

I have used the second edition of this book in my course on public managers and leadership; however, this edition is even better. The implications for leadership in a public or nonprofit context are well illustrated, and the included leadership assessment instrument is very helpful for students doing assignments and relevant for practitioners who want to improve their leadership skills."

Prof. Dr. Bram Steijn, Erasmus University Rotterdam, The Netherlands

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**Montgomery Van Wart** is Professor in the Department of Public Administration at California State University, San Bernardino.

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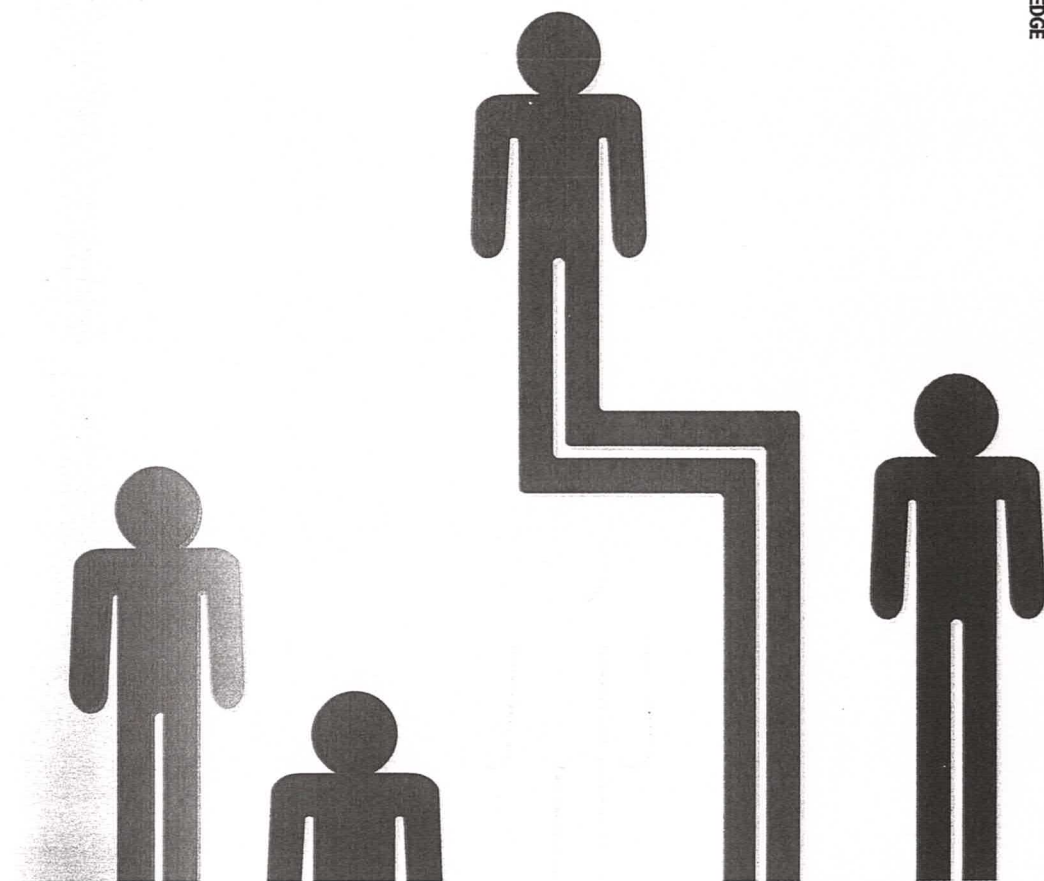
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Leadership in Public Organizations  
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# Leadership in Public Organizations

An Introduction

Montgomery Van Wart

 **Routledge**



## CHAPTER 6

## Ethics-Based Leadership Theories

Ethics-based approaches generally provide a stark contrast to many traditional approaches in leadership studies that focus on either the descriptive realities of leader-centric systems or the importance of leaders influencing others through their personal charisma, vision, and skill. Such power-based or “heroic” approaches assume that the primary source of wisdom is the leader or that knowledge is for the leader’s benefit; that the leader is implicitly the most critical and important decision-maker; and that the leader’s success is the principal consideration. In contrast, ethics-based approaches assume that the leader is not likely to have all wisdom. Frequently, they assert, followers have important contributions to make, and other stakeholders may have critical facts and knowledge necessary for decisions in the leadership process. In this respect, the distributed approaches discussed in the last chapter and the ethics approaches discussed in this chapter are highly compatible. Rather than increasing personal influence, good leaders are involved in empowerment. Both of these approaches also stress that ethical leaders must deemphasize their personal interests to be effective, including in business settings (see Block 1993; Dalla Costa 1998; Rost 1991; Senge 1990). While power-based approaches (discussed in the next chapter) do not endorse the use of power for personal ends, they tend to adopt Machiavelli’s cosmopolitan, “princely” viewpoint that influence and power do exist and that one wants as much power as possible in order, hopefully, to do good (Machiavelli 1532/1998).

Ethics-based approaches have three major concerns (Ciulla 2004; Ciulla, Price, and Murphy 2005). The first concern is the *intent* of individuals, no matter whether leaders or members of the organization. How do the character and virtue of individuals shape their moral compass? Take the case of ambition. An individual leader may be both ambitious and careful to comply with all regulations and rules, insisting on results and doing so in authorized and appropriate ways. Nonetheless, ambitious leaders can be self-centered and thus weak at listening to others or providing developmental opportunities for the benefit of followers. Ambitious leaders tend to be blame-averse, even when they have indirectly allowed problems to occur, so their ability to do good is somewhat diminished by limitations in their moral compass.

The second concern is selecting the *proper means* for doing good. In philosophy, this is often called the deontological or duty approach. Being moral means knowing and following appropriate social customs stemming from laws, rules, and mores. Yet, as situations become more complex, what is the leader’s role in dealing with the competing values that emerge? Kant (1781/1787/1996) is perhaps best known for his discussion of the ethics of duty, via his grand categorical imperatives, in an orderly society.

The third concern is in selecting the *proper ends*. In philosophy, this is often called the teleological or utilitarian approach. For example, a male manager is approached by an angry female employee who accuses a supervisor of harassment and provides instances of inappropriate language and behavior. The manager calms down the employee by saying that he will talk to the supervisor. The supervisor admits using poor judgment in speech and behavior, but since the supervisor is hardworking and competent, the manager lets him off with an oral warning. In this case the manager’s ends are probably distorted by excessive concern for preventing strife and protecting a good worker rather than protecting the legal rights of the victim.

Ultimately, all three concerns—good intent, proper means, and appropriate ends—must be functioning for good leadership (as a process) to be robust. Systems with ethical leadership provide a higher quality of life for all individuals involved, higher organizational performance on average, and greater sustainability over time. We now turn to the different perspectives on what is most important in ethical leadership.

### PERSPECTIVES ON VALUES-BASED LEADERSHIP

The range of what ethics theories include or emphasize is extensive. To articulate the emphases more clearly, five “models” that call attention to the differences are provided below. The first is the essential core or foundation for ethical leadership in nearly all theories. The next four offer contrasting, but not necessarily contradictory, perspectives on ethical leadership that build on basic leader morality (Van Wart 2014).

#### The Basic Integrity Model of the Virtuous Leader

Nearly all ethical theories focus on, include, or assume the leader’s basic integrity. Thousands of years ago, Confucius stated that the strength of the nation is the integrity of its homes. More recently, military commander and U.S. president Dwight Eisenhower noted that the supreme quality of leadership is unquestionable integrity. The basic meaning of integrity is wholeness, which in turn is based on notions of consistency in one’s own words, thoughts, principles, actions, and social setting. The three most common hallmarks of integrity are honesty, trustworthiness, and fairness. When workers are asked about all possible characteristics of leadership, the various elements of integrity are often ranked



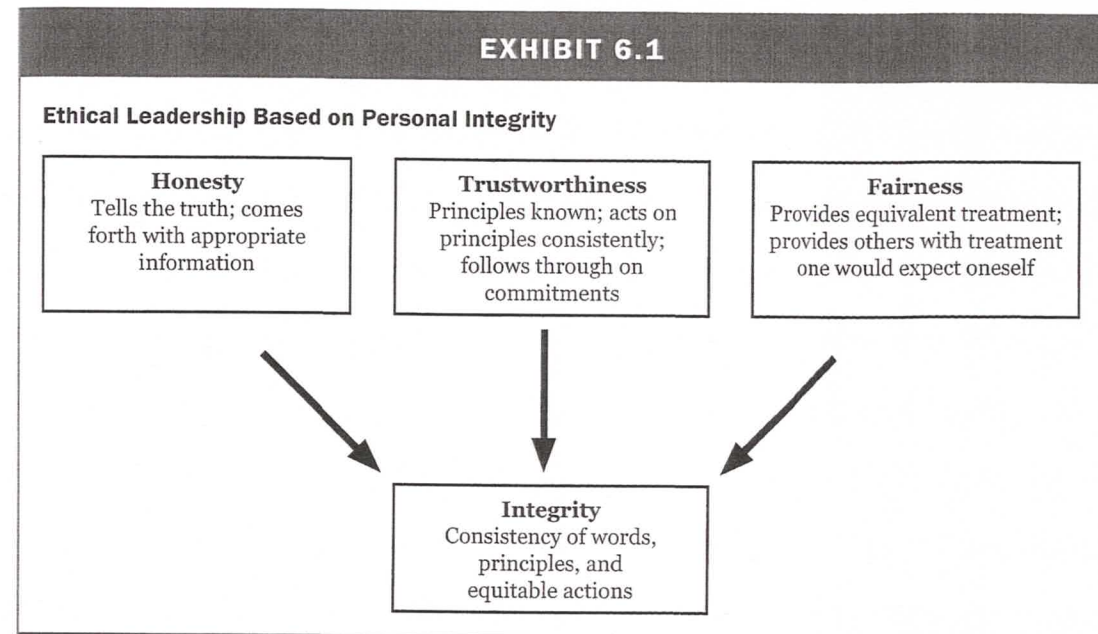
the highest, frequently ranking more highly than competence itself (Downe, Cowell, and Morgan 2016).

The first level of honesty is telling the truth in all oral and written expression. From this perspective, honest people do not tell lies, even refraining from “white” or courtesy lies. Further, they are truthful in both private and public situations. Truth telling can occur in subtle ways, such as admitting mistakes and not evading taxes. A higher level of truth telling is coming forth with appropriate information when not compelled to do so; this is often called forthrightness. Secrets and “lies of omission” are not associated with honest people.

The second element of integrity relates to trustworthiness. Trustworthy people know and articulate their principles so it is clear where they stand. It follows that they are also consistent with their principles (Manz et al. 2008). In the public sector, these principles include dedication to public service, commitment to the common good, dedication to the law of the land, and other civic virtues. Further, very important in being considered trustworthy is following through on commitments, which is often called credibility. Many people make commitments in a cavalier fashion, albeit innocently, which damages their credibility with others. Trust “has been identified as one of the most frequently examined constructs in the organizational literature today” (Burke et al. 2007, 607) and is sometimes used more broadly as a synonym for the concept of integrity as used here (Newell, Reeher, and Ronayne 2012).

A third major element of integrity is fairness. This implies knowing and following rules that apply to all. Because those with management and executive responsibilities have a lot of discretion, fairness is important both in ensuring equality of treatment and in making rational and appropriate exceptions. A management nostrum is that although your enemies may report you, your friends are more likely to get you into trouble. That is, turning a blind eye to peccadilloes or problems or providing excessive assistance to those who are close to a leader can be a significant source of vulnerability and can diminish others’ sense of fairness (Hassan, Wright, and Yukl 2014). In the example above, the manager handling the sexual harassment incident needed to take more aggressive action in order to meet the fairness standard. Those who are considered very fair do not indulge in “self-dealing” or use their position for personal gain but, rather, share gain as equally as possible (Carnevale 1995, 23). Finally, because balancing various responsibilities and concerns is often a complicated matter, fair people take the time to listen fully to all sides in disputes.

People of good integrity are perceived as truthful, acting consistently, and providing treatment to others that they themselves would like in the same position. Those of superior integrity are likely to exhibit exceptional candor, conscientious follow-through, and an unusual astuteness in achieving an appropriate balance in handling competing interests. Factors contributing to the basic integrity model of leadership are shown in Exhibit 6.1.



### The Ethical Leader as Moral Manager

One of the first mandates of ethical leaders and an ethical leadership process is to make sure that the rules, regulations, and expected mores are explicitly stated, clearly and fully taught to new organizational members, refreshed and updated for veteran members, and enforced consistently and fairly for all. Organizations depend on members to know and follow their “duty” (Trevino, Weaver, and Reynolds 2006). This is particularly true in public sector organizations where delegation of authority to work at the public’s behest derives from statute and is articulated through administrative law. Just as the content of what ethical public leaders are supposed to accomplish is stipulated in authorizing statutes, so too are expectations that leaders will avoid self-serving and inappropriate behaviors stipulated in “ethics legislation” (which clarifies prohibited behavior such as conflict of interest, accepting gifts, and nepotism). “Moral management” is a common term used to describe the leadership function of ensuring that organizational expectations are understood and enforced (Brown and Trevino 2006). The approach is sometimes called the duty approach or ethics training. It is expressed not only in legislative and regulatory documents, but also in codes of conduct, oaths of office, and professional standards documents (Menzel 2007).



The importance of ethical leadership is most obvious in its absence. Imagine an entrepreneurial public agency, such as an economic development agency, in which the rules and regulations are not clearly stated, so that personnel are always guessing just how much they should take initiative into their own hands. Imagine the results of not training police officers or welfare benefits providers extensively. Imagine the chaos resulting from not instructing veteran employees about new legal mandates or not providing continuing education in areas of organizational laxness. Imagine the damage to an agency's reputation when a culture of "anything goes" pervades until, finally, excesses result in public scandals and judicial or legislative interventions.

There are a number of strengths inherent in this approach. Because the United States and other advanced nations are nations of laws, a duty and compliance approach is consistent (Rohr 1989). A rules approach assists agencies in creating a shared vision and method (Svara 2007). Because the laws, regulations, and organizational rules are often complex or nuanced, an ethics training perspective gives due deference to the time and focus necessary to have sufficient mastery of this aspect of organizational functioning. Not enforcing rules can lead to moral decay and employee disenchantment. Finally, knowing the rules and regulations gives employees confidence and enhances public trust. These are enormously important considerations and are often directly or implicitly included in broader theories of ethical leadership, along with the basic integrity model.

The duty or compliance approach also has several potential weaknesses: an excessive focus on prohibition, poor implementation, or problems of dealing with executive corruption. When the sole focus of ethical leadership is based on compliance, it is often called the "low road" approach, signifying both a single path to a complex undertaking and the easier route because it is a "technical" solution to the problem of wrongdoing. However, being ethical does not consist exclusively of prohibiting wrongdoing and reacting to threats against integrity. It is also about doing the right thing and doing things right, which are active, not passive, pursuits. Further, high morality is founded not only on avoidance behavior, but also on principle-centered behavior (Kohlberg 1981), which the compliance approach neglects when not blended with other perspectives.

In terms of implementation, the ethics or code training perspective can suffer when done poorly because of poor materials, superficial or lackluster training, lack of pertinent examples, contradictory role models, and so forth.

Perhaps moral management is trickiest when the authorized source or enforcer is itself corrupted, or at least perceived to be corrupt. Extreme historical examples make this problem provocative: Hitler ordering subordinates to run death camps, a president ordering a cover-up of his own overreach of power, or a governor selling government privileges for payoffs. In such instances the wrongdoing is obvious (in retrospect), so it is really a discussion of courage in following social norms rather than improper orders. But the issue is more complex when social rules dictate one thing but one's own

conscience dictates another, as frequently happens with both pro-life and abortion advocates. This raises the question of substituting one's own judgment for authorized opinion. It also raises the question of the possibility of individual quirkiness, eccentricity, or downright error. The next perspective focuses on the leader as an important evaluator of ethical norms.

### The Ethical Leader as Authentic

If the moral manager perspective emphasizes the external role of authorized values, authentic leadership emphasizes the internal perspective. Predecessors of this general conceptual framework include Argyris (1957; 1993), Covey (1990), Silard (2012), and others. Definitions vary significantly across current researchers. Authentic leaders, according to Avolio and Gardner (2005), are self-aware in terms of their values, cognitions, and emotions. Core values include trustworthiness, credibility, respect for others, fairness, accountability, and the aspects of basic personal integrity discussed above. Authentic leaders are adept at self-regulation in terms of their emotional intelligence, self-improvement goals, and balanced congruence between their actual and ideal selves. They control their ego-drives and defensiveness, which encourages openness, feedback, and genuine communication. Their self-awareness and self-acceptance increase their transparency in communication of their values, identity, emotions, goals, and motives to others. Because of this, authentic leaders develop positive psychological capital with followers, whose self-awareness is also enhanced and whose authentic interaction becomes more likely. However, while the overlap with other ethical theories can be extensive to the degree that proponents of this perspective seek an all-inclusive ethical approach to leadership, the emphasis on self-awareness and self-regulation set it apart for our discussion, especially from moral management, discussed above.

The strengths of the authentic leadership approach are numerous. The authentic leadership construct takes into account the individual's role beyond a passive acceptance of social norms; authentic leaders are responsible for being self-aware and self-regulating. It pays attention to the mutual and ongoing redefinition of moral norms. It emphasizes the positive aspects of leaders taking charge of their emotional health and enhancing the moral awareness and emotional health of others. It therefore integrates ethical concerns, such as the positive use of influence, in a general leadership model.

Critics (e.g., Cooper, Scandura, and Schriesheim 2005) have noted a number of challenges in developing this "very normative approach." First, the definitions of authentic leadership seem somewhat amorphous and all-inclusive, and they become circular: good leaders are authentic, and authentic leaders are good. There seems to be little consensus as to the exact constructs that make up authentic leadership, development, and follower-ship. Consequently, this leads to issues of measurement and levels of analysis. Finally,



as theorists work to set up more elaborate research protocols, the distance between their research and practitioner accessibility seem ever greater.

### **The Ethical Leader as Spiritual Mentor to Followers, Clients, and Constituents**

While spiritual leadership as a school of thought emerged only in 2003, it has precedents in the servant leadership tradition (Greenleaf 1977) and Kohlbergian ethics (Kohlberg 1981).

The spiritual–servant leadership philosophy is an ancient one that is clearly recognizable in the writings of great humanitarians such as Lao-tzu and Jesus. The basic idea is that the notion that the people should serve the king, prince, or potentate is backward and fundamentally wrong; rather, it is the leader who is privileged to serve the people. Furthermore, it is the improvement in well-being of the people, their empowerment, and the concomitant humility of the leader that is the measure of leadership greatness. Greenleaf continues to be highly referenced and the center of significant research (e.g., Parris and Peachey 2013). Greenleaf Centers, which have an extensive following in the United States, the United Kingdom, the rest of Europe, and Asia, promote the servant leadership philosophy, which is particularly popular in the nonprofit community.

Kohlberg established three levels of moral development that are now used by many leadership ethicists. The first level is preconventional and includes the obedience and punishment (how can I avoid punishment?) and self-interest (what's in it for me?) orientations of those with an immature or undeveloped moral compass. The next level is conventional. It includes the conformity stage (instinctively following social norms) and the authority and social-order maintaining orientation (a law-and-order morality). The highest level is postconventional. It includes the social contract orientation (demonstrated in democratic state constitutions and capitalistic legal instruments) and the ultimate universal ethical principles stage (following one's own principled conscience). These three levels are readily transferred to the leadership process, as the section on ethical consciousness and conscientiousness will illustrate later in this chapter. This layered intellectual framework undergirds the leader exemplar literature in the public sector (e.g., Callahan 2006; Pfiffner 2003; Rugeley and Van Wart 2006).

Although the spiritual leadership movement has a very strong normative thrust, it has taken a more empirical approach than servant leadership, which has tended to eschew the atomization of its propositions for concrete testing. Key proponents of spiritual leadership are Louis Fry and his colleagues (e.g., Fry 2003; Fry, Vitucci, and Cedillo 2005).

The overall thrust of spiritual leaders is that the authority of action comes from those being assisted, especially those affected outside the organization. It takes a broad view of the stakeholder universe, not limited to direct clients and customers, or even to humans. Even the great scientist Albert Einstein urged to “try not to become a man of success, but rather try to become a man of value” and that “only a life lived for others is a life worthwhile.”

Four major propositions are distilled from the research in this area. First, the spiritual leadership literature is firmly established on the integrity model above, but a core value not necessarily included in other perspectives is the need for leader humility. This can be a potential conflict with the authentic leadership model that emphasizes self-confidence or largely ignored by the moral manager approach. It also advocates altruistic love and “calling” as explicit values. In the public sector literature, growing attention is being paid to public service motivation (Moynihan and Pandey 2007; Perry 1996; 1997). In other leadership perspectives, these concepts tend to be wrapped in less evocative terms, such as “commitment” and “dedication.” Second, spiritual leaders always put the needs of subordinates and external constituents first. A supervisor might break up his own work pattern to assist a subordinate who is having trouble; an intake worker may make extra time for a desperate client even though she is pressed for time herself. This means that the developmental role of the leader is primary, as it is in superleadership. It also implies a strong empowerment thrust. Third, spiritual leaders engage in emotional labor and emotional healing. Emotional labor is the act of showing sensitivity, empathy, and compassion for others. Emotional labor is most extensive when negative events—such as disasters, death, and great suffering—occur. Although emotional labor occurs with subordinates and other organizational members, the perspective recognizes that leaders in certain occupations, such as social workers, emergency workers, and teachers, have far greater expectations of exhibiting emotional labor with clients (Newman, Guy, and Mastracci 2009). Finally, spiritual leadership emphasizes end results strongly in terms of community and environment. From this perspective, the Kohlbergian notion of integrating increasingly broad consciousness in terms of both space and time is imperative for the spiritual leader who is deeply aware of and concerned for the needs of humanity and the environment.

One of the strengths of spiritual leadership is that it taps directly into the need to assist and make a difference. Martin Luther King said that an individual has not started living until he can rise above the narrow confines of his individualistic concerns to the broader concerns of all humanity. While social scientists often eschew feelings that have religious overtones, such sentiments are so powerful that they lead people to risk their lives or change vocations. Spiritual (or servant) leadership sets up a model that analyzes leaders of compassion and calling and implicitly encourages all leaders to move closer to a spiritual model. For example, after a period of corporate greed and scandal, many business organizations try to adopt a more humanitarian and “green” perspective, represented by the rise of interest in consciously ethical constructs such as corporate social responsibility and the triple bottom line—people, planet, and profit. However, spiritual leadership isn't just a universalistic model; it has great opportunity to be a situational model, too. Some professions are fundamentally more open than others to a servant leadership model, especially in the nonprofit and public sectors.



Ironically, another example would be the contemporary military. While conventional warfare encourages leadership that is heroic, regimented, and rugged, nation-building activities that have been increasingly thrust on the military mean that soldiers and their supervisors must now attempt to show compassion for populations, assist in community projects, and demonstrate concern for long-term sustainability.

A challenge of servant and spiritual leadership is its abstraction from normal organizational authorization procedures and functions. In recent iterations, it includes possessing the knowledge of the organization and tasks at hand so as to be in a position to effectively support others. Another challenge is deciding whether it is a normative or empirical approach and whether the ideal methods are prescriptive or descriptive. There is some confusion about whether a spiritual approach does or needs to make a difference to bottom line efficiency and results or whether it is a desirable end result in itself. Finally, sometimes there is strong resistance to the normative thrust of servant leadership in the private sector, where the market can be seen as the primary source of wisdom and the concerns of shareholders and owners as paramount to the success of capitalism (Friedman 1970). Some managerialist and legalistic leadership approaches in the public sector have a less aggressive form of the resistance to such a religiously based approach.

#### **The Ethical Leader as a Transforming Agent of Change for the Common Good**

Since the transformational and charismatic leadership renaissance of the late 1970s, major intellectual efforts have been made to distinguish change-oriented and bigger-than-life leaders driven primarily by personal ego or “personalized” concerns from those driven by “socialized” concerns. Distinctions between a transformational Mahatma Gandhi and a pseudotransformational Adolf Hitler are important (Bass and Steidlmeier 1999). For example, although Burns (1978) notes that transformational leaders as a class are concerned about change, whether for good or ill or whether out of personal ambition or a desire to do good, he also notes that the great ones are “transforming” leaders. Such leaders understand the need for change emanating from the people, can clarify those needs, and are able to create wholesome long-term change that will benefit society. They can transcend (or at least balance) their personal desire for fame and success with the good of the community. Ultimately, transforming leaders raise the morality of the people. Although Burns’s political perspective was weighted toward political processes in which transformational change can be not only transforming but also manipulative for personal aggrandizement and reactionary based on demagoguery, it is easy to see how this can be translated into private and public organizational settings as well. Similarly, Conger (1989) and others note the importance of using personal power for good or socialized ends rather than a personalized power orientation (Kanungo 2001; Parry and Proctor-Thomson 2002). The tools and characteristics of transforming leaders include gathering

information from a wide variety of sources, including clients and customers, stimulating wholesome discussion about the ideals of the organization relative to its need to survive and grow, molding a shared vision not solely based on the beliefs of a single executive, and ensuring that change focuses on long-term benefits rather than short-term gains.

Heifetz’s (1994) adaptive leadership model focuses on the need for leaders to focus on the hard work of consensus building in tackling complex contemporary problems. He distinguishes between routine technical problems that are handled through expertise and adaptive problems—such as crime, poverty, and educational reform—that require innovative and value-laden approaches. Adaptive problems require diagnosing the situation in light of the values involved and avoiding executive-dominated solutions, finding ways to moderate inherently stressful change processes, staying focused on relevant issues, and ensuring that the responsibility for problems rests on all primary stakeholders, not just executives. Similarly, Bryson and Crosby (1992) have helped public-sector leaders focus their strategic planning on community-based needs rather than the competitively oriented goals that tend to dominate private sector perspectives. It is only by staying squarely focused on the needs of the community that public agencies retain trust (Carnevale 1995) and ultimately earn a legitimate substantive role at the policy table (Terry 1995) as “conservators” of the public good.

Unfortunately, in the political sphere today there seems to be a worldwide trend toward political polarization (Kotkin 2016; Rauch 2016). This emerging trend makes adaptation and consensual transforming more difficult as interpretations of what the common good is and how it is to be achieved become more contentious. It leaves administrative agencies in an awkward position when their political masters bicker incessantly and use administrative slip-ups or deficiencies as political opportunities.

A strength of this perspective is that there is no doubt that change is a major and frequently critical function of leaders, especially executives. Transforming leadership theory integrates managerial and normative values into a single model. Change is a heady process that can be negatively affected by ambition, posturing, image management, excessive urges to compete and dominate, egotistic desires to implement one’s own vision, thirst for short-term gains, and so on. Transforming leadership is a model that requires leaders to subordinate their own needs and desires to those of the organization and the affected community. Additionally, the whole idea of transforming leadership is particularly suitable to the public sector given its social focus on the common good rather than the profit-oriented and individual focus that is more common in the private sector.

There are potential weaknesses, however. First, whenever theories marry descriptive and normative perspectives, the blend can be complex and arbitrary. Good versus bad change and moral motives versus immoral ones are easy to detect only at the extremes. Further, correctness in leadership when measured in historical terms is often tempered by success as much as by morality. Spanish “liberation” of Mexicans by Cortez from the



“dictatorship” of Montezuma and “native” religions would be a different story had Cortez been killed at his Veracruz landing site and had the emperor been half as crafty as the conqueror. Second, transforming leadership is still heroic to the degree that it casts change as the primary function of leaders and suggests that other leadership functions are essentially inconsequential management details. One might say that Woodrow Wilson’s role in creating the League of Nations was transforming even though he failed to get his own country, the United States, to join. That is to say, his idea was grand and uplifting but ultimately the management of the process was a failure. Generals and CEOs are also all too aware that battle plans and product launches require excellent execution or management for success. A related point is that many who might be considered leaders do not have a mandate or need for transforming change. Nonexecutives and executives in stable environments have little direct use for transforming leadership theory.

In summary, an ethical perspective on leadership is unified in the sense that leaders are supposed to take stock of their organizational, professional, and societal communities and then integrate the common good in process and product. The means of success as well as the ends are put in a social context that emphasizes equity and sustainability. Undergirding all ethical approaches is the personal integrity of those involved in the process. The honesty, trustworthiness, and fairness of individuals form the foundation of an ethical perspective. However, variation in the emphasis of different ethical theories is not trivial. Moral management concentrates on ensuring that legal rules and organizational structures are carried out. Lax organizational cultures, especially in the fish-bowl public sector, can lead to scandals, public resentment, legislative investigations, demoralization of employees, and other bureau pathologies. The “high road” approach to moral management also ensures that the discretionary elements of decision-making are enhanced through professional education. Authentic leaders are those who know themselves so well that their ability to be self-regulating, resilient, optimistic, nondefensive, and other-oriented is enhanced as they manage leadership processes. Centered, authentic leaders tend to exude both wisdom and an innately positive spirit. Servant or spiritual leaders are extremely other-oriented. They are motivated by heartfelt empathy, concern, and compassion for those who entrust the leadership role to them. Helping others is not a problem to be dealt with for the servant leader, but the very purpose of leadership. While Mother Teresa was an extreme example of a servant leader, it is easy to find more prosaic examples in leaders and managers in nonprofits and a wide variety of social work agencies. Transforming leadership focuses on the important business of change, integrating a socialized perspective into the organizational and social evolution process. Unlike servant leadership, transforming leaders focus on processes rather than individual people. Transforming leaders are facilitators of wholesome change, using their skills to ensure that the need for change does not lead to either authoritarian solutions or chaotic abandonment of wicked social or organizational problems. Of course,

EXHIBIT 6.2

Summary of Value-Based Theories (Emphasizing Distinct Focus)

Type of ethical leadership	Alternative names	Major concerns	Major emphases	Proponents of particular type
Moral management	Duty approach, ethics training, the “low road” approach	<ul style="list-style-type: none"><li>• Concern for organizational and social standards</li></ul>	<ul style="list-style-type: none"><li>• Ethical compliance with organizational or legal mandates (e.g., codes of conduct, professional standards)</li></ul>	Legislative bodies; Rohr; Brown and Trevino
Authentic leadership	Positive leadership	<ul style="list-style-type: none"><li>• Concern for one’s own principles and values</li><li>• Concern for self-regulation (“positive” leadership) leading to confidence, optimism, resilience, etc.</li></ul>	<ul style="list-style-type: none"><li>• Self-awareness</li><li>• Self-improvement</li><li>• Open to feedback; nondefensive</li><li>• “Positive” influences on followers</li></ul>	Avolio and Gardner; Argyris; Covey
Spiritual leadership	Servant leadership, affective leadership, exemplar leadership	<ul style="list-style-type: none"><li>• Concern for others (followers or clients)</li><li>• Concern for the community and environment</li></ul>	<ul style="list-style-type: none"><li>• Care and compassion</li><li>• Hope, faith, and spiritual well-being</li><li>• Work as a “calling”; emotional labor</li><li>• Sustainability</li></ul>	Greenleaf; Newman, Guy, and Mastracci; Fry; Cooper and Wright; Hart
Transforming leadership	Adaptive leadership	<ul style="list-style-type: none"><li>• Concern for making wholesome change</li></ul>	<ul style="list-style-type: none"><li>• Shared organizational or community vision</li><li>• Organizational or community adaptation</li><li>• Intellectual stimulation to improve organization or community</li></ul>	Burns; Bass; Heifetz; Bryson and Crosby; Carnevale

Note: All types assume personal integrity as a requisite foundation for moral action.



the ideal ethical leader could incorporate all these styles all the time. In reality, though, leaders have ethical preferences, and the needs of the ethical landscape will vary significantly, making the distinctions in the various perspectives useful for analytic purposes. See Exhibit 6.2 for such distinctions.

A GENERIC LEADERSHIP MODEL BASED ON CONSCIOUSNESS AND CONSCIENTIOUSNESS

Leadership styles are based on the level of social consciousness, self-discipline, and courage of the leader, ranging from unethical to exemplary (Van Wart 1998).

The most common symptom of leaders with *unethical styles* is that they use their positions for personal benefit or for a special group at the expense of others. Also, unethical leaders may use their positions and power to promote the interests of friends at the expense of more qualified people or even to seek retribution. Less egregious but still unethical are those leaders who simply use their positions as platforms for ego-boosting rather than to accomplish good; such leaders tend to hoard all the credit for accomplishments. Moreover, it is unethical when leaders ignore responsibilities or decisions that they think may reflect poorly on themselves or because they are simply sloppy or lazy.

Many leaders are *ethically neutral* in their style. They may be unaware of subtle ethical issues, or, if they are aware, fail to take the time to reflect on them. A senior manager may not know, because he is not receptive to receiving information about his supervisors, that one of them frequently uses a demeaning style with employees. Or the senior manager may know about the problem but ignore it. Some managers pride themselves on the technical and “neutral” execution of their duties. What are the authoritative guidelines and bureaucratically assigned duties? Managers operating in this mode generally try to emphasize the procedural nature of work, the rules, and technical fairness. Ethics, apart from rule breaking, is not a part of their job. Ethically neutral leaders can range from those who are unresponsive or unaware of moderate ethical issues to those who attempt to structure and conceive of their work as procedural and value-free. Ethically neutral leaders are themselves free of improper behavior, but they do not actively encourage an ethical climate.

The analysis of ethical leadership is nearly as old as philosophy itself. Most of Aristotle’s work on ethics is set in a leadership context (Aristotle 1953). His virtue-based perspective of ethics emphasizes the rational process that leaders exercise. People of good character—*ethical leaders*—engage in three primary practices. First, people of good character recognize ethical issues. They understand that values invariably compete in social settings and that leaders are often the arbiters of who gets what in terms of

allocations. For example, a simple decision about extending business hours has many ramifications. What will be the effect on the employees, the clients, the quality of work, the manager’s own ability to coordinate the hours and get people to staff less desirable times, the cost of operations, and so forth? Second, ethical leaders take the time to reflect on issues that often pit one important value against another. Consider the leader evaluating a problem supervisor who is demeaning to employees but also extremely hard-working, organized, and well informed. He is himself the best worker and he leads the most productive unit. Nonetheless, the ethical conundrum is that leaders should not put down or degrade their subordinates, and clutch all power to themselves in the name of the organization. Third, ethical leaders find ways to integrate the collective good into appropriate decisions. Using the previous example, changing the supervisor’s style without diminishing productivity or the supervisor’s substantial contributions is not an easy task. Integrating appropriate but differing sets of values may mean hard work for the ethical leader. It may also mean finding workable compromises that optimize several important values.

A number of theorists have been interested in identifying not only ethical leaders but also highly ethical, or *exemplary*, leaders (Cooper and Wright 1992; Hart 1992). What characterizes the person of high character? This is an especially important question for public sector leadership because stewardship of the public good is inherently a social process and often very challenging to enact. Two additional elements are generally articulated: contribution and courage.

Making a substantial contribution to a group, organization, community, or system takes sustained hard work, perseverance, and involvement of many people, which in turn requires trust, empathy, and nurturance. A contribution may be the accomplishment of a specific project or good work of some magnitude. A city library director might seek authorization for and implement expanded auxiliary services, such as after-school programs in a disadvantaged area, despite their lack of popularity with a policy board dominated by wealthier neighborhoods. Another type of substantial contribution may involve raising the moral consciousness of followers or the community. Burns (1978) asserts that it is the responsibility of political leaders to actively guide the transformation of society by stressing justice, liberty, and equality. Leaders themselves should be transformed by the process so that their morality also ascends to a higher, more socialized level. In a similar vein, Heifetz (1994) proposes a facilitative role for leaders in the process of moral consciousness raising. He believes that such leaders articulate the value conflicts of workers, organizations, and communities in rapidly changing environments. Exemplary leaders enable groups to sustain dialogues until decisions can be reached that result in win-win solutions. Leaders do not select the answers or make decisions occur; they allow answers and decisions to emerge by mobilizing people to tackle the tough issues. They



must bring attention to the critical issues, foster honest and candid discussion, manage competing perspectives, and facilitate the decision-making process in a timely way.

The final or highest level of exemplary leadership is often perceived as the willingness to make sacrifices for the common good and/or to show uncommon courage. David K. Hart (1992) discusses such leaders as they confront moral episodes. Sacrifice is denying oneself commodities that are generally valued in order to enhance the welfare of others or the common good. Leaders who sacrifice may give extraordinary time, do without financial emoluments, pass up career advancement, or forsake prestige as a part of their passion to serve others. The best leaders may be those who make sacrifices but nonetheless feel joy at the opportunity to help (Block 1993; DePree 1989). Greenleaf (1977) calls these “servant leaders”—those concerned about empathy, development of others, healing, openness, equality, listening, and unconditional acceptance of others. When they act, they do so with quiet persuasion that places a high threshold on inclusion. They avoid the unequal power paradigm typical in hierarchical organizations and instead use the *primus inter pares* (first among equals) paradigm (Greenleaf 1977, 61–62). Indeed, they assert that the hierarchical model of leadership is often damaging to leaders:

- “To be a lone chief atop a pyramid is abnormal and corrupting.”
- “A self-protective image of omniscience often evolves from . . . warped and filtered communication.”
- “Those persons who are atop the pyramids often suffer from a very real loneliness.”
- “In too many cases the demands of the office destroy these [leaders’] creativity long before they leave office.”
- “Being in the top position prevents leadership by persuasion because the single chief holds too much power.”
- “In the end the chief becomes a performer, not a natural person, and essential creative powers diminish.”
- “[A single chief] nourishes the notion among able people that one must be boss to be effective. And it sanctions, in a conspicuous way, a pernicious and petty status-striving that corrupts everyone.”

(Greenleaf 1977, 63–64)

Some leaders are willing to make exceptional and painful sacrifices or decisions that require great courage. Making a tough decision may lead to social stigmatization. Revealing unpleasant truths about powerful people, interests, or groups may result in the loss

of a job or even the ruin of a career. In Chapter 9 (Exhibit 9.3), the case of Marie Ragghianti provides an example of extreme courage. She suffered the loss of her patron, job, and career in her pursuit of the public good. While most leaders do not experience many of these moments, when they do, opportunities for greatness or conspicuous mediocrity and/or failure emerge. Yet, sometimes a decision is not so much dangerous to one’s career as it is so enormous and controversial that it would be far less trouble simply to ignore it. The courage of such decisions can result in ethical greatness if the leader’s ethical integrity is mature. For example, Thomas Jefferson despised executive privilege but nonetheless doubled the size of the country with a unilateral executive order when he made the Louisiana Purchase in 1803, an act nearly as defining as the American Revolution itself. For a general model of ethical leadership that differentiates good and exemplary characteristics, see Exhibit 6.3.

### EXHIBIT 6.3

#### A Model of Ethical and Exemplary Leadership

The Person of **Good** Character Will . . .

1. Recognize ethical issues
- ↓
2. Reflect on ethical issues
- ↓
3. Integrate the collective good into appropriate decisions

+

The Person of **High** Character Will Also . . .

4. Make a substantial contribution
  - a. Carry out a project or good work, and/or
  - b. Increase the moral awareness of the community

OR

5. Exhibit sacrifices or courage for the common moral good
  - a. Deny oneself for the common good
  - b. Suffer abuse for the common good

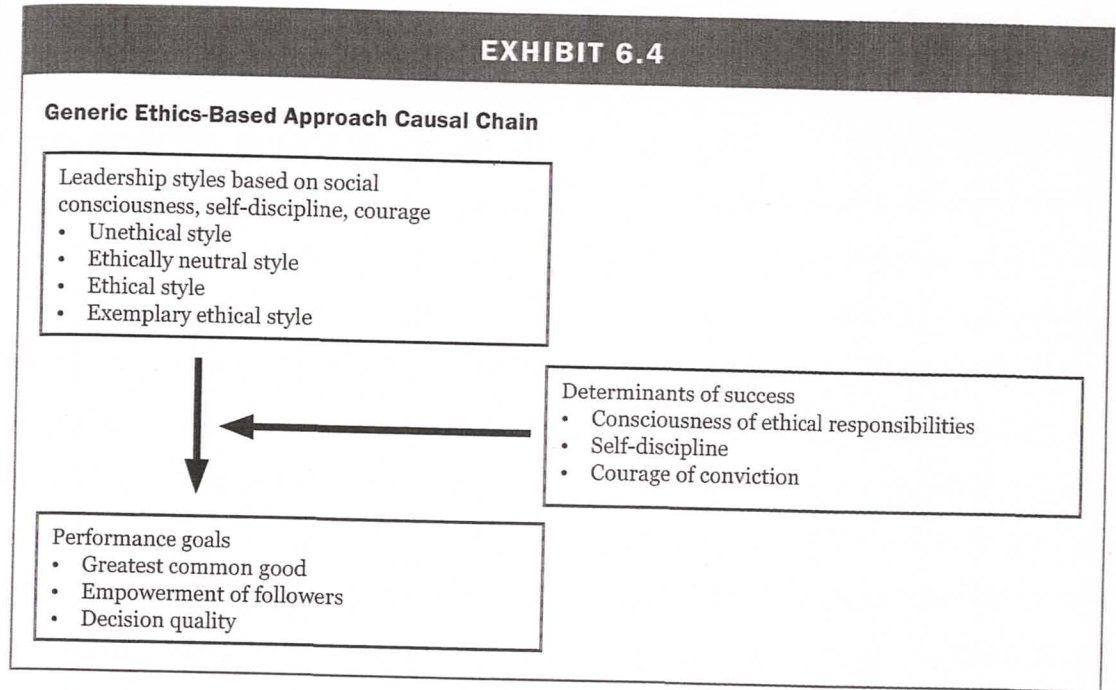


Models of ethical leadership are generally proposed as universal theories, although a significant difference is related to private-sector settings, which allow more moral discretion about social responsibilities as opposed to basic corporate or agency responsibilities. An important exception may be the highest level of exemplary leadership, which requires acts of extraordinary courage or sacrifice. Such challenges and opportunities are relatively uncommon and situationally specific.

The quality of ethical leadership is moderated by three factors. First, how conscious are leaders of ethical issues and how active are such leaders in reflecting on them? This cognitive element must be joined with a caring ethic that motivates leaders to integrate competing communal values in wholesome ways. Second, ethical leaders are not occasionally ethical; they constantly practice ethical reflection. This self-discipline is even more important for persons aspiring to be of high character. Great self-discipline is required to accomplish important moral projects or increase the moral awareness of the community. Third, the degree of courage that leaders have will affect their ability to make substantial personal sacrifices.

The performance variables for ethical leadership are dissimilar to other approaches that emphasize efficiency of production or follower satisfaction. Various theorists in this approach propose different goals; increasing the common good and empowering followers are the most frequently mentioned. These goals contrast especially with the power-based approach to leadership. Furthermore, ethics-based approaches implicitly emphasize the quality of decision-making, as demonstrated by the more thoughtful, comprehensive methods they recommend (Cooper 1990). See Exhibit 6.4 for the implicit causal chain for ethics-based approaches.

Because it takes such a different path than most other approaches, ethics-based leadership has a number of strengths. For example, it raises the question: for whom is leadership exercised? In this approach, the context of *leadership as a social phenomenon to enhance the common good* must be the first consideration. Other approaches with a more instrumental perspective may emphasize productivity, success, or influence, allowing some leaders to exercise narcissism in the name of efficiency or control. Indeed, in many business contexts, leaders are taught that social responsibilities are constraints to be avoided or ignored (Friedman 1970). Often, other approaches add an ethical component, but it generally seems to be a codicil to the theory. Ethics-based leadership is also inspiring because of the examples it cites and the challenges it lays out. Theoretically, ethics-based leadership provides valuable insights and recommendations with respect to the courage needed and the nature of leader character. One major weakness is that it offers little insight into the more pragmatic aspects of leadership. Major ethical conundrums are, hopefully, relatively rare in a manager's routine. Moreover, ethics-based leadership frequently has an abstract, philosophical quality. This is partly a result of its



intellectual heritage and partly due to the highly normative base that it advocates. Yet, despite its perceived shortcomings, ethical leadership is certainly foremost in the minds of followers, who routinely place trust, integrity, and similar concepts at the top of their leader preferences, and it is essential in public sector and nonprofit settings in which stewardship is considered fundamental to the right to serve.

**QUESTIONS AND EXERCISES**

1. Do you think that the basic integrity model should be identical across sectors? Do you think that it is?
2. Truthfulness, trustworthiness, and fairness seem basic and straightforward. Is it your experience that most professionals that you are in contact with do, in fact, have solid basic integrity? Explain in general terms why professionals sometimes fall below the baseline of ethical behavior.



3. What is moral management, and why is it important for managers? Provide some personal examples of where it has been lacking or has made a positive difference.
4. Why is authentic leadership grouped with ethical perspectives on leadership?
5. Why is spiritual leadership more supported in public-sector and nonprofit settings than in private-sector settings? To what degree is it appropriate in each of these settings?
6. What is the difference between transformational and transforming leadership?
7. What is the distinction between leaders of good character and those of high character?

## SCENARIOS

What ethical theoretical approach would you use in the following situations to analyze the ethical conundrums represented?

### Scenario 1

Robert is relatively new but extremely hardworking. His productivity is enormous and constituents are always happy with him, even when he denies benefits. Charlotte has been with the organization over twenty years. She is competent but relatively slow and somewhat cavalier with constituents. Both have requested to be moved to an office that has just opened up with a retirement. Both employees feel that they have earned the office perquisite and look to you to be fair. As a manager, you must assign it to one of them. What is the ethical issue, and what ethical perspective discussed in this chapter best captures this issue?

### Scenario 2

As a new manager who has completed a three-month review of your new assignment, you are sure that there are no large ethical issues. However, you have noted that the office has gotten exceedingly lax on the “petty stuff,” such as taking minor office supplies home, using work time for more than occasional personal needs without declaring it on the time sheet, promoting personal agendas in the office environment (e.g., using the work email to sell everything from Girl Scout cookies to used home furnishings). What is the ethical issue, and what ethical perspective discussed in this chapter best captures this issue?

### Scenario 3

Alicia, the manager of the information technology division, has been preoccupied with family and financial issues for several years. It has been difficult for her to stay up to date with new technology upgrades, and employees in the agency have been unrelenting in their requests for customization. Her own employees have not taken up the slack, have become more specialized in their interests, and are discouraged by the agency’s inability to spend the money necessary for several major technical overhauls that would be appropriate. Nonetheless, Alicia reasons with herself that the job is getting done. What is the ethical issue, and what ethical perspective discussed in this chapter best captures this issue?

### Scenario 4

You are a fire chief in a county in which the public has been cutting back public pensions. The union put an initiative on the ballot to protect its members’ lush pension benefits, and the county supervisors responded with an initiative that would allow them the freedom to make cuts as they are doing in other areas of the budget. Normally, public safety initiatives do well in the county, but in this case the union initiative was soundly defeated by a public whose government budgets had plunged. The firefighters are demoralized and angry. They risk their lives at work every day; how could the voters take away some of their benefits? Right or wrong, you will have to motivate the firefighters and EMTs in your agency. What is the ethical issue, and what ethical perspective discussed in this chapter best captures this issue?

### Scenario 5

You are the director of a state corrections agency. Prison populations have increased thanks to “three-strike” laws in place and aggressive district attorneys. Although crime is lower than it has been in decades, the public perception is the opposite and the voters are content with rising prison populations. State budget costs have almost doubled in the past decade. Because of the rising costs of health care, your predecessor was unable to maintain a level of health care sufficient to meet federal standards, so the prison health system was put under court receivership, which mandates state spending. The governor has asked you to spend the bulk of your time working with the legislature, public, and unions to reexamine the system, which has become unsustainable financially and dysfunctional as social policy. You will need to have credibility with various stakeholder groups. To be successful, you will need them to put aside their past perceptions long enough to take another look at a problem that is going to get worse without solutions. What is the ethical issue, and what ethical perspective discussed in this chapter best captures this issue?



**Scenario 6**

You are a successful city manager who has been in the top position in three cities. Your current city is the largest and has been the hardest to manage, thanks to budget cuts, a crime rate higher than the national average, a crumbling infrastructure, and a culture of political corruption. You have been making modest progress against this tough backdrop. Now you have been contacted by the state attorney general's office, which is about to indict nearly half of your city council members on charges that they accepted low-level but nonetheless illegal bribes from a local developer who got a sweetheart deal. Sadly for you, those being indicted are the council members who have been most supportive of you. You could legally provide the minimum support to the attorney general's office, thus saving the council members from being kicked out of office. Or you could provide new leads to the investigators, which might result in additional, low-level charges against the council members regarding the improper use of staff for political purposes. While you will probably keep your job if you are able to stay out of the legal process, the more you are involved, the more likely you will be voted out, an action that could occur at almost any moment. In this economy and at your age, you will probably be forced to retire before you had wanted to do so. What is the ethical issue, and what ethical perspective discussed in this chapter best captures this issue?