

# DIMENSIONS OF RESPONSIBLE MANAGEMENT EXCELLENCE IN PUBLIC ORGANIZATIONS

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## ABSTRACT

*A transparent framework for effective management and responsible business conduct serves as a benchmark for sound governance in the public administration. Finding that calls for transparency, morals, professional ethics, principles, and values on the one hand, and social good, environmental preservation, and charitable acts on the other. The research aim is to capture the crucial dimensions of Responsible Management Excellence in local government units and more specific at the Greek municipalities. The EBEN Responsible Management Excellence Model is the basic methodological tool which is based on the critical pillars of the Code of Ethics, Social Responsibility and Good Governance. The primary field research is conducted with the use of the EBEN self-assessment questionnaire that is structured into fifty (50) short closed type questions divided into (eight) sections. Responses are based on a five-point Likert scale. The results, obtained through cluster analysis, indicate that the vast majority of municipalities are on the path of Excellent Management. In fact, municipalities fall under four distinct levels of Excellence that also characterize their respective operating environment: The 'Platinum environment of Ethical Excellence', the 'Golden environment of Ethical Responsibility', the 'Silver environment of Ethical Support' and finally the 'Bronze environment of Ethical Concern'.*

**Keywords:** Strategy, Management Excellence, Governance, Organizations.

## INTRODUCTION

In the current economic climate, the cornerstone for sustainable development and social cohesion is the promotion and diffusion of ethics in every facet of private and public sector. A subject that has generated theoretical investigations and fruitful empirical applications and triggered the interest of academic and business community. However, a number of areas of study and application require additional research. As a result, the research's goal is to assess the current state of business culture and to draw attention to how closely business ethics are tied to corporate governance and corporate social responsibility. Business culture, as a combination of the pillars of "*Business Ethics*," "*Corporate Governance*," and "*Corporate Social Responsibility*", drives the organization toward excellent management by balancing social and commercial benefits.

The basic methodological tool is the innovative and pioneering model of excellence the so-called "EBEN Responsible Management Excellence Model" (EBEN RME) and is derived from the Hellenic Institute of Business Ethics. The model is built upon Corporate Governance and Corporate Social Responsibility. Their connecting link is the Standard Corporate Code, which is enriched through the Code of Ethics and the Code of Professional Conduct including universally accepted principles and rules.

Public administration is the key area of study and the first level local government organizations (municipalities) are of particular importance. Municipalities have a significant (political, administrative and developmental) role in most aspects of the social sphere. Municipalities exercise institutional responsibilities related to the core sectors of the economy, environmental protection, education, culture, social care and health. Local government also serves as a catalyst for cooperative efforts and development alliances, resulting in a positive feedback loop that benefits communities on a local, regional, national, and even European scale. On the other hand, the important role of municipalities, especially in view of the decentralization that is still being implemented within European Union, also involves the risk of equal enjoyment of social and economic goods, due to inefficient administrations. Both cases increase the need for responsible and excellent management of local government organizations.

In particular, the responsibilities of the municipalities based on the current legislation are divided into eight sectors:

1. Development (protection, utilization and exploitation of local natural resources, licensing and control of local businesses, preparation, implementation and local participation in programs for tourism development).
2. Environment (protection - upgrading of the environment, management of water resources, cleanliness of common areas and waste management).
3. Quality of Life and the Smooth Functioning of Cities and Settlements (ensuring and maintaining social infrastructure, construction, maintenance and management of municipal roads, parks and public spaces, consumer protection through the creation of Information Offices, regulation and planning of traffic, public parking areas, car parking control).
4. Employment (participation in comprehensive local employment promotion programs, social integration of the unemployed, establishment and operation of Vocational Guidance Centers and Vocational Training Centers, development of job search advisory activities).
5. Social Protection and Solidarity (social care for infants and children, protection centers for the elderly, support for vulnerable social groups, support for the homeless, information to citizens on public health issues).
6. Education, Culture and Sports (construction of school buildings, establishment and operation of libraries, creative employment centers, operation of traffic education parks, promotion of local culture, construction and maintenance of sports facilities).
7. Civil Protection (coordination and supervision of civil protection work for the prevention, preparedness and response to disasters).
8. Agricultural Development (establishment and operation of Agricultural Development Offices, implementation of infrastructure projects of local agriculture, livestock, fisheries and pasture management).

The central research objective is to depict business ethics and culture into Local Government through the EBEN Responsible Management Excellence Model (hereafter EBEN RME Model). According to this objective, specialized goals are formulated, as:

1. Adapting the dimensions of the EBEN RME Model to the characteristics of the municipalities.
2. Measuring the dimensions of the EBEN RME Model using the self-assessment tool of the level of Excellent Management for each municipality separately.
3. Presenting of the overall picture of the municipalities that apply the principles of the RME Model.
4. Grouping of municipalities based on their deviations from Excellent Administration and the identification of their weak points.

The originality of the research lies in the adoption of a methodical and scientifically documented approach to the achievement of Excellent Management. In particular, the verification of the adaptability and application of the EBEN RME Model to the Greek Municipalities is attempted. A research tool which, although it has been widely used in the

private sector, is the first time it has been applied in the public sector, and in particular in the area of local government.

The results aspire to lead to the formulation of realistic and specialized policy proposals, cultivating business ethics in the municipalities as well as aiming at the formation of a culture that will significantly strengthen a responsible local government. In this way, a municipality will approach an excellent way of administration, under the context of the special role it plays in the modern era. At the same time, any inequalities in the enjoyment of social and economic goods between different municipalities will be mitigated, being inversely proportional to the strengthening of a responsible administration.

The research is divided into five parts. After the introduction, Chapter 2 is devoted to the theoretical research framework focusing on the EBEN RME Model. Chapter 3 describes the empirical methodology and data. In Chapter 4 the results are summarized and finally the concluding propositions are formulated as well as directions which will be a starting point for further investigation and empirical research.

### **The Responsible Management Excellence Model**

The European Institute of Business Ethics (European Business Ethics Network-EBEN) was founded in 1987 and is already recognized worldwide as a representative of the European concept of business ethics. EBEN is the most active Business Ethics Network in Europe today. It includes over 1000 member companies, governmental and non-governmental organizations, academics, company executives and students from 43 member countries with national representatives in Germany, Spain, Netherlands, England, Poland, Turkey, Greece, Finland, Flemish Region, France, Italy and Austria. The Hellenic Institute of Business Ethics (EBEN GR) is a non-profit organization founded in 2005 and represents the European Business Ethics Network in Greece.

The main activity of the European Network and the Greek Chapter is the dissemination of a new way of administration based on accepted values for ethical corporate governance and socially responsible organizations. In the long term, both aim to cultivate a society of governing organizations that embrace the values of business ethics, on the basis of which future generations should be nurtured.

Integrity is a key element of Good corporate governance and stability for organizations and markets (Antonaras et. Al 2011a). According to the Organization for Economic Cooperation and Development (OECD) Principles of Corporate Governance, a corporate governance framework typically comprises elements of legislation, regulation, self-regulatory arrangements, voluntary commitments and business practices that are the result of a country's specific circumstances, history and tradition (Siems & Alvarez-Macotella, 2015).

Within this context the EBEN RME Model was developed, a pioneering Greek-European effort to depict corporate ethics through a business model, which promotes socially responsible organizations. The model has been characterized as an "*excellent tool of business ethics & excellent management*" by the President of the European Business Ethics Network (EBEN) Prof. Dr. Luc Van Liedekerke (EBEN 2007).

A basic concept for the application of EBEN RME Model is "*One Code for all. Everyone should be equal before the code, without devaluing diversity*". The fundamental principles of the Model are the:

1. Integrity, in the sense of ethical treatment of personal and professional obligations.
2. Objectivity, which is aligned with laws, rules and regulations.
3. Independence, through the compilation of comprehensive and complete internal reports.
4. Confidentiality, by applying the code without fear of retaliations.

5. Adequacy, under the meaning of the complete, objective, accurate, valid and understandable reporting of the code of ethics.
6. Responsibility that results from the adoption and application of the principles of the code without exceptions.
7. Duration, in the sense of the continuous application of the code in every aspect of the business operation.
8. Respect for human beings and protection of human dignity.
9. Protection of the natural environment.
10. Social well-being, which is always part of global well-being.



Source: EBEN Greek Chapter.

**Figure 1**  
**THE EBEN RESPONSIBLE MANAGEMENT EXCELLENCE MODEL**

The starting point of the EBEN RME Model is the Standard Corporate Code of Principles and recipients of the two, perhaps, most important parts of modern business life and excellence, the Corporate Governance and the Social Responsibility Figure 1. The Standard Corporate Code is enriched through:

1. Code of Ethics and the Ethical Culture. The Code of Ethics is an important management tool and positively shapes the culture of an organization. It sets out the standards of behavior expected of employees in relation to the ethical dilemmas they face in their workplace. Adopting a clearly defined approach to ethical and behavioral issues improves the organization's reputation and helps develop trust among employees<sup>1</sup>.
2. Regulations and Communication. The quality of information is a prerequisite for the effective diffusion of the values of Corporate Governance and Corporate Social Responsibility.

Corporate Governance is implemented through:

1. Business Analytics. An important step of the analysis is the identification of risks, their evaluation from a qualitative and quantitative point of view and the construction of a framework for their adequate treatment.
2. Internal audit. Internal audit is an independent, objective, assurance and advisory activity designed to add value and improve the operations of an organization. It helps the organization achieve its goals by adopting a systematic, professional approach to evaluating and improving the effectiveness of risk management processes, internal control systems and good governance (Institute of Internal Auditors, 2013).
3. Performance Assessment. Adopting a performance assessment system increases the achievement of organizational goals.

Corporate Social Responsibility is implemented through:

<sup>1</sup>A typical example of this category is the European Code of Conduct for Eligible Municipalities and Regions.

1. Environmental Actions. Every organization is called to be committed to the management and exploitation of the natural resources. This commitment must go beyond compliance with the law and adopt environmental risk management mechanisms and good environmental practices.
2. Social Activities. The main objectives of any organization are the development of social interventions for the prevention and treatment of social problems, the lack of discrimination and the strengthening of vulnerable population groups are
3. Economic Stability. It is the ultimate goal of any organization that aims for sustainable growth and excellence. This stability is documented through qualitative and quantitative environmental, social, operational and financial results. Moreover, stability is expressed through performance indicators as to evaluate and improve the organization's strategy and operations.

The EBEN RME Model stands out for its main characteristics, as it is:

1. Innovative: it is oriented to the organization's culture and ethics thought innovative management tools.
2. Flexible: it is adapted to any entity in the private and public sector.
3. Objective: it is based on valid quantitative and qualitative criteria.
4. Dynamic and up-to-date: it evolves over time, meeting the demands of each era.
5. Multidimensional: harmoniously integrates concepts of business ethics, corporate social responsibility and corporate governance.

The benefits that organizations derive from implementing the EBEN RME Model are manifold. It is indicated that:

1. Organizations become more active members of society and conscientious supporters of environmental protection.
2. Organizations shape their culture based on human resources that place know-how and knowledge at the core of their action.
3. Organizations benefit from the evolution of know-how through the development of well-organized internal systems, aligned with the upgrading of their executives.
4. Organizational culture becomes more accessible to stakeholders, providing the organization with a unique and distinct identity. An excellent means of developing relationships based on accepted principles, confidentiality and recognition by clients and third parties (Gortzis, 2010).

Organizations that violate or ignore business ethical principles, due to a lack of a corporate governance system or social responsibility, they are led to disastrous results. It is typically reported that, to avoid such unpleasant events, European investors are willing to invest in strong corporate governance systems.

Antonaras & Memtsa (2009) pointed out that the benchmark of the multiple benefits of implementing the EBEN RME Model is the diffusion of ethics into every aspect of it. Ethics:

1. Provides sustainable competitive advantage. Customers and employees work with those they trust.
2. Offers reliability. People immediately believe those they trust.
3. Increases efficiency. Trust makes decision-making faster and cheaper.
4. Strengthens faith. Trust creates loyal customers and employees.

Organizations' ethics that are built through the EBEN RME Model are composed "*of small different concepts such as reliability, transparency, meritocracy, discipline, flexibility, sense of responsibility, quality, etc. but also from the way in which these concepts are implemented*" (Gortzis, 2010). It aims at the creative balancing and composition of standards, behaviors and relationships between the business, shareholders, employees, citizens, customers, consumers and the general social and economic environment in which a business or an organization operates (Gortzis, 2010).

The EBEN RME Model consists of three levels of Business Excellence aimed at improving competitiveness, encouraging the pursuit of excellence and motivating systematic improvement. The Levels of Business Excellence are:

1. Bronze Corporate Environment named as the Environment of Ethical Responsibility.
2. Silver Corporate Environment named as the Environment of Moral Support.
3. Cold Corporate Environment named as the Environment of Moral Interest.

Therefore, each level corresponds to an award of excellence (gold, silver, bronze) in terms of developing the organization's business ethics environment.

In recent years the EBEN RME Model has been adopted by several Greek and Cypriot organizations. Specifically, 90% of the organizations are of Greek origin and the remaining 10% Cypriot. In fact, the two Cypriot organizations adopted the EBEN RME Model in 2010 with a Gold and Silver award (Antonaras et al., 2011a). In particular, examining the sectoral structure of the twenty (20) organizations that have been certified with the EBEN RME Model in the period 2007-2010, we find that the shipping and food sectors occupy a prominent position (Antonaras et al., 2011b).

## METHODOLOGY AND DATA

The target research population is the Local Government Organizations of the first degree (Municipalities) in Greece. With the implementation of the Law 3852/2010 '*New Architecture of Local Government and Decentralized Administration-Kallikratis Programme*', from 1.1.2011 the municipalities were merged into 325 units. Table 1 shows the distribution of Municipalities per Region ("Dimoi").

<b>Table 1</b>	
<b>MUNICIPALITIES' DISTRIBUTION PER REGION</b>	
<b>Region</b>	<b>Number of first-degree municipalities ("Dimoi")</b>
Eastern Macedonia and Thrace	22
Central Macedonia	38
Western Macedonia	12
Epirus	18
Thessaly	25
Central Greece	25
Western Greece	19
Peloponnese	26
Attica	66
Ionian Islands	7
North Aegean	9
South Aegean	34
Crete	24
<b>Total</b>	<b>325</b>

## Research Instrument

The methodological instrument for collecting the primary research data is the questionnaire and the Mayor is responsible for filling it out. The EBEN GR Self-Assessment Questionnaire served as the foundation for its formulation. Appropriate adjustments were made in order to satisfy the research requirements and match with the Municipalities' features. The questionnaire was created in electronic form through the Google Forms platform and was sent through the Central Union of Greek Municipalities ("KEDE") along with a cover letter. It is also sent in an editable format (text processing file) and the possibility of sending it electronically via e-mail was given. In addition, the option of sending it electronically via email was provided, and it is also supplied in an editable format (text processing file).

Therefore, the questionnaire was structured in short closed-ended questions, expressed on a five-point Likert scale with a rating from 1 to 5, where 1=Strongly disagree, 2=Disagree, 3=Neither disagree/Neither agree, 4=Agree, 5= Strongly agree. The Likert scale is considered the most widespread type of scale for measuring attitudes. The duration of the research lasted 7 months and started in April 2019.

The questionnaire consists of two parts. The first part presents the main axes of the 'Responsible Management Excellence' Model. More specifically, it consists of eight (8) sections (criteria) and fifty (50) propositions/statements (sub-criteria) as it is showed in Table 2.

<b>Table 2</b> <b>THE QUESTIONNAIRE</b>	
<b>1. Moral culture and moral conduct</b>	
1.1	Statement for ensuring sustainability.
1.2	Existence of Good Governance Systems.
1.3	Undertaking Corporate Social Responsibility actions.
1.4	Presentation of the Code of Ethics and its maturity.
1.5	Dissemination of the Code of Ethics to the departments of the Municipality.
1.6	Dissemination of the Code of Ethics to the social actions.
1.7	The Management ensures good Governance practices.
1.8	The Management is a good example of Corporate Social Responsibility actions.
1.9	Clear responsibilities of all Municipal Bodies.
1.10	Management members and employees, after being trained in the Code of Ethics, understand and actively participate in innovative changes.
<b>2. Regulations and communication</b>	
2.1	Use of a single means of employee communication.
2.2	The Municipality uses a regulatory management system that focuses on accountability and transparency.
2.3	The Municipality is against child labour.
2.4	The Municipality provides equal opportunities to all employees.
2.5	The Municipality applies the personal data protection rules.
2.6	The Municipality protects freedom of association and human rights.
2.7	The Municipality has a data security control system and maintains systematic data backups.
2.8	The Municipality the Supporter of the Citizen and the Business (Local / Municipal Ombudsman).
2.9	The Municipality uses Information and Communication Technologies.
2.10	The Municipality complies with European and international rules.
<b>3. Business analytics</b>	
3.1	New projects / scheduled maintenance projects.
3.2	The Municipality implements a survey system to meet the needs of the citizens and draws up a business plan.
3.3	Annual budget preparation.
3.4	The Municipality is preparing a risk management study.
3.5	The Municipality designs / focuses on innovative products or services.
<b>4. Internal audit</b>	
4.1	The Municipality employs internal auditors and draws up an internal control plan.
4.2	The Municipality is assisted by external auditors.
4.3	The internal auditor acts independently. Audit reports recommend corrective action and provide advice for efficient and safe operation.
4.4	The Municipality has a complaint line for violation of rules.
4.5	The Municipality adopts an ethics hotline.
<b>5. Performance assessment</b>	
5.1	Citizens' satisfaction targets and complaints management system.
5.2	The Municipality maintains a quality management system (e.g. ISO).
5.3	The Municipality has a standard and reliable reporting information system.
5.4	The Municipality uses a system of evaluation / development of human resources / training program of human resources.

5.5	The Municipality ensures the safety of its citizens through its services.
6. Environmental policy	
6.1	The Municipality uses specific criteria and methodologies to determine which environmental impacts are significant.
6.2	The Municipality prefers (rejects) suppliers that have been found to have positive (negative) environmental impacts.
6.3	The Municipality raises awareness and trains its employees on environmental issues.
6.4	The Municipality has an environmental reporting system, which includes objectives and an environmental disaster recovery plan.
6.5	The Municipality follows a policy of recycling / saving energy, reducing gas emissions, cost-benefit analysis and key performance indicators.
7. Social activities	
7.1	The Municipality organizes information and awareness days for the citizens for the prevention of important diseases.
7.2	The Municipality provides voluntary activities.
7.3	The Municipality adopts training programs for the unemployed and community service work.
7.4	The Municipality cooperates with local bodies such as NGOs, universities, social organizations.
7.5	The Municipality actively participates in the support of social groups.
8. Economic stability	
8.1	Environmental performance indicators are defined, monitored and improved
8.2	Social performance indicators are defined, monitored and improved
8.3	Economic performance indicators are defined, monitored and improved
8.4	Key performance indicators are externally assessed
8.5	The investment evaluation system, the financial and operational results of the Municipality are satisfactory, remain within the budget and follow a satisfactory trend.

In the second part of the questionnaire, information is requested regarding the demographic characteristics of the Mayor and the Municipality. Five (05) questions are formulated regarding gender, age, educational level, years of experience as Mayor and as Municipal Councillor. In addition, two (02) questions are formulated regarding the population and the District of the Municipality.

### Pilot Testing

It was deemed necessary to conduct a pilot test on four (04) municipalities, so as to carry out a preliminary assessment of the content validity of the questionnaire. This phase was crucial as it refers to whether the questionnaire conceptually covers the variables it will measure, with the corresponding statements that make them up and if the purpose for which it was created is achieved. After minimal corrections, the questionnaire was distributed to all municipalities.

### Descriptive Statistics

The sample amounted to 94 municipalities, namely about 28.9% of the total population of the municipalities is considered a representative size, both in terms of real population and geographical distribution. The data obtained from the processing of the 94 fully usable questionnaires provide basic information about the characteristics of the municipalities and the mayors.

Based on Table 3, the majority of sample (46%) came from the regions of Attica, Central Macedonia and Central Greece. On the other hand, the lowest participation rates (1%) are noted by the municipalities that belong to the region of Western Macedonia and Western Greece. Additionally, the vast majority of municipalities in the sample (77%) belong to the population class of 10.001-100.000 inhabitants. Useful information is also derived from the



demographic characteristics of the Mayors. In terms of gender, 81% are men and 13% are women. An analogy which confirms the male dominated municipal activities. Regarding the age structure of the respondents, the largest percentage (41%) is within the age group of 51-60 years, while a very small percentage (9%) belongs to the younger age group of 31-40 years.

The majority of the interviewed Mayors have a high level of education, at least a basic university education (52%) and 4% hold a PhD. Also, the survey was mainly attended by young people in the position of Mayor (54%), compared to those who are over 21 years old in a similar position (1%). Finally, the results are similar for their years of experience in another elected self-governing position, as 22% were a board member for the first time.

<b>Table 3 DEMOGRAPHICS OF THE STUDY POPULATION</b>			
<b>Variable</b>	<b>Characteristics</b>	<b>N</b>	<b>%</b>
<b>Gender</b>	Male	81	86,2
	Female	13	13,8
<b>Age (years)</b>	<30	0	0
	31-40	9	9,6
	41-50	21	22,3
	51-60	41	43,6
	>61	23	24,5
<b>Educational Level</b>	Secondary	12	12,8
	Bachelor Degree	52	55,3
	Master's degree	26	27,7
	PhD	4	4,3
<b>Experience as Mayor (Years)</b>	1- 4	54	57,4
	5- 8	20	21,3
	9- 12	9	9,6
	13- 16	5	5,3
	17- 20	5	5,3
	21>	1	1,1
<b>Experience as member of the Municipal Council (Years)</b>	1- 4	22	23,4
	5- 8	18	19,1
	9- 12	17	18,1
	13- 16	9	9,6
	17- 20	20	21,3
	21>	8	8,5
<b>Population</b>	<5.000	10	10,6
	5.001-10.000	2	2,1
	10.001-50.000	54	57,4
	50.001-100.000	23	24,5
	>100.001	5	5,3
<b>Region</b>	Eastern Macedonia and Thrace	6	6,4
	Central Macedonia	12	12,8
	Western Macedonia	1	1,1
	Epirus	4	4,3
	Thessaly	7	7,4
	Ionian Islands	3	3,2
	Western Greece	1	1,1
	Central Greece	11	11,7
	Attica	23	24,5
	Peloponnese	9	9,6
	North Aegean	4	4,3
	South Aegean	4	4,3
	Crete	9	9,6
<b>Total</b>		<b>94</b>	<b>100</b>

## RESULTS

### Internal Consistency Analysis

Internal consistency reliability refers to the consistency of the questionnaire's responses and in particular to whether different statements measure the same variable and factor. For this reason, it was considered appropriate to conduct a reliability test on each factor of the questionnaire. The Cronbach's alpha coefficient is the most common reliability assessment index and illustrates the homogeneity of a scale. Satisfactory values of the index are considered those greater than 0.7 (Spector, 1992; Nunnally, 1978). The higher the value of the Cronbach's alpha coefficient, the higher the internal consistency reliability. The results of Table 4 confirm the high values of the coefficient for every factor (criterion), but also the scales of the questionnaire as a whole, and therefore it is considered a reliable and suitable tool to be used in this research.

<b>Table 4</b>	
<b>CRONBACH'S ALPHA COEFFICIENT</b>	
<b>Factors (criteria)</b>	<b>Cronbach's alpha</b>
Moral culture and moral conduct	0.897
Regulations and communication	0.817
Business analytics	0.719
Internal audit	0.727
Performance assessment	0.858
Environmental policy	0.849
Social activities	0.887
Economic stability	0.869
<b>EBEN RME Model</b>	<b>0.957</b>

### Analysis of the Dimensions of EBEN RME Model

The proposed scoring approach of the EBEN RME Model is based on the assumption that all criteria are scored on a 5-point measurement scale, with a score from 1 to 5. The final score of each criterion results from the sum of the scores collected from the individual sub-criteria. If for instance a criterion, consists of 10 sub-criteria, the maximum score on the 5-point measurement scale it can get is 50 and the minimum is 10. The total score of the EBEN RME Model is obtained as the sum of the final scores of each group of criteria. Higher values (maximum value 250) correspond to levels of Excellent Management.

Table 5 presents the results of the scores of each criterion separately and the overall score of the EBEN RME Model at the first level municipalities ("dimoi"). We find that only five municipalities score an excellent performance in the "*Moral culture and moral conduct*" criterion. In the criterion "*Regulations and communication*" only one municipality shows an excellent result and in "*Business analytics*" twelve municipalities. Also in the "*Internal audit*" and "*Environmental policy*" criteria, eight and eleven municipalities respectively have excellent score. In the "*Performance assessment*" and "*Economic stability*" criteria, eight municipalities receive an excellent score. The "*Social activities*" criterion receives the maximum score in twenty-eight municipalities. According to the total results of the EBEN RME model, fourteen Municipalities tend to be characterized for their Excellent level of Management.

Table 5 ASSESSMENT RESULTS OF EBEN RME MODEL									
Dimoi	Factors (criteria)								EBEN RME Model
	i	ii	iii	iv	v	vi	vii	viii	
1	45	44	20	20	20	19	25	24	217
2	39	42	21	21	22	18	25	15	203
3	38	40	24	24	19	24	25	21	215
4	40	49	24	24	17	25	22	20	221
5	45	49	23	23	19	24	23	23	229
6	29	40	23	23	17	17	23	16	188
7	50	48	25	25	20	25	25	25	243
8	40	43	23	23	17	19	19	21	205
9	48	47	21	21	18	21	24	21	221
10	43	47	20	20	14	22	24	20	210
11	48	45	22	22	17	18	21	16	209
12	32	45	23	23	15	19	24	5	186
13	34	36	17	17	13	21	22	18	178
14	33	43	14	14	13	15	12	11	155
15	39	42	22	22	16	19	25	23	208
16	44	48	23	23	25	25	25	20	233
17	43	46	18	18	21	14	24	17	201
18	43	39	18	18	15	18	22	17	190
19	39	37	18	18	11	13	25	16	177
20	38	43	25	25	20	19	25	21	216
21	36	40	19	19	7	18	21	17	177
22	50	50	25	25	19	25	23	25	242
23	42	43	22	22	22	22	23	20	216
24	44	43	24	24	19	20	24	20	218
25	47	46	25	25	23	25	25	23	239
26	40	42	21	21	13	17	23	16	193
27	36	47	20	20	17	21	18	15	194
28	45	48	20	20	19	23	24	19	218
29	29	33	18	18	15	19	25	16	173
30	40	48	22	22	21	23	21	20	217
31	30	30	15	15	15	15	15	15	150
32	48	47	24	24	21	20	22	20	226
33	28	45	19	19	21	25	25	7	189
34	37	39	21	21	19	13	22	15	187
35	36	38	15	15	20	20	20	15	179
36	41	42	21	21	16	20	20	20	201
37	48	43	25	25	18	25	25	25	234
38	36	21	15	15	15	14	15	15	146
39	35	47	24	24	23	25	23	25	226
40	43	42	20	20	19	18	20	19	201
41	44	42	21	21	20	20	22	18	208
42	40	41	20	20	15	18	20	16	190
43	37	39	20	20	19	19	18	20	192
44	50	49	25	25	21	23	25	25	243
45	24	37	17	17	12	18	20	18	163
46	41	46	19	19	10	18	25	14	192
47	40	41	18	18	18	19	20	16	190

<b>48</b>	39	38	20	20	13	14	<b>25</b>	15	184
<b>49</b>	40	40	20	20	20	20	20	20	200
<b>50</b>	45	44	20	18	18	19	<b>20</b>	21	205
<b>51</b>	46	47	23	20	23	21	<b>25</b>	21	226
<b>52</b>	46	36	16	9	9	12	11	15	154
<b>53</b>	42	44	20	22	20	23	23	19	213
<b>54</b>	47	46	<b>25</b>	19	<b>25</b>	22	25	20	229
<b>55</b>	41	42	21	21	21	21	18	20	205
<b>56</b>	40	40	22	23	22	18	22	22	209
<b>57</b>	34	38	17	15	14	14	18	15	165
<b>58</b>	36	45	17	13	19	17	<b>25</b>	19	191
<b>59</b>	47	37	19	18	20	20	24	23	208
<b>60</b>	24	33	14	16	11	15	10	12	135
<b>61</b>	47	49	<b>25</b>	14	<b>25</b>	24	<b>25</b>	<b>25</b>	<b>234</b>
<b>62</b>	49	49	<b>25</b>	22	<b>25</b>	24	<b>25</b>	<b>25</b>	<b>244</b>
<b>63</b>	44	43	21	17	17	18	20	18	198
<b>64</b>	27	38	20	18	16	20	24	18	181
<b>65</b>	45	43	20	19	21	22	<b>25</b>	24	219
<b>66</b>	39	42	21	22	21	18	<b>25</b>	15	203
<b>67</b>	38	40	24	19	22	24	<b>25</b>	21	213
<b>68</b>	40	49	24	17	23	25	22	20	220
<b>69</b>	45	49	23	19	24	24	23	23	<b>230</b>
<b>70</b>	29	40	23	13	14	17	23	16	175
<b>71</b>	<b>50</b>	48	<b>25</b>	20	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>243</b>
<b>72</b>	41	43	23	17	19	19	19	21	202
<b>73</b>	48	47	21	18	21	21	24	21	221
<b>74</b>	43	47	20	14	23	22	24	20	213
<b>75</b>	48	45	22	17	<b>25</b>	18	21	16	212
<b>76</b>	32	45	23	15	18	19	24	5	181
<b>77</b>	34	34	17	13	14	21	22	18	173
<b>78</b>	39	43	18	13	13	15	12	11	164
<b>79</b>	39	42	22	16	20	19	<b>25</b>	23	206
<b>80</b>	44	48	23	<b>25</b>	23	25	<b>25</b>	20	<b>233</b>
<b>81</b>	45	36	23	10	17	19	23	15	188
<b>82</b>	43	49	24	15	21	25	24	20	221
<b>83</b>	38	42	20	18	22	22	24	17	203
<b>84</b>	31	33	16	13	14	18	19	15	159
<b>85</b>	23	33	16	12	5	14	21	12	136
<b>86</b>	46	39	19	14	13	19	23	18	191
<b>87</b>	46	48	<b>25</b>	21	<b>25</b>	<b>25</b>	<b>25</b>	20	<b>235</b>
<b>88</b>	41	48	24	23	23	<b>25</b>	<b>25</b>	22	<b>231</b>
<b>89</b>	20	38	18	11	12	16	21	13	149
<b>90</b>	41	36	18	8	18	16	16	17	170
<b>91</b>	48	45	<b>25</b>	24	25	24	25	23	<b>239</b>
<b>92</b>	33	40	21	14	16	19	24	16	183
<b>93</b>	36	36	17	17	12	16	15	19	168
<b>94</b>	<b>50</b>	42	22	15	23	20	24	18	214

i) Moral culture and moral conduct, ii) Regulations and communication, iii) Business analytics, iv) Internal audit, v) Performance assessment, vi) Environmental policy, vii) Social activities, viii) Economic stability.

## Deviance from the Responsible Management Excellence

The section presents the clustering of the Municipalities, as derived from the K-Means algorithm, based on the deviation from the Responsible Management Excellence, expressed in all the criteria of the EBEN RME Model. First, the results of the Analysis of Variance are presented (Table 6) and it is found that the average values of the deviations of the criteria of the EBEN RME Model differ at the level of statistical significance (Sig. 0.00). This means that the lower the level of statistical significance, the more significant the effect of all criteria of the EBEN RME Model on the construction of the clusters (Kaufman & Rousseeuw, 1990).

<b>Table 6</b> <b>ANOVA</b>						
	Cluster		Error		F	Sig.
	Mean Square	df	Mean Square	df		
EBEN RME Model	37554,937	2	76,260	91	492,462	0,000

The Municipalities were grouped into 3 clusters, as the levels of the Responsible Excellence Management. Table 7 shows the average deviations from Responsible Excellence Management, based on the criteria of the EBEN RME Model, by municipality cluster.

<b>Table 7</b> <b>AVERAGE DEVIATIONS FROM RESPONSIBLE EXCELLENCE MANAGEMENT BY MUNICIPALITY CLUSTER</b>				
	<b>Factors (criteria)</b>	<b>Cluster 1 (N=59)</b>	<b>Cluster 2 (N=21)</b>	<b>Cluster 3 (N=14)</b>
Average deviation	Moral culture and moral conduct	9,00	7,24	17,93
	Regulations and communication	6,66	7,1	12,64
	Business analytics	3,61	3,81	6,86
	Internal audit	4,22	7,71	11,64
	Performance assessment	7,93	10	14,21
	Environmental policy	4,47	4,57	8,43
	Social activities	2,34	2,14	6,43
	Economic stability	5,97	5,43	10,57
	<b>EBEN RME Model</b>	<b>8,17</b>	<b>42,62</b>	<b>86,21</b>

Therefore, the following clusters of municipalities are distinguished:

### Cluster 1: golden environment of ethical excellence

Cluster 1 includes 59 municipalities. Their key feature is the relatively low degree of deviation (on average 8.17 points to 250 points) from Responsible Excellence Management, as captured by the EBEN RME Model. The low deviation is explained by the high level of application of all criteria of the EBEN RME Model. Intense social activity is the factor that enhances the convergence towards Responsible Excellence Management. On the contrary, the criterion of moral culture and code of ethics weakens the path to Responsible Excellence Management.

### Cluster 2: Silver Environment of Ethical Responsibility

Group 2 includes 21 municipalities. Their main characteristic is the low degree of deviation (on average 43 points to 250 points) from the excellent level of management as captured by the EBEN RME Model. The low deviation is explained by the relatively high level of application of all the criteria of the EBEN RME Model. The intense social activity and Business analytics of the municipality contribute to the achievement of Excellent Management, as opposed to performance assessment through an organizational environment of Ethical Responsibility.

### **Cluster 3: Bronze environment of Moral Support**

Group 3 includes 14 municipalities. Their main characteristic is the relatively high degree of deviation (on average 86 points) from the excellent level of management as captured by the EBEN RME Model. The relatively high deviation is explained by the relatively low level of application of all the criteria of the EBEN RME Model. Business analytics and intense social activity are the factors that strengthen the convergence towards Excellence. On the contrary, the criterion of moral culture and code of ethics weakens the path to Responsible Excellence Management, through an environment of Ethical Support.

## **CONCLUSIONS**

The EBEN RME Model is a diagnostic tool of Excellent Management. With its implementation, the local government focuses on management issues through the development of its functions, delineation of priorities, improvement of its processes, adoption of policies of sustainable development and social welfare. Key pillars of Excellent Management are the Code of Ethics and the Ethical Culture, combined with Corporate Social Responsibility and Governance Systems.

Based on the research results the vast majority of municipalities, the criteria of the EBEN RME Model which lead to the convergence in terms of Excellent Management are located in the field of social actions. Social actions that unfold with the active support of social groups, the adoption of training programs for the unemployed and community service work, the organization of information and awareness days for the citizens to prevent important diseases, as well as the provision of voluntary actions and cooperation with local bodies, such as NGOs, universities, social organizations.

On the other hand, the criteria that contribute to the greatest deviation towards Excellent Management are located in the field of ethical culture and the code of ethics. Detailed, the individual elements of the above criterion focus on the fact that the administration of the municipality is not so focused on ensuring good governance practices, which ensure good governance and sustainability. In addition, clarification of the responsibilities of the municipal bodies is required. Also, the Management must be a good example of Corporate Social Responsibility actions. Finally, the presentation and maturity of the code of ethics should not be ignored, so that ethical principles and values are embedded in the parties involved and diffused throughout society.

The adoption of the EBEN RME Model in the field of Greek local government, aspires to be a single evaluation tool based on commonly accepted criteria and a reliable administrative planning tool. Therefore, the local government will adapt to the culture of ethics and follow the path towards Good governance. Therefore, the guiding goal of future research is the application of the EBEN RME Model to the thirteen (13) Level 2 Local Government Organizations (Regions) and the seven (07) Decentralized Administrations of the Country.

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