. This then leaves him or her with little or no income to dispose of, hence, once an opportunity for corruption arises at work, such an individual becomes more susceptible to accepting bribes in order to supplement his monthly income. Multiple instances of this kind amount to an increase in a country's CPI thus implicating non-compliance with ethical codes of conduct in public service.

2.6 Theoretical Framework

Although the self-interest worldview has attracted significant contempt from philosophers and moralists, it continues to be a major impetus on conscious human actions. It is a natural and common phenomenon that people seek to maximize their benefits from different opportunities they are presented with. Utilitarianism moral theory is premised on the principle of utility, which emphasizes the pursuit of happiness in the choices that moral agents make (Mulgan, 2014). From a pragmatic perspective, this theory suggests that a moral agent will invariably be inclined to go for a course of action that promises pleasure and shuns

⁷ See the website at <https://transparency.orgen>.

pain. Technocrats in the public sector are exposed to numerous opportunities while also being entrusted to administer various resources to the citizens. This makes it possible for public administrators to sway the opportunities and resources to their advantage, especially if the conditions of their service are not favourable. As long as the economic conditions reflected in various variables such as low GDP per capita and higher dependency ratio, public administrators are likely to be influenced by self-interest thus deviating from standard norms of professionalism in the workplace.

3. Methodology

3.1 Data and Description of Variables

3.1.1 Data Sources

This study utilised macroeconomic data primarily sourced from the World Bank Development Indicators, which offer internationally comparable and development-focused economic metrics. The outcome variable—the Corruption Perceptions Index was obtained from the World Data databank (World Data, 2023), a reputable repository that compiles governance and institutional quality indicators across countries.

While the original dataset spanned the period 2005–2021, it was subsequently updated to include the latest available data through 2023. Nonetheless, the inclusion of additional years did not materially alter the structure or integrity of the dataset, as CPI data remain unavailable for periods prior to 2005. The data sources selected for this study are widely recognised for their reliability, developmental relevance, and policy alignment, particularly in contexts such as poverty, governance, and institutional performance. The selected data sources remain appropriate for this study, given their developmental and governance-oriented focus. Data collection was carried out with diligence to ensure accuracy and external validity.

3.1.2 Description of Variables

Variables	Description
Outcome Variable:	
<ul style="list-style-type: none"> Corruption Index 	The Corruption Perceptions Index will be utilised for this particular case. It provides a comprehensive and aggregate level of corruption in a country considering the perceptions like those of investors in state institutions, national practices, etc.
Explanatory Variables:	
<ul style="list-style-type: none"> Income per capita 	Noted as current local currency units.
<ul style="list-style-type: none"> Age Dependency ratio 	Is defined as a percentage of those under 15 years and above 65 years who are jointly supported economically to the entire working-age population computed annually.
<ul style="list-style-type: none"> Unemployment rate (ILO) 	Is defined as a percentage of the entire total labour force as modelled by the International Labour Organisation (ILO).

<ul style="list-style-type: none"> Foreign Direct Investment (FDI) 	These are net inflows determined as a percentage of the gross domestic product (GDP).
<ul style="list-style-type: none"> Inflation 	This is the record of the persistent increase in consumer prices denoted as percentages.
<ul style="list-style-type: none"> Vulnerable Employment (ILO)⁸ 	This is the percentage of all individuals in the set of workers who may lose their jobs in the immediate future. It is given as a percentage estimate by the ILO.

3.2 Estimation Strategy

Given that CPI scores are bounded between 0 (low) and 100 (high), and reported annually, the model was specified in log-level and log-log formats, depending on the distributional properties of the variables. The Ordinary Least Squares (OLS) technique was employed due to its interpretability and suitability for estimating short-run behavioural effects.

To mitigate the risk of spurious regression and ensure valid inference, all explanatory variables were tested for stationarity using both the Augmented Dickey-Fuller (ADF) and Phillips-Perron (PP) unit root tests, as reported in Table 2. These tests revealed that key regressors—including income per capita, CPI, and unemployment rate—were non-stationary in levels. While de-trending was initially considered to preserve degrees of freedom, it failed to produce stationary residuals for several variables, particularly those with structural or nonlinear time trends.

Consequently, differencing was adopted uniformly across all non-stationary variables, with some requiring second or third differences to achieve integration of order zero (I[0]). Although this transformation reduced the effective sample size to 15 observations, it preserved the core temporal dynamics and ensured that the model satisfied the assumptions of OLS. Differencing was methodologically superior in this context, as it enhanced the stochastic properties of the error term and contributed to the statistical consistency and efficiency of the estimates. The final model was therefore estimated using only transformed variables that met the stationarity condition, thus ensuring the robustness and integrity of the results.

3.3 Empirical Model

To act in response to the inclusive questions posed herein of which factors underpin unethical behaviour (corruption) in the public sector of Lesotho, we conducted an estimation using the following structural equation:

$$\widehat{CPI}_i = \hat{\varphi}_0 + \hat{\varphi}_1 Incpercap_i + \hat{\varphi}_2 Deprat_i + \hat{\varphi}_3 Unemprat_i + \hat{\varphi}_4 FDI_i + \hat{\varphi}_5 Inf_i + \hat{\varphi}_6 VulEmp_i + \hat{\varepsilon}_i$$

Where: CPI is the Corruption Perceptions Index, Incpercap is Income Per Capita, Deprat is

⁸ According to the IGI Global vulnerable employment may be classified as mostly insecure and fluctuating employment due to the business cycles in an economy. It often speaks to the neither own-account workers without employees nor unpaid family workers. This definition may be supported by the International Labour Organisation.

the Dependency Ratio, Unemprat is the Unemployment rate, FDI is the Foreign Direct Investment, Inf is Inflation rate, and VulEmp is the Vulnerable Employment estimate (rate). The φ 's are the OLS coefficient estimates and ϵ is the stochastic error term. i is the scope for the analysis – 17 years.

It is worth noting that the priori of these aforementioned variables is well reported and tabulated, and may be viewed in **Appendix 3** if interest arises.

3.4 Post-estimation Tests

The necessary post-estimation tests were undertaken to ensure the validity of the results obtained from the above-mentioned model. This may then enhance the accuracy of the estimates for nation-wide inferences.

3.5 Limitations of the Study

The global economy is integrated and the effects of ethics may diffuse between countries based on their proximity. As such, this study is limited to the context of Lesotho hence the findings may most likely differ across countries. This, therefore, suggests that further and much broader research may be necessary for the whole of Africa or perhaps in the Southern Africa region. Due to the nature of the available data, the results will only bear short-run estimates. This then leaves an opening for the study of long-run effects should the data surface. Lastly, due to the macro nature of this study, the averages may bury the dynamics of the professional ethics, and may fail to expose the minute details which may rather be determined using a more micro based data. However, the findings of this paper will provide a foundational basis in the analysis of this field using empirical tools.

4. Findings and Discussions

4.1 Summary and Descriptive Statistics

Table 1. Summary Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Corruption Perceptions Index	17	60.882	5.51	51	68
Years	17	2013	5.05	2005	2021
Income per capita (Current LCU)	17	11158.277	3975.125	5410.359	16291.994
Unemployment Rate	17	25.918	2.799	22.44	31.31
Foreign Direct Investment (inflows)	17	2.504	2.194	-0.496	8.752
Inflation	17	5.621	1.853	3.218	10.716
Age Dependency Ratio	17	66.23	3.124	62.091	72.179
Vulnerable Employment	17	49.414	9.262	16.26	57.82

Source: Authors' calculations using World Bank data (accessed 2025) and STATA 17.0 statistical software. **Notes:** Obs means Observations where also $n=17$, Std. Dev. Is the Standard Deviation, and Min and Max mean Minimum and Maximum, respectively.

According to this data we see that the main variables of interest, the CPI, income per capita and age dependency ratio behave well. Specifically, the above table shows that corruption has fared between moderate and highs of 68 percent. This may be managed under strict anti-corruption policies in order to curb the high rate because these in turn negatively affect service delivery, investor confidence, as well as the adherence to professional ethics in Lesotho. Additionally, Lesotho currently ranks 96 out of 180 countries on the CPI ranks and CPI has increased by 3 points on the CPI score since 2020 (Transparency International,

2023). As for Income per capita, we see lows of M5,410.36⁹ and highs of M16,291.99 which then leaves an average Mosotho earning an average of about M11,158.28 while the total working population supports a minimum of 62 percent of dependents (under 15 years and above 65 years) or up to 72 percent of the dependents present in Lesotho. This is alarming as it puts the working population under intense pressure thus weakens their disposable income. As for the rest, national unemployment, inflation and vulnerable employment average around 25 percent, 5.6 percent and 49.4 percent, respectively, while inflows of all investment can be attributed to FDI even though percentage declines were experienced at one point in Lesotho. Maybe some of the decreases may be ascribed to the recent event of the COVID-19 global pandemic.

4.2 Results

4.2.1 Pre-estimation Results

Table 2. Unit Root Test Results

Variable	Phillips-Perron P-Value	Dickey-Fuller P-Value	Order of Integration
<i>Pre-differencing</i>			
Income per capita	0.8331	0.8340	I(1)
Unemployment rate	0.0918	0.0730	I(1)
Foreign Direct Investment	0.0168	0.0186	I(0)
Inflation rate	0.0421	0.0481	I(0)
Age Dependency ratio	0.0000	0.0000	I(0)
Vulnerable Employment	0.0078	0.0078	I(0)
Corruption Index	0.6493	0.7658	I(1)
<i>Post-differencing</i>			
Income per capita (d=1)	0.0100	0.0096	I(0)
Unemployment rate (d=2)	0.0000	0.0000	I(0)
Corruption Index (d=2)	0.0000	0.0001	I(0)

Source: Authors' calculations using World Bank data (accessed 2025) and STATA 17.0 statistical software. **Notes:** The Unit Root tests were conducted under the null hypothesis of non-stationarity [I(1)] against the alternative hypothesis of stationarity [I(0)]. The decision rule was decided using the level of significance set at $\alpha=0.05$. d= (.) denotes the number of times the variable was differenced to have it stationary in order to guarantee stochastic error term.

The above table (Table 2) of results simply displays the integration orders of the variables used for this analysis. It was robustly determined using the favourable Philips-Perron test – alongside the Dickey-Fuller test – that income per capita; unemployment rate and CPI were non-stationary. As such, these variables were differenced to achieve stationarity. Stationarity is encouraging of the utilisation of the Ordinary Least Squares as an estimation technique

⁹ 'M' denoting 'Maloti' which is the name of the Lesotho currency (singular = Loti). It is also at par with the South African Rand (ZAR) according to the Common Monetary Area (CMA) agreement.

which yields unbiased estimates necessary for accurate statistical inference. It is also worth noting that the Pairwise Correlations matrix was computed to explore the correlations between different combinations of the variables used in this study. The findings are noted in **Appendix 1**.

Table 3. OLS Linear Regression Results

CPI	Coef.	t-value	p-value	[95% Conf Interval]	
Income per capita	0.005** (0.002)	3.21	0.012	0.001	0.009
Age Dependency Ratio	0.342 (0.888)	0.39	0.71	-1.706	2.39
Unemployment Rate	-4.879 (2.9)	-1.68	0.131	-11.566	1.808
Foreign Direct Investment	0.501 (0.442)	1.13	0.29	-0.519	1.52
Inflation	0.724 (0.667)	1.09	0.309	-0.814	2.262
Vulnerable Employment	-0.419 (0.315)	-1.33	0.219	-1.145	0.307
Constant	-10.501 (43.279)	-0.24	0.814	-110.303	89.301
Mean dependent var		0.133	SD dependent var	4.580	
R-squared		0.503	Number of obs	15	
F-test		7.669	Prob > F	0.006	
Akaike crit. (AIC)		90.705	Bayesian crit. (BIC)	95.661	

Source: Authors' calculations using World Bank data (accessed 2025) and STATA 17.0 statistical software. **Notes:** *** $p < .01$, ** $p < .05$, * $p < .1$ shows the significance levels at 1 percent, 5 percent and 10 percent, respectively. Standard Errors in parentheses. Calculations were made using the World Bank Development Indicators data.

4.2.2 Post-estimation Results

Following the estimation of the model using the OLS estimation technique, the necessary and relevant diagnostic results were calculated and recorded in Appendix 2. Specifically, the model was found to be well specified using the Link Test as the squared prediction regressor was found to be statistically insignificant at both 1 percent, 5 percent and 10 percent significance levels thus cementing that in the model the dependent variable is accurately linked to the independent variables, and that the model does not suffer from any omitted variable bias. The errors were found to be homoskedastic at 5 percent significance level following the computation of the Breusch-Pagan test for homoskedasticity. Also, the errors were found to be normally distributed following the failure to reject the null of normality at 1 percent significance level using the Jarque-Bera test for normality. These make the results insensitive to outliers and bias thus resulting in robust estimates. This further supports the validity of the findings of this paper and inferences to be made despite the obvious limitations noted herein.

4.3 Discussion of Results (Table 2)

In an effort to meet the objective of this study of investigating how other contributing factors may influence professionals to behave unethically irrespective of their knowledge of law and ethics, the linear regression was estimated and the results are discussed henceforth. Primitively, the F-test of overall significance provides inconclusive evidence that the specified model best fit the dataset at hand thus explaining that the relationship between CPI and the states covariates is statistically significant overall; and this was determined at the 1 and 5 percent significance levels.

The findings provide an analysis of whether or not professional ethics is embodied in Lesotho's public sector in the short-run. Our findings reveal that increasing vulnerable employment by a percent reduces corruption by 0.42 percent. This result implies that Basotho who are employed into relatively unstable jobs are less likely to engage in corruption. This is consistent with the fact that if people are employed into positions where there is uncertainty, they tend to want to protect their jobs by not engaging in corrupt activities as is common in vulnerable employment settings, as well as in a country with such high levels of unemployment like Lesotho. In the context of this study, it may be evident that people in vulnerable employment compared to those in permanent employment are relatively more compliant with codes of professional ethics in the workplace. Perhaps this may also be attributed to the fear of retrenchment due to high competition and unemployment.

Additionally, increased levels of inflation¹⁰ by a percent lead to a rise in corruption by 0.12 percent. It is our belief that because inflation causes consumables or basket of goods to be more expensive, the disposable income of the average employee will afford them much less than they used to consume before the rise in inflation. This implies that, in order to maintain their spending according to their social class¹¹, people may be involved in corruption activities to try and supplement their incomes; therefore, an increase in inflation may be an incentive for people to neglect the practice of professional codes of conduct in their workplaces.

Also, the results show that increments in FDI by 1 percent increase the CPI by 0.5 percent. This is in line with the fact that in most cases whenever government officials do business with the private sector, corruption in the form of bribes is a common practice. It is a known fact that some of the senior government officials demand bribes from foreign investors in order to sign up certain procedural documents failing which authorization is usually denied. In some cases, it is the investors who initiate bribes to beat competition. Evidence of these instances has been recorded elsewhere¹² but for the purpose of this study, results show that an increase in FDI contributes towards higher CPI in Lesotho.

Turning to the effect of unemployment rate on the corruption perceptions index, data reveal that increasing the unemployment rate by 1 percent reduces CPI by 4.88 percent. Of course, firing the most corrupt would be deemed the remedy of corruption in the work environment. This may stem from the perception that the more we get rid of the 'bad apples' in the workplace, there will be less corruption practised in the workplace. However, firing the

¹⁰ Inflation is the rate of increase in prices over a given period of time (Ceyda Oner, 2023).

¹¹ This principle may as well be supported by the basic understanding of a macroeconomic theory called the Relative Income Hypothesis.

¹² There are numerous court cases and newspaper reports on instances where senior government officials in Lesotho accepted or demanded bribes from foreign investors.

corrupt individuals increases unemployment which in turn may create a vicious cycle causing other variables such as dependency ratio to rise, thereby increasing corruption levels amongst those left in the workplace – this is nonetheless the focus of this paper. Therefore, we are in no way neglectful of the fact that unemployed people may not engage in crime or peddle corruption.

On the other hand, a marginal increase in the dependency ratio¹³ increases CPI by 0.34 percent. This is suggestive of the idea that when there are more people supported by an average Mosotho worker, the lesser his or her disposable income, especially after catering for the household expenditure. Thus, the reduced disposable income may trigger susceptibility to corruption whereby the breadwinner may accept bribes to increase his or her purchasing power in order to meet his personal needs and other auxiliary expenses.

Furthermore, the data also reveal that increasing income per capita increases CPI by 0.005 percent. Our perspective is that this may be prevalent in the higher positions in most institutions as these are the strategic, decision-making and central management jobs. Increasing income may be by rank as well. In such cases, to authorise key or major business deals may attract some corruption which in turn implies a neglect of professional codes of conduct in the workplaces. As is common in most countries in Africa, and particularly those in the Sub-Saharan African (SAA) region, corruption is at the highest amongst senior government officials such as the government principal secretaries, ministers, procurement officers. Lesotho as one of the SSA countries is no exception. This key finding further cements the argument that increasing the salaries of these high-ranking personnel may not necessarily deter corruption.

Finally, and in line with our hypothesis, only income per capita was found to be statistically significant at 5 percent significance level. As for the rest, unemployment rate, FDI, vulnerable employment, inflation rate, and dependency ratio were not statistically significant at all levels.

It is important to interpret these findings with caution given several limitations. First, the Corruption Perceptions Index is a perception-based proxy that may not fully capture institutional realities or grassroots experiences of unethical conduct. Second, while our OLS estimates pass key specification tests, the risk of omitted variable bias remains, particularly in the absence of political economy variables or organisational-level indicators. Finally, the use of aggregate national data may conceal important sectoral or regional variations in ethical behaviour within the public service. These limitations highlight the need for more granular; mixed-methods approaches in future research.

These findings resonate with governance research from other African countries where macroeconomic and institutional dynamics influence ethical behaviour in the public sector. For example, in Nigeria, Dorasamy (2021) and Lawal & Tobi (2006) found that economic instability and weak institutional checks created fertile ground for bureaucratic corruption. Similarly, Membe (2022) noted that in Zambia, familial dependency burdens and insecure contracts heightened susceptibility to malpractice. In Ghana, Ayee (2016) highlighted how inadequate enforcement of ethical codes undermined accountability, even in contexts with formal regulations. Contrastingly, Botswana presents a relative success story: Sebudubudu

¹³ The dependency ratio is defined as the proportion of children under 15 years plus the elderly aged 65 and above as a ratio of the total working population. It basically gives a measure of how many people per worker are supported by them. A smaller value is suggestive of economic development because of a larger working class.

(2010) found that consistent enforcement of public sector ethics and a culture of integrity helped suppress corruption, even amidst resource challenges. These cross-country insights suggest that while income and employment levels matter, institutional enforcement and political will are decisive in shaping ethical compliance in African public sectors.

However, these findings do not in any case invalidate the analyses given in this paper because even though some may be statistically insignificant, the results reveal that the explanatory variables were able to explain over 50 percent of the total variation in the corruption in Lesotho – as well as the inferred professional ethics – in the short-run period.

5. Conclusion

In an effort to understand whether the practice of professional ethics is possible or impossible in Lesotho, the data revealed that income per capita was the main driver of corruption index in Lesotho. CPI was used to guide analysis for professional ethics. As such, increased income tempers with ethical compliance in Lesotho's public sector. This rather disproves our earlier hypothesis on page 9 that a smaller income per capita attracted larger corruption incidences. Moreover, vulnerable employment and unemployment rate may influence the positive practice of professional codes of conduct within the workplace. These two may support the recent and common practice of local institutions delaying the process of awarding permanent and pensionable positions. Although this may be to improve output levels in the most cost-effective manner, it seems plausible to set standards for professional assessments such as annual reviews of employee performance and contracts. On the other hand, the dependency ratio, inflation rate, and FDI – along with income per capita – may make it harder, or even impossible, for professional codes of conduct to be upheld in the work space in Lesotho. On this last note, we dare not suggest that policy should not increase employee wages or salaries nor discourage FDI, but we propose that employee contracts may be designed in more strict and attractive ways. For instance, the firms may rather improve the employee benefit packages. These packages may offer lower salaries but their advantage is that the benefits usually enforce professionalism in the workplace. For instance, this could include the introduction of incentives such as medical aid for the worker and family beneficiaries, worker loans with 0 percent interest rates - to strictly be paid back fully - among many others. It is our belief that the findings of this paper may be utilized to inform policy direction or perhaps be used to modify any existing policies. While this study provides robust empirical evidence on the macroeconomic drivers of unethical behaviour in Lesotho's public sector, it is equally important to recognise that corruption is not solely an economic phenomenon; it is deeply rooted in institutional culture, individual discretion, and political context. The observed associations—such as the statistically significant influence of income per capita on corruption levels—may be better understood through qualitative inquiry. Interviews with public officials, case studies of procurement processes, or ethnographic accounts of workplace dynamics could offer richer, contextualised insight into why ethical breaches persist despite existing codes of conduct. Future research should therefore adopt a mixed-methods approach to complement these findings, enabling a more comprehensive and grounded understanding of professional ethics in governance.

Acknowledgments

We are grateful to the staff of the Department of Philosophy at the National University of Lesotho for their intellectual support and feedback throughout the development of this study. Special thanks to our colleagues who offered critical comments on earlier drafts of the manuscript. We also acknowledge the administrative offices and data custodians who assisted in accessing reliable public governance datasets. Finally, we appreciate the encouragement

and technical assistance provided by those who supported the preparation of this manuscript.

Authors' contributions

Mr. Masiu was primarily responsible for the concept note and the critical review of literature while Mr. Motlamelle was highly resourceful in constructing the study design and methodology inclusive of statistical analysis and quantitative data estimation.

Funding

Not applicable.

Competing interests

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Informed consent

Obtained.

Ethics approval

The Publication Ethics Committee of the Macrothink Institute.

The journal's policies adhere to the Core Practices established by the Committee on Publication Ethics (COPE).

Provenance and peer review

Not commissioned; externally double-blind peer reviewed.

Data availability statement

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

Data sharing statement

No additional data are available.

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*Glossary*¹⁴**Corruption Perceptions Index (CPI):**

An index published annually by Transparency International that ranks countries by their perceived levels of public sector corruption, as determined by expert assessments and opinion surveys.

Dependency Ratio:

A demographic measure showing the ratio of dependents (individuals younger than 15 or older than 64) to the working-age population (ages 15–64), often used as a proxy for economic burden on the productive population.

Differencing:

A time series transformation technique used to make non-stationary data stationary by computing the differences between consecutive observations.

Ethical Decision-Making:

The process of evaluating and choosing among alternatives in a manner consistent with ethical principles.

Foreign Direct Investment (FDI):

An investment made by a firm or individual in one country into business interests located in another country, typically by acquiring assets or establishing business operations.

Income Relative Hypothesis:

A behavioural theory proposing that an individual's satisfaction with their income depends not only on its absolute level but also on its comparison with the income of others.

Integration of Order Zero (I[0]):

A property of a time series that is stationary and does not require differencing to stabilise its mean and variance over time.

Non-stationarity:

A statistical property of a time series in which the mean, variance, or autocorrelation structure changes over time, potentially leading to unreliable regression results.

Ordinary Least Squares (OLS):

A linear regression estimation technique that minimises the sum of the squared differences between observed and predicted values to estimate model coefficients.

Stationarity:

A condition in time series analysis where a variable's mean and variance are constant over time, allowing for valid statistical inference.

Unethical Behaviour:

Conduct that violates established professional or societal standards of morality, integrity, or legality.

Vulnerable Employment:

A labour market indicator referring to workers in precarious or unprotected forms of employment, such as self-employed individuals and contributing family workers without formal work arrangements.

¹⁴ **Note:** The definitions provided are based on commonly accepted usage in economics, governance, and time series analysis literature.

Appendix

Appendix 1 - Pairwise Correlations

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) CPI	1.000	0.567	0.016	-0.140	0.174	0.114	0.128
(2) Income Per Capita	0.567	1.000	0.065	0.135	0.202	-0.148	0.045
(3) Age Dependency Ratio	0.016	0.065	1.000	-0.020	0.061	0.255	0.580
(4) Unemployment Rate	-0.140	0.135	-0.020	1.000	0.153	-0.096	-0.808
(5) Foreign Direct Investment	0.174	0.202	0.061	0.153	1.000	-0.102	0.041
(6) Inflation	0.114	-0.148	0.255	-0.096	-0.102	1.000	0.185
(7) Vulnerable Employment	0.128	0.045	0.580	-0.808	0.041	0.185	1.000

Source: Authors' calculations using World Bank data (accessed 2025) and STATA 17.0 statistical software. **Notes:** variables are perfectly correlated with themselves hence $\text{corr}(\text{CPI}, \text{CPI}) = 1$. The signs show the direction of the correlations. For example, Unemployment is negatively correlated with CPI at -0.140.

Appendix 2 - Post-estimation Tests Results

Test	Null Hypothesis	p-value	Conclusion	α
Link Test for Model Specification	Well Specified ($\beta_{\gamma^2} = 0$)	0.2020	Fail to reject null \therefore Is well specified	0.05
Breusch-Pagan Test for Heteroskedasticity	Homoskedasticity ($\sigma^2 = 0$)	0.6758	Fail to reject null \therefore Is homoskedastic	0.05
Jarque-Bera Test for Normality	Normality ($\epsilon \sim N$)	0.0339	Fail to reject null \therefore Errors are normal	0.01

Source: Authors' calculations using World Bank data (accessed 2025) and STATA 17.0 statistical software.

Appendix 3 - A table of the priori signs of the key variables before estimation

Variables	Priori sign	Rationale
Dependent Variable:		
• CPI	-	-
Independent Variables:		
• Income per capita	-	It is our belief that the lower the income per capita the more likely that an individual worker will be involved in non-ethical behaviour (corrupt).
• Dependency Ratio	+	It is our belief that the more dependent a worker has they will be more susceptible to engage in corruption.
• Unemployment Rate	+	Higher employment rates are often linked with increased criminal activities and the workplace may not be an exception.
• FDI	-	More FDI encourages more work to be developed and more people may leave unemployment and thus be less prone to committing criminal offences.

<ul style="list-style-type: none">• Inflation	+	Higher inflation causes disposable income to be smaller and thus encourage some to take up bribes to supplement their wages/salaries through increased unethical behaviour.
<ul style="list-style-type: none">• Vulnerable Employment	-	In fear of losing their jobs due to their precarious nature, workers may not engage in corrupt activities, and thus be more ethical in their conduct in the workplace.

Source: This rationale represents the authors' analysis in line with the theories of economics and business ethics.