

# PUBLIC SECTOR MANAGERS AND ETHICAL DILEMMAS

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## ABSTRACT

Controversies surrounding the behaviour of ministers and high profile leaders seem to be commonplace in public life. That there has been a resurgence of interest in the study of ethics is not surprising. The spotlight on ethics in the public domain has been due in part to the crisis in confidence about government and a lack of public trust in organisations. Furthermore, a complex organisational environment where managers are being required to juggle a 'multitude of competing obligations and interests' (Cooper 1998, p. 244) has provided fertile ground for the emergence of ethical dilemmas. In this paper we put forward a tentative model that reveals important inputs that bear upon an individual, such as a public sector manager, who is confronted with an ethical dilemma. In the final part of the paper we illustrate the model's efficacy with an ethical dilemma described by a retired senior public servant to determine whether the model works in practice.

## SPOTLIGHT ON ETHICS IN THE PUBLIC DOMAIN

Corruption, fraud, illegal conduct and other types of criminal activity have characterised both public and private sectors around the world. Controversies surrounding the behaviour of ministers, senior public sector managers and other high profile leaders seem to be commonplace in public life and never far from the headlines. There is little doubt that different types of unethical behaviour have contributed significantly to increased cynicism and scepticism by the larger public.

This trend is evident in the growing public concern over the inappropriate conduct of leaders and other officials. It has resulted in a resurgence of interest in ethics in many countries around the world, including Australia and New Zealand (see Pajo & McGhee 2003). Some examples of the heightened concern in ethics can be found in the proliferation of university programmes in applied ethics now on offer; the establishment of anti-corruption committees and bodies; and the more widespread use of professional codes of conduct within the private and public sectors internationally (Preston 1999, <http://www.archivists.org.au/events/conf99/preston.html> ). In addition to the broader international trend that has created the 'applied and professional ethics industry' (Preston 1999, <http://www.archivists.org.au/events/conf99/presto.html>; Miller 1999; OECD 2003, 1998), the spotlight on ethics in the public domain has been due in part to the crisis in confidence about government and a lack of public trust in public organisations and personnel. Some public policy analysts (see, for example, Kimber & Maddox 2003) argue that much of the mounting concern over public sector ethics may be related to the effects of economic rationalism, managerialism and privatisation, all of which raise questions about the public good and what is in the public interest. Other commentators (e. g. Sherman in Preston 2000) have raised concerns about the arbitrariness of public sector appointments and the growing politicisation of the public service (Sherman in Preston 2000; Ashkanasy, Falkus & Callan 2000; Mulgan 2000, 1998). Allegations of the politicisation of the public service bring the whole area of ethics and the ethical conduct of public officials sharply into focus because public officials are expected to perform their duties in the public interest, not swayed by party, political or other pressures. Politicisation also runs counter to the ideals of a public service established on independence and impartiality (Kimber & Maddox 2003). Indeed 'the notion of the public service' is indisputably value laden. This understanding implies that public officials are often required to choose among multiple and complex values, thus making their decisions contestable (Preston 1994, p. 1)

For some writers, public sector ethics goes beyond avoiding corruption, being responsive to the government of the day, being efficient or providing a quality service. It involves pursuing wider moral principles in the public interest, such as 'justice, fairness, individual rights (e.g. privacy and due process), equity, respect for human dignity, and pursuit of the common good' (Denhardt in Niland & Satkunandan 1999, p. 84). Furthermore, it is argued that 'without an underlying moral purpose [ethics] is a hollow shell' (Edwards 2001, p. 17). This understanding of public sector

ethics derives from the Westminster principles of representative and responsible parliamentary government, on which the majority of western democratic polities have been founded. We begin this paper by providing a backdrop to understanding the emergence of public sector ethics as an important focus in public policy, and approach this by discussing some of the key pieces of legislation pertaining to ethics and ethical standards within the public sector in one state in Australia.

We make the point that a more complex operational environment in which public servant managers now work is providing fertile ground for ethical dilemmas to surface. It is against these backdrops that we posit a tentative model that explicates the context, forces, and processes confronting an individual, such as a public sector manager, in the course of resolving an ethical dilemma. To illustrate the efficacy of the model an ethical dilemma provided by a senior public sector manager (taken from our pilot study research, see Cranston, Ehrich & Kimber; 2003a; Kimber, Ehrich & Cranston, 2003) is applied in practice.

### **PUBLIC SECTOR ETHICS LEGISLATION IN QUEENSLAND, AUSTRALIA: AN OVERVIEW**

Over recent times, most OECD (2003, 1998) countries have attempted to manage the behaviour and practices of their public servants through a range of processes based on rules and incentives (Gregory & Hicks 1999). Australia is no exception. There is now a new Commonwealth Public Service Act in Australia that has a statement spelling out public service values as its centerpiece (Preston 2000, p. 14). Individual States in Australia have formulated Codes of Conduct for public servants. Various initiatives (such as the development of codes) in the field of public sector ethics were developed during the 1980s in response to several public scandals and Royal Commissions which revealed unethical and at times illegal conduct of public sector employees (Preston 2000, p. 13). For example, the Fitzgerald Report on police corruption in Queensland, Australia, triggered major administrative reform and political changes in Queensland (Preston 1999, <http://www.archivists.org.au/events/conf99/preston.html>). The Electoral and Administrative Review Commission (EARC) established not long after the Fitzgerald report, was instrumental in introducing the *Whistleblowers Protection Act* (1994) and the *Public Sector Ethics Act* 1994 (QLD). These Acts, plus other initiatives (such as the Office of the Integrity Commissioner), were introduced to develop transparency, accountability and ethical awareness in public sector agencies in Queensland. While the *Whistleblowers Protection Act* (1994) provides protection for people who make public interest disclosures to authorised public agencies, the Queensland Integrity Commissioner provides confidential advice, on request to politicians and senior public officials, about conflict of interest issues. This role is advisory only and has been described by Preston (1999, <http://www.archivists.org.au/events/conf99/preston.html>) as 'one of the most significant developments in public sector ethics' in Australian Jurisdictions.

The *Queensland Public Sector Ethics Act* (1994) and its amended Act (1999) mandate that all government entities (universities included) develop codes of conduct and provide ethics training for public officials (Preston 2000, p. 13). Five ethical principles identified in the Act are: 1) respect for the law and the system of government; 2) respect for persons; 3) integrity; 4) diligence; and 5) economy and efficiency (Preston 1999, p. 1324; Queensland 1994a, pp. 6-10). In organisations, Chief Executive Officers are responsible for the implementation of the Act and the development of the codes (Queensland 1994a, 1999).

From the aforementioned Acts and initiatives, it would appear that a public sector ethics regime has been firmly entrenched within Queensland public institutions. Yet the extent to which these practices, including Codes of Conduct, have been effective and have led to ethically sound judgments to a range of ethical decisions by public sector managers since their introduction is not so easily determined. It appears that research in this field is also inconclusive. As Ashkanasy, Falkus and Callan (2000, p. 238) argue, 'researchers have been unable to conclude ... whether the use of a code ... predicts ethical intentions and behaviours'. While codes of conduct continue to be important since they signal that organisations are attempting to meet and address ethical issues as they emerge within organisational life (Ashkanasy et al. 2000), they are, on their own, unlikely to effect real change. However, as several authors have claimed, a code of ethics is an

important part of an overall strategy to ensure an ethical culture is developed and maintained within an institution (Pajo & McGhee 2003; Preston 2000; Preston & Samford 2002; Edwards 2001, p. 14; Gregory & Hicks 1999, pp. 3-15; Whitton 1998). Preston (2000, p. 11) goes as far as saying that it is essential for public sector ethics to 'embrace an institutional framework, challenging organisational cultures as well as individual officials'. Within this scenario there is a place for strong leadership to establish an organisational ethical tone. This point is revisited later in the paper. The next part of the paper affords attention to the complex organisational milieu in which public sector managers operate.

### **COMPLEX MILIEU IN WHICH PUBLIC SECTOR MANAGERS WORK**

For the past two decades in most OECD countries (eg. Brereton & Temple 1999; Miller 1999; OECD 2003, 1998), including Australia (Keating 1989), there has been a dramatic restructuring of public sector organisations in line with the values of managerialism or 'new public management'. According to Kimber and Maddox (2003, p. 43), key characteristics of managerialist practices have included 'devolution and decentralisation: strategic planning; being "mission or goal driven"; dominance of private sector practices and market solutions; an outcomes focus; an emphasis on performance, efficiency and accountability (responsiveness); a customer focus'. Whereas public sector organisations traditionally were located within a bureaucratic model of organisation, the reforms of past decades in Australia have meant significant upheaval to the structures of the public sector and in turn to work practices of managers within them. A reason often proffered for this shift has been the requirement to make public sector departments more competitive, accountable and efficient in the delivery of public services (Keating 1989; Bradley & Parker 2001). Yet it is questionable whether the values of the private sector translate readily into the public sector given that a defining role of the public service is the 'primacy of the public interest' (Preston 2000, p. 17). Indeed, Kimber and Maddox (2003, p. 63) raise the possibility that a restructured public service may have 'compromised the conditions that enable public servants to provide ministers with impartial advice in a "frank and fearless" manner'.

Public sector managers in Australia have been identified as important catalysts of the new reforms since they have been charged with the responsibility to bring about the cultural shifts required to their organisations (Osborne in Bradley & Parker 2001). Seemingly, reforms to the public sector have impacted increasingly upon the managers, more than other officers, whose work within a decentralised system of management has seen them juggling a 'multitude of competing obligations and interests' (Cooper 1998, p. 244) and being responsive to many stakeholders including clients, government and the community. Such a complex operational milieu requires that public sector managers need to confront and resolve often conflicting forces as they endeavour to balance individual, organisational, governmental and community expectations in their decision making. Like Whitton (1998, p. 57), we would argue that the pressures and complexities inherent in the modern public sector enterprise are creating the conditions for ethical dilemmas to flourish.

This paper; then, is concerned with the ethical dimension of public sector managers' work. In particular; it takes as its focus the nature and complexity of ethical dilemmas faced by them. The next sections review some of the salient literature on ethics and ethical dilemmas, and a tentative model of ethical decision-making is discussed.

### **ETHICS AND ETHICAL DILEMMAS**

The etymology of the word, 'ethics', comes from the Greek *ethos*, which means 'character', so that an ethical person is one who has character. However, what constitutes 'character' is likely to be interpreted broadly. That the meaning of ethics has been subject to considerable debate and contestation is not at all surprising. Drawing upon the work of early Greek philosophers, Plato and Aristotle, Freakley and Burgh (2000, p. 97) state that ethics can be understood as 'what we ought to do'. Thus it requires judgement and reasoning in decision making that raise questions regarding what is right, wrong, good or bad conduct, fair or just. Yet another way of viewing ethics is to see it as a 'set of rules, principles or ways of thinking that guide, or claim authority to guide, the actions of a particular group' (Singer 1994, p. 4). 'Guide' is the operative word here as there is no universal recipe for resolving ethical dilemmas.

There appears to be general agreement in the literature that ethics is about human relationships and how we, as human beings, ought to act and relate to one another (Freakley & Burgh 2000). This particular perspective of ethics is called 'virtue ethics' and dates back to Plato and Aristotle (in Freakley & Burgh 2000, p. 111). In the context of the public sector, positive working relationships based on trust, honesty and integrity between public sector officials and a range of other stakeholders such as officials in other departments and agencies, ministers, members of parliament, ministerial staff and members of the wider community are central.

As identified earlier in the discussion, ethical dilemmas are likely to confront public sector managers as they endeavour to choose options amongst competing sets of principles, values and beliefs. Badaracco (1992) refers to these competing sets of principles as 'spheres of responsibility' that have the potential to 'pull [managers] in different directions' (p. 66) and thus create ethical dilemmas for them. An ethical dilemma, then, can be described as a decision that requires a choice among competing sets of principles, often in complex and value laden contexts. Kidder (1995, p. 16) maintains that many of the ethical dilemmas facing professionals and leaders 'don't [just] centre upon

right versus wrong [but can] involve right versus right'. Ethical dilemmas can arise from equally attractive options that could be justified as being 'right' in particular situations (Duignan & Collins 2003, p. 283). We contend that within complex contexts and circumstances it may *not* be so easy to discern what the 'right' option might be and what the 'wrong' option might be or whether the action is legal or illegal. The next part of the discussion alludes to several ethical decision-making models that have emerged in the literature in recent years.

#### **ETHICAL DECISION MAKING MODELS & FRAMEWORKS**

It is beyond the scope of this paper to provide a comprehensive discussion of the range and variety of ethical decision making models that have emerged in the literature in recent times. However, we do provide a short review of some ethical decision-making models as they are relevant to this discussion.

The focus of some of the earlier models in the ethical decision making field has been on the influences and forces affecting decision makers who are faced with ethical decisions (see, for example, Bommer, Gratto, Gravander & Tuttle 1987; Ferrell & Gresham 1985; Hunt & Vitell 1986). As an example, three of the forces Ferrell and Gresham (1985) identified in their contingency approach model were individual factors such as an individual's knowledge and beliefs; significant others in the organisation setting; and opportunities for action affected by codes, policy or rewards/punishment (in Fritzsche 1991, p841). In a conceptual model proposed by Bommer et al. (1987) six key categories were seen to influence a manager's decision. These included (1) the work environment, (2) the legal and governmental environment; (3) the social environment; (4) the professional environment; (5) the family and peer group; and (6) individual attributes. Bommer et al. (1987) also identified perceived consequences and risks as factors that may affect a decision.

Based on the Ferrell and Gresham model (1985), Fritzsche (1991) designed a comprehensive inter-actionist model that illustrates several interrelated components of ethical decisions with feedback loops at various points. In the model, the individual appears as the first component. He or she brings to the situation values formed over many years of experience. These values are mediated by other forces inside the organisation such as organisational goals, the organisation's climate and stakeholders (all of which constitute the organisational culture). These, then, impact upon the problem, which has the effect of motivating the decision maker to search for solutions. These solutions are evaluated against a set of decision dimensions (including economic, political, technological, social and ethical issues). Selection of the decision will have an internal and external impact on the organisation. Thus, the consequences of a decision may impact upon the organisation's culture (internal impact) or impact upon decision options in the future (external) (Fritzsche 1991, p. 850).

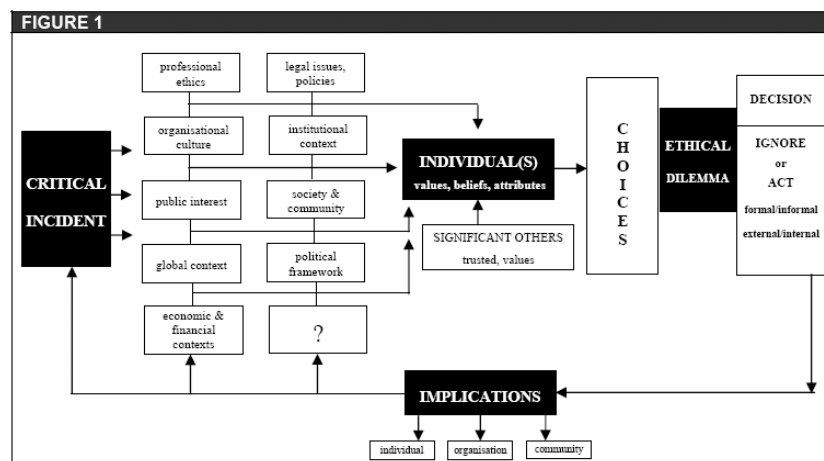
It appears that a great majority of the models of ethical decision-making in the business field pertain to the private sector rather than the public sector. An exception here is a model of ethical decision making by Preston and Sampford (2002, p. 93) which is now reviewed. Central to their model is the notion that general public sector values (i.e. those values that support a public interest or the common good) are those that should guide decision makers caught in ethical dilemmas. The importance of serving the public interest is understandable in their model (and different from the aforementioned models) because this notion is a defining feature of work in the public sector.

The Preston and Sampford (2002, p. 93) model consists of a series of steps starting with (1) assessing the situation (which requires drawing upon one's values); assessing the specific agency requirements (which includes referring to the agency's code of conduct and or policy and procedures; (2) considering dispositional factors (including questions such as 'how does the issue relate to the kind of official I want to be?'); (3) a comprehensive assessment of the alternatives (i.e. weighing up gains with losses: ensuring the decision is not breaking the law); (4) making a judgement; and finally, (5) documenting the decision and being able to justify it. This final step is seen as critical because it reinforces the point that decision makers are publicly accountable for their choices (Preston & Sampford 2002, p. 92).

Similar to the other models, the Preston and Sampford (2002) model identifies the key role of values held by the individual; the influence of the organisation and organisational climate; a set of alternatives; and the need for a judgement to be made. The next section discusses the development of our model. A case study taken from our previous research (Cranston et al. 2003a) is provided to illustrate the way the model can be applied in practice.

### A TENTATIVE MODEL OF ETHICAL DECISION MAKING

The model presented in Figure 1 was developed from both the literature and from an iterative approach we used to refine the model. The first and main source was our understanding of the literature on ethics in the public sector (e.g. Preston 2000, 1999, 1994; Preston & Sampford 2002; Whitton 1994) and ethical issues within management (e.g. Campbell 1997; Cooper 1998; Duignan & Collins 2003). Of the ethical decision-making models reviewed, Preston and Sampford's model (2002) was most relevant to us because it reflected the public sector context and paid tribute to the importance of the public interest. However, other models, such as those proposed by Bommer et al. (1987), Ferrell and Gresham (1985) and Fritzsche (1991) that identified the role of an individual's values and dispositions and how these values are mediated by the organisation, significant others and other key forces (i.e. legal force, political force, social force and so on), contributed to our thinking about the design of the model.



The other way we were able to develop the model was through an iterative grounded approach, where we drew upon the dilemmas identified by six senior public servants in our pilot study (Cranston et al. 2003a), and considered these in the light of the emerging model. This helped considerably, to shape and refine the various components of our model. Complementing this approach was a series of discussions with participants (from education and business backgrounds), in a number of forums, who provided critical feedback on the emerging model. The next part of the discussion considers the model in some detail.

As can be seen in Figure 1, the model is composed of five interrelated parts. The first, the *critical incident* or problem, triggers the ethical dilemma. The second is a set of *forces*, each of which has the capacity to illuminate the critical incident from its own particular bias or basis. In an ethical dilemma the tensions may emerge from different perspectives emanating from within the one force and/or may be the result of competing perspectives coming from different forces. Illustrated here are ten competing forces - *professional ethics; legal issues, policies; organisational culture; institutional context; the public interest; the society; the global context; political framework; economic and financial contexts; and "? "*.

Each of these forces is now considered briefly. What needs to be again emphasised, is the potentially dynamic interdependence of each of these, some surfacing more dominantly than others depending on the individual context or situation concerned, and the nature of the decision to be made. These forces might not be mutually exclusive, but rather there seems to be a potentially dynamic relationship between them.

#### CRITICAL INCIDENT

- *Professional ethics* refers to the standards, or norms, values and principles members of a person's trade or profession hold. These standards may be formal or informal, or written or unwritten. Highlighted here are the ethical obligations generated by being accepted into a profession or trade (Edwards 2001, p. 15; Campbell 1997, p. 221).
- By *legal issues and policies* we mean legislation impacting on public institutions such as anti-discrimination legislation requirements (Ehrich 2000) as well as rulings made by courts, especially when they set a precedent. Also included here is the understanding of the law as 'a consistent set of universal rules that are widely published, generally accepted, and usually enforced' (Hosmer 2003, p. 64). In a democratic system the rule of law is significant. In a common law jurisdiction such as Australia all citizens including public officials are governed by the same laws.
- The customs or 'ethos' of an institution inform its *organisational culture* (Edwards 2001). Organisational culture centres on relationships amongst people, and on building and maintaining trust in those relationships. An organisational culture can be strong or weak. 'A strong culture ... is characterised by the organisation's core values being intensely held, clearly ordered and widely shared' (Robbins & Barnwell in Preston & Samford 2002, p. 57).
- The *institutional* context may, for a senior public servant, manifest as the need to seek to reconcile multiple and competing accountabilities to other colleagues, the minister and the wider community (Campbell 1997, p. 225).
- The *public interest* is a central factor in ethical decision-making and refers to the 'expectations', needs, wants and, ultimately, the well-being of the community as a whole (Edwards 2001, pp. 11.13). The public interest can be expressed through the ballot box, interest groups and on-going debate and discussion. It includes things such as ensuring the accountability of public officials for the making and administering of laws, policies and regulations. If, for example, a public servant is convinced that a superior or the minister is acting in their self, rather than in the public interest, then s/he might feel that matter is of such importance that they take it directly to parliament or to the media.
- *Society* refers to an organised system of social interaction. In this instance we refer to the key stakeholders who are served by or interact over the product or service provided a department of state/portfolio (eg. dairy farmers and Primary Industries).

- The *global context* relates to the wider global, social, political and economic context impacting on institutions. Globalisation has had a major impact upon the practices of organisations manifested, for example, in the cultural diversity of staff and the influence of market-based practices in the governance of the public sector (Currie & Newson 1998).
- The *political framework* is detailed in the political science and public administration literature (see, for example, Singleton, Aitkin, Jinks & Warhurst 1996). Briefly, the Australian political system is federal in structure with each jurisdiction operating under a system of representative and responsible parliamentary government. Federalism and representative and responsible parliamentary government can conflict. In Australia, responsible government generally entails individual ministerial responsibility and collective cabinet responsibility. The political framework can also be seen to refer to the particular ideological view of key members of the government of the day that may translate into a significant force at the institutional level.
- The *economic and financial* contexts might emerge from economic rationalist thrusts applied to the public sector whereby private sector practices are introduced into the public sector (James 2003) such that concepts of the free market for example, are brought to bear on organisations.
- The *untitled force (?)* was included to signify that a significant force not identified at this time could emerge in the future.

It is important to note that particular forces will impact to varying degrees on the individual as he or she responds to the critical incident. It is likely that an individual's personal attributes, values and beliefs will play a major role in determining the type of decision made so that a number of possible choices emerge. The *individual* who is faced with the challenge of resolving the problem at hand is situated at the core of the model and constitutes its third component. The individual is in no way neutral but brings to the dilemma his/her own values, beliefs and personal attributes that have been shaped over time by a variety of sources such as religion, culture, socialisation and conscience (Edwards 2001; Singer 1993). Badaracco (1992) uses the term 'the commitments of private life' (p.66) to explain the importance of an individual's personal morality in determining the outcomes of ethical decisions. As shown in the model, an individual may also be influenced by the advice of significant and trusted others.

The fourth component of the model is the *choice* made by the individual among the competing alternatives. Here the *ethical dilemma* emerges. The decision might lead to either *ignoring* the dilemma or *acting* in one or more ways in order to resolve it. Those actions can be *formal* or *informal* or *external* or *internal*. Finally, the fifth component, the action (or non-action) is most likely to create particular types of *implications* for the *individual* concerned, for the employing *organisation* and for the *community* as a whole. Also illustrated in the diagram, is that the implications of the decision could continue beyond the individual, organisation and community and could generate new critical incidents, dilemmas and/ or contribute to new ways of thinking about the forces involved. Although not shown in the model, it is probable that individuals may consider the perceived implications and consequences of their choices during the decision-making process and these could impact upon the decision taken. Each of the five components will be illustrated in the next section that provides a case study and commentary on an ethical dilemma faced by a public sector manager. The case study is based on an experience identified by a retired senior public sector manager in Australia in a qualitative research project on ethical dilemmas in the public sector that the authors carried out. A full discussion of the findings from this research can be found elsewhere (see Cranston et al. 2003a).

#### *Case Study: Alex*

*Alex is a senior public servant who has worked in two State public service departments over a twenty-year period. Prior to this he was employed as a chartered accountant. In the course of performing his duties, involving primarily monetary and budgeting issues, Alex becomes aware that public revenue is being used inappropriately. While he is not directly responsible for this aspect of the budget, he raised his concerns about the channelling of funds from one part of the budget to another to Bill, the Head of Division. Alex learns that not only is Bill aware of this practice, but also that he condones it. Not long after, Alex is summonsed to talk to Bill and to the*

*Director-General about the issue. In preparation for this meeting Alex prepares a short paper that identifies his understanding of the key issues and presents this to Bill and the Director-General. Due to the politically sensitive nature of the issue, Alex is told that the matter is not within his jurisdiction and therefore he should 'keep his nose out of it'. This advice is based on the fact that the incumbent government will not only= confi or7t questions about how it puts its budget together but that it also faces electoral defeat if the matter were to be made 'public'. Alex and his two supervisors are acutely aware of the tensions between the department, the minister and the government. This unease manifests itself around the advice the department provides the minister with, and the advice that the minister and the government want to hear in particular: After much soul searching, Alex decides to obey his supervisors by leaving the matter alone.*

### **Commentary**

The *critical incident* in this situation can be summarised as the misuse of public money with senior officials trying to hide the fact. There seem to be several dominant *forces* at play in Alex's ethical dilemma. It is apparent that Alex draws upon his beliefs about ethical conduct from his training as an accountant, thus professional ethics is one of the key forces bearing upon his decision. His professional ethics derive from his beliefs about the appropriate role of public employees in serving the public interest. There is the expectation that public servants will use public funds in defensible and ethically accountable ways. The society force refers to key players, such as taxpayers, public servants, government members and groups served by a particular department, who stand to lose in some way by the misuse of public funds. The political framework also appears to be a pervading force in the case study, since there is the politicisation of advice evident in the tension between the department, on the one hand, and the minister, on the other hand.

The legal, institutional and organisational forces *may* have influenced Alex's thinking regarding the dilemma also. The legal force not only relates to public sector legislation (e.g. Whistleblower Protection, Freedom of Information, and other important guidelines), but what is perceived as legal and illegal behaviour for government officials as well. As with the legal force, the institutional force concerns codes of conduct and pertinent policies and guidelines that outline correct procedures for reporting incidents like the unethical behaviour of colleagues. Finally, whether the organisational culture in which Alex works is reliant upon relationships of trust (or lack thereof) among organisational members and whether the actions (and past actions) of leaders support or discourage people from reporting unethical behaviour are questions of some significance, as an organisational culture that fosters trust and enables leaders to model ethical behaviour is one in which organisational members will be encouraged to make ethical decisions.

Of the ten forces, it seems that political is one of the most potent in directing Alex towards a resolution to the dilemma since he *chooses* to accept the advice of his supervisors and not to pursue the matter further. By taking this action, Alex risks his commitment to an independent public service and to the professional code of conduct governing accountants. The implication of Alex's decision on the department and Government is minimal since the practice of misrepresenting funds remains hidden and no blame is apportioned to them. This situation is not the case for the community as the inappropriate use of public funds could have dire implications for community members who may be disadvantaged in some way or another. While Alex does not lose his job, does not defy his supervisors, and does not leak this matter to the press, he personally experiences a lingering sense of doubt and guilt that he did not make the best decision at the time. As he said (in Cranston et al. 2003a, p. 18):

I probably wimped out. I said, 'Okay, I'll keep my nose out of that'. So in some ways I was a wimp in that context [but] I'd done what I thought was the right thing.

It is evident that Alex's personal and professional values were significantly tested by this dilemma.

## DISCUSSION

It could be argued that the situation Alex finds himself in might be described as one of multiple and conflicting values or accountabilities. There appears to be tensions among sets of competing values. Possible conflicts include: (1) obeying supervisors' directives versus following his own personal values; (2) choosing to serve the best interests of the community versus the need to be responsive to the government of the day; and (3) following his professional ethics versus his desire to maintain his career. In this illustration, there is little doubt that Alex was caught in a highly complex dynamic milieu of forces (Cooper 1998). The case reinforces the point that public servants do not work within a political vacuum; the context is highly politicised (Kimber & Maddox 2003; Ashkanasy et al. 2000). This issue is now taken further.

Under a Westminster-type system of government an employee's views are not supposed to 'take precedence over government policy'. Yet, if the employee considers an instruction to be unreasonable or unlawful, there is an expectation that he or she should refuse to comply with it. This interpretation picks up on the notion of public servants being motivated by a duty to serve the wider public interest. As the *Public Sector Ethics Act 1994* (in Preston 2000, p. 17) states:

Public officials are expected to act in 'the public interest'.

Public officials also control, in various ways, the use of financial and other valuable resources provided by the community. The use, and misuse, of those resources raise important questions of professional ethics for administrators.

It is similarly expected that those public officials who control the financial and other resources provided by the community have an ethical obligation to ensure that those resources are used efficiently and appropriately.

In the case provided, it is anticipated that Alex would have been aware of the issues identified above when he weighed up the options and reached his decision. In making his final decision Alex seemed to be guided by the principle of what would create the least cost to the majority of the people. In choosing not to act, he considered very carefully the implications and future repercussions of the decision on himself personally, the government and his immediate supervisors. If he had ignored the advice from his supervisors and taken the issue to the minister, Alex may have risked not only his current position but his career as a public servant as well. This consequence could have weighed heavily upon him. Concern over losing one's position and jeopardising one's future career prospects through making mistakes or failing to take the advice of supervisors was a theme that emerged from a qualitative study of thirty new managers' experiences of ethical dilemmas within organisations (Badaracco & Webb 1995). An important conclusion reached by Badaracco and Webb (1995) was that because people are so concerned about their careers, this can have the effect of 'creat[ing] strong pressures to choose the easier wrong rather than the tougher right in a difficult situation' (pp. 23-24).

Similarly, in a public sector characterised by intensified politicisation and pressure (Kimber & Maddox 2003), it appears that there is a greater chance of public servants choosing to give advice to ministers that they know will please them out of fear (Smith & Corbett 1999). By extension, a public servant could refuse to give certain advice to ministers because that advice may displease them. This latter situation seems to be applicable in Alex's situation.

Alex's case suggests that the politicisation of advice - which might be considered to be the most insidious form of politicisation - can be related to the appropriate and ethical conduct of public servants and ministers. In an impartial public service Alex would not have feared addressing the issue of misappropriated funds openly with the minister. Providing such advice was the 'right' action to take. It seems that the rhetoric of a politically neutral and impartial public service is at odds with the reality. Some empirical research (see Cranston et al. 2003a; Kimber & Maddox 2003) in the field has reinforced this point. For example, findings from our pilot study research (Cranston et al. 2003a) provide support for the dominance of the political force in directing senior public servants to make particular types of decisions.

For instance, in our study there were a number of situations in which managers compromised their own sense of 'rightness' because to do otherwise may have resulted in their jobs and or careers being terminated. Hence, in terms of Kidder's (1995, pp. 13-56) simplistic choices of right

versus wrong and right versus right. the dilemma faced by Alex seemed to fit the 'right versus wrong category. Further, it appears that the possible dire set of consequences of the dilemma prevented him from being able to take the 'right' action. In fact, it would be a brave individual who would speak out against unethical practices operating within an organisational culture such as the one in which Alex worked. Not only was the organisational culture not conducive to ethical behaviour and practices, but also Alex's supervisors lacked the type of leadership that Preston (2000) describes as essential for promoting, supporting and building an ethical public service. The case viewed in this paper reinforces what may be considered the public's expectation that its leaders (not only senior public servants but also ministers) have an important role to play in modelling ethical behaviour. It seems that little change will be effected if senior public servants and ministers do not abide by ethical codes of conduct and/or set an example of ethical practice. If ethics is about relationships as some authors would lead us to believe, then it seems that much relationship building based on trust, honesty and integrity is required between public servants and their colleagues as well as between public servants and the ministers they serve. Without genuine relationships and a purposeful commitment to creating ethical workplaces, nothing will change.

## **CONCLUSION**

The essence of what we have attempted to achieve in this paper was not only ambitious but also highly challenging. Nonetheless, we believe that we have made some contribution to the ethical decision-making literature by producing a model that helps us better understand the nature of ethical dilemmas especially as they might be experienced by public sector managers in practice. Our model conceptualises the particular forces impacting upon, and the processes characterising the decision-making steps an individual follows when faced with an ethical dilemma. By illustrating an ethical dilemma described by a senior public servant, it was shown that the model not only has practical application but also has the potential to assist researchers in other discipline fields to analyse, better understand and categorise particular types of ethical dilemmas. Although only one dilemma confronting a senior manager was illustrated against the model in this paper, our research of six public sector managers (see Cranston et al. 2003a) reported that ~the model is useful in helping us to explore more fully the nature of ethical dilemmas and the forces impacting upon the likely choices that they can make. Our current research with school principals and university academic managers (Cranston, Ehrich & Kimber 2003b) (both of whom could be considered occupying 'middle level management positions' within their respective organisations) is also pointing to the efficacy of the model in these contexts. This suggests that the model does have applicability across different levels of management. However, further research is required to enable us to make stronger claims about its applicability to other fields and to other levels of management.

The exercise of developing a model has reinforced to us the complexity of the field of ethics and underscored the acute challenges of resolving ethical problems. There seems to be little doubt that if institutions are to embed ethical practices into their culture, processes and structure, there is a strong role for leadership in facilitating this process. Preston and Samford (2002, p. 50) identify an important way forward for public sector ethics when they explain that ethics needs to be built 'into the ethos, policies and practices of an institution'. To embed ethics into the culture of an institution would help public servants to understand the tasks they face and assist them in resolving ethical dilemmas. Yet how ethics can be best institutionalised is a contestable question. Codes of conduct and similar guidelines are important. Several authors maintain that continuing education and training, the conduct of leaders (ministers and their advisers included) and an adequately resourced and mandated coordinating office are important ways to monitor and advise on ethics across government. Nevertheless, it should be underscored that the task of creating a more ethical public sector is no easy feat. It seems that politicisation will continue to exacerbate the challenge of building and sustaining an ethical public sector. Preston (2000, p. 20) is right when he says it is likely to be a long-term project. However, our research suggests that it is an ideal to aspire to but in the current context of increasing politicisation of the public service this project might not be obtained.

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