Shaping Integrity and Performance: Exploring Employee Behavior, Ethical Climate, Incentives, and Anti-Corruption Mechanisms in the Public Sector

Muhammad Talha Zubair
Ph.D Scholar (Management Sciences), Hamdard University, Islamabad

ABSTRACT

Integrity and performance of public administration are vital for achieving effective, accountable and transparent governance. This research analyses the association between employee behavior, ethical climate, incentive structures and anti-corruption mechanisms influencing outcomes of organizations. Employing Institutional Theory and Ethical Climate Theory, the research uses a mixed-methods design that includes a cross-sectional survey of public sector employees and semi-structured interviews. Regression modelling of quantitative data is used to evaluate the impact of ethical climate and incentives on integrity and performance, together with qualitative insights about the effectiveness perceived in current policy strategies. The study results show that a strong ethical climate is associated with ethical decision-making and service quality; non-financial incentives devised functionally leads to increased motivation without compromising integrity. There are a number of mechanisms that can instill greater ethical behavior, including anti-corruption mechanisms (such as whistleblower protection and transparent monitoring systems) which have been shown to be beneficial. This study provides several contributions to the public administration scholarship by proposing a combinative approach/structure that combines ethics, incentives, and governance mechanisms anti-corruption interventions which permit testing pertaining to these theories in practice and is of direct relevance for policy-makers presenting specific guidelines on how to ensure non-corrupt behavior in order to further positive performance enhancing effects.

Keywords: Employee behavior; ethical climate; incentives; anti-corruption; public sector performance; integrity management.

Introduction

Background and Significance

Inclusion and performance are widely understood as the twin pillars of good public administration. With the increased scrutiny of this stage of development, transparency and accountability are not optional anymore, they are the key metrics governments will be judged on. The public sector is expected to deliver services that are effective, fair and citizen-centric, while ensuring that resources are not diverted through corrupt or unethical practices undermining the trust of citizens.

Employee behavior in public institutions is not carried out in a vacuum. Grounded in a dynamic interaction between formal governance structures, organizational culture, and informal norms that communicate what really matters in practice (Treviño et al., 2006). These are the moral climate of the company, lures that reward or punish behaviors, and an anti-corruption framework to protect a high-integrity environment.

The OECD (2022) and World Bank (2023), for example, offer direct evidence that presence of a strong ethical climate in an organization, that is one where fairness, rule adherence, and

obligation prevail, conditions the choice behavior of employees toward serving the public interest. In the same way, incentive systems can increase motivation and quality of service delivery if they are calibrated correctly without becoming perverse incentives. But in environments of strong codes of conduct, the absence of clear enforcement possibilities allows abuse to ferment and rot performance and legitimacy alike.

The Global and Regional Challenge

The difficult balance between integrity and performance is not unique to any single nation. That corruption is still found in units responsible for procurement fraud and resource misallocation as a function of maladministration, bribery or other illicit payments exposes the resilience of public institutions to unethical behavior and systemic failure (Transparency International, 2024). It also makes sense: integrity breaches of this kind simply find the right soil in South Asia, where bureaucratic complexity meets political interference and where resources are scarce. Enhancing ethical climates and engrafting resilient anti-corruption laws, therefore, are not only matters of governance but also conditions precedent to socio-economic development.

Research Problem

Although ethics, incentives and anti-corruption policy have been studied by traditional scholars as well as practitioners, there has been little attempt to unite them into a comprehensive study. As a result, policy interventions risk being techno-responsive and focusing on symptoms (e.g. introducing stand-alone compliance checks) without addressing systemic drivers e.g. organizational culture or reward systems which are often misaligned with selflessness in clinical roles. The fragmented evidence base available for policymakers and others leaves a gap that is hard to breach in designing interventions that can enhance both integrity and performance.

Research Objectives

This study seeks to:

- Investigate the relationship of ethical climate with actual and intended employee behavior in public sector organizations.
- Evaluate, if the effect of compensation on integrity is thought to be followed by ethical reporting standards and company performance.
- Assessing how well anti-corruption tools influence ethical behavior.
- Create an overarching system that connects them to performance in the public sector.

Research Questions

The study is guided by the following research questions:

- In what manner the ethical climate effect employee behavior in public sector sphere?
- Do incentives improve performance without threatening ethics?

- What are the most effective anti-corruption mechanisms that can strengthen integrity and discourage misbehavior?
- What is the inter-play between ethical climate, incentives, and anti-corruption measures on organizational performance?

Scope and Delimitations

The study has been performed in a group of public organizations in Pakistan and their target population was mid- to senior-level employees, directly involved with delivery of service or decision-making. Although the findings are contextual, the conceptual insights seek to translate into more generalized discussions in governance, organizational behavior and integrity management at both regional and global scales.

Literature Review

Ethical Climate and Employee Behavior

The ethical climate of an organization can be defined as shared perceptions about what constitutes ethically acceptable behavior and how to address ethical issues. Ethical climate affects people's attitudes and conduct, especially decisions and their reporting and is known to improve peoples' willingness to report malpractices. In the public sector, given that decisions often involve resource allocation, procurement, and enforcement decisions, ethical climate has the greatest effect. There is evidence that strong ethical climate fosters integrity and nurtures high levels of qualities in man by reducing tolerance to corruption and enhancing employees' moral reasoning ability.

In Pakistan, for example, a weak ethical climate, characterized by inadequate accountability and political interferences, has been associated with increasing occurrences of maladministration and bribery (Transparency International Pakistan 2024). In contrast, ethical public service reforms, emphasizing transparency and meritocracy, have shown tremendous improvements in the conduct and quality of service (Junaid Khan & Anwar 2019). Given the centuries-long struggle with governance issues, the lack of efficacy in implementing and enforcing the anticorruption law, and social and cultural inclinations towards gift-giving, ethical climate is critical in Pakistan. It is, therefore, as much a managerial prerogative to establish as a governance prerequisite.

Incentive Structures and Integrity

Larkin and colleagues (2012) defined an incentive as anything that influences our choices to do or not do something. Jensen and Mackling (1976) noted that incentives are critical in aligning individual and organizational interests.

In the public sector of Pakistan, incentive systems have generally been accused of being insufficiently connected with performance outcomes, where promotions or perks are more dependent on seniority or political patronage rather than merit (Nishtar, 2018). For example, research on South Asian bureaucracies have found that without performance-based incentives, employees are less likely to resist bribes, particularly in

low detection risk settings (World Bank 2021).

Non-monetary incentives like recognition, opportunities for career advancement and professional development lead to intrinsic motivation and a deep commitment to ethical standards (Deci & Ryan, 2000). An example from Pakistan, the civil service reforms under the Khyber Pakhtunkhwa Performance Management System, demonstrate how moving toward more structured evaluation as well career advancement can increase employee satisfaction and reduce absenteeism (Government of Khyber Pakhtunkhwa, 2022).

Anti-Corruption Protocol in the Public Sector

Anticorruption mechanisms refer to legal, procedural and institutional structures which are put in place with the intention of ensuring that corruption practices are curbed, detected and where found punished (Johnston 2005). These measures may include transparent procurement processes, whistleblower protection laws, conflict-of-interest regulations and independent oversight bodies.

To combat corruption, the institutions like National Accountability Bureau (NAB), Federal Investigation Agency (FIA) and even provincial anti-corruption set-ups have been established in Pakistan. But this effectiveness has been questioned because of political controls that plague them, their selective accountability, and procedural inefficiencies (Rehman 2023).

Research-based evidence confirms that the effectiveness of anti-corruption mechanisms correlates with ethical climate (Rose-Ackerman & Palifka, 2016) strengthened by citizen participation and media freedom. For example, the lesson from Pakistan is that punishment-only results in temporary victories and does not alter work-group cultures (Hassan & Mahmood, 2021). These (Government—Wide) digital governance solutions such as eProcurement and automated service delivery portals, are already showing a promise in limiting the human discretion and opportunities for bribery (UNDP Pakistan 2022).

The Nexus between Ethical Climate, Rewards and Anti-Corruption Mechanisms

Ethical climate, incentives and anti-corruption mechanisms interact with each other. A strong ethical climate provides a defense against the perverse incentives becoming entrenched, while the right structure of incentives can also assist in supporting anti-corruption compliance. Another example: to the extent that effective anti-corruption regulations can institutionalize transparency and accountability (Kaptein, 2011), this would enhance the ethical climate.

Fifty years after Rothbard urged both of these components in concert, Pakistan's fragmentary reform efforts have tended to address them separately as opposed to two sides of the same coin. Digitizing procurement without addressing structural patronage networks, for instance, has created tech-enabled ways to game the system rather than an efficient and transparent one (Haque & Haider 2022). Some countries with similar governance challenges

have successfully employed integrated reform strategies, aligning ethical climate initiatives with performance incentives and anti-corruption measures that deliver more sustained impacts, such as Indonesia and Kenya (OECD 2020).

Theoretical Underpinnings

This study takes support of Organizational Ethical Climate Theory (Victor & Cullen, 1988) and Principal-Agent theory (Eisenhardt, 1989). Organizational Ethical Climate Theory articulates how joint ethical perceptions impact employee behavior and commitments, whereas Principal-Agent Theory emphasizes the importance of incentives and monitoring in averting opportunistic conduct within hierarchical relationships.

These theories together highlight the necessity of dealing with moral and structural drivers of integrity within Pakistan's public sector. In this invention also, ethical climate initiatives focus on the employees like making the moral forces work, while different incentive reforms and anti-corruption mechanisms target at "the structural constraints" on which employee might base their decisions.

Gaps in the Literature

Although there has been a lot of research globally related to public sector integrity, very little work tends to be of empirical nature on understanding the relationships between ethical climate, incentives, anti-corruption mechanisms in Pakistan. For instance, other studies either focus on single-variable analyses such as the role of political will in anti-corruption outcomes (Khan 2021), theoretical approaches to complement empirical data or corruption measurement assessments (Transparency International indices). However, little is understood about how these organizational factors interact to influence behavior of employees and hence the institutional performance in Pakistani settings.

In addition, the implementation of reforms in different provinces can vary significantly making national cross-provincial comparisons based on aggregated farm household surveys insufficient for understanding how contextual factors such as provincial governance capacity may moderate relationships.

Conceptual Framework

According to the reviewed literature, this study conceptualized the relationship as follows:

- Ethical Climate encourages Employee Integrity and helps to curb unethical practices.
- These Incentive Structures moderate the effects of ethical climate perceptions on performance enhancing or detracting from ethical norms.
- Anti-Corruption Mechanisms serve as structural inhibitors to corruption by supporting integrity and discouraging indiscretion.
- The overall Public Sector Performance in Pakistan is simply dependent on the combined effect of these three elements.

Research Methodology
Research Design
This research used a mixed-methods design, integrating both the qualitative and quantitative aspects of how employee behavior influences ethical climate, incentives interactions and corruption prevention mechanisms in public sector organizations of Pakistan. The mixed-methods design provides an avenue for triangulation of data to improve the validity and reliability (Creswell & Plano Clark, 2018). Structured surveys collected quantitative data, and in-depth interviews captured qualitative insights derived from key stakeholders in federal, provincial and local government institutions.

Population and Sampling
The study population included employees of public sector organizations working across Pakistan, such as ministries, regulatory bodies and municipal administrations. A stratified random sampling approach was adopted to ensure adequate coverage of representativeness in the administrative levels and geographical regions. Cochran`s formula for finite populations was used to determine the sample size of 400 respondents, which provide an upper bound limit having confidence level of 95% and margin of error = 5% in quantitative phase. We used purposive sampling to select 25 participants according to their roles in integrity management, performance monitoring and anti-corruption policy implementation for the qualitative phase.

Data Collection Instruments
Quantitative Survey
A structured questionnaire was developed based on the Ethical Climate Questionnaire (Victor & Cullen, 1988), Public Service Motivation Scale (Perry, 1996), and anti-corruption compliance assessment tools from Transparency International (TI, 2023). The questionnaire included sections on:

- Employee conduct (rules adherence, responsiveness, accountability)
- Organizational-level ethical climate (e.g., fairness, leadership integrity, organizational values)
- Awareness and Effectiveness of anti-corruption mechanisms (e.g. whistle blowers protection, audit systems, e-governance tool etc.)
- The open-ended items also rang in a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree), with additional space for narrative text below each item.

Qualitative Interviews
A series of semi-structured interview guides assisted in examining participants' perspectives on ethical dilemmas, structural contributors to corruption and the role of organizational culture in promoting integrity. Interviews also highlighted problems that are specific to Pakistan, including political interference, bureaucratic resistance change, and the role of anti-corruption agencies like the

National Accountability Bureau (NAB) and Provincial Anti-Corruption Establishments.

Procedure

The study was conducted within 3 months (from April to June 2025), collecting target data. Utilizing a combination of paper and electronic surveys allowed access to the survey by more digitally literate members among public workers. All interviews were conducted in Urdu (with some preference from the participant to speak in English) and were audio-recorded with informed consent. All participants provided written informed consent and the study was approved by an institutional review board.

Data Analysis

For Quantitative data analysis, SPSS Version 28 was used. Descriptive statistics were used to summarize demographic characteristics and overall trends. The relationship among variables was examined using multiple regression analysis and structural equation modelling (SEM), which are inferential statistics. SEM was selected to explore the effect of ethical climate, incentives and anti-corruption measures on employee behavior and performance at the same time.

NVivo 14 was used to conduct a thematic analysis of interview transcript data in this study with a qualitative research design. Themes were derived by inductive and deductive reasoning based on the research model, as well as being closely associated with the empirical evidence. Institutional ethics, Leadership integrity, Systemic corruption risks and Incentive effectiveness were example categories of the codes.

Reliability and Validity

Reliability of the instrument was verified by obtaining Cronbach's alpha coefficients with a standard level of 0.70 accepted (Nunnally, 1978). The confirmatory factor analysis confirmed that the construct validity was adequate. Credibility of qualitative data was assured through the means of member checking in which participants were given a chance to validate their interview transcripts and interpretations.

Limitations

The study notes some possible limitations, including:
- Survey responses (self-report bias can distort results, especially given the sensitivities of corruption issues)
- Context Specificity − Limited generalizability beyond the Pakistani public sector.
- Reasons why respondents might not tell the truth.

Results and Analysis

This section reveals the results of empirical analysis on how employee behavior interacts with ethical climate, incentive structures and anti-corruption mechanisms in Pakistan public sector. The data from these three levels were collected using the survey, semi-structured interviews and policy document analysis. This mixed-methods design assured a better triangulation of results.

Employee Behavior Patterns

Fifty-seven percent believe 'codes of ethics and regulations are either unclear or are often manipulated at a high level'. Elsewhere, 44% said they had seen minor rule breaches overlooked when those infringements proved beneficial to organizational output. This, the researchers state, indicates that, although public servants overwhelmingly claim a general rhetorical attachment to public service values, behavioral drift can arise in response to high workloads, political pressure or personal incentives that de facto counteract institutional mandates.

This was further supported by qualitative interviews, which uncovered "adjustment behavior" (i.e. employees behaving in a way that they believed to be the response expected by their managers or political actors instead of what legally regulated). It is an example of what Pakistani scholars have described as a "compliance façade" (Khan, 2022), procedural compliance that exists on paper but not in reality.

Ethical Climate Assessment

Across institutions, three predominant ethical climates were found which based on framework by Victor and Cullen (1988) Ethical Climate Questionnaires;

- **Instrumental Climate:** Decisions are made on the basis of personal or organizational interests and fail to conform to any formal ethics codes.
- **Caring Climate (31%):** A joint and common-driven ethos more frequent in donor-funded projects with increased monitoring.
- **Law and Regulate Climate (23%):** Laws have more value with a strong aspect of audit regulatory agencies

This distribution reflects the heavy balance of self-interest that gives way to decision making within public sectors in Pakistan hence, can defeat the purpose of any anti-corruption campaign.

Incentive Structures

Inclusive, the research identified a 'big disconnect' between what people said incentives were and what people believed incentives to be. Among formal HR policies, seniority (69%), performance appraisal (61%) and non-monetary recognition programs were assessed as the most impactful promotions have to do with political loyalty rather than performance evaluation. Yet, the financial incentives remain relatively low on an average annual performance bonus of less than 5% of base salary, not enough to deter corruption gains.

A further example is the success of reforms financed by international donors that introduced a performance-linked pay system in some agencies (in this case, the Land Records Authority of Punjab) leading to significant reductions in petty corruption, but with very mixed results and relatively prompt reversion to poorer performance as donor oversight receded.

Anti-Corruption Mechanisms

Pakistan has formal anti-corruption frameworks that include the National Accountability Bureau (NAB), provincial anti-corruption establishments, internal audit units and whistleblower protection laws (Whistleblower Protection & Vigilance Commission Act, 2019). The truth is that only 19% of employees in the field believed these to be unbiased mechanisms to act between themselves. The report noted a perception among interviewees that the actions of NAB are often politically motivated and many internal complaints have ended with retaliation by authorities rather than institutional reform.

Those which have active internal ethics committees and more transparent procurement portals like e-procurement system of Pakistan Civil Aviation Authority were much more likely to perceive fairness and ethical compliance by respondents.

Correlation Analysis

Statistical analysis using multiple regression indicated:

- Ethical climate was the strongest predictor of ethical employee behavior (β = 0.49, p < 0.01).
- Incentive fairness had a moderate but significant effect (β = 0.27, p < 0.05).
- Perceived effectiveness of anti-corruption mechanisms also correlated positively but weakly (β = 0.18, p < 0.1).

This suggests that while institutional reforms in incentive structures and anti-corruption laws matter, shaping an ethical climate is the single most influential factor in curbing misconduct.

Discussion

The results of this study also shed light on how public sector integrity and performance is influenced by the interplay between employee behavior, ethical climate, incentive structures, and anti-corruption mechanisms. This is especially the case where governance problems in Pakistan are particularly glaring and systemic corruption has deep roots as evidenced by the long arm of Transparency International trying to rein in some of these elements (Transparency International Pakistan, 2024). This study contributes to the understanding of building a strong ethical climate and developing effective incentive systems as important levers in increasing employee integrity with organizational outcomes.

Employee Behavior and Ethical Climate Interlinkages

The results indicate that the moral climate has a significant impact on public employee behavior as it shapes the standards, principles and acceptable behaviors inside public organizations. Given the lack of institutional trust found in Pakistan and bureaucratic inertia (Khan & Javid, 2023), a weak ethical climate could allow behaviors such as absenteeism, rent seeking and clientelism to continue. On other hand, proper communication channels, moral leadership and role modelling can help in promoting compliance and accountability culture (Ali & Ahmad, 2022). It is consistent with social learning theory (Bandura, 1977), which suggests that

employees are likely to model observed behaviors; particularly from those in an authoritative position.

How to Develop Incentive Structures That Drive Integrity and Performance

This study emphasizes the importance of financial and non-financial incentives in a motivation to act ethically and thus need to be balanced. Push factors in Pakistan's public sector include poor pay and prospects of career progression as identified by the World Bank (2021). This can be controlled or minimized by introducing merit-based promotions, recognition awards, and developing skills. Research shows that it could have even a stronger impact on integrity than financial rewards (Hassan et al., 2020), and intrinsic rewards, for example recognition of ethical behavior in the public domain.

Effectiveness of Anti-Corruption Mechanisms

Rigorous implementation of anti-corruption measures including internal auditing, whistle-blowing protection and government digital tools help in reducing bad procurement behavior. Nevertheless, political interference and administrational weakness frequently hamper the effectiveness of such integrity mechanisms in Pakistan (NAB 2023). Technology-enabled transparency, as experienced through e-governance platforms such as competition-ably the most successful, Punjab's land record management system mentioned above reduces prospects of discretionary abuse (Cheema & Naseer, 2022). But unless there is consistent political will and citizen participation, these mechanisms can be proclaimed but not transformative.

The effect of Organizational Culture and Leadership

This conversation highlights the importance of the role of leadership in making ethical norms stick. Ethical decision-making has also benefitted when paired with transformational leadership styles that stress vision, motivation in addition to moral persuasion (Bashir & Farooq, 2021). But the culture of patronage is entrenched in Pakistan. And only strong leaders, who actively promote integrity and fairness are capable to change it from within the public institutions of Pakistan. In addition, local control over decisions, with strong accountability mechanisms attached to it, allows employees to do the right thing without fear of retribution.

Policy Takeaways from Pakistan's Reform Effort

Implications for policy and practice in Pakistan these are the findings of study. The first is reviving the Federal and Provincial Public Service Commissions to recruit only on merit, which may ensure that those entering are of a certain ethical caliber. In a similar vein, Professor Mark Priestley explains that ethical training not only should be embedded in the curriculum of an institution but also within the Civil Services Academy and other institutional outlets. A third way would be to combine performance review systems with ethical measures, which offer a combination of efficiency (because we duly reward what is measured) and integrity.

Limitations and Future Research Directions

This study provides some important lessons; however, it is not without limitations. Because of the cross-sectional design, however, causal inference is limited and self-report may have introduced social desirability bias. Further research focusing on the use of longitudinal methods would be useful to investigate how ethical climate and efforts to fight against corruption have been developed in Pakistan particularly in the public sector for future studies. So, interviews at the federal, or in a theory of layered analysis by mixed geography type approach, provinces/cities as well could likely further inform understanding how culture of ethics and performance results may vary.

In conclusion the study provides further evidence that integrity in the public does not reflect individual morality alone but is deeply rooted in organizational climate, leadership behavior, incentive systems and institutional safeguards. It is imperative that in a country like Pakistan, where there is a dire need for governance reforms, this combined approach of ethics-based training with fair incentives and technology-led transparency should be used to promote a culture of accountability and high performance.

Conclusion

The study indicates the importance of a responsible employee attitude, moral climate, incentive systems and anti-corruption measures in determining both integrity and performance within the Pakistani public sector. The results suggest that cultivating an ethical organizational climate is necessary to incentivize integrity, and that the availability of incentives for honest work offers an additional intervention point in pursuing efficient service supply. But even good anti-corruption measures can only work if they are consistently enforced; and effective enforcement of such measures should be apolitical.

Given the bureaucratic culture in Pakistan characterized by hierarchical norms and patronage networks, paired with minimal accountability to which those who commit abuse are held, a multidimensional approach is required. A combination of ethics training, merit-based incentives and robust whistleblower protections as well as digital governance tools are a roadmap for reform. Embedding the values institutionally and changing formal rules from paper to practice requires leadership commitment at all levels.

In the end, both transparency and accountability in the public sector of Pakistan needs a well-motivated political will along with systemic reform not to mention changing the culture. It is consequently expected that such study can help enforce the general knowledge regarding these dynamics while offering practical ideas for policymakers, public managers, and anti-corruption practitioners who seek to professionalize and make more ethical the field of public administration.

Recommendations

The findings of the study have important implications for improving integrity and performance in Pakistan´s public sector. Organizations should prioritize leadership development that nurtures transformational, ethical, and transparent styles of decision-making. Top government leaders should be ethical role models and create an ethical environment, and central ethics committees should be established or reinforced within the governments to supervise the conduct of civil servants and to provide advice on ethical problems.

The incentive and performance management systems need to also undergo reformation in order to replace patronage-based promotion, with meritocratic, transparent promotion procedures. It is suggested that incentive packages need to maintain a balance in the amounts of financial incentives provided and rewards not associated with finances such as awards, career development and public recognition for ethical behavior. In addition, organizational performance appraisal systems should be an integral part of systems that rewards the integrity alongside efficacy so that one does not become lacking to the other.

Diversifying accountability tools, including legal rights and protective procedures for whistleblowers and the safety nets of relatively open and easy-reporting mechanisms will minimize the risk associated with blowing the whistle on corruption. The impartial investigation and prosecution can only be ensured by protecting the autonomy of anti-corruption bodies (e.g. NAB). Promotion of e-governance projects, especially expansion of e-procurement and revamping citizen feedback portals, especially to the level of states and local governments which are still largely underdeveloped, will tend to decrease room for discretionary abuse while enhancing transparency.

We then need to push the institutional boundaries for ethics education, establishing it as a core value in civil service professional development programs and not just an optional check box on compliance. Public awareness campaigns can be utilized to increase the understanding of public sector integrity, the costs borne by society due to corruption, and inform public officials and wider citizens on how we may combat and prevent corruption.

This will enhance transparency and public trust while promoting citizen engagement; regular publication of reports on departmental performance and integrity indices. Citizen feedback and grievance redress platforms should be made available through accessible and secure means to ensure institutionalized mechanisms of checks, accountability for quality services.

In conclusion, future research needs to be more cognizant of context and tailored to the diverse administrative cultures in Pakistan for developing integrity-building strategies. Tracking the impact of reforms with local-level studies and by setting up its own evaluation bodies will enable a more localized, adaptive approach

to management, allowing these processes to evolve over time. Such implementation will require concerted action by various stakeholders including government agencies, civil society and the international community backed by political commitment. Together these initiatives may be able to ratchet up the quality of governance, the integrity of institutions and service provision by Pakistani public sector agencies.

References

Deci, E. L., & Ryan, R. M. (2000). The "what" and "why" of goal pursuits: Human needs and the self-determination of behavior. *Psychological Inquiry, 11*(4), 227–268. https://doi.org/10.1207/S15327965PLI1104_01

Demirtas, O., & Akdogan, A. A. (2015). The effect of ethical leadership behavior on ethical climate, turnover intention, and affective commitment. *Journal of Business Ethics, 130*(1), 59–67. https://doi.org/10.1007/s10551-014-2196-6

Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of Management Review, 14*(1), 57–74. https://doi.org/10.5465/amr.1989.4279003

Government of Khyber Pakhtunkhwa. (2022). *Performance management reforms in KP civil service.* Peshawar: Author.

Haque, N., & Haider, M. (2022). Reforming Pakistan's public administration: Digital solutions and political economy challenges. *Pakistan Development Review, 61*(2), 105–122.

Haque, N. U., & Siddiqui, S. (2020). Public service delivery and governance in Pakistan. *Pakistan Institute of Development Economics Working Paper.*

Hassan, M., & Mahmood, Z. (2021). Political economy of anti-corruption reforms in Pakistan. *Asian Journal of Public Affairs, 14*(1), 23–41.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behaviour, agency costs, and ownership structure. *Journal of Financial Economics, 3*(4), 305–360.

Johnston, M. (2005). *Syndromes of corruption: Wealth, power, and democracy.* Cambridge University Press.

Kaptein, M. (2011). Understanding unethical behavior by unraveling ethical culture. *Human Relations, 64*(6), 843–869. https://doi.org/10.1177/0018726710390536

Khan, F. S. (2021). Political will and the challenge of corruption in Pakistan. *South Asian Studies, 36*(2), 245–263.

Khan, M., & Anwar, S. (2019). Transparency and public trust in Pakistan's governance. *Journal of Asian Public Policy, 12*(3), 357–375. https://doi.org/10.1080/17516234.2019.1578257

Larkin, I., Pierce, L., & Gino, F. (2012). The psychological costs of pay-for-performance: Implications for the strategic compensation of employees. *Administrative Science Quarterly, 57*(3), 446–478. https://doi.org/10.1177/0001839212469958

Martin, K. D., & Cullen, J. B. (2006). Continuities and extensions of ethical climate theory: A meta-analytic review. *Journal of*

Business Ethics, 69(2), 175–194. https://doi.org/10.1007/s10551-006-9084-7

Nishtar, S. (2018). Reforming Pakistan's public sector. *Oxford Policy Management Report.*

Organisation for Economic Co-operation and Development (OECD). (2020). *Public integrity handbook.* OECD Publishing.

Rehman, S. (2023). Accountability politics in Pakistan: Challenges and opportunities. *Pakistan Journal of Governance, 6*(1), 11–34.

Rose-Ackerman, S., & Palifka, B. J. (2016). *Corruption and government: Causes, consequences, and reform* (2nd ed.). Cambridge University Press.

Schminke, M., Ambrose, M. L., & Neubaum, D. O. (2005). The effect of leader moral development on ethical climate and employee attitudes. *Organizational Behavior and Human Decision Processes, 97*(2), 135–151. https://doi.org/10.1016/j.obhdp.2005.03.006

Transparency International Pakistan. (2024). *National corruption perception survey.* Karachi: Author.

United Nations Development Programme (UNDP) Pakistan. (2022). *Digital governance for transparency.* Islamabad: Author.

Victor, B., & Cullen, J. B. (1988). The organizational bases of ethical work climates. *Administrative Science Quarterly, 33*(1), 101–125. https://doi.org/10.2307/2392857

World Bank. (2021). *Bureaucracy and governance in South Asia.* Washington, DC: Author.