A MODEL OF TRANSPARENCY AND EFFECTIVENESS IN PUBLIC GOVERNANCE: THE IMPACT OF ETHICAL LEADERSHIP, LEGAL MEASURES, AND PARTICIPATORY ADMINISTRATION

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Abstract

Effective public governance necessitates robust transparency systems; nevertheless, the structural interrelationship among the different contributing aspects remains unexamined. This research investigates the impact of ethical leadership, legal measures, organizational culture, participative administration, and operational transparency on governmental performance. The study employs a structural equation modeling (SEM) to analyze data from Thai government entities that have been recognized with the integrity award. The findings suggest that organizational culture has the greatest direct impact on the performance of the government sector. Legal measures can indirectly enhance the efficiency of the government sector by influencing organizational culture and promoting participative administration. Ethical leadership will markedly enhance operational openness; yet, it will not directly influence the efficiency of the governmental sector. Ultimately, openness demonstrates a direct, favorable, albeit negligible effect on government performance. The study indicates that a transparent corporate culture and operations are essential for the efficiency of the public sector. The legal framework and ethical leadership are critical components. These findings underscore the necessity for a cohesive governance plan that emphasizes cultural roots in conjunction with transparency tools. This approach is particularly applicable in conventional public institutions.

Keywords: Public Sector Effectiveness, Organizational Culture, Transparency, Legal Measures, Ethical Leadership, Structural Equation Modeling

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1. INTRODUCTION

Recently, the importance of transparency and effectiveness in public sector organizations has aroused significant attention, in particular in relation to their impact on public trust and overall organizational services. Organizations often conceptualize transparency as a commitment to openness and responsibility, enabling citizens to access information about processes and government decisions. Albu and Flyverbom (2019) show that this form of transparency has vast implications of a vast scope, influencing not only the perceptions of equity and justice but also contributing to the general legitimacy of the institutions of the public sector. While governments and organizations strive to improve their transparency, understanding the causal factors that are at the basis of these efforts becomes essential to promote a relationship based on trust with the public.

An intrinsic component of this relationship is responsibility, which acts as a vital mechanism that connects transparency directly to public trust. Ortega-Rodríguez et al. (2020) say that transparency works as a key element in the frameworks of accountability, particularly within the non-profit sector, suggesting that the organizations of the public sector can significantly benefit from the adoption of similar principles. By clarifying roles and responsibilities, improving accessibility to information, and ensuring that decision-making processes are observable, organizations in the public sector can strengthen their legitimacy and encourage a culture of responsibility, thus strengthening public trust.

Organizational effectiveness, which encompasses various factors like governance structures, managerial practices, and policy implementation, complements transparency. In their empirical investigation, Kaufmann et al. (2019) demonstrate a positive relationship between effective public sector management and transparency. Their results suggest that when the organizational paintings promote efficiency and reactivity to public needs, it promotes a sense of reliability among citizens, thus improving the trust of the public. The legacy of effective management practices in the public sector goes directly to the perceived skills of these organizations to provide services uniformly and rightly, further consolidating the connection between transparency and public trust.

Another crucial aspect to consider is the role of specific paintings and conceptual models that shed light on how transparency intersects with different elements of public administration, such as anti-corruption measures. Vian (2020) outlines how strategic transparency initiatives can effectively reduce corruption, subsequently promoting an environment in which trust can thrive. By actively promoting the opening, in particular in the susceptible sectors in negligence, such as health and public organizations, but also the non-profit entities, it allows control of citizens and the parties concerned, improving responsibility and trust. This has significant implications for public services, since the organizations considered transparent and responsible will probably have greater support from the public.

Further investigations of the mechanisms based on transparency reveal that data-sharing practices contribute significantly to the improved performance of the public sector. Matheus and Janssen (2019) provide insights into how open government data acts as transparency, facilitating access to information that citizens can use to enhance and improve public commitment. In contexts in which the data are promptly accessible, the public sector organizations not only align with the expectations of transparency but also create roads for the informed participation of citizens, which can enrich the formulation of policies and the provision of the service. These interactions build a picture that promotes mutual responsibility and trust, further accentuating the vital link between these variables in the public sector environments.

The intertwined nature of these causal factors presents a convincing topic for the need to adopt strategies focused on transparency to increase both public trust and organizational services. The convergence of various elements, such as responsibility mechanisms, effective governance practices, and data-sharing initiatives, provides a comprehensive picture of how public sector organizations can operate effectively while maintaining transparency. While these organizations face the growing requests for responsibility and performance in a rapidly changing socio-political landscape, promoting an environment that gives priority to transparency appears not only beneficial but essential to generate trust within the communities that are needed.

Transparency and efficacy are essential for public trust and service quality in the public sector. The structural interplay of the principal elements encompasses ethical leadership. Judicial regulations, organizational ethos, and collaborative governance. It has not been comprehensively examined. Prior studies have emphasized certain elements, such as the influence of ethical leadership on integrity and the correlation between transparency and trust. However, there is an absence of a cohesive model that examines the interplay of these variables in enhancing efficacy via both direct and indirect routes (Albu & Flyverbom, 2019; Ortega-Rodríguez et al., 2020). This disparity is particularly significant in a context such as Thailand. The efficacy of bureaucratic operations and anti-corruption initiatives is a national imperative.

The objective of this study was to examine the structural relationships among principled leadership — defined as ethical leadership grounded in integrity, fairness, transparency, and accountability (Sharma et al., 2019) — legal measures, organizational ethos, participatory governance, and transparency, and to evaluate their direct and indirect effects on governmental efficacy. Specifically, we investigated how principled leadership, together with regulatory frameworks, organizational culture, and participatory management, shapes organizational transparency and effectiveness within the public sector.

We evaluated the conceptual framework that delineates corporate culture and transparency as the mediating variable, utilizing the structural equation modeling (SEM) approach. This model derives concepts from governance theory. It underscores that cultures and systems are the basis of ethical behavior and performance (Brown et al., 2005). This research illustrates the importance of a mediation strategy, encompassing legislative measures, cultural factors, and efficacy. To improve governance, policymakers must take action. It offers an evidence-based empirical methodology. It further extends the utilization of SEM in public administration. Particularly in Southeast Asia, institutional trust is crucial for growth.

In summary, the analysis of the causal factors that contribute to transparency and effectiveness in the organizations of the public sector reveals a complex interaction of elements that significantly affect the trust of the public and organizational services. By understanding and implementing strategies that improve transparency and responsibility, public sector organizations can create relationships that establish a reliable and trustworthy relationship with citizens. This, in turn, promotes not only improved performance but also a more involved and informed population, able to contribute significantly to governance processes. The emphasis on transparency is therefore crucial to guarantee the legitimacy and effectiveness of the public sector organizations in the navigation of contemporary challenges.

The structure of this paper is as follows. Section 2 presents a review by examining the existing research. Section 3 explains the systematic research approach, involving elucidating quantitative specifics. Section 4 presents the results of the empirical study. Section 5 provides an analysis of the research findings derived from reference texts. Section 6 encapsulates the principal findings and constraints of the research.

2. LITERATURE REVIEW

2.1. Transparency and effectiveness in public organizations

Public organizations increasingly recognize transparency as a pivotal element to enhance their efficiency, particularly in areas such as responsibility, confidence, and operational effectiveness. The concept of responsibility is deeply linked to transparency because it creates a framework where public sector organizations can be monitored and evaluated by stakeholders. Ortega-Rodríguez et al. (2020) emphasize that transparency is essential for responsibility in non-profit organizations, which suggests that similar mechanisms can be extrapolated to public entities where transparency leads to best practices of responsibility.

In addition, transparency cultivates confidence, which is essential in the relationship between public organizations and the citizens they serve. Lapuente and Van de Walle (2020) argue that transparency engenders confidence, then improves the quality of the public service. When citizens believe that their government operates in a transparent way, they are more likely to support political initiatives and to engage positively with public services.

The operational efficiency of public sector organizations is also influenced by transparency, as it promotes clear communication and informed decision-making processes. Sabani (2021) explores how transparency in electronic government initiatives in Indonesia has facilitated better decision-making thanks to an increase in commitment and contributions from citizens, which ultimately led to better operational results. This technological merger improves transparency while rationalizing processes, thus optimizing the effectiveness of the provision of services.

In the context of local governance, Sofyani et al. (2020) demonstrate that the interaction between information technology and transparent governance can further improve the quality of services by amplifying responsibility and confidence. This intersection is essential to ensure that public sector organizations respond not only to requests but also do it in a manner both responsible and efficient.

In addition, Velsberg et al. (2020) are investigating the adoption of intelligent technologies in public sector innovation and how transparency is a fundamental characteristic of the creation of intelligent public services. Their results correspond to the idea that transparency improves the operational capacity of public organizations to meet the contemporary challenges of service expectations.

Conversely, Androniceanu (2021) identifies the challenges of transparency in public administration, arguing for its need to achieve good democratic governance. The tension between bureaucratic processes and the demand for transparency must be navigated to facilitate effective governance structures.

Finally, Schmidthuber et al. (2022) emphasize the role of International Accounting Standards of the Public Sector (IPSAS) in the promotion of transparency and responsibility, also underlying the argument that adherence to transparent practices can refine the financial management and operational processes of public sector organizations. Thanks to these varied dimensions, it is obvious that transparency plays an instrumental role in training the efficiency of public sector operations, improving responsibility, promoting confidence, and conducting operational efficiency.

2.2. Causal factors influencing transparency in public organizations

Ethical leadership plays a key role in promoting transparency in public sector organizations, serving as a basis for reliable governance. Leaders who model ethical behavior inspire a culture of integrity and responsibility, which is crucial to promoting transparency (Zahari et al., 2024). When public leaders adhere to ethical principles, they make decisions that not only fulfill legal structures but also emphasize moral responsibilities for stakeholders (Goodstein & Wicks, 2007). This alignment between ethical leadership and legal standards increases the integrity of public institutions, finally promoting greater responsibility.

In addition, organizational culture significantly affects the effectiveness of transparency measures. A strong ethical culture encourages employees to engage in open dialogue, facilitating participatory administration that reinforces responsibility (Ndlovu et al., 2020). In this context, participatory administration allows stakeholders to be involved in decision-making processes, thus increasing confidence and responsibility and showing that their voices are valued (Maile & Vyas-Doorgapersad, 2022). This involvement can lead to a shared commitment to transparency, as individuals recognize their role in promoting ethical practices within their organizations.

Legal structures also serve as essential tools to allow transparency in public administration. Clear regulations set the boundaries within which civil servants should operate, thus reducing misconduct opportunities (Androniceanu, 2021). These structures, when supported by ethical leadership and a robust organizational culture, facilitate an environment in which denunciation is encouraged, further helping to detect and prevent corrupt practices (Onyango, 2021).

Finally, the synergy between transparency and accountability manifests itself in the concept of “intelligent” responsibility, where the focus is not only on compliance but also on promoting a culture of continuous improvement and confidence (O’Regan et al., 2022). Thus, interconnections between ethical leadership, legal structures, organizational culture, and participatory administration create a holistic approach to achieve transparency, finally increasing responsibility and confidence in public sector organizations.

2.3. Causal factors influencing effectiveness in public organizations

The effectiveness in public organizations is influenced by a complex interaction of factors, with leadership, implementation of policies, involvement of employees, and external environmental influences that are fundamental for this analysis. Leadership plays a fundamental role; for example, ethical leadership has been shown to improve work satisfaction and organizational commitment through the mediation effect of psychological empowerment (Qing et al., 2020). In addition, paradoxical leadership promotes employee resilience, allowing organizations to navigate challenges more effectively than challenges (Franken et al., 2020).

The implementation of policies within organizations of the public sector also affects their overall effectiveness significantly. The new public management (NPM) reforms have transformed the provision of the service, but their effect on the quality of the service remains a topic of dispute, suggesting that contextual factors must be considered (Lapuente & Van de Walle, 2020). In addition, the strategic management of human resources emerged as a critical factor, with the recognition that the context counts when connecting the practices of human resources to the performance of the public sector (Knies et al., 2024).

The commitment of employees is another milestone of organizational effectiveness, in which the motivation of the public service and altruism can guide the results of the performance (Zubair et al., 2021). This commitment not only improves performance but also promotes a culture of the behavior of organizational citizenship, which is vital to achieving the objectives of the public sector (de Geus et al., 2020).

Finally, the external environmental influences, including socio-political factors, shape the operational landscape of public organizations. The dynamics of patronage and selection in the public sector highlight how external pressures can influence organizational effectiveness (Colonnelli et al., 2020). The integration of open innovation processes, as discussed by Mergel (2021), is another aspect that facilitates reactivity to environmental changes. The theoretical paintings in the organization’s theory provide insights into these multifaceted relationships, exploring the instrumental, cultural, and mythical dimensions of the effectiveness of the public sector (Christensen et al., 2020; Ferlie & Ongaro, 2022). Collectively, these studies underline the multiple causal factors that determine the effectiveness of public sector organizations.

3. RESEARCH METHODOLOGY

This phase of research is quantitative, and the following methodological details are provided.

- Populations and samples were Thai public sector organizations that have been evaluated for integrity and transparency in operations (*TRA*) and have received awards for honesty and *TRA* as announced by the National Anti-Corruption Commission (NACC) in 2023. Samples were Thai public sector organizations that have received awards for integrity and *TRA*, as announced by the NACC in 2023.
- The research instruments include checklist questionnaires, five-point Likert scale questionnaires, and open-ended questionnaires. We verified the quality of the research instruments through the following methods: we conducted a content validity analysis using the index of item-objective congruence (IOC). Reliability analysis using Cronbach’s alpha coefficient for the final questionnaire was 0.87, indicating high internal consistency (George & Mallery, 2016). Otherwise, Sakon Nakhon Rajabhat University’s Ethical Approval No. AF/10-05/02.0 is required to ensure the research adheres to human research ethics.
- The researchers prepared a formal request letter for data collection and sent it to the target public sector organizations along with the questionnaire. The target organizations completed the questionnaire and returned it within the specified timeframe. The researchers reviewed the questionnaires for accuracy and completeness before proceeding with data analysis.
- The data analysis was conducted at three main levels: descriptive, measurement model, and structural model.

The study employed descriptive statistics, such as frequency distribution, percentage, mean, and standard deviation. The study conducted an analysis of the components and causal factors that influence *TRA* and organizational effectiveness (*EFF*) in Thai public sector organizations. The study employed confirmatory factor analysis (CFA). The analysis focused on the *TRA* and *EFF* model in public organizations. SEM was used to examine causal relationships between variables.

Other alternatives include partial least squares (PLS), which is appropriate for small sample sizes and predictive analysis. However, covariance-based SEM (CB-SEM) was chosen for this investigation. This approach allows for a thorough examination of the complex connections among the underlying structures. Both direct and indirect methods are employed. This approach also includes a thorough assessment of the appropriateness of the theoretical model (x^2 / degrees of freedom (df), correlated fit index (CFI), root mean square error of approximation (RMSEA). Measurement tolerances can be elucidated through various indicators (like *TRA1–TRA10*) and can assess particular mediation pathways (such as legal measure (*LEG*) > organizational culture (*CUL*) > *EFF*. Such information is essential for comprehending the processes that influence *EFF*. Consequently, CB-SEM is the most appropriate method for this study to uncover the intricate governance framework within the public sector.

4. RESULTS

4.1. Results of correlation matrix adequacy testing prior to confirmatory factor analysis

The results of the analysis to find the appropriateness of the correlation matrix before analyzing the confirmatory components are shown in Table 1.

Table 1. Bartlett statistics, Kaiser-Meyer-Olkin (KMO) index of the award-winning model for government agency success, and evaluation of ethics and transparency in operations

Model	*Bartlett's test of sphericity*	*Sig.*	*KMO measure of sampling adequacy*
TRA	5370.476	0.000	0.917
EFF	1043.401	0.000	0.823
Ethical leadership (*ETH*)	1527.470	0.000	0.922
LEG	2385.777	0.000	0.906
CUL	2782.833	0.000	0.895
Participative administration (*PAR*)	2732.975	0.000	0.916

Table 1 shows that there was no statistically significant correlation between the variables that were different from the identity matrix. We discovered this by checking the correctness of the correlation matrix before examining the confirmatory components. When considered in order, the Bartlett's test of sphericity values were as follows: *TRA* (5370.476) received the highest score, followed by *CUL* (2782.833), *PAR* (2732.975), *LEG* (2385.777), *ETH* (1527.470), and *EFF* (1043.401), where every measurement model had a value. The probability is 0.000 ($p < 0.01$). The KMO values are as follows: *ETH* (0.922) received the highest score, followed by operational *TRA* (0.917), *PAR* (0.916), *LEG* (0.906), *CUL* (0.895), and *EFF* (0.823), respectively. All items had values greater than 0.50, with some reaching up to 1. Therefore, we can conclude that these items are suitable for further analysis of the components. This research chose to use the Pearson product-moment correlation coefficient analysis of the components of the success model for award-winning government agencies. Evaluation of ethics and operational *TRA* to test the problem of excessive correlation (multicollinearity).

4.2. Results of confirmatory factor analysis and component weight evaluation

The results of the analysis of all components passed the criteria. The component weight values ranged from 0.563 to 0.989. All components were significant at the 0.01 level for all values ($t > 2.56$). The operational *TRA* variable, consisting of the *TRA1–TRA10* indicators, had component weight values between 0.563 and 0.989. The *EFF1–EFF4* indicators that make up the *EFF* variable had component weight values ranging from 0.797 to 0.916, respectively. The *ETH1–ETH7* indicators that make up the *ETH* variable had component weight values ranging from 0.622 to 0.884. The *LEG* variable is not clearly defined or explained in the context of the sentence. A total of five variables make up this model. The *LEG1–LEG5* indicators have component weights between 0.892 and 0.953, the *CUL1–CUL5* variables have component weights between 0.927 and 0.963, and the *PAR1–PAR5* variables have component weights between 0.926 and 0.969. All indicators have component weights exceeding 0.40, which is consistent with Hair et al. (2010), who proposed that component weights must be 0.40 or higher to be considered acceptable.

Table 2. Confirmatory factor analysis of observed variables

Variables	*Factor loading*	*Std. error*	*t-values*	*R^2*
TRA1	0.563	-	-	0.317
TRA2	0.670	0.078	12.707	0.449
TRA3	0.616	0.075	12.991	0.380
TRA4	0.589	0.070	12.527	0.347
TRA5	0.989	0.115	12.687	0.979
TRA6	0.949	0.111	12.45	0.900
TRA7	0.940	0.114	12.585	0.941
TRA8	0.966	0.114	12.533	0.933
TRA9	0.899	0.109	12.112	0.808
TRA10	0.945	0.114	12.257	0.894
EFF1	0.840	-	-	0.705
EFF2	0.916	0.039	22.486	0.839
EFF3	0.797	0.044	20.944	0.636
EFF4	0.857	0.044	18.336	0.735
ETH1	0.884	0.056	18.331	0.781
ETH2	0.780	0.062	15.505	0.609
ETH3	0.651	0.066	12.803	0.424
ETH4	0.631	0.065	12.328	0.398
ETH5	0.784	0.061	16.037	0.615
ETH6	0.622	0.054	18.800	0.676
ETH7	0.798	-	-	0.636
LEG1	0.892	0.031	29.32	0.796
LEG2	0.953	0.033	34.663	0.908
LEG3	0.928	0.036	30.77	0.860
LEG4	0.935	0.029	33.954	0.875
LEG5	0.932	-	-	0.868
CUL1	0.927	-	-	0.860
CUL2	0.952	0.027	40.714	0.906
CUL3	0.963	0.028	38.098	0.927
CUL4	0.953	0.028	36.382	0.909
CUL5	0.951	0.034	33.834	0.904
PAR1	0.961	0.029	37.34	0.923
PAR2	0.969	0.028	39.417	0.939
PAR3	0.926	0.025	40.38	0.858
PAR4	0.930	0.031	35.012	0.865
PAR5	0.943	-	-	0.889

Note: $x^2 / df = 1.085$, $p = 0.094$, goodness-of-fit index (GFI) = 0.926, adjusted goodness-of-fit index (AGFI) = 0.901, CFI = 0.998, RMSEA = 0.015.

4.3. Results of measurement model fit assessment and structural relationship analysis

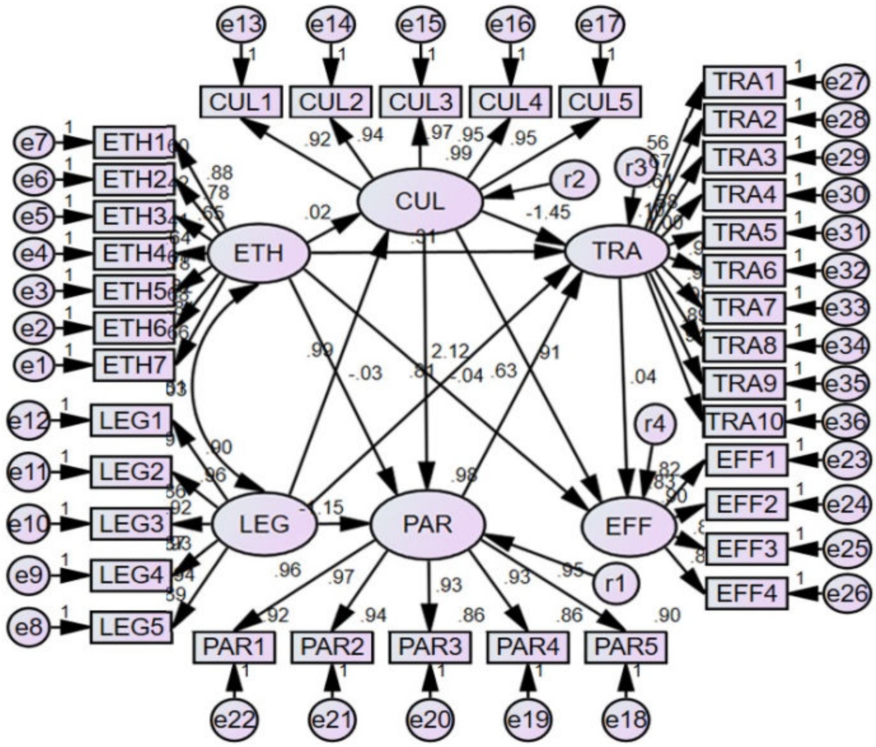
Construct validity analysis results for the latent variable measurement model presented below. The study used CFA with the fit index x^2 / df, GFI, AGFI, CFI, and root mean square residual (RMR) to look at the operational *TRA* model, the *EFF* model, the *ETH* model, the *LEG* model, the *CUL* model, and the *PAR* model. The model fit test for the latent variable measurement showed that it was not statistically significant at the 0.05 level (p-value = 0.094). The value for the fit test was 1.085, which is calculated by dividing the Chi-square statistic (x^2) by the df; GFI was 0.926, which was higher than the criterion (> 0.90). The AGFI was 0.901, which was higher than the criterion (> 0.90). At 0.998, the CFI exceeded the criterion (> 0.90). The RMSEA was 0.015 (should not exceed 0.05). Therefore, Table 3 shows that the latent variable measurement model is consistent with the empirical data.

Table 3. Index values used to check the consistency of the measurement model with empirical data

Index values	*Criteria*	*Before model adjustment*		*After model adjustment*	
		Statistics	*Evaluation*	*Statistics*	*Evaluation*
x^2 / df	< 2	3.492	Not acceptable	1.085	Acceptable
p-value of x^2	> 0.05	0.000	Not acceptable	0.094	Acceptable
GFI	> 0.90	0.767	Not acceptable	0.926	Acceptable
AGFI	> 0.90	0.732	Not acceptable	0.901	Acceptable
CFI	> 0.90	0.922	Acceptable	0.998	Acceptable
RMSEA	< 0.08	0.084	Not acceptable	0.015	Acceptable

Once it was decided that the measurement model matched the real-world data, the researchers looked at how much the observed variable parts of the latent variables of operational *TRA*, *EFF*, *ETH*, *LEG*, *CUL*, and *PAR* weighed. The analysis results are presented in Table 3 and illustrated in Figure 1.

Figure 1. The structural equation model (after model adjustment)



Note: x^2 / df = 1.102, p = 0.058, GFI = 0.926, AGFI = 0.901, CFI = 0.997, RMSEA = 0.017.

After confirming that the SEM model demonstrated a good fit with the empirical data, the researchers examined the standardized factor loadings and direct effects, as presented in Table 4.

Table 4. Results from the analysis of the influence of variables

Paths	Standardized regression weights			C.R.	p-value
	DE	Indirect effect	Total effect		
EFF ← LEG	-	0.904	0.904	-	-
EFF ← CUL	0.911	-0.005	0.906	19.238	0.000
EFF ← ETH	-0.037	0.027	-0.01	-1.223	0.221
EFF ← TRA	0.042	-	0.042	1.464	0.143
EFF ← PAR	-	0.027	0.027	-	-
PAR ← LEG	-1.148	2.105	0.957	-1.265	0.206
PAR ← ETH	-0.031	0.033	0.002	-1.066	0.286
PAR ← CUL	2.118	-	2.118	2.328	0.000
CUL ← LEG	0.994	-	0.994	35.724	0.000
CUL ← ETH	0.016	-	0.016	1.055	0.291
CUL ← TRA	-1.45	-	-1.45	-	-
TRA ← EFF	0.04	-	0.04	-	-
CUL ← EFF	0.91	-	0.91	-	-
TRA ← LEG	0.808	-0.839	-0.031	0.340	0.734
TRA ← PAR	0.632	-	0.632	0.564	0.573
TRA ← ETH	0.311	-0.022	0.289	3.854	0.000
TRA ← CUL	-1.453	1.339	-0.114	-0.423	0.672

Note: C.R. = critical ratio (estimate / SE). |C.R.| ≥ 1.96 indicates p < 0.05; |C.R.| ≥ 2.58 indicates p < 0.01 (Byrne, 2012; Hair et al., 2010).

Based on the analysis of the influence between variables in the model, it was found that various relationship paths demonstrated DEs, indirect effects, and total effects, which can be summarized as follows.

The *CUL* variable has a statistically significant direct influence on *EFF*, with a standardized regression weight of 0.911 ($p < 0.001$). Although it has a slight negative indirect effect, the total effect remains high at 0.906. The data indicate that *CUL* is a crucial factor that clearly enhances the *EFF* of public sector organizations.

In contrast, the *ETH* variable does not show a statistically significant direct or indirect influence on *EFF*. The total effect is -0.010, with a p-value of 0.221, which is greater than 0.05. The result suggests that although *ETH* may exist, without the support of other variables, it may not be sufficient to generate a clear impact on *EFF*.

Additionally, it was found that *LEG* does not directly influence the *EFF* of public sector organizations, but has indirect effects through other variables — particularly *CUL* and *PAR*. The total effect is 0.904, which is considered high. This number indicates that *LEG* may not produce outcomes directly, but rather through promoting a supportive *CUL* and participatory practices.

In terms of *TRA*, a slight direct influence on *EFF* was observed (0.042), though it was not statistically significant ($p = 0.143$). However, *TRA* receives a significant total influence from *ETH* at 0.289 ($p < 0.001$), suggesting that while *ETH* may not directly enhance *EFF*, it plays a role in fostering operational *TRA*. In turn, *TRA* itself may serve as a key mediating variable within this relational system.

Another noteworthy finding is that *LEG* significantly influences *CUL*, with a DE of 0.994. This highlights that clear and effective legal frameworks can promote a strong *CUL*, which ultimately leads to improved *EFF*.

In conclusion, the analysis indicates that fostering a strong *CUL* and implementing effective *LEG* play a critical role in enhancing the *EFF* of public sector organizations. While *ETH* may not have a direct impact, it indirectly contributes to the system through its positive influence on *TRA*, which, if appropriately supported, can help strengthen long-term system stability.

5. DISCUSSIONS

This research investigated the relationships among *LEG*, *ETH*, *CUL*, *PAR*, and *TRA*, and *EFF* in public sector agencies. There are two main areas where we can discuss the findings:

5.1. Results of model fit assessment

The analysis of the model fit indicated that the SEM, after adjustments, demonstrated good alignment with the empirical data. The fit indices met acceptable thresholds: x^2 / df = 1.085 (should be less than 2), p-value = 0.094 (greater than 0.05), GFI = 0.926, AGFI = 0.901, CFI = 0.998, and RMSEA = 0.015 (should be less than 0.08). These values indicate that the model fits the observed data perfectly and supports the reliability of the structural relationships among variables. These results align with the guidelines of Hair et al. (2010), who state that such indices are essential for evaluating SEM model fitness. When fit indices meet standard criteria, the subsequent analysis of variable influence can be interpreted with confidence.

5.2. Analysis of the influence between variables

The analysis revealed that *CUL* and *TRA* had statistically significant DEs on *EFF*. Specifically, *CUL* had a strong direct regression weight of 0.911 ($p < 0.001$). Although *TRA's* DE was relatively low (0.042) and not statistically significant ($p = 0.143$), it still demonstrated a positive tendency. These findings support Schein's (1983) theory, which suggests that a strong *CUL* fosters a supportive work environment that enhances employee performance and organizational efficiency. In addition, *TRA* is a key principle in good governance; it emphasizes that transparent operations help build public trust and promote effective performance. Interestingly, *LEG* had no DE on *EFF* but showed a high total indirect effect of 0.904 through mediating variables such as *CUL* and *PAR*. This result underscores that effective legal frameworks can foster a constructive organizational environment and participatory practices, which in turn enhance overall *EFF*. Another notable point is the role of *ETH*. Although *ETH* did not directly affect *EFF*, it had a significant total influence on *TRA* (0.289, $p < 0.001$). This aligns with Brown et al. (2005), who emphasized that *ETH* can create an atmosphere of trust and *TRA*. While its effects may not be directly observable in organizational performance, it plays a critical supporting role in fostering conditions that promote long-term *EFF*.

In conclusion, this study highlights that cultivating a strong *CUL* and promoting *TRA* are key drivers of *EFF* in the public sector. While *LEG* and *ETH* may not directly influence performance outcomes, they play essential supporting roles. *LEG* fosters culture and participation, while *ETH* contributes to *TRA* of which are foundational to building a stable and efficient organizational system in the long run.

Research indicates that the nature of organizational culture significantly affects the transparency of governance. For example, Elkelish et al. (2025) highlight that a positive organizational culture improves transparency in audit practices, particularly in the United Arab Emirates, suggesting that culture shapes operational dynamics and ethical standards within an institution. In the context of public sector organizations, the promotion of a transparent operational framework helps to counteract corruption and inefficiency since interested parties have information on decision-making processes and the allocation of resources. This degree of openness is vital to maintaining the confidence and participation of the public, echoing the findings of O'Regan et al. (2022), who reinforce the importance of combining transparency with forms of responsibility to promote "intelligent" responsibility in public service.

In addition, ethical leadership plays a fundamental role in promoting this organizational culture. Leaders who exemplify ethical principles initially impact the soft elements of culture, such as trust and morals, thus influencing the perceptions of employee organizational practices (Guo, 2022). When employees see their leaders as ethical, their job satisfaction increases, which can further improve organizational effectiveness and efficiency (Guo, 2022). Studies in Malaysia show that ethical leadership is essential to achieve high levels of ethics and integrity within public sector organizations, illustrating the importance of leadership style in the configuration of cultural norms (Wook et al., 2022). As a guiding force, ethical leadership not only motivates employees to act in alignment with organizational values but also establishes a reference point for acceptable behavior.

The role of legal measures complements these cultural and ethical dynamics, since the regulations provide a necessary framework within which organizations operate. Andersson and Ekelund (2022) discuss how regulatory environments that promote ethical management strategies promote a culture of integrity and responsibility in the public sector. Legal measures serve to formalize ethical expectations, creating safeguards against embezzlement that organizational effectiveness can undermine. In essence, organizations are more likely to adopt ethical behavior and transparent operations where there is legislation supporting these principles. However, it is essential that such legal frameworks resonate with the underlying values of the organization; otherwise, compliance can degenerate into the mere activity of the verification box instead of a component of genuine ethical participation.

In addition, the interaction between organizational culture, transparency, and legal measures is deep. As Sajari et al. (2023) suggest, several factors affect the level of ethics and integrity in the public sector of Malaysia, including the alignment of legal standards with cultural values. If legal measures are perceived as disconnected from the organizational culture, the resulting tension can prevent the cultivation of a unified ethical climate. Therefore, cultivating a strong organizational culture that naturally supports transparency can amplify the organizational effectiveness of legal regulations, promoting an integral approach to governance in the public sector.

This comprehensive approach is particularly significant following the increase in the global scrutiny of public integrity, where citizen participation and trust play vital roles. Ethical and transparent operations must communicate strategically to interested parties to generate confidence in public institutions. Transparency initiatives also serve as platforms for the participation of interested parties, train citizens to actively participate in government processes, and hold public officials accountable. As articulated by O'Regan et al. (2022), transparency and accountability must be interconnected, creating a bidirectional communication channel between public sector organizations and the citizens they serve.

6. CONCLUSION

This study offers robust empirical data about organizational culture. The most significant element influencing the efficacy of the public sector has a direct impact ($\beta = 0.911$). Furthermore, operational transparency does not exhibit a statistically significant DE on performance. It also plays a crucial function in facilitating ethical leadership and significantly influences transparency (0.289). It illustrates the importance of leadership in cultivating a transparent and accountable business atmosphere. While it does not directly affect performance, it has shown a substantial indirect influence (total = 0.904) by shaping culture and fostering participatory governance. The findings of this research indicate that the efficacy of sustainable governance relies on the synergistic relationships among cultural coherence, legal frameworks, and ethical leadership.

The tangible effect is evident. Policymakers should transcend mere compliance and prioritize the development of an ethical business culture. Legal measures must be distinctly articulated and not only employed as a mechanism for oversight. It is a method designed to enhance participatory behaviors and reinforce collective ideals. This includes ethical leadership, which is not directly associated with performance outcomes. However, it is very necessary to promote openness. This is a crucial need for public confidence and the enduring stability of the system. Consequently, the emphasis is placed on all three domains: culture, legal fortification, and ethical leadership. Consequently, it serves as a strategic framework for attaining adaptable and efficient governmental institutions.

This study possesses many drawbacks, including the sample comprises Thai governmental entities that have previously received transparency accolades. These limitations may restrict the use of study findings to firms exhibiting mediocre or subpar performance. Furthermore, Thailand's administrative culture and legislative framework serve as the foundation for the results.

The application of the SEM is advantageous for testing relationships. However, it fails to represent qualitative distinctions in leadership conduct and organizational transformation.

This study has several limitations, including that Thai public bodies that have previously received awards for transparency comprise the sample. These constraints may restrict the applicability of study results to organizations demonstrating average or inferior performance. Moreover, Thailand's administrative culture and legal structure underpin the outcomes. The utilization of the SEM is beneficial for examining relationships. Nonetheless, it does not adequately reflect qualitative differences in leadership behavior and organizational change.

Future research should employ longitudinal, mixed-methods designs to capture the dynamics of organizational change — encompassing structural reforms, process redesign, digital transformation, and culture shifts — together with qualitative case studies that trace how ethical leadership practices diffuse across change stages (initiation, implementation, and routinization). Comparative analyses across agencies and jurisdictions could also assess whether the effects of legal measures and organizational culture vary by change type (incremental vs. transformational) and by the maturity of change initiatives, using multi-level or panel SEM to model time-varying direct and indirect effects.

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