

Unethical conduct and service delivery efficiency: Unpacking the hidden costs in Mkhondo local municipality

¹Nhlanhla Sibusiso Malinga & ²Hlengiwe Nomzamo Mabizela

Abstract

Public service delivery in South Africa continues to face systemic challenges, many of which are linked to unethical conduct within local government institutions. Mkhondo Local Municipality has become emblematic of this crisis, with persistent allegations of maladministration, nepotism, and financial mismanagement. This study aimed to investigate the hidden costs of unethical conduct and its impact on service delivery efficiency within Mkhondo Local Municipality. A qualitative research design was adopted, employing purposive sampling to select ten (n=10) officials from the supply chain management and finance units, based on their institutional knowledge and operational experience. Data was collected through in-depth interviews and was analysed thematically using NVivo 12 software. The findings demonstrate that unethical conduct directly contributes to project delays, procurement irregularities, resource misallocation, and the underutilisation of allocated budgets, thereby undermining service delivery efficiency. Furthermore, inadequate oversight and ineffective consequence management mechanisms were found to exacerbate institutional dysfunction and erode public trust. The study concludes that unethical conduct is not merely an ethical concern but a structural governance failure with measurable consequences for service delivery. It recommends the institutionalisation of a merit-based governance system, strict adherence to clearly defined ethical standards and compliance protocols, compulsory ethics training for municipal officials, and the implementation of clear and consistent consequence management frameworks to restore efficiency and rebuild public confidence in local government.

Keywords: *local government, municipality, public service delivery, good governance, accountability*

Article History:

Received: January 25, 2026

Accepted: March 11, 2026

Revised: March 2, 2026

Published online: May 10, 2026

Suggested Citation:

Malinga, N.S. & Mabizela, H.N. (2026). Unethical conduct and service delivery efficiency: Unpacking the hidden costs in Mkhondo local municipality. *International Review of Social Sciences Research*, 6(2), 72-93. <https://doi.org/10.53378/irsr.353351>

About the authors:

¹Corresponding author. Master of Public Administration. Postgraduate student, Durban University of Technology, Riverside Campus, Scottsville, Pietermaritzburg 3209. Email: 21908896@dut4life.ac.za

²Doctor of Public Administration. Lecturer, Durban University of Technology, Riverside Campus, Scottsville, Pietermaritzburg 3209. Email: HlengiweM4@dut.ac.za

1. Introduction

Ethics in public service serves as a fundamental cornerstone of democratic governance, intended to promote institutional integrity and prevent maladministration in the provision of public services. Despite South Africa's advanced constitutional framework, municipalities continue to face ethical and governance challenges. For instance, in Mkhondo Local Municipality, recurring audit findings, financial mismanagement concerns, service delivery backlogs, and community dissatisfaction reflect broader systemic governance weaknesses evident across many local governments (AGSA, 2025). Scholars link the challenges to inadequate ethical leadership, systemic corruption, and persistent maladministration, all of which undermine the effectiveness of service delivery (Mabebe, 2021; Mbandlwa et al., 2020). Although democratic governance has enhanced service accessibility since 1994, these advancements are becoming overshadowed by failures in local government.

Unethical conduct of municipalities is evident across various forms, such as bribery, procurement fraud, nepotism, and systemic corruption (Mbedzi, 2023; Ndlovu & Mutambara, 2023). Despite regulatory mechanisms to mitigate such conduct, their implementation remains inconsistent and often ineffective (Okafor et al., 2020). The existing research predominantly documents the prevalence of corruption and governance failures but pays limited attention to how unethical conduct directly translates into operational-level inefficiencies in service delivery. Protests about service delivery throughout South Africa visibly illustrate these institutional failures. Rising dissatisfaction, violent demonstrations, and declining public confidence are often associated with perceived corruption and administrative ineptitude (Breakfast et al., 2019; Ngcamu, 2019; Ragolane & Malatji, 2024). Against this background, this paper addresses the following questions:

1. How does unethical conduct among municipal officials in Mkhondo Local Municipality affect service delivery efficiency?
2. What institutional weaknesses and governance failures enable unethical conduct within the municipality?
3. Which ethical leadership strategies and accountability mechanisms can mitigate unethical conduct and improve service delivery efficiency in this context?

By positioning unethical conduct as the independent variable and service delivery efficiency as the dependent variable, this study advances the literature on ethical governance and public administration. It provides micro-level empirical evidence from Mkhondo

demonstrating how governance breakdowns generate measurable operational consequences. In doing so, the study provides localised insights into the “hidden costs” of unethical conduct and strengthens scholarly and policy debates on accountability, merit-based governance, and reforms to consequence management in South African local government.

2. Literature Review

2.1 Conceptual Framework

This study is guided by the following concepts.

Unethical conduct. Godson and Amadi (2024) and Mahohoma and Sihlangu (2024) define unethical conduct as the actions and decisions by public officials that violate accepted standards of honesty, accountability, transparency, and professional integrity. In South African municipalities, it commonly manifests as corruption, bribery, nepotism, favouritism, fraud, unauthorised expenditure, and misuse of public funds (Mbedzi, 2023; Zindi, 2024). These practices erode public trust and weaken institutional credibility. In addition, Zungula (2023) argues that unethical conduct is not a moral failure but a structural governance problem reinforced by weak oversight, blurred political-administrative boundaries, and limited administrative capacity. Unethical conduct distorts decision-making, redirects resources away from intended purposes, and disrupts operational processes, thereby directly constraining service delivery efficiency.

Service delivery. Service delivery in the governmental context refers to the provision of essential public services that sustain citizens’ well-being and quality of life (Malinga & Mabizela, 2025). Its effectiveness depends on clear policy frameworks, adequate financial resources, institutional accountability, administrative competence, and coordination among state organs (Manyathi, 2022). Although funded through national taxation and local government revenues (Chisanga et al. (2023), the consistent provision of services remains uneven in South Africa. Scholars argue that service delivery failures are closely linked to inadequate and unethical leadership and political instability within municipalities (Mbandlwa et al., 2020). Thus, service delivery efficiency is not solely a resource issue but is intrinsically connected to governance quality and ethical administrative.

2.2 The State of Municipalities in South Africa

The decline of municipal administration in South Africa should not be perceived solely as isolated administrative failures, but rather as a systemic ethical dilemma rooted within the

structure of institutions. Mello et al. (2025) attribute declining municipal credibility to insufficient governance and inadequate accountability procedures; however, this observation should be contextualised within wider trends of fiscal instability and deficient financial management. Unethical conduct, including corruption, bribery, procurement irregularities, and incorrect financial reporting, damages institutional reputation and constrains service provision (Magakwe, 2024; Okoye et al., 2024).

The AGSA (2024), Mnguni and Subban (2022) and Zungu et al. (2025) highlighted the ongoing financial malfeasance, as numerous municipalities fail to present sufficient audit evidence and many operate with unfilled budgets. The absence of disciplinary consequences in such contexts signals systemic failures of accountability rather than isolated ethical lapses. Likewise, the placement of multiple municipalities under provincial administration, as indicated by COGTA (2021), substantiates the assertion that governance failures are systemic and persistent. These trends indicate that unethical conduct is not episodic but institutionalised, normalising maladministration and undermining internal control systems. Scholars such as Adetunji and Alers (2022) and Nicolaides and Duho (2019) argue that ethical deficits and compromised leadership integrity significantly undermine service delivery. Politicised appointments and inadequate consequences management collectively impair administrative competence, which, in turn, reduces the quality of public services. Thus, leadership ethics and employee competency are not peripheral considerations but central determinants of service delivery performance.

The literature reveals a consistent pattern: unethical conduct undermines governance systems, erodes accountability, and compromises service delivery. However, while reports and scholarly studies document the scale of the problem, limited attention is given to municipality-specific evidence demonstrating how governance failures manifest operationally. There is therefore broad scholarly agreement that unethical conduct erodes governance systems and service delivery, yet insufficient contextualised analysis of its operational manifestations. This study addresses that gap by examining how unethical conduct within a specific municipal context produces measurable inefficiencies in service delivery performance.

2.3 Ethical Challenges in South African Local Government

Ethical challenges in South African local government reflect a systemic governance deficit rather than isolated incidents of misconduct. Although democratic reforms have

strengthened South Africa's constitutional and regulatory framework, these gains are increasingly undermined by inadequate ethical leadership, maladministration, and entrenched corruption (Mabeba, 2021; Moji et al., 2022). The literature consistently links deteriorating municipal performance to compromised leadership ethics, arguing that governance failures are not merely administrative shortcomings but institutionalised patterns of unethical conduct. At the municipal level, corruption, fraud, and financial mismanagement distort decision-making processes and undermine effective service delivery (Brink & Singh, 2024; Mabizela & Malinga, 2025; Mbandlwa et al., 2020).

Persistent audit regressions, irregular expenditure, and inadequate supply chain accountability demonstrate that formal control systems exist but are inadequately enforced (AGSA, 2025; Matlala, 2025). In provinces such as the Free State, Eastern Cape and Mpumalanga, recurring audit failures and substantial irregular expenditure highlight systemic weaknesses in financial management and in the enforcement of consequences (AGSA, 2022, 2023, 2024). Scholars argue that inadequate internal controls and limited accountability mechanisms create conditions that enable dishonesty and maladministration to flourish (Shava & Mazenda, 2021). Thus, unethical conduct becomes normalised within municipal structures, diverting resources from infrastructure and essential services while deepening fiscal stress and public dissatisfaction.

Nepotism further entrenches these governance challenges by undermining merit-based recruitment and administrative competence. The appointment of politically aligned or personally connected individuals prioritises loyalty over expertise, weakening institutional capacity and professional standards (Shava, 2024; Tytko et al., 2020). Such practices erode fairness, reduce staff morale, and compromise performance across municipal units, contributing to declining public trust and recurring service delivery protests (Mofokeng et al., 2025; Ragolane & Malatji, 2024). Across these studies, there is broad agreement that transparency, accountability, and effective internal controls are not peripheral governance ideals but central determinants of municipal performance and democratic legitimacy in South Africa. Therefore, without strengthened ethical leadership and enforceable accountability systems, municipalities will continue to face persistent service delivery failures and deepening public dissatisfaction.

2.4 Consequences of Unethical Conduct in Local Government

A lack of ethics in local government creates conditions in which public officials act in ways that undermine accountability, financial discipline, and service provision. Mbandlwa et al. (2020) and Pamungkas and Munawir (2025) agree that when ethical standards are inadequate or inconsistently enforced, maladministration becomes normalised, compromising the quality and reliability of public services. Ethical leadership is therefore not symbolic but foundational as leaders are expected to set clear standards, enforce compliance, and model integrity in both decision-making and resource management. However, evidence suggests that many municipalities, including Mkhondo Local Municipality, remain vulnerable to unethical conduct due to inadequate oversight and ineffective consequence management.

The consequences of such ethical deficits extend beyond internal governance failures to measurable institutional decline. Kganyape (2024) believes that audit regressions as reported in several municipalities signal deeper problems of financial misreporting, inadequate oversight, and compromised leadership integrity. Qualified audit opinions typically reflect material discrepancies in financial statements, thereby weakening fiscal credibility and eroding public trust. Scholars such as Youngharry and Edeh (2024) contend that effective service delivery and sound public financial management depend fundamentally on ethical leadership and merit-based administrative practices. Barasa and Omariba (2024) caution that political interference and the prioritisation of loyalty over competence continue to undermine professional administration and institutional capacity. Hence, without credible ethical leadership and enforceable accountability frameworks, municipalities are likely to experience persistent service delivery inefficiencies and declining public confidence.

2.5 Strengthening Ethical Leadership and Accountability

Strengthening ethical leadership in municipalities requires embedding integrity within both performance management systems and institutional culture. Effective performance evaluation frameworks should move beyond technical output indicators to include explicit metrics assessing ethical conduct, compliance with fiscal responsibilities, and adherence to governance standards (Amanda, 2024; Kganyape, 2024). According to Amanda (2024) and Sebakamotse and Khahliso (2020), senior officials must model integrity in decision-making and resource stewardship to set an organisational tone that cascades throughout municipal structures. Regular ethics training is necessary to strengthen ethical culture by equipping

officials with the normative and procedural knowledge needed to navigate complex administrative dilemmas (Sebakamotse & Khahliso, 2020).

Ethical leadership is not an abstract ideal but an operational governance instrument capable of improving service delivery performance. However, strengthening leadership ethics alone is insufficient without credible oversight and enforcement mechanisms. Independent oversight structures, external audits, and active audit and risk committees are widely recognised as essential pillars of accountable governance. This is because they validate financial integrity and hold executives accountable for fiscal decisions (Moridu, 2023; Njagi, 2023). According to Brink and Singh (2024), transparency initiatives enhance public scrutiny by enabling stakeholders to assess ethical performance and strategic direction. While Njagi (2023) and Ogunsola et al. (2021) converge on the importance of these mechanisms, Sebakamotse and Khahliso (2020) caution that formal controls may be ineffective without genuine political will and administrative independence. Thus, sustainable ethical reform in local government depends on aligning ethical leadership, institutional oversight, transparent reporting, and enforceable legal frameworks to safeguard public resources and restore citizen trust.

3. Methodology

According to Mabizela and Malinga (2025), there is no research methodology that is flawless or suitable for all identified research problems; hence, the selection of a methodology always entails both advantages and disadvantages. Ngumbela and Juta (2025) are of the view that qualitative analysis seeks to comprehend an individual's beliefs and perceptions regarding a particular situation or setting. This article employs a qualitative methodology to provide a comprehensive analysis of the problems underpinning this research. The qualitative researcher strives to transcend the role of a mere observer within the natural environment under investigation. They often deliberately endeavoured to empathise with the people they studied, analysing and valuing the participants' behaviours, attitudes, actions, and habits from a scientific perspective.

The study purposively selected 10 participants (n =10) from the Finance and Supply Chain Management units at Mkhondo Local Municipality, as these units are directly involved in budgeting, procurement, and financial oversight, making them well-positioned to provide insights into unethical conduct and its impact on service delivery efficiency. All participants

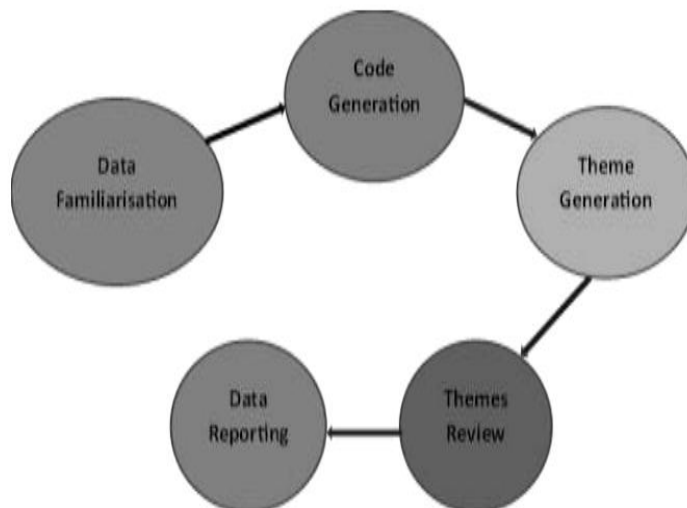
held their positions for at least 5 years and they were selected to reflect diversity in roles and seniority, ensuring that both strategic and operational perspectives were captured and enhancing the credibility and trustworthiness of the findings. The smaller sample size was intentional to facilitate a thorough qualitative investigation of their lived experiences and emphasise depth and contextual comprehension over generalizability (Nhlumayo & Nkosi, 2025; Subedi, 2021). This sample aligns with the principles of narrative inquiry in prioritising depth over breadth and seeking a rich, contextualised understanding instead of generalizability.

Purposeful sampling was utilised to select participants possessing pertinent experience and understanding of the issue being examined (Creswell, 2013). Data were gathered through comprehensive, semi-structured, one-on-one interviews. Each interview lasted between 25 to 30 minutes, and with the participants' consent, all interviews were audio-recorded and transcribed verbatim for analysis. The semi-structured interview guide was created in accordance with the research questions.

Data saturation was attained when further interviews with staff members from the chain management and finance units yielded no new themes (Ahmed, 2025). This signified that adequate depth and richness had been attained to fulfil the study's research objectives. As guided by Clarke and Braun (2013), the authors utilised thematic analysis in NVivo 12 to interpret the data. The analysis entailed identifying fundamental themes and meaning structures within participants' experiences. The analysis adhered to the temporal and emotional progression of each narrative, ensuring that participants' voices remained pivotal throughout the study (Clarke & Braun, 2013).

Figure 1

Thematic analysis process



Source: Mashamaite and Thusi (2024)

The study employed thematic analysis to facilitate the identification and interpretation of commonalities in the discourse surrounding a subject. Through thematic analysis, the authors effectively focused either on evaluating meaning across the entire dataset or on an in-depth examination of a specific facet of a phenomenon. Data analysis commences with becoming familiar with the dataset, but it is essential to understand its context as well. This phase is followed by code generation, which serves as the basis for the entire theme analysis process. Coding entails the identification, categorisation, and annotation of text or content segments that are significant or pertinent to resolving research questions (Clarke & Braun, 2013; Mashamaite & Thusi, 2024). Themes were derived from a dataset by systematically organising the data through coding. Codes were subsequently organised into broader descriptive themes that explain data patterns relevant to the study inquiry, which were then examined, refined, and expanded for clarity. The last phase of the analysis involves reporting and deliberating on the findings.

The researcher secured approval from the Durban University of Technology Institutional Research Ethics Committee (IREC), reference number REC 218/24. Participation in the research was voluntary. To protect anonymity, information obtained from unstructured interviews was handled confidentially. Before commencing the investigation, the researchers stated that participation was voluntary. Given the academic nature of the analysis, the authors informed participants that they would not receive remuneration for their involvement in the study. Triangulation was carried out by interviews with diverse individuals from various units. Temporal triangulation was employed, with collected data over a three-month window (December 2024 - February 2025), enabling participants to contemplate the subject, as guided by Zheng et al. (2025). Reflexive journaling and peer debriefing were used to mitigate potential bias and ensure that participants' narratives remained central to the analysis of leadership under pressure.

4. Findings

The study aimed to investigate the hidden costs of unethical conduct and their impact on service delivery efficiency within Mkhondo Local Municipality. The data were categorised, analysed, and interpreted according to the themes, as reflected in Table 1. The analysis of data revealed ten (n=10) codes which were grouped into subthemes and main themes. This

examines participants' views and perceptions of unethical conduct in municipalities, the drivers, and the consequences for governance and service delivery.

Table 1

Analytical Progression: Codes, subthemes and emerging themes from the data

Code	Codes (Initial coding)	Subthemes	Main Theme
C1	Bribery in tender allocation	Procurement corruption	Manifestations of unethical conduct
C2	Misuse of municipal funds	Financial misconduct	Manifestations of unethical conduct
C3	Substandard or incomplete projects	Poor contractor accountability	Manifestations of unethical conduct in local government
C4	Weak internal control systems	Governance deficiencies	Institutional weaknesses and governance failures
C5	Lack of oversight bodies	Weak accountability mechanisms	Institutional weaknesses and governance failures
C6	Loss of funding opportunities	Financial consequences	Hidden costs of unethical conduct
C7	Investor reluctance	Economic consequences	Hidden costs of unethical conduct
C8	Declining public trust in municipalities	Reputational consequences	Hidden costs of unethical conduct
C9	Call for stronger oversight	Need for accountability	Ethical leadership and accountability mechanisms
C10	Advocacy for transparent recruitment and appointment processes	Governance reform through transparent and merit-based recruitment	Ethical leadership and accountability mechanisms

Source: Researchers' Own Construction, 2025

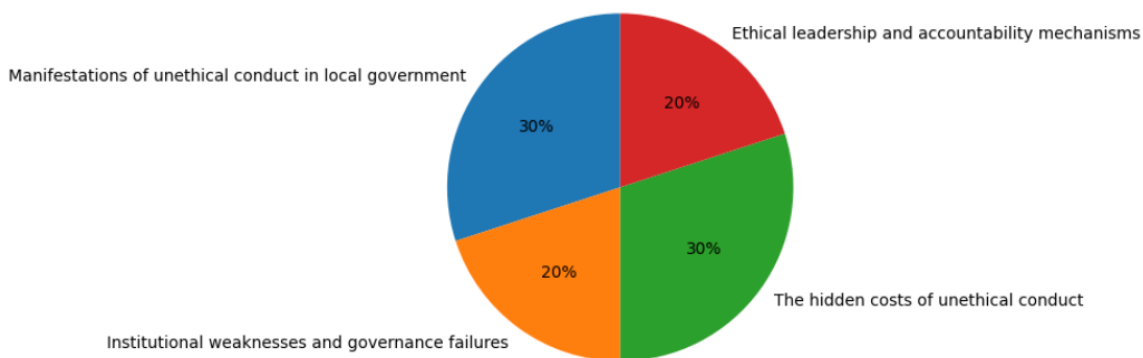
The findings indicate that unethical conduct in municipalities often manifests through procurement irregularities, financial mismanagement and poor project implementation. Institutional weaknesses and governance failures highlight the conditions that allow unethical conduct to persist and thus create an environment in which unethical practices can thrive without adequate consequences. The hidden costs of unethical conduct reflect the broader consequences of corruption and unethical behaviour beyond immediate financial losses. As such, these findings illustrate that corruption does not only affect financial resources but also damages economic prospects and the credibility of public institutions. Ethical leadership and accountability propose solutions to address unethical conduct in municipalities. The participants argued that strengthening ethical leadership, governance structures and accountability is critical for restoring integrity within municipal governance.

The frequency distribution in Figure 2 shows the number of participants who responded to questions about experiences with unethical conduct in the Mkhondo Local Municipality. The themes "manifestations of unethical conduct" and "hidden costs of unethical conduct"

emerged as the most prominent, with three participants each (30%) identifying these issues as significant in their responses. This suggests that beyond visible acts of misconduct, participants are particularly concerned with the indirect and long-term consequences of unethical behaviour, such as financial losses and poor service delivery outcomes. The relevance of this theme indicates a deeper awareness that unethical conduct has systematic and ensuring implications for governance.

Figure 2

Frequency distribution of the responses



Source: Researchers' Own Construction, 2025

Two themes were recorded by 2 participants (20%). Manifestations of unethical conduct in local government indicate maladministration and confirm that unethical practices are identifiable within municipal structures. The theme of institutional weaknesses and governance failures (20%) points to structural shortcomings that enable unethical conduct. Participants appear to recognise that unethical misconduct is not only an individual moral failing but is also facilitated by poor internal controls and oversight mechanisms. Similarly, the ethical leadership and accountability theme (20%) underscores the importance of integrity and accountability in municipal leadership. The frequency suggests that participants view ethical leadership as a key method to prevent misconduct and promote a culture of transparency and accountability. The frequency distribution confirms that participants acknowledge the presence and forms of unethical conduct and their consequences, which compromise institutional integrity and service delivery.

Theme 1: Manifestations of Unethical Conduct in Local Government

This theme elicits participants' feedback on their understanding of and experiences with unethical conduct in local government. Corruption and bribery were seen as the most corrosive factors weakening service delivery in local government. Some participants reported instances in which tenders were awarded in exchange for bribes. Other participants reported instances in which funds for critical infrastructure projects were diverted for personal gain, and in which contractors were paid for work that was either substandard or never completed. Their views were as follows:

“Bribes and corruption have led to the mismanagement of public funds, diverting resources from critical projects.” (Participant #5)

“There have been cases in which bribery influenced procurement decisions, directing public funds to unqualified contractors who failed to deliver services to the required standards. This unethical conduct has directly impacted the municipality's ability to provide essential services such as electricity, roads, clean water, and sanitation, eroded public trust, and resulted in the inefficient use of taxpayer money.” (Participant #9)

The views underscore that unethical conduct erodes public trust, reduces morale, and distorts public priorities by diverting resources from where they are most needed. These findings align with Lassou et al. (2021), who found that unethical conduct thrives in environments with inadequate oversight. Discretion is high, and accountability is minimal, precisely the conditions described by participants. These conditions not only affect effectiveness but also distort priorities, diverting resources from services.

Theme 2: Institutional Weaknesses and Governance Failures

This theme explored the impact of institutional weakness and governance failures in municipalities. Unethical conduct in local government has been significantly encouraged by institutional weaknesses and governance failures. The institution's capacity to effectively prevent, detect, and address misconduct is compromised by these systemic and structural weaknesses. Some participants indicated that the municipality is facing inadequate internal controls, ineffective oversight bodies with insufficient resources, a lack of ethics and compliance training for officials, insufficient legal and regulatory frameworks, and the politicisation of administrative processes. One participant stated that:

“The internal controls currently in place are often inadequate, increasing the likelihood that irregularities will go undetected. While oversight bodies do exist, they are not always effectively resourced, lacking essential tools, sufficient funding, and, at times, the independence required to hold individuals accountable. There are limited consequences for officials who fail to follow proper procedures, which further weakens institutional integrity.” (Participant #2)

The narrative is further reinforced by Mushati (2023), who states that municipalities are frequently plagued by governance inadequacies and institutional weaknesses, which significantly hinder their capacity to function ethically and effectively. These weaknesses manifest as inadequate internal control systems, compromised oversight bodies, and a general lack of accountability mechanisms.

Theme 3: The Hidden Costs of Unethical Conduct

This theme identifies the consequences of unethical conduct Mkhondo Local Municipality. Unethical conduct in the municipality carries significant consequences that hinder the effective delivery of services to communities. Unethical practices, such as corruption and mismanagement, result in increased inefficiencies, higher project costs, and improper resource allocation (Mishi et al., 2022). This not only strains municipal budgets and performance but also discourages potential investors who are deterred from the lack of transparency and accountability. Participants concur with this view by citing that:

“The more our municipality is highlighted in the media for unethical conduct, the greater the risk of losing funding from other government structures and of investor interest declining. This directly impacts our budget, which in turn affects our ability to deliver services to the people of Mkhondo.” (Participant #1)

Based on the narrative, there is a clear and urgent need for senior municipal officials to decisively confront unethical conduct, which Mbedzi (2023) suggests not only enforcing stricter accountability and transparency measures but also fostering a culture of ethical leadership. Without immediate and strategic intervention, the hidden costs of unethical conduct will continue to erode the municipality’s financial stability, public trust, and developmental progress.

Theme 4: Ethical Leadership and Accountability Mechanisms

Ethical leadership and accountability mechanisms emerged as a main theme during the interviews, reflecting participants' recognition that effective municipal governance and quality service delivery are intrinsically linked to principles of integrity, fairness, and civic responsibility. The Municipal Finance Management Act 56 of 2003 and the Municipal Systems Act 23 of 2000 were frequently cited as critical legislative instruments that guide ethical governance, financial accountability, and administrative oversight in municipalities. However, participants emphasised that the effectiveness of these frameworks ultimately depends on the extent to which their principles are embedded in everyday governance practices and decision-making processes. From this perspective, ethical leadership and accountability were not merely regulatory requirements or bureaucratic ideals, but rather foundational mechanisms for strengthening public trust, promoting institutional integrity, and enhancing the effectiveness of municipal service delivery. Participant 7 pointed out that:

“From my experience, transparency in recruitment is very important if municipalities want to promote ethical leadership. When appointments are made on merit and through proper processes, it becomes easier for officials to perform their duties without feeling pressured by political interests. The challenge we sometimes see is when people are appointed for loyalty to certain political figures rather than for their qualifications. When that happens, accountability suffers because those individuals feel obligated to serve political interests rather than focus on the municipality’s governance responsibilities.” (Participant #7)

Another participant alluded that:

“For ethical leadership to work in the municipality, recruitment must be transparent and merit based. When the right people are appointed through fair processes, it strengthens accountability and helps ensure that officials focus on serving the public rather than political interests.” (Participant #3)

The findings are in line with Nkgapele and Mofokeng (2024) who argues that transparent, merit-based recruitment processes are essential for strengthening ethical leadership and accountability within municipal governance. Participants suggested that ethical conduct within municipalities is inconsistent, underscoring the need for institutional mechanisms to promote integrity in leadership appointments. In this regard, transparent recruitment and appointment systems were perceived as an important governance reform

capable of reducing political patronage and promoting accountability in municipal administration.

5. Discussion

This study moves beyond documenting the presence of unethical conduct to explain how it translates into operational inefficiencies within Mkhondo Local Municipality. Guided by the four emergent themes, the findings demonstrate that unethical conduct is not episodic but structurally embedded within weak governance systems. Participants consistently linked procurement irregularities, political interference, and favouritism to deficiencies in oversight, consequence management, and internal controls. This confirms the governance theory proposition that formal accountability mechanisms are ineffective when enforcement capacity and institutional independence are compromised. The findings align with Kabange et al. (2024) and Mbedzi (2023), who argue that weak accountability systems enable unethical practices to persist. However, this study advances the debate by demonstrating the causal pathway through which these ethical breakdowns lead to tangible consequences for service delivery at the operational level.

The analysis further reveals that the “hidden costs” of unethical conduct extend beyond reputational damage to measurable institutional decline. Recurring qualified audit opinions, project delays, and resource misallocation reflect systemic distortions in financial management and procurement processes. Consistent with oversight findings and the work of Olaoye and Agbaje (2024), the study shows that audit regressions weaken stakeholder confidence and threaten fiscal sustainability. Critically, the inadequacy of consistent disciplinary consequences reinforces a culture of impunity, validating institutional theory arguments that norms become internalised when non-compliance carries minimal risk. Thus, unethical conduct functions as both a governance failure and a performance inhibitor, directly constraining service delivery efficiency.

Importantly, Theme 4 identifies ethical leadership and accountability mechanisms as moderating variables that can disrupt this cycle. The conceptual model (Figure 3) illustrates a causal chain of hidden costs of unethical conduct in local government. Ethical leadership, merit-based appointments, compulsory ethics training, and enforceable consequence management frameworks serve as corrective interventions that can strengthen internal controls and rebuild public trust. This model contributes to theory by linking the ethical governance

literature to performance-based public administration frameworks, thereby integrating normative ethics with measurable service delivery outcomes.

Figure 3

Hidden costs of unethical conduct in local government



Source: Researchers' Own Construction, 2026

While the findings offer practical implications such as strengthening audit committees, institutionalising ethics training, and enforcing transparent procurement systems, they must be interpreted within certain constraints. The study is limited to a single municipal context and relies on qualitative interviews, which may restrict generalisability. Future research should extend the model through comparative municipal studies and mixed method designs that incorporate financial performance data to empirically test the proposed causal relationships. Broader theoretical extensions could examine unethical conduct through institutional theory or principal-agent theoretical frameworks to further explain how political-administrative dynamics shape accountability outcomes.

6. Recommendations

Based on the findings, the study recommends that South African municipalities urgently adopt a comprehensive ethical reform plan that encompasses the following measures to deal with unethical conduct:

South African municipalities must implement a merit-based governance system to combat the widespread challenge of nepotism and political interference. Municipalities should

adopt transparent recruitment policies, establish independent selection panels, and incorporate oversight mechanisms to insulate human resource processes from political influence. This approach can significantly enhance institutional efficacy, accountability, and the ethical quality of service delivery.

This study argues that municipalities must implement and adhere to clearly ethical standards and compliance protocols. This encompasses strengthening internal oversight bodies, implementing legislative frameworks that regulate conduct, and ensuring periodic audits. Effective regulation will eliminate unethical conduct and foster a culture of transparency and accountability.

Municipal officials must participate in compulsory ethics training to enhance their understanding of ethical responsibilities and standards in public service. This training must be consistently revised and customised to address local governance challenges, encompassing issues such as conflict of interest, service integrity, and citizen involvement. These initiatives will facilitate the institutionalisation of ethical standards and restore public confidence in municipalities.

Municipalities must implement clear and consistent consequence management frameworks. The frameworks must prompt measures against unethical conduct, ensure disciplinary action, and ensure accountability at every level. Effective consequence management is crucial for ensuring ethical conduct and sustaining the principles of democracy in municipalities.

7. Conclusion

This study demonstrates that unethical conduct within Mkhondo Local Municipality is not an isolated compliance issue but a systemic governance failure that has measurable institutional and service-delivery consequences. By tracing the causal pathway from corruption and political interference to institutional weaknesses and hidden operational costs, the study shows how inadequate oversight, fragile internal controls, and inconsistent consequences management collectively undermine municipal performance and public trust. The key contribution lies in reframing unethical conduct as a structural performance constraint rather than a legal problem, thereby integrating ethical governance with debates over service delivery efficiency in public administration scholarship.

Practically, the findings highlight that legislative frameworks alone are insufficient; sustainable reform requires enforceable accountability systems, merit-based administrative practices, strengthened audit and monitoring capacity, and institutionalised ethics training to embed an integrity-driven organisational culture. Addressing these systemic weaknesses is essential not only for restoring legitimacy but also for safeguarding fiscal sustainability and ensuring that local government fulfils its developmental mandate effectively and credibly.

Disclosure statement

The authors declare that there is no conflict of interest.

Funding

This research received no specific funding from organisations, but the APC is paid by Durban University of Technology.

Institutional Review Board Statement

Ethical clearance for the research was granted by the Institutional Research Ethics Committee (IREC) of the Durban University of Technology. Informed consent was obtained from all subjects involved in the study.

AI Declaration

The author declares the use of Artificial Intelligence (AI) tools in the preparation of this manuscript. Specifically, Grammarly was used for paraphrasing and improving grammatical accuracy, and EndNote was used for reference management. The author takes full responsibility for ensuring proper review and editing of the content generated using AI.

ORCID

Nhlanhla Sibusiso Malinga - <https://orcid.org/0000-0002-1449-2013>

Hlengiwe Nomzamo Mabizela - <https://orcid.org/0000-0001-8538-635X>

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