



A Knowledge Guide On the Ethics of Leadership

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Introduction

This Knowledge Guide contributes to the global discourse on ethical challenges leaders face in the new knowledge economy and summarises key findings on the ethical dimension of leadership drawn from my doctoral research titled *A Values Inquiry into Leadership Development in the Australian Public Service*. My research identified that senior executives of the Australian Public Service are positioned in a contentious role divided between their appointment as organisational leaders and their duty as servants to elected Ministers, and that role conflict is inevitable. The research found that values-based leadership development is a requisite for ethical leadership cultivated through professional leadership development programs with a lens on values, morals and the ethical dimension of leadership.



To be ethical requires a values-base that is ultimately “for good” such as trustworthiness, honesty, fairness and integrity (Solomon, 1992) whereas an individual does not necessarily hold an ethical stance simply because s/he has a set of values. Ethics and ethical values tend to be better understood as a subset of values in general (Kernaghan, 2003).

Ethics is the discipline which guides behaviour within a broad framework of a particular population under which we might think and act. Everyone within that population, be they research scientists, medical practitioners, teachers or public servants are expected to know and to hold the minimum values priorities to lead a creative life for themselves and for those they influence (Hall, 1995); that is, to live to one’s maximum potential. Ethics represent the minimum values that everyone within a particular population must agree to (Hall, 1995). They are agreed codes of behaviour adopted by particular group members (Henderson, 2004).

The ethical dimension of leadership refers to right decisions and actions combined with good intentions, and accompanied by moral correctness of behaviours. (Gonzalez & Guillen, 2002 p.152)

There has been a growing interest in the link between moral reasoning and ethical leadership (Turner et al., 2002). Bass (1998) and Turner et al (2002) argue that transformational leadership is related to high levels of moral reasoning which underpins cognitive moral development. Kohlberg (1981) proposed cognitive moral development as a staged process of reasoning determined largely by an individual’s interaction with their social

environment and their growing repertoire of perspectives and problem solving skills gained from life experiences. Bridges & Mitchell Bridges (2000) made the link between leaders high in moral reasoning and those who assumed coaching and mentoring roles. There are other theorists who have made similar links (see for example Dukerich et al., 1990; Graham, 1995; Lichtenstein et al., 1995) between ethical leadership and a sophisticated level of moral development. Turner et al (2002) were able to extend this understanding through their research.

In line with moral development theory...leaders with more complex moral reasoning will be able to draw on more sophisticated conceptualizations of interpersonal situations, are more likely to think about problems in different ways, and are cognizant of a larger number of behaviour options...leaders with more complex moral reasoning are more likely to value goals that go beyond immediate self-interest and to foresee the benefits of actions that serve the collective good. (Turner et al, 2002 p.305-6).

An understanding of one’s own values and how they influence behaviour and moral decision-making is fundamental to the practice of ethical leadership and an ability to generate trust amongst followers is a critical attribute (Gonzalez & Guillen, 2002). High levels of trust cascade from quality values-in-action designed to have a positive consequence for all involved in the organisation’s enterprise.

Ethics and Public Service Administration



Ethics are agreed codes of behaviour derived from a particular set of values priorities held by a particular group of people. The profession of public service administration in Australia has the Australian Public Service Values and a Code of Conduct which has not been derived from consultation with public servants for whom it was legislated. One of the Australian Public Service Values states that public servants will have “the highest ethical standards” (Australian Public Service Commission, 1999a) and certainly there is a need to be operating ethically. This includes maintaining the ethics of the agency, the ethics of decisions made [based on values] and the ethics to uphold the standards of public service.

Leadership in the public sector has some special characteristics, especially in terms of accountability (Australian Public Service Commission, 1999b; Cote, 2007; Jones, 2006) and ethics (Australian Public Service Commission, 2008; McDougale, 2007). Not only are leaders expected to model values-based behaviour, they are increasingly required to develop what Kernaghan (2003) terms “the art of values management” (Kernaghan, 2003). The leadership environment, being increasingly complex, requires “that leaders rely more than ever on personal and corporate values, an awareness of their personal preferences, and their inclusive communication and relationship building skills” (Cote, 2007 p. 20). Public sector leaders need to balance their understanding of the broader policy environment and its political implications with notions of the public interest.

Meeting the challenges of 21st century public sector leadership seems reliant upon a values-based approach with ethical, democratic, professional and people values (Cote, 2007)

at its core. Having to respond to a growing number of constituencies with conflicting goals has put increasing pressure and expectations on public servants (United Nations Department of Economic and Social Affairs & International Association of Schools and Institutes of Administration, 2007 p.11). We live “in an era where high profile lapses by public-sector leaders in ethical and moral judgement are frequently exposed” (McDougale, 2007 p.2) and this has led to a certain scrutiny of the ethical responsibility of those in public service. Public administration is a complex environment.

McDougale (2007) explored the relationship between the ethical values and expectations of public servants and the values associated with theories of leadership, including transformational leadership. She defined leadership as “actions which influence and direct the performance of others towards the achievement of organizational and/or collective goals” and ethics as “an internal set of moral codes and reasoning” (McDougale, 2007 p.2). She advocated an integrated approach to public sector leadership which incorporated ethical considerations and a core set of moral values, essential for genuine transformational leadership. Further, she found that effective ethical public sector leaders are likely to encompass elements of both transactional – basic management – and transformational leadership, the latter being focused on higher order intrinsic needs of followers and leaders. Both McDougale and Kernaghan agree that values-centred leadership is an essential requirement for an ethical Public Service.

Research Findings



Senior public servants are regularly faced with ethical dilemmas because they work in a highly contestable political environment. They have to navigate through complex situations and make decisions that can be at odds with their personal values system. The research participants found that their skills at mediating conflicting values positions were sharpened by the conscious awareness of their own values priorities with the particular values-at-play. These values-based perspectives are attributes of ethical leadership.

Leaders with ethical leadership qualities model personal integrity and hold a genuine commitment to the development of people.

They have mastery of the values dynamic and can encourage others' perspectives through dialogue to move towards values alignment. Ethical leaders stand for something worthy of aspiration.

Although the research was based in the Australian Public Service, these new insights can be generalised into other contexts. Imminent change in every sphere of life – social, geopolitical, environmental, economic, spiritual – is upon all of us. This is a clarion call for worldly leadership that has at its epicentre sound ethical values.

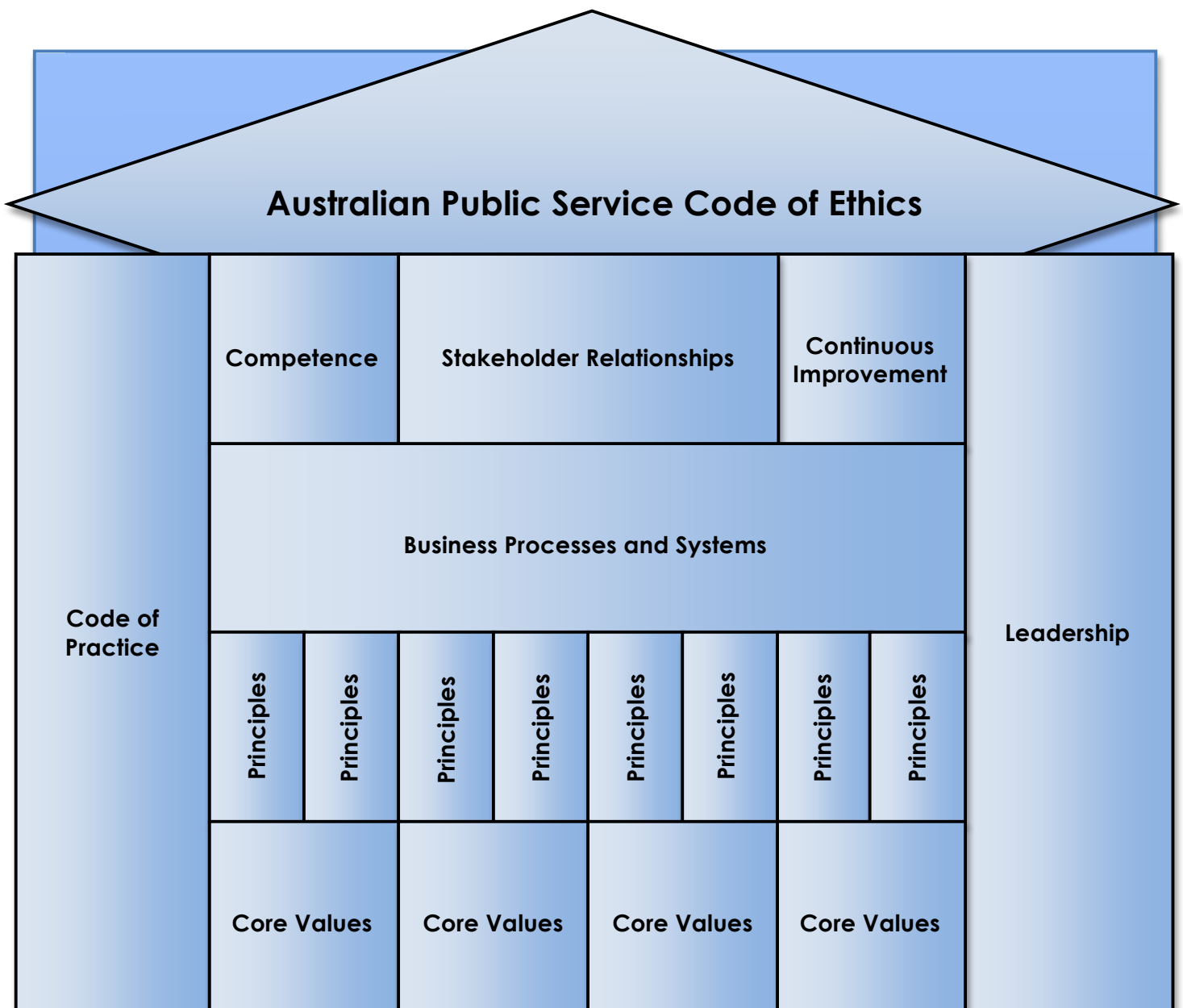
Australian Public Service Code of Ethics



Drawing on the outcomes of this research study, what is possible for the Australian Public Service (Australian Public Service) as a whole? Firstly, it needs to move to a values-based awareness and understanding with the assistance of a reconfigured set of values that are informed by theoretical values frameworks. Secondly, the development of a Code of Ethics is essential in these new times. A Code of Conduct just will not promote the vision necessary for public servants to aspire to in the future. A model of what an Australian Public Service Code of Ethics could look like is presented on the next page.

Thirdly, the values process needs the guidance of ethical leadership and leaders skilled in the mastery of the values dynamic. Once these conditions are met, the Australian Public Service may then have the capacity to move towards a *values-centred* visionary public service that leads a knowledge-based economy.

Model of APS Code of Ethics



A model of what an Australian Public Service Code of Ethics could look like



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