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Ethical Governance in the Twenty-First Century

"Most of the things worth doing in the world had been declared impossible before they were done."
—Justice Louis Brandeis

What emerging issues and challenges should we focus on to ensure that ethical governance moves forward, not backward, in the twenty-first century? There are many. Among them are privatization, the Information Age, the global pursuit of economic well-being and democratic governance, and ethics education. The future, it so often seems, is here with the historic boundary between public and private sectors a vast blur. Equally blurred is the timeline between the past, present, and future. The time warp of cyberspace and instantaneous worldwide communication has all but collapsed our calendars. In this concluding chapter, we take a close look at these challenges that must be overcome to foster ethical governance.

The Privatization Challenge
The privatization of public services and facilities is in full force worldwide. Governments of all sizes and descriptions are redefining their roles and responsibilities in providing and delivering public services. Cities, counties, states, and the U.S. government are entering into new relationships with private-sector organizations—profit and nonprofit—to "create a government that works better and costs less," to borrow the title of the Report of the National Performance Review (1993). In some instances, the result has been load shedding—disengaging entirely as a governmental service provider. In other instances, government contracting with a private profit-making firm or a nonprofit organization to deliver public services has been the preferred modus operandi.

When David Osborne and Ted Gaebler issued their clarion call in Re-inventing Government: How the Entrepreneurial Spirit Is Transforming the
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*Public Sector* (1992), the response was nearly instantaneous and widespread. The reinventors endorsed privatization and called for public managers to be entrepreneurial in leading their agencies. Precious little was uttered about what privatization or entrepreneurialism might mean for ethical management. Indeed, there is no mention of ethics in their book. Perhaps Osborne and Gaebler believed there is little to be concerned about since they are not calling for managers to engage in illegal activities—merely to manage differently within the law.

Laura Abbott (2006) who worked for twenty-six years as a uniformed officer of the U.S. Public Health Service in the Department of Health and Human Services describes her experience with contractors in this way:

> It has been frustrating because even if the legal means are available to force contractors to meet their deliverables, at least in my department, the will to enforce them is seriously impaired or perhaps intentionally ignored. As government has turned to greater and greater use of contractors, supposedly for support functions, the chain of accountability and sense of common purpose has been much diminished. . . .

H. George Frederickson (1997, 194) pulls no punches in asserting that the privatization movement will eventually collapse or, at a minimum, retreat on the heels of greed and corruption amid renewed “calls for administrative competence in government.” Contracting in particular, Frederickson (193) reminds us, has “always made a tempting environment for kickbacks and fraud. Doesn’t anyone remember why Spiro Agnew resigned as vice president?” Frederickson’s indictment is unflinching. “As more privately inclined people are appointed to governmental positions and as more governmental services are based on the enterprise model,” the more likely it is that we will
experience corruption and unethical behavior (180).

Linda deLeon takes a more optimistic view of ethics, privatization, and public management entrepreneurship. She (1996, 496) argues that “public entrepreneurship can be, and at its best is, ethical.” She acknowledges, however, that the values commonly associated with successful private-sector entrepreneurs—egotism, selfishness, waywardness, domination, and opportunism—if not adequately constrained or checked may result in norms antithetical to the public interest. Self-serving, profit-seeking, calculating public entrepreneurial managers may be able, if successful, to spot opportunities and marshal resources to produce innovation, but the trade-off may be a diminished ethical environment. Nonetheless, deLeon believes that ethical entrepreneurship is possible and should be encouraged in public organizations.

But what evidence do we have that privatization or reinvention or
entrepreneurialism threatens ethical management in government or, at worst, evokes corrupt and unethical behavior? Some evidence is supplied by Cohen and Eimicke (1999) who have investigated three cases of public entrepreneurship—the Orange County financial bankruptcy case resulting from a $1.6-billion loss; a risky hotel partnership project in Visalia, California; and the successful privatization of Indianapolis’s wastewater-treatment plants.

The Orange County, California case is an example of entrepreneurship gone amok ethically, crossing over into the illegal. Robert Citron, the county treasurer, invested locally pooled funds in fiscal instruments known as derivatives that produced spectacular financial gains until interest rates began to rise. When this happened, the financial bottom fell out and eventually forced the treasurer out of office and Orange County into bankruptcy in 1994. Two years later, Citron was sentenced to one year in jail and fined $100,000.

The Visalia case is more problematic as an ethics failure or success story. What is clear is that the city took risks with taxpayer dollars when its partnership with the Radisson hotel chain to build and operate a hotel on city-owned property floundered. The end result was that the city was forced into buying the hotel and assuming its debts.

In Indianapolis, the city often cited as the epicenter of municipal privatization, Mayor Stephen Goldsmith set about privatizing more than forty city services in the early 1990s. Among those services were the waste-water-treatment plants. Although the city’s plants were considered efficient, the city administration decided to contract out the services. The result was that a firm based in France with 51 percent ownership by the local Indianapolis Water Company won the contract and was able to achieve significant financial savings. Based upon their examination of the experiences of these three cases, Cohen and Eimicke conclude that public entrepreneurshin can be ethi-
cal, but that a large measure of care, caution, and competence should be exercised.

As a case in point Richard K. Ghere (1996) describes the arguable if not unethical results of a partnership forged between a metropolitan county in a Midwestern state and a local chamber of commerce. The county sought to promote tourism, attract convention business, and develop a regional economic development strategy that would lure international business. A 3 percent hotel/motel bed tax was earmarked for this purpose, and the local chamber of commerce was contracted with to provide these services. Suffice it to say that chamber officials were delighted with this arrangement and were energetic partners—perhaps too energetic. As time passed, a number of “irregularities” began to accrue. These included non-competitive awards made to vendors who had family connections with chamber officials, falsification of...
expense reports and convention business activities, golf and dinner outings for county commissioners paid for by the chamber, and questionable international travel provided by the chamber for county officials. Ghere’s analysis does not detail the extent to which the chamber’s practices may have permeated county government as a whole. But it is clear that the relationship or partnership at the top did little to foster an ethical climate. Indeed, this case points out how the privatization of a public function amounted to the diminishment, if not privatization, of ethical behavior ordinarily expected of public officials. The contract, of course, was the vehicle for this transformation.

Other stories of privatization challenges to ethical governance can be found in Florida. The next sections illustrate three of these stories.

Use and Abuse of Insider Information

Another contractual ethical issue is the use and abuse of insider information. Consider the State of Florida, which, under Republican governor Jeb Bush (1998–2006), has moved full force into the privatization of Florida government. Insider information was apparently used in securing a $126-million state technology contract by a private firm. An investigation by the Florida Department of Law Enforcement concluded that the company had insider information as the company easily won the contract over nineteen competitors. Here’s what happened. A company employee who was hired as a consultant also served as the de facto chief of staff for the State Technology Office, the granting agency. An editorial in the St. Petersburg Times (2005) described the situation as “a curious work environment, one in which government employees and those hired under contract were virtually indistinguishable.” The Florida Department of Law Enforcement and the state attorney, despite having misgivings about the curious work environment.
decided they lacked sufficient evidence to criminally prosecute the company. One unexpected outcome, however, was the finding that Florida’s ethics laws do not apply to private-sector employees when they have acted in a state agency executive capacity.

**Private Contracting for Prison Management**

In 2004, thirty-four American states awarded contracts to private profit-making firms to operate prisons. Florida was one of those states. The state contracted with private firms in 1993 to manage its prison system. The law also created the eight-member Correctional Privatization Commission to oversee the contractors who manage five prisons at a cost of $106.4 million a year. A decade later, however, dissatisfaction with the lack of management oversight by the

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commission had reached the point where the Florida legislature said “enough.” In 2005, the Florida legislature terminated the Correctional Privatization Commission (CPC) and transferred all of its powers and duties to the Florida Department of Management Services (DMS). What happened?

A review by the Florida Office of the Inspector General (2005) of the financial transactions of the CPC uncovered sordid details about this particular form of private-public cooperation. It seems as if the two for-profit prison companies overbilled the state by $12.7 million during this period. The commission paid the two contractors—Corrections Corporations of America and the GEO Group—for guards that did not exist at the prisons. The overbilled funds were then remitted back to the CPC’s Grants and Donations Trust Fund to enable the CMC to pay staff salaries. As it turns out, the legislature eliminated the commission’s budget in 2001 but not the commission. Thus the commission found a creative, entrepreneurial way to keep its ten-member staff employed. Is it any wonder that the CPC failed at overseeing the contractors?

**Privatizing Home Building Reviews and Inspections**

The privatization of home building plan reviews and inspections to ensure that codes are met illustrates another side to public-private cooperation in Florida. Many communities are experiencing a significant building boom. Consequently, the building departments of local governments have not been able to process permits and conduct inspections in a manner deemed timely by the building industry. Some building departments take up to six weeks or more to turn around a building permit. Thus the Florida legislature came to the rescue. In 2002, the legislature enacted the “Private Provider Law” (FS 553.791), which enables a building owner to use a private provider to satisfv
building code compliance plans and carry out inspections for the structural, mechanical, electrical, and plumbing components of a building. The law requires the builder to notify the local government of the owner’s intent to use a private provider. The local building official must then issue the requested permit or provide written notice to the permit applicant identifying the specific plan features that do not comply with the code within thirty business days. If the local building official does not provide a written notice of the plan’s deficiencies within the thirty-day period, the permit application is deemed a matter of law and the permit must be issued by the local building official on the next business day.

The Private Provider Law has resulted in a new industry with several engineering firms hiring plan reviewers and inspectors whom, by law, must be state certified and licensed. The president of Capri Engineering, whose firm
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has ten offices throughout Florida, asserts that “the private provider law came along at the right time. It’s a wonderful opportunity for the public and private sectors to work for the benefit of the community.” Others are not so sure, describing the situation as the classic “fox in the hen house.” One county building official put it this way: “They are a for-profit business. Our duty is to serve the public—they’re not doing this as a public service. We are here to protect the public in that sense.” The verdict is still out regarding how successful the cooperation will be between the corps of private providers and local government building departments. Time will tell.

These Florida experiences illustrate the challenging nature that the privatization movement poses for public officials who want to embrace sound ethical management practices. As Frederickson (1997, 171) notes, “it is no small irony that government is moving in the direction of privatization at the same time that there is a rising concern for governmental ethics.”

Information (R)Age Challenges

The privatization “rage” is occurring at a time that coincides with another “rage”—the information “rage.” Americans and citizens worldwide are acquiring PCs, CD-ROMs, handheld devices, MP3 players, and “going online.” The language of the Internet, the World Wide Web, browsers, search engines, e-mail, listservs, blogs, chat rooms, HTML, and more has become commonplace vocabulary. Today’s workplace, whether in the central office, field office, or home, is an increasingly high-tech, information-driven workplace.

Governments throughout the United States have climbed onto the Information Highway en masse. The technical aspects of accessing the Internet pale alongside the attempt to understand and abate the undesirable, and sometimes unethical, consequences that this technology can have on group life in
public agencies. A study of the negative effects of e-mail on social life in the corporate workplace found that effects, such as making the workplace less personal, were a product of two factors—the technology itself (for example, the depersonalization of social relations due to the absence of face-to-face interaction) and intentional choices by users or employees “to avoid unwanted social interactions” (Markus 1994, 119). In other words, technology is not singularly responsible for “negative” social effects in the workplace. Employees can and do make intentional choices in deciding who they do and do not want to communicate with. Managers committed to promoting a strong ethical climate are likely to find this situation especially difficult, particularly in light of our rudimentary knowledge of such behavior.

Another ethical challenge facing managers is implementing and monitoring Internet usage practices. These include surfing the Web on agency time...
for personal pleasure, downloading or viewing obscene material, advertising or soliciting for personal gain, making political statements, posting or downloading inflammatory racial or sexual material, waging or selling chances, and using pseudo names when transmitting electronic messages. What can be done to discourage these practices? One approach is to adopt Internet Acceptable Use policies. But what if these policies do not work and abuse occurs? Ethics management leaders may then have to take further steps. This has happened in the City of Tampa where four city parking division employees were fired after sending e-mails with discriminatory references to sex, race, and ethnicity. Human Resources director Sarah Lang said that “their e-mails were specifically directed at specific employees in a pattern of e-mails that lent themselves to sexual harassment” (Varian 2005). A follow-up investigation of employees’ work habits found that other city workers, forty-four in fact, had sent e-mails that violated the city’s business-only e-mail policy. Disciplinary letters were sent to these individuals with a copy placed in their personnel file. To promote the city’s zero-tolerance Internet-use policy, the HR director sent letters to all personnel reminding them that it is against the rules to send personal e-mails from city-owned computers. Additionally, when employees now sign on to their computers, they are greeted with an on-screen message requiring them to acknowledge the city rule banning the personal use of e-mail.

There is an awareness that the Internet can be a vital gateway to innovative, responsive government. Thus, there is an incentive to provide employees access to and encourage experimentation with the vast storehouse of data and information on the World Wide Web. Consider the approach taken by the city manager of Sarasota, Florida, Michael McNees who created a blog to communicate with residents. His blog (srqm.blogspot.com/) had more than 10,000 visitors during the first six months. Although opinions are mixed
regarding the value of the blog as a vehicle for communicating with city residents, his willingness to use this medium to reach out to citizens earned him the 2006 “Courage in Communication” award from the Florida City/County Management Association.

Other ethical, perhaps legal issues go beyond citizen and employee access and use of the Internet and have to do with the posture of government itself. Online governments and their leaders must position themselves to promote democratic practices such as citizen access to public information while at the same time ensuring that sensitive information is protected. It is one thing to post data about crime rates or AIDS statistics and another to allow access to names or addresses of victims. Likewise, the question might be asked: Is a public service being provided when the county property appraiser’s office creates a searchable database containing property values and loca-
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tions? Or is this merely making it easier for criminals to employ the same technology to target would-be victims?

Many local governments that face lean budget years might be encouraged to adopt entrepreneurial practices such as selling advertising space on their home page or endorsing a commercial product as the official product of their government. Are these practices ethical? Legal? The commercialization of the Internet is well underway. But how far should we go in commercializing government?

Finally, there is the matter of electronic communication between and among public officials and citizens. Few (small d) democrats would object to e-mail replacing fax messages between citizens and officials, but it may be an entirely different matter when the communication path is between officeholders. Will the Information Age, especially in its electronic form, effectively dismantle government in the sunshine? Or, will officials exercise due care, diligence, and caution before jumping on the keyboard and sending an important message to colleagues or top managers?

The Winds of Globalization

A popular saying in the 1970s was that “small is beautiful,” a reaction to big government, big corporations, and big policy failures in America. Three decades later, it can truly be said that small is beautiful globally. With the advent of high-powered technology, instant communication transmissions, endless choice through direct satellite TV programming, and shrinking travel distances and time, the world has never been so small. Elected and appointed officials in places as far-flung as Beijing, Lima, Moscow, Cairo, Johannesburg, London, and Brisbane are instantly aware of the latest political and economic developments in Washington, Chicago, and Tallahassee.
The winds of globalization blew with powerful market-driven force during much of the 1990s. First thought to be only an economic force as countries such as China and Russia and Vietnam embraced market-based reforms, globalization began to expand its reach as a social and political agent of change as countries began to democratize and engage in increasingly transparent policy making. The rule of law became more than a mantra; it became a means through which political leaders envisioned the possibility of seismic shifts in improving their countries’ well-being and, in some instances, lifting their people out of poverty.

Globalization writ large began to touch Americans as well. Appointed and elected officials found themselves scrambling to connect their communities with the opening and exciting opportunities abroad. Sister-city programs sprung up along with international trade delegations from cities, counties,
and states traveling far and wide to explore the new world order, as it was sometimes labeled. Today, there is scarcely a large city or county that does not have an international affairs office.

Public managers soon learned that it was important for them and their organizations to “think globally.” This perspective has been reinforced by professional associations such as the International City/County Management Association (ICMA) and the American Society for Public Administration. Both associations have launched initiatives that emphasis international affairs. Thus managers are increasingly confronted by the norms and ways of different cultures. This has been especially challenging in situations where the cultures vary regarding what is and is not ethical. Giving and receiving gifts among public officeholders in Asian cultures, for example, are commonplace happenings. Similar practices in the United States are viewed with suspicion, and many cities and counties have zero-gift policies.

These differences continue to be debated with one argument calling for a global ethic—a framework for defining right and wrong that knows no social, economic, or political borders. Easier said than done? No question about it. Still, the search for a global ethic is meritorious.

Worldwide ethics management is important. Indeed, the United Nations has been at the forefront in encouraging countries to embrace ethics and integrity in governance. At a 1997 conference on Public Service in Transition held in Greece, more than twenty countries from Eastern and Central Europe and representatives from international organizations such as the European Commission gathered to discuss what can be done to facilitate “capacity building in the broad areas of governance, public administration and finance” (United Nations 1999, 15). Ranked near the top of the list was the critical importance of probity and integrity. The raising of standards and performance in government would require more than combating corruption.
“Public service ethics encompass a broad and widening range of principles and values... objectivity, impartiality, fairness, sensitivity, compassion, responsiveness, accountability, and selfless devotion to duty” (2). More than anything else, the participants concluded, “transition to a free and open society calls for re dedication to democratic values, the respect of human rights and belief in the service of citizens and of the common good” (2).

Ethics Education Challenges

Education for professional public administrators is carried out primarily through 253 institutions of higher education in the United States that provide graduate or undergraduate study in public affairs and administration. As of June 2006, one hundred fifty-five graduate programs at 147 schools were
accredited by the National Association of Schools of Public Affairs and Administration (NASPAA). The master’s of public affairs/policy/administration (MPA) degree is increasingly viewed by the practitioner community as the degree of preference. The inclusion of professional ethics in the course of study adds considerable value to the MPA.

The teaching of ethics is a multifaceted and often controversial enterprise. It is multifaceted because the field of public administration ranges broadly within and across organizations, nations, and cultures. It is often controversial because there is little agreement on what to teach and how to teach ethics. Indeed, some persons believe that ethics cannot be taught in a traditional class or course context. Rather, the best that can be hoped for is to teach about ethics. Still, there is a widespread view among practicing administrators and educators that an ethical public service is essential to a well-functioning democracy. Accordingly, teaching ethics to men and women who occupy positions of public trust should and must be pursued regardless of the uncertain outcomes.

There are three approaches to teaching ethics: sensitivity and awareness, moral reasoning, and leadership and exemplar modeling.

**Sensitivity and Awareness Teaching**

A sensitivity and awareness approach has moved along two primary paths. The first path is legalistic and is often reflected in the advice and instruction provided by state ethics commissions to state and local public employees and elected officials. This approach puts the accent on the “do's and don'ts” of state ethics laws. These laws, as noted in chapter 3, emphasize conflicts of interest, financial disclosure, whistle-blowing protection, and confidentiality of information. This “how to stay out of trouble” approach is also embraced
by the U.S. Office of Government Ethics. The bad news is that this approach often reduces acceptable behavior to the lowest level of “if it’s not illegal, it’s okay!”—which, as John Rohr reminds us in *Ethics for Bureaucrats* (1978), is the “low road” to public service ethics.

The second path is semi-legalistic with a focus on professional codes of ethics or agency rules of acceptable behavior. At the professional association level, for example, nearly every public service group has a code of ethics that its members are expected to support. Two associations are illustrative in this regard—the American Society for Public Administration (ASPA) and the International City/County Management Association (ICMA).

ASPA is a 8,500-member organization consisting primarily of educators, students, and public employees drawn from local, state, and federal agencies and members of nonprofit associations. The ASPA code, which was adopted


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in 1984, identifies five key principles: (1) serve the public interest, (2) respect the Constitution and the law, (3) demonstrate personal integrity, (4) promote ethical organizations, and (5) strive for professional excellence. Members who violate the code can be expelled from ASPA, but there has been few such actions taken (see www.aspanet.org).

The ICMA is a 7,500-member organization consisting primarily of practicing public managers in cities and counties in the United States and abroad (for example, Ireland and Australia). The ICMA code dates to 1924 and provides specific guidance on acceptable and unacceptable behaviors of local government managers. For example, it is deemed unethical for a city manager to leave her management post with less than two years of service, unless there are extenuating circumstances such as severe personal problems. It is also viewed as unethical for a city manager to endorse a commercial product that a vendor might sell to a local government. The ICMA actively enforces the code with a half dozen or more members sanctioned nearly every year for violations (see www.icma.org/go.cfm).

The teaching of ethics based on codes or administrative rules of behavior such as the preceding examples stress the contents of the codes or the rules themselves, which, unfortunately, can become ends in themselves. The teaching of codes and rules is often conducted by personnel within a governmental agency, management consultants, and college and university instructors, especially those in graduate-degree-granting programs that prepare men and women for public service careers.

**Moral Reasoning**

A second approach to teaching ethics in public administration is moral reasoning. The effort here presumes that one can learn to reason through a dif-
ficult moral or ethical dilemma. Learning how to act ethically in public service is just that—a learning process, which when a real-world ethical dilemma arises can be applied with desirable outcomes. The reasoning process puts the accent on decision making through ethical reflection based on the inter-
play of moral rules, ethical principles, self-appraisal, and justification. At the heart of this exercise is what Cooper (2006) calls exercising one’s moral imagination to sort through right or wrong decision outcomes.

Another proponent of teaching ethical decision making is Carol W. Lewis who, in *The Ethics Challenge in Public Service* (1991), presents the reader with a problem-solving guide. Her guide engages the learner with real and hypothetical decision-making scenarios, self-assessment tools, and questions that stimulate ethical reflection. She contends that neither the “low” road of compliance nor the “high” road of integrity is a realistic guide for navigating
the often stormy political and bureaucratic environments of public service. Rather, it is necessary to develop a two-pronged, systematic strategy that incorporates the path of compliance with both formal standards and the path of individual integrity. She labels this approach as the “fusion route” to meeting the ethics challenge in public service.

How does one learn to engage in moral reasoning? The answer is practice, practice, practice. That is, one learns how to reason and make ethical decisions by practicing; the learner can engage himself with decision dilemmas and work through them. A teacher of ethics can use scenarios and small group processes to help the learner practice ethical decision making and acquire skill in doing so. This methodology has much in common with virtue ethics espoused by Aristotle in the Age of Antiquity. Aristotle believed that one could acquire a virtue only by engaging in virtuous acts. But, he was wise to add, one does not acquire a virtue by engaging in foolhardy acts. Jumping into a lion’s cage to acquire the virtue of courage is not what he had in mind! Moreover, it is the pursuit of virtue, a lifelong effort that defines the virtuous person.

**Leadership and Exemplar Modeling**

A third way to teach ethics centers on leadership and exemplars in public service. This approach has had a time-honored tradition in the U.S. military academies such as West Point and Annapolis and is increasingly reflected in the curricula of graduate schools that award the master’s of public administration degree. A handful of schools, for example the LBJ School of Public Affairs at the University of Texas, have established centers for ethical leadership that they believe will attract men and women with a strong desire for leadership responsibilities (see www.utexas.edu/lbj/research/leadership).
The study of leadership, of course, is wide reaching, encompassing commercial, political, and educational sectors. Interestingly, the study and teaching of administrative leadership has been problematic, as Larry Terry notes in *Leadership of Public Bureaucracies* (1995). Several factors have contributed to this situation—the complexity of modern public organizations including the growing interdependency of private- and public-sector organizations, the anti-bureaucratic ethos that permeates American politics, and the challenge of distinguishing administrative leadership from political leadership.

**Effectiveness of Ethics Education**

What can be said about the effectiveness of ethics education in graduate PA/A programs? Are professional schools and programs preparing public adminis-
trators to be effective ethics managers? Are they making a difference? These are difficult questions to answer. There is no question that ethics educators believe they are making a difference (Menzel 1997). Survey data collected from seventy-eight of the member schools of the National Association of Schools of Public Affairs and Administration (NASPAA) that offer an ethics course showed that seven out of ten believe students find the subject matter valuable. A smaller percentage (67 percent) said they believe that students who receive ethics instruction become more ethically sensitive. And, one out of every two respondents assert that perhaps, most important, students use the ethical knowledge gained in their program of study to resolve ethical dilemmas.

These findings are encouraging for those who believe that ethics education is important and does make a difference in the lives of practitioners. Impressions, of course, can be wrong. Moreover, since many educators may bring to their task a professional advocacy (which is presumably neither a brand of moral indoctrination nor ethical zealotry), a self-fulfilling prophecy may be at work. That is, ethics educators may want to believe that they are making a difference and are therefore inclined to report such on a survey. A more definitive measure of ethics education outcomes is necessary.

Survey of MPA Graduates

Thus, another survey was conducted in 1996 that involved graduates of four public administration programs. The schools vary in size, geography, and student clientele. Perhaps most important, all require MPA-degree-seeking students to take an ethics course, and all have had that requirement in place for more than five years. Two hundred sixty-six graduates returned a questionnaire for an overall response rate of 64.7 percent. Two related questions
were asked:

(1) Have you personally faced one or more ethical dilemmas on your job over the past five years?

If the respondent replied “yes,” then she or he was asked:

(2) Did your ethics education help you resolve the dilemmas you faced?

Three of every four persons reported that they had faced a work-related ethical dilemma. The response to the second question for those who said they had faced an ethical dilemma was varied, with forty-three percent indicating that their graduate ethics educational experience helped them while thirty-one percent said it did not. One of every four said they were unsure. All participants were provided the opportunity to comment on why they
felt their ethics education did or did not help them deal with dilemmas. The comments of those who said that their ethics education had helped them can be placed into two broad categories: (1) value reinforcement, and (2) ethics reasoning. Many respondents said that their ethics education, especially as reflected in the ethics course they had taken, did not displace old or existing values with new or different values but clarified and reinforced those that they brought to their course of study. Consider the following comment by a white female in her forties employed by an academic institution:

As an administrator of financial assistance, ethical issues are a regular occurrence. The values that I hold dear were acquired prior to completing an ethics course. However, the course helped me better identify ethical issues and make more objective decisions, which is often difficult to do.

Others noted that their ethics education helped them reason through difficult situations. A white female in her twenties employed by a federal agency exclaimed:

I am in a position to provide government assistance to non-skilled, largely uneducated, lower socioeconomic individuals. My ethics education helped me suspend traditional stereotypical “knee-jerk” reactions and remember that their frame of reference may be different than mine, but that doesn’t make it (or them) “wrong.” Mine is not to judge.

A white male in his fifties employed by a nonprofit organization added:

I saw some confidential information about a parent of a patient. It had implications regarding the parent’s moral suitability for his job. My eth-
ics class made me aware of the legal implications and the necessity of doing something. Although I can’t be sure I did any good, I feel that at least I did do something rather than feeling unequipped to deal with the problem at all.

Among those who said that their education did not help them deal with ethical dilemmas, a number of persons commented that their ethics had been molded by their upbringing, which, for better or worse, was what mattered the most when they were faced with a dilemma. As a young white male employed by a municipality put it: “I believe that most ‘ethics education’ has been completed by about age ten. Formal education will not change people’s ethics in grad school because your ethical foundation has already been laid and built upon during and by life experiences.”
Still others who said that they had faced an ethical dilemma and had found their ethics education not influential often criticized the approach taken in their ethics course. A white female in her forties who is employed by a council of governments asserted: “We discussed academic theories of various belief systems. And, while very intellectually stimulating, it did not seem very relevant when your entry-level job depends on doing whatever is expected of you by your bosses.” Another white female in her thirties and employed by a state agency said she was unsure whether her ethics education helped her deal with an ethical dilemma because “intellectually understanding a framework does not necessarily translate into behavior. Practitioners need an environment that supports or at least allows using ethical considerations as part of the criteria for decision making.”

These comments and the survey statistics provide some insight into the “difference” that ethics education makes, but even more can be learned by disaggregating the data. When disaggregated by school, some interesting contrasts appear. A plurality of alumni at three of the four schools felt that their ethics education had been helpful. A plurality at the smallest school, however, felt just the opposite. On balance, there is probably more “good” news here than “bad” news. Still, the fact that majorities at all schools believe that their ethics education either did not help them or are unsure about the matter could be viewed as a concern.

Probing further, another section of the questionnaire solicited general attitudes and views of ethics education. Nearly seven of every ten respondents said that their ethics education helped them deal with job-related ethical issues. Moreover, majorities said that their ethics education was not a form of moral indoctrination. Moral reasoning as an approach to ethics education is endorsed by nearly eight of every ten respondents.
Professors as Exemplars

Attitudes toward the role of professors in the ethics education equation are interesting. While most said they learned little about ethics from watching the behavior of MPA instructors and feel that ethics instructors should not try to make students more ethical persons, seven of every ten agreed with the statement that “professors should serve as moral exemplars.” An even larger number (92 percent) believe that colleges/universities should prepare MPA students to recognize and deal with ethical issues.

At face value, these findings are encouraging. MPA alumni are discriminating consumers of ethics education. They do not want instructors to be missionaries, but they do want them to teach them how to reason through
ethical issues. Perhaps most significant, students and alumni want their professors to practice what they teach, and they firmly believe that higher education has an ethics education responsibility.

The “New” Ethics

The proliferation of ethics courses is an important development in what Derek Bok (1990) calls teaching the “new” ethics. The applied ethics course, he contends, “does not seek to convey a set of moral truths but tries to encourage students to think carefully about complex moral issues” (73). Continuing, “the principal aim of the course is not to impart right answers but to make students more perceptive in detecting ethical problems when they arise, better acquainted with the best moral thought that has accumulated through the ages, and more equipped to reason about the ethical issues they will face in their own personal and professional lives” (73).

The “new” ethics should also include a focus on teaching future public administrators how to be effective ethics managers. There is little evidence that professional education in public administration even touches on this subject. The irony, of course, is that the leaders of public organizations are engaged in ethics management day in and day out. The present approach is learning by the “seat of your pants.” Educators and NASPAA have much to do in cultivating men and women to be ethics managers that know how to build organizations of integrity. There is no “one best way” to teach or acquire ethics, nor is there one best way to educate ethics managers. NASPAA’s call for programs to “enhance the student’s values, knowledge, and skills to act ethically and effectively... in the management of public and, as appropriate, third sector organizations” cannot be contested. The 1996 Ethics Education Survey points to the unmistakable conclusion that ethical challenges
in the public service are commonplace and choices must be made. The 1996
data also point to the fact that formal training in ethics is resulting in de-
sired outcomes. At the same time, there is evidence that other factors such
as the ethical environment of the educational program are at work and must
be taken into account in order to obtain a more complete understanding of
ethics education outcomes.

More than a decade ago the Hastings Center released a report calling for
the higher educational community to act with greater vigor and conviction in
placing ethics and values in campus curricula. Their message should not be
lost sight of. The report asserted that we cannot afford, wittingly or unwit-
tingly, to be a partner in producing “a new generation of leaders who are
ethically illiterate at best or dangerously adrift and morally misguided at
worse” (Jennings, Nelson, and Pares 1994, 2).

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CHAPTER 7

Building Organizations of Integrity

The teaching of ethics in public administration has a promising future but much more effort is needed, especially in educating men and women to be effective in building organizations of integrity. The findings reported by Paul C. Light in The New Public Service (1999) are revealing and disturbing. Light’s study focused on the graduates of the nation’s leading public policy and administration programs (including Syracuse, Kansas, University of Southern California, University of Michigan, and Harvard). He reports that these graduates, regardless of current sector of employment (government, nonprofit, private), placed “maintaining ethical standards” at the top of the list of skills considered very important for success in their current job. At the same time, when asked if their school was helpful in teaching skills that would enable one to maintain ethical standards, most rated their education as insufficient. In fact, Light reports that this gap between how helpful a school is in teaching ethics and how important ethics is to one’s job success was the largest of all skills listed, including such important skills as “budgeting and public finance,” “doing policy analysis,” “managing motivation and change,” and “managing conflict.”

And, as noted earlier, the National Schools of Public Affairs and Administration (NASPAA) through its Commission on Peer Review and Accreditation incorporated language in its accreditation standards (4.21) that graduates should be able “to act ethically.” Standard 4.21 has encouraged schools to put into place ethics courses or otherwise demonstrate that they are teaching ethics across the curriculum. This tightening of the standards is promising but the evidence regarding the outcome is skimpy. A brief, informal survey conducted by the author in 2001 of more than 80 of the 143 accredited programs in the United States found that many (n = 32) schools have increased
the emphasis placed on ethics in their curriculum but the majority (n = 44) have not. Some schools claim they have not increased their emphasis because they are already giving considerable attention to ethics—a claim that is difficult to validate. A sizeable majority of schools (n = 59) feel that Standard 4.21 is sufficient, although some express concern about its implementation and enforcement by the Commission on Peer Review and Accreditation. Only a handful of schools claim that they have developed outcome measures of their graduates’ ability “to act ethically.”

NASPAA has taken yet another step toward encouraging schools to emphasize ethics with its adoption in 2005 of a Member Code of Practice. The code admonishes all programs holding membership in NASPAA—not just those accredited—to integrate “ethics into the curriculum and all aspects of program operation, and expects students and faculty to exhibit the highest
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ethical standards in their teaching, research, and service.” Perhaps the next significant step that NASPAA should take is to require all accredited programs to either (a) offer an ethics course and/or (b) place an ethics course in the core curriculum. As Dennis F. Thompson (1992, 255) has cogently remarked, “From the truth that ethics is mainly instrumental, it does not follow, as many critics seem to think, that ethics is always less important than other issues.” Paraphrased differently, acquiring the ability to “to act ethically” should not be relegated to the educational rear.

NASPAA might also encourage MPA programs to adopt an ethics code for students. A student code could be useful in introducing students to professional ethics. Curious about whether any NASPAA school has such a code, I placed the following question on the NASPAA listserv—does your school have a student code of ethics? The answer was a resounding and deafening silence. Should a student code of ethics such as the one in exhibit 7.1 be adopted by MPA programs? Perhaps NASPAA should draft a model student code that academic programs could draw on to fashion their own code.

Teaching ethics is a diverse, dynamic, and challenging enterprise. There is considerable evidence that more effort to do so will occur in the decades ahead in the United States and abroad. A chapter in the Handbook of Administrative Ethics (Cooper 2001) tracks the emergence of administrative ethics as a field of study in the United States and leaves little doubt that more attention will be devoted to teaching ethics in public administration schools.

Promoting ethical behavior in public service is not limited to MPA programs. Many universities have established ethics centers and institutes to carry out a myriad of programs and activities. The Markkula Center for Applied Ethics at Santa Clara University in California is one of the most active (see www.scu.edu/ethics/). The center’s ethics programs are quite comprehensive ranging from business ethics to global ethics to government ethics to
technology ethics and more. Among the innovative government ethics programs is the “Ethics and Leadership Camp for Public Officials.” This two day camp, which was launched for the first time in June 2006, attracted more than two dozen local city council members and ethics officers from California, Texas, and Arizona (Brown 2006). One novelty intended to heighten the campers sensitivity to ethics and accountability was a “moral compass” that each had slung around his/her neck. Exercises and group discussions were directed at enabling the campers to:

- Find ways to strengthen their city’s ethics program
- Identify the 10 most common ethical pitfalls of cities
- Learn the best practices for city ethics program
- Fulfill California’s AB1234 ethics training requirement
Exhibit 7.1
MPA Student Code of Ethics*

1. I will abide by procedures, rules, and regulations as described in the MPA Student Handbook and the college catalog;
2. I will respect the guidelines prescribed by each professor in the preparation of academic assignments and other course requirements;
3. I will be objective, understanding, and honest in academic performance and relationships;
4. I will strive toward academic excellence, improvement of professional skills, and expansion of professional knowledge;
5. I will neither engage in, assist in, nor condone cheating, plagiarism, or other such activities;
6. I will respect and protect the rights, privileges, and beliefs of others.
7. I will become familiar with and adhere to the standards of ethical conduct established by each of the professional societies to which I am admitted as a member.
8. I will not tolerate unethical conduct on the part of others who claim membership in a professional society of which I am a member and will take appropriate action to disclose a violation of ethical standards.

Sources: Statement of Professional Responsibility, the Wisconsin Certified Public Manager Program and the MPA Program, Florida Gulf Coast University.

*This code was developed by the author and does not represent an existing
In addition to university-based ethics centers, there are a number of non-profit organizations that promote ethics and integrity in the public service. The more prominent ones are the Ethics Resource Center (www.ethics.org/), the Council on Governmental Ethics Laws (www.cogel.org/), City Ethics (www.cityethics.org/index.html), International Institute for Public Ethics (www.iipe.org/), and the Government Accountability Project (www.whistleblower.org/template/index.cfm).

Public service professional associations such as the American Society for Public Administration (ASPA—www.aspanet.org/), the International City/County Management Association (ICMA—www.icma.org/), and the Govern-
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Government Finance Officers Association (www.gfoa.org/) place a great deal of emphasis on ethical behavior. All have professional codes of ethics. ASPA and ICMA also offer resource materials and training activities for their members. ASPA’s Ethics Section is especially focused on promoting ethics and integrity in governance. The Section’s Web site (www.aspaonline.org/ethicscommunity/) offers visitors access to decision scenarios, slide presentations, and an ethics compendium.

Internationally, there is considerable movement to promote ethical behavior, especially among emerging democracies that are struggling for economic and political independence. Nations like Russia and China are trying to loosen the grip of corruption and embrace the rule of law. The United Nations has stepped up its efforts to lend a hand as well. A report Public Service in Transition (1999) by the U.N. Division of Public Economics and Public Administration emphasizes “the critical importance of probity and integrity” of governments worldwide to conduct the public’s business. The United Nations has developed an impressive Web site, UNPAN (www.unpan.org), that provides valuable advisory and training resources that can be drawn on for the teaching of ethics (see www.unpan.org/training-professionalism.asp). The United Nations is also leading by example with the establishment on January 1, 2006, of the Ethics Office. The new office has set up an ethics hotline and is counseling the U.N.’s 29,000 personnel worldwide on financial disclosure and conflicts of interest. “Other tasks will eventually include awareness training on ethics issues” (UN News 2006).

Staying the Ethical Course

Public managers are increasingly drawn into the ethical haze of privatization and the ethical time warp of the Information Age. Privatization and entrepre-
neuralism are here to stay (at least for a while) and cannot be ignored. Nor can we turn our heads and ignore the realities of the Information Age and the necessity to rethink what motivates the behaviors and practices of workers in local and global workplaces. We must recognize that while the individual is a moral agent and therefore responsible for his/her actions, he or she functions in a more, not less, complex and dynamic social and organizational environment.

What then are the implications for managers who wish to navigate these troubling waters? The most compelling implication is the need to think and act in terms of organizational ethics. Managers should ask themselves day in and day out: “What can and should I do to foster an ethical environment in my organization?” Leading by example is, of course, a starting point, but it is hardly sufficient. Another starting point is to recruit honest people. Easier said than done? Certainly.
How can managers foster a strong ethical environment in their organizations? Many suggestions have been provided in this book. But to truly succeed, managers must strive to instill an ethical consciousness in their organizations and in their relationships with members of other organizations, private and public. Among other things, steps should be taken to develop and implement a code or values statement, provide ethics training, establish an ombudsman, or add an ethics element to annual performance reviews. These efforts, separately and collectively, support the view of “ethics as organization development” (Zajac and Comfort 1997).

Twenty-First Century Challenges

There are several conclusions that can be drawn about the challenges facing ethical governance in the twenty-first century. First, ethics issues and efforts to deal with them are not limited to the American experience. These matters are ubiquitous. Moreover, it is clear that efforts to manage ethics internationally cannot be reduced to a “one size fits all” boilerplate. Creative solutions are needed that allow for cultural differences while at the same time not treating ethics as something that depends on the situation.

Second, building organizations of integrity is not a one-shot affair. Rather, it is an ongoing process in much the spirit of the cliché that it is the journey, not the destination, that matters. Still, the destination is very important even if never reached. What is that destination—workplaces where individuals treat each other with respect, take pride in their work, care about one another, promote accountability, and place the public interest over individual and organizational self-interest? This is the idea and ideal of an organization of integrity.

A third conclusion is that a compliance approach to building an organiza-
tion of integrity is not sufficient. Indeed, in its most pernicious form it can lead to the lowest common denominator, namely, that if it’s legal, it’s ethical. This low-road approach will never lead to an ethical workplace. Rather, the workplace becomes one in which rule evasion and dodging go hand in hand with a “gotcha” mentality. The high road of aspirational ethics must be taken. Members of the organization must always ask themselves, “What is the right thing to do?” Rules and regulations may help answer this question, but they will never be sufficient. Each person must strive to ensure that his or her ethical compass is working correctly. A floundering ethical compass is the surest way to get lost in the quagmire of today’s complex organizations.

A final conclusion offered here is that there is no checklist for building organizations of integrity. Public managers must engage in exemplary leadership, promote ethics training, support codes, conduct ethics audits, and find ways to promote an ethical climate through the use of human resources man-

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agament processes such as hiring, annual evaluations, and promotion. These tactics can be powerful when coupled in a systematic, comprehensive manner. Each must be used by ethics managers in a skillful manner, perhaps similar to that of an orchestra conductor who must be able to produce harmonious music from a diversity of musicians and instruments. No single tactic is the best one to transform the sour notes of unethical behavior into the reassuring culture of an organization of integrity.

The ethical challenges facing elected and appointed public officeholders are real and ever more complex, and they must be met. The failure to do so will erode public trust and confidence in government and faith in our more than 200-year-old experiment called the United States of America. Are you ready to meet the challenges of ethics management?

Ethics Management Skill Building

Practicum 7.1. Nonprofit Contracting

As a recent retiree from the U.S. Air Force, you decide to take a position with a nonprofit agency that manages the city’s federally funded low-income housing program. On four separate occasions over the next few months you are told by the city’s program administrator to use money from one federal grant to pay for a project that wasn’t covered by the grant. One month later you are asked to approve the expenditure of $87,150 on a private residence that would sell for $70,000.

Increasingly uncomfortable with the situation, you object, asserting that federal guidelines prohibit the city from spending that much money on low-income housing. The city administrator complains to your boss that you are not attentive, productive, or responsive to city staff. Your boss decides to
remove you from the project. Frustrated but convinced that you did the right thing, you write to the mayor detailing your concerns about the misuse of federal funds. The mayor never responds.

A few months later the city’s internal auditing staff reports that the city administrator has issued questionable loans, kept poor records, and awarded non-competitive bids. Housing and Urban Development (HUD) officials warn the mayor that the administrator may have misused $1.4 million in federal funds. The administrator claims that the feds are applying ridiculous rules. The mayor backs him. The administrator appears before the city council and asserts that “we do not intend to follow HUD’s direction at this point.” All but one member of the city council praises the administrator.

Fast-forward two years... a federal indictment charges that the city housing administrator used government jobs to reap thousands of dollars in gratuities. HUD requires the city to return $1,402,650 to the U.S. Treasury.
Questions

1. Did your boss do the right thing in removing you from the project?
2. Did you do the right thing in going around your boss by writing directly to the mayor?
3. What policy would you draft to prevent a city administrator from misusing federal grants for low-income housing? Would your policy apply to the director of the nonprofit agency?

Practicum 7.2. Entrepreneurialism at the Office

Jan and Bill are ambitious, energetic urban planners employed by the U.S. Department of Transportation (DOT) in Atlanta’s regional headquarters. Their work on several comprehensive plans brings them much praise, including several positive stories published in the New York Times. One day Jan says to Bill, “Why don’t we try to make some money as planning consultants? We can advertise ourselves on the World Wide Web with a Web site. The costs would be minimal, and as long as we don’t contract with clients doing business with our agency, there shouldn’t be any ethical or legal issues to contend with.”

Bill gives Jan’s suggestion a few days of thought, and a week later they have a Web site in place. On the Web page, Jan and Bill are presented as Jones & Greene Associates, Urban Planners. Services that their firm can provide include, among other things, market analysis, community planning, business site selection, and geographic information systems.

Assume you are Jan and Bill’s boss at the DOT and you happen to come upon their Web site. The Web page does not identify the U.S. DOT as Bill and Jan’s employer, but it does state that they have significant government
experience as urban planners. Moreover, the page contains their firm’s e-mail address and telephone number.

Two weeks later while at work you happen to overhear Bill talking by telephone with an apparent client about his consulting services.

Questions

1. What would you do? Would you call Bill and Jan aside and tell them that they cannot do private business while at the office?
2. Would you consult with your agency’s Designated Ethics Officer?
3. Would you report them to the U.S. Office of Government Ethics?
4. Would you ignore the situation?