

PROMOTING ETHICAL BEHAVIOR  
AMONG LOCAL GOVERNMENT EMPLOYEES:  
THE ROLES OF ETHICAL LEADERSHIP,  
ETHICS CODES, TRAINING, AND AUDITS

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By

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LOCAL GOVERNMENT EMPLOYEES: THE  
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AND AUDITS

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ABSTRACT

The purpose of this research was to learn the impact that ethics codes, ethics training, and audits have in promoting ethical behavior among local government employees. The research began with a survey of city auditors and finance department directors at all U.S. cities with a population of 100,000 or more. The survey results indicated that while ethics codes and training, and to a lesser extent, audits, do influence local government employees to be ethical, the most critical component of promoting ethical behavior is ethical leadership.

The survey was followed up with a case study at a local government in the Midwest. During this phase of the research, 58 individuals were interviewed and asked questions about how their government's ethics code, training, leadership, and audits influence their work.

Again, the research results indicated that ethical leadership is the most important factor in encouraging employees to be ethical. The interviewees also indicated they are influenced by ethics codes and training, and some of them said that audits also affect the way they perform their jobs.

To gather more information about both the survey results and the case study information, interviews were conducted with 25 city auditors in ten states. Again, the auditors indicated that ethical leadership is the most important tool for promoting ethical behavior among employees. Most of them also argued that ethics codes and training are necessary to develop an ethical organizational culture. Some of them also said that audits are useful in this regard, particularly as an oversight to help monitor employee behavior. But others did not consider audits a good tool for promoting ethical behavior. They argued that few of their audits cover ethics specifically and as such, cannot be a tool for promoting ethical behavior.

## APPROVAL PAGE

The faculty listed below, appointed by the Dean of the Bloch School, have examined a dissertation titled “Promoting Ethical Behavior Among Local Government Employees: The Roles of Ethical Leadership, Ethics Codes, Training, and Audits,” presented by Tracey Pemberton Elmore, candidate for the Doctor of Philosophy degree, and certify that in their opinion, it is worthy of acceptance.

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## Chapter 1

### INTRODUCTION AND LITERATURE REVIEW

This dissertation has four research objectives. First, it discusses the purpose of performance auditing and reviews literature suggesting that the profession has not met expectations. Second, this dissertation examines the literature on transparency, accountability, ethics, and democracy to explain why it is important that city auditors be successful. Third, through surveys and interviews, it explores the work of city auditors to determine what changes could be made to the profession to improve its processes and help performance audits have greater impact. Finally, through case study research, it seeks to learn what impact performance audits, as well as other tools such as ethics codes and training, have to promote ethical behavior among local government employees.

Using survey research of city auditors at the United States' city governments, this dissertation seeks to determine how city auditors have influenced public administrators' behavior through their audits. The survey also seeks to determine whether city auditors do ethics audits and what actions they take, if any, to promote their audit findings and recommendations. In addition, the survey includes questions about the impact of ethics codes and ethics training.

To follow up on the survey of city auditors, this dissertation uses case study research to learn more about the impact that performance auditing, ethics codes, and ethics training have had on public administrators' behavior. Through a case study at a local city government with a performance auditing department, this dissertation seeks to gather stories

and data that offer insight to the information provided in the city auditors' survey responses. Following the case study research, this dissertation uses interviews with city auditors to gather further information regarding both the survey information as well as the data obtained during the case study research. In addition, five employees at one local government in the Midwest that recently implemented an auditing function were contacted to learn how their operations have changed since the city auditor began work. A newspaper reporter assigned to cover this government's operations also provided input about changes he has observed. During these six interviews, these individuals were asked about the issues covered during the survey and case study research.

In sum, this dissertation argues that city auditors should monitor public administrators' activities. The purpose of such monitoring is to ensure that administrators are accountable to the citizens they serve and are conducting governmental affairs in a manner that meets citizens' expectations. It also should ensure that administrators conduct their business openly. By being transparent, administrators give citizens the opportunity to examine governmental actions and seek change if they are dissatisfied. Transparency is vital to accountability because citizens cannot be certain government is meeting their expectations unless they are knowledgeable about government's work.

This dissertation argues that administrators are more likely to be accountable and transparent if they practice ethical behavior. Increasing the probability that administrators will use ethics to guide their work is another purpose of performance audits. Through their audits, city auditors can influence ethical behavior, which will encourage accountability and

transparency. When administrators practice their work in this manner, bureaucracy's activities can help promote democracy.

This dissertation also argues that to supplement the work of performance auditing in encouraging ethical behavior, local governments should have written ethics codes and should offer their employees training on ethical issues. Such codes and training should positively impact administrators' behavior, influencing them to practice ethical behavior.

### **Background of the Problem**

Various scholars including Mosher (1982), Etzioni-Halevy (1983), and Rourke (1984) have argued that bureaucracy can be a threat to democracy. As Mosher explained, the decisions and actions taken by government are significant and greatly influence our society. Most of these are controlled by unelected administrators who are not directly accountable to the people. According to Mosher, the nature of their decisions and actions are determined by the administrators' values, educational backgrounds, current associations, and other personal attributes. They may not always act in a manner that promotes democracy, but because they have unique competence and specialized skills that are not possessed by elected officials or the general public, we must depend on them to manage our government.

Various scholars, including Cooper (2006), Gueras and Garofalo (2002), Thompson (1992), and Denhardt (1988), argue that ideally, public administrators should be held in check through ethics. If they practice ethical behavior, they should promote transparency and accountability, which, in turn, will promote democracy. This is not to say that having ethical administrators in government will ensure that democracy flourishes. A functional

democracy requires more than ethical administrators in command of its bureaucracy. But if administrators manage governmental affairs in an ethical manner, they are more likely to do work that meets the expectations of the citizens they serve, thereby being accountable to those citizens. They also are more likely to conduct their affairs openly, giving citizens the opportunity to observe what their government is doing and express their satisfaction or dissatisfaction with government's actions. By increasing the likelihood that administrators will act appropriately and conduct government's business in an open manner, ethics can play a critical role in minimizing the threat that bureaucracy poses for democracy.

To help ensure that public administrators are ethical, many government organizations have written ethics codes, offer training on ethical issues, and have auditors on staff. These auditors should monitor public administrators' work, ensuring they practice good ethics and take minimal actions to hinder transparency and accountability. Unfortunately, it appears that auditors' work, particularly performance auditing, has had limited positive impact on government's work. As Funkhouser (2008) found in a recent study, "Performance auditing has the potential to increase citizen trust in government...but the evidence seems clear that it has failed to do so thus far." (Funkhouser, 2008, p. vii)

There may be several reasons for this failure. As Verschoor (2007) found in a recent study, many auditors do not conduct ethics audits to review their organization's ethical climate. Without such assessment, auditors cannot determine their organizations' ethical shortcomings and make recommendations for corrective action.



Once they complete an audit, auditors are reluctant to advocate for that audit's findings and recommendations to ensure that changes occur. As Funkhouser (2008) noted, performance audits cannot be a force for change unless auditors are willing to focus attention on the issues found in their audits and are willing to inform the debate about these issues. "Performance audit reports are intended to persuade decision makers to take action." (Funkhouser, 2008, p. 17) To accomplish this, Funkhouser recommended that auditors must not be reticent about using the political process, including engaging the news media, to promote their audits.

### **Literature Review**

This section reviews the literature relevant to the topics covered by this dissertation. It begins with a discussion of performance auditing, including an explanation of the role that auditors and evaluators must play to ensure public administrators are held accountable. To explain why this is important, this section is followed by a brief discussion of citizen trust. To explore ways to garner trust from citizens, the next sections discuss transparency, accountability, and ethics. These sections are followed by a review of bureaucratic personalities and methods for promoting ethics. Finally to explain why these issues are important, the literature review includes a brief discussion of democracy and its relationship to bureaucracy. At the end of this section, the summary explains the limitations of the literature, including an explanation of how this dissertation is unique and what it proposes to add to the body of existing literature.

## **Performance Auditing**

Performance auditing was developed in the 1970s in response to the needs of citizens and policymakers for more in-depth information about government operations. Previously, citizens and policymakers had relied on financial audits to inform them about government's activities. But financial audits are limited in the information they provide. For example, financial audits say "little or nothing about the quality and effectiveness of assistance provided by a particular program. Such audits usually provide no information on the comparative efficiency of similar programs." (Brown, Gallagher, & Williams, 1982, p. 20) Financial audits provide little or no information about public sector performance. Instead, financial audits determine how an organization's funds have been received and disbursed and whether those activities have been conducted in a legal manner.

To determine if public sector organizations are operating appropriately, citizens and policymakers need more than financial information. According to Brown et al. (1982), performance audits meet this need by auditing the systems in place to produce government programs and by auditing the effectiveness of those systems. While financial audit reports simply provide financial information, performance audit reports provide more detailed information about operations and then recommend changes for corrective action. This leads to change that is expected to improve government services. As Sheldon (1996) explained, performance audits identify wasteful activities and make recommendations for ways to improve the systems that allowed the waste to occur.

Sheldon (1996) argued that performance auditing can be a tool to promote accountability in government operations. She explained that performance audits “zero in on the elements of economy, efficiency, and effectiveness, and use performance measures to evaluate an organization’s progress toward carefully deliberated goals.” (Sheldon, 1996, p. ix) Sheldon noted that government is “mired in a crisis of accountability,” which includes problems such as “moral and ethical lapses, and intentional fraud for self-gain.” (Sheldon, 1996, p. 1) She suggested that performance auditing, as performed by internal auditors, can be an important tool for achieving accountability.

Performance auditing discloses more information, in more depth, and with greater clarity in reporting...The mere existence of a performance audit policy causes managers to reflect on their compliance with programmatic objectives, knowing that public reports will bring management actions into the sunshine. Performance reporting acts as an incentive for managers to better serve those for whom they act as agents. (Sheldon, 1996, pp. 21 & 141)

How important is this? Several scholars (i.e., Goodsell 2004, Kettl & Fesler 2005, and Gormley & Balla 2008) agreed that to ensure appropriate behavior among public administrators, their activities must be monitored. As Gruber (1987) stated, “Bureaucrats have many interests besides those of their controllers, and they possess the capacity to pursue them...To ensure compliance, some monitoring must occur.” (Gruber, 1987, pp. 63 & 64) Redford (1969) recommended audits or performance inspections as a method for ensuring that public administrators keep their personal stakes out of their official activities.

How should this be accomplished? According to Wildavsky (1987), rather than hiring external entities to monitor an organization’s activities, “the ideal organization would be self-evaluating.” (Wildavsky, 1987, p. 213) He argued that under ideal circumstances, an

organization would self-monitor its activities continuously, constantly seeking ways to improve its operations. Anytime such evaluation suggested change was needed, the organization's leaders would make the required changes without hesitation.

Many local, state, and federal governments throughout the United States have auditors on staff, and these individuals can be used to meet Wildavsky's goal of the self-evaluating organization. As such, auditors should be on the alert for ethical concerns in all audits that they perform. In addition, Verschoor (2007) argued that internal auditors, including performance auditors, should take responsibility for monitoring their organization's ethical behavior through ethics audits, which focus specifically on ethics. Such audits should review an organization's ethics compliance program to determine if "written materials are effective, communications have been received by employees, detected violations have been appropriately handled, discipline has been evenhanded, whistleblowers have not been retaliated against, and the compliance management has fulfilled its responsibilities." (Verschoor, 2007, p. 10) Such audits also should ensure that organizations have required "employees to periodically certify that they have read, understood, and complied with the company's code of conduct." (Verschoor, 2007, p. 14)

According to Verschoor, to perform successfully, government organizations must maintain a strong ethical climate that includes the management of risks, controls, and governance processes. This climate should include active participation by internal auditors who frequently assess the effectiveness of the organization's ethics and compliance program. Unfortunately, as Verschoor reported, a recent survey conducted by the Institute of Internal

Auditors found that 54 percent of the internal auditors who responded to the survey do not perform ethics audits.

This finding should not have been surprising. As Funkhouser (2008) found in a study of performance auditors, many auditors are doing audits and evaluative work infrequently. Instead, much of their work focuses on assurance services—reassuring government managers and leaders “that things are largely all right” and no problems exist that need to be resolved. (Funkhouser, 2008, p. 16) Performance auditing—which seeks to improve government by examining governmental operations’ efficiency, effectiveness, and equity—can be an important tool to enhance citizen trust in government. Funkhouser argued that “trust in government depends on three things: integrity, competence, and transparency.” (Funkhouser, 2008, p. vii) Performance auditing can be used to positively affect each of these facets. Unfortunately, as Funkhouser found in his study, it has not accomplished this.

Why has performance auditing failed to help governments be accountable and earn the citizenry’s trust? Funkhouser argued that one reason is the reluctance of auditors to use the political process to encourage change. As he explained, auditors generally have been trained to avoid politics. Once they complete an audit report, they typically consider their job to be finished and they do little, if anything, to advocate for their audit findings and ensure that changes are wrought. This approach may be inappropriate to guarantee that auditors’ work is fruitful. Funkhouser encouraged auditors to become involved in politics, using the process to promote their audit findings and advance change. As he explained,

Democracy can be defined as a philosophy that insists upon the right and capacity of a people, acting either directly or through representatives, to control their institutions

for their own purposes. Politics is the *action* taken by a people, either directly or through their representatives, to control their institutions for their own purposes. *Politics*, then, is how we make democracy real. (Funkhouser, 2008, p. 20)

### **Citizens' Trust in Government**

Why is this important? As Denhardt and Denhardt (2000) explained, in the United States, "The government belongs to its citizens." (Denhardt & Denhardt, 2000, p. 549) As such, public administrators have a duty to be responsive to the citizens they serve and to engage those citizens as much as possible in government operations. This includes sharing information with citizens and actively seeking their input in governmental decision making.

According to Nalbandian (2008), at the local level, governments no longer have the option of engaging citizens in their work. Rather, such engagement is vital for communities' well-being. In a previous work, Nalbandian (2005) argued that "one of the key responsibilities of local leaders, elected and appointed, is building and maintaining a sense of community that engages citizens in social, economic, political, and civic activities." (Nalbandian, 2005, p. 312)

Why is citizen engagement so important? Because, as Nalbandian (1999) points out, it helps enable democracy. When citizens are more involved in their government's work, the government is more likely to perform according to its citizens' expectations. Further, the government is likelier to respect democratic values such as representation, social equity, and individual rights.

Nalbandian (2005) said that one characteristic of citizen engagement forces is "more jurisdictional accountability and transparency with citizens." (Nalbandian, 2005, p. 313)

This is important to promote citizen trust in government, and this is where performance auditing can be helpful. As Funkhouser (2008) explained, “The point of government auditing is to strengthen public governance. How do we know when public governance works well? In a democracy, citizens are the scorekeepers. When informed citizens trust their government, the government audit organization is winning.” (Funkhouser, 2008, p. 9)

But why is trust in government so important? According to Keele (2007), citizens’ trust in government is vital for government leaders to succeed. He noted that our society faces a number of major issues and without citizens’ trust in government’s ability to address these issues, it is difficult for political leaders to obtain the support they need to resolve the public’s problems.

Chanley, Rudolph, and Rahn (2000) also argued that citizen trust in government is vital. As they explained, trust “is necessary for political leaders to make binding decisions, commit resources to attain societal goals, and secure citizen compliance without coercion.” (Chanley et al., 2000, p. 240) Although the authors argued that some skepticism about government activities is healthy in a democracy, they also argued that if citizens become too distrusting, withdrawing their support for government and becoming less willing to comply with governmental requirements, “the legitimacy of a democratic regime may be called into question.” (Chanley et al., 2000, p. 240)

Auditors can help promote trust in government by conducting audits that motivate public administrators to practice ethical behavior, thereby managing their work in a transparent and accountable method that meets citizens’ expectations.

## **Transparency and Accountability**

When auditors review a government organization's work, they need to ensure that public administrators are conducting their work in a manner that is both transparent, allowing citizens the opportunity to learn what their government is doing, and accountable, meaning that the government's work is meeting its citizens' expectations. At the local level, some auditors are elected, others report directly to elected officials, some report to city managers, and others report to another city leader such as the finance director. An auditor's position within the local government will determine the extent of autonomy and authority the auditor has, which will impact how much influence an auditor can have on the organizational culture and ethics in the government.

According to Oliver (2004), transparency is "the flash point at the intersection of the *public's right to know* and the individual's or organization's *right to privacy*." (Oliver, 2004, p. X) In today's culture of readily available information through the media, internet, and other sources, transparency means actively disclosing information that the public has a right to know. In government, this means the roles and responsibilities of public administrators should be clarified; a bureaucracy's information should be available to the public; the process to prepare, execute, and report a bureaucracy's budget should be open; and integrity should be assured.

According to Stirton and Lodge (2001), to be transparent, a government must allow its citizens to know about the decisions made by the government and also must allow those



citizens to influence the way public services are provided. Transparency serves two functions:

- It ensures that those who provide public services respect individuals' rights. Citing Bentham's principle for good governance, Stirton and Lodge stated, "The more strictly we are watched, the better we behave." (Stirton & Lodge, 2001, p. 476)
- It helps to promote democracy by allowing citizens to participate in making the decisions that affect them. This aspect of transparency has moral value because transparent institutions are predictable, which allows individuals to make better private choices because they know how their lives will be affected by public decisions.

Redford (1969) said that to protect citizens' rights in a democracy, every citizen must be informed of any governmental activity that affects him or her. According to Redford, except in cases of national security or to protect the personal privacy of governmental staffs, agencies operating in a democracy have a responsibility to keep the public informed of all their activities.

According to Durant (2006), establishing transparency is difficult, and today's neoadministrative managers fail to understand the importance of transparency. He also argued that if they wish to reconnect with a skeptical citizenry that does not always fully understand governmental policy decisions, transparency is vital. It helps to build credibility while explaining government actions and helping citizens understand these actions.

Kettl (2006) agreed that transparency is vital to ensure government accountability. The key to determining democratic accountability in the bureaucracies of today and the future will be the availability of information about government's activities. With current technology, information is a process that is not bounded by bureaucratic walls and it can span

a globalized world. As such, the transparency of information will be vital to provide for the accountability of both governmental processes and results.

Transparency is important for governments to be accountable. But what is accountability? According to Lipsky (1980),

Accountability is the link between bureaucracy and democracy. Modern democracy depends on the accountability of bureaucracies to carry out declared policy and otherwise administer the ongoing structures of governmentally determined opportunity and regulation...People should be considered accountable when there is a high probability that they will be responsive to legitimate authority or influence. (Lipsky, 1980, p. 160)

This definition of accountability must include two aspects:

1. Accountability is not abstract. It involves a “relationship between people or groups. One is always accountable to *someone*.” (Lipsky, 1980, p. 160)
2. “Accountability refers to patterns of behavior. Only if a pattern of behavior exists can predictability, and therefore accountability, exist.” (Lipsky, 1980, p. 160)

Frederickson (1997) argued that accountability “lies in enabling citizens to set agreed-upon community standards and goals and in working in the public’s behalf to achieve those goals.” (Frederickson, 1997, p. 52) According to Moncrieffe (1998), accountability refers to “responsibility” and “accounting or answering for actions, particularly expenditure. The concept has become central to the recent emphasis on good government.” (Moncrieffe, 1998, p. 389) Transparency is a critical component of accountability. When a government is transparent, with its operations visible to all interested parties, corrupt practices can be stemmed and the citizenry has better information regarding government policy.

## **Ethics**

How do government organizations maintain transparency and accountability? Through good ethics. According to Madsen and Shafritz (1992), democracy is protected by the rule of law, which provides a framework that allows justice to prevail and makes it impossible for one or more individuals to tyrannize over others. But when a public administrator uses his or her position for self-gain, the rule of law does not seem to apply. Tyranny triumphs, threatening equality and individual rights. When government employees become embroiled in fraud, bribery, kickbacks, and other government abuses, power is taken from the citizenry and given to a few people who assume positions of control. This “distorts a social process that assumes the equality of all participants.” (Madsen and Shafritz, 1992, p. 3)

Moncrieffe (1998) argued that for bureaucracies operating in a democracy, it is difficult to live up to the democratic ideal of a superior system that fosters economic and political stability, reduces corruption, and always promotes human rights. Instead, governments are “prone to corruption, ineffective and inefficient leadership, economic and social dislocation and severely curtailed political and civil rights.” (Moncrieffe, 1998, p. 388) To overcome these problems and serve their citizenries more effectively and equitably, public administrators must practice ethical behavior.

Bruce (2001) defined ethics as “the study of the nature of morals and moral choices and the rules governing a profession that define professional conduct.” (Bruce, 2001, p. xiii) Leys (1943) defined ethics as “the art of making wise choices.” (Leys, 1943, p. 10)

Frederickson (1997) said “the realm of ethics is a world of philosophy, values, and morals, while administration is one of decisions and actions. Ethics will search for right and wrong, while administration must get the job done. Ethics is abstract, while administrative practices are irremediably concrete.” (Frederickson, 1997, p. 157) Cooper (2006) said that ethics involves analyzing the beliefs and values used to justify morality. Ethics “considers what is meant by principles such as justice, veracity, or the public interest; their implications for conduct in particular situations; and how one might argue for one principle over another as determinative in a particular decision.” (Cooper, 2006, p. 2)

In the United States, the discussion about public administration ethics began with the “Friedrich-Finer debate.” (Bruce, 2001, p. 1) According to Friedrich, “even under the best arrangements a considerable margin of irresponsible conduct of administrative activities is inevitable.” To counter this, he argued that the work place must feature “well-defined and well-worked-out” policies that guide the administrator in his or her work. According to Friedrich, whether an administrator will behave responsibly is “very largely a question of sound work rules and effective morale.” (Friedrich, 1940, pp. 3, 4, & 19) Finer disagreed. He argued for censorship noting “that sooner or later there is an abuse of power when external punitive controls are lacking.” (Finer, 2001, p. 9)

In sum, Friedrich advocated that public administrators usually will do the right thing if they have the proper guidance. Finer countered that public administrators won’t do the right thing unless they are coerced to do so. These two viewpoints represent the opposing ends of the spectrum of ideas regarding public administration ethics. As the following

discussion demonstrates, the theories championed to explain public administration ethics are disparate and even today, no consensus exists.

For example, according to Denhardt (1988), an ethical administrator “examines in a critical and independent manner the standards by which decisions are made, attempting to reflect the morality of society as well as acting in consideration of the administrators’ commitments, obligations, and responsibilities to the organization, and to other individuals and groups to whom the administrator is accountable.” (Denhardt, 1988, p. 100) According to Holbrook and Meier (1993), ethical behavior includes more than just avoiding illegal activities. The ethical administrator also will strive to promote values such as equity, fairness, and equal opportunity. According to Frederickson (1997) and Rohr (1998), the ethical administrator will interpret these and other values according to the dictates of the American people. This requires that public administrators study ethics and understand the regime values espoused by the citizens they serve.

Jennings (1991) explained that ethics has two equally important aspects—motivation and decision-making. When it is clear what is right versus what is wrong, individuals must be motivated to do that which is right while avoiding that which is wrong. In other situations, reasonable people with a good will can look at the same circumstances and disagree on what the right thing is that should be done in the particular circumstances. To be effective, professional ethics must both motivate individuals to do the right thing as well as teach them how to select the right alternatives.

Thompson (1992) said that ethics is the most important practice of government because without ethics, government cannot make good public policy. When reasonable ethics rules are implemented and enforced, the likelihood increases that public officials will make decisions based on the merits of the issues rather than based on factors such as private gain. When government officials practice ethical behavior, citizens have more assurance that officials are making decisions based on merit. As such, citizens are less likely to question officials' motives. If citizens believe that ethics are in disorder, they will have disputes about ethics, and these disputes will overshadow policy discussions. Government officials need to pay attention to ethics to avoid ethical controversies that distract from policy matters. Thompson stated, "Ethics makes democracy safe for debate on the substance of public policy. That is why it is so important. That is the sense in which it is more important than any other single issue." (Thompson, 1992, p. 256)

Gueras and Garofalo (2002) said that ethics is guided by universal principles and values, including respect for others, honesty, fairness, and equality. For public administrators, ethics is particularly important because they are responsible to a variety of people including citizens and elected officials. They face different levels of scrutiny and oversight and are expected to be accountable. They function in a complex environment and are frequently faced with ethical dilemmas requiring special skills for effective resolution. Because they are public stewards who manage society's property and finances, public administrators must take actions that represent society as a whole. This requires ethical behavior.

Gueras and Garofalo (2002) identified several ethical theories that explain the different schools of thought regarding ethics. These include:

- Relativism – Argues that no single ethical standard exists to apply to all people at all times. Instead, different societies abide by different standards. According to Gueras and Garofalo, relativism is problematic because it negates the possibility of finding universally valid reasons for having ethical standards. As Denhardt (1988) explained, when ethics is based on relativism, values must change every time change occurs in technology or circumstances. Under this process, it would be impossible to ever develop a serious system of ethics.
- Absolutism – Argues that there are universal standards for ethics that can be applied to all societies.
- Teleology – An ethical absolutist theory based on utilitarianism. Argues that one should act in whatever manner is necessary to produce the greatest happiness for the greatest number of people. Under teleology, the end justifies the mean. If the outcome makes people happy, the action was good. According to Gueras and Garofalo, teleology is problematic because the notion of happiness is vague and there is no clear method for assessing happiness in society.
- Deontology – An ethical absolutist theory that argues one should act in a principled and consistent manner. Whether an action is ethical does not depend on just the end results. The act itself must be principled in order to be ethical.
  - Deontology is sometimes referred to as Kantianism because it is based on the works of Immanuel Kant. Kant argued that individuals must follow a good will in their actions and should “act in such a way that you always treat humanity, whether in your own person or in the person of any other, never simply as a means, but always at the same time as an end.” (Kant, 1964, p. 98)
- Intuitionism – An ethical absolutist theory that argues human beings have an inner sense of right and wrong, and they should act accordingly. Gueras and Garofalo agreed that moral judgments often depend more on feeling than on theories and arguments. But they argued that intuitionism is problematic because people have different moral senses or intuitions. Under intuitionism, there is no way to determine which moral sense is the most correct and should guide action.
- Virtue – An ethical absolutist theory that argues an act is good if the character trait it evidences is good. For example, giving money to poor people demonstrates generosity, which is a good trait. Therefore, the act of giving money is also good. Under this theory,

the importance of the whole person is emphasized rather than just the individual's actions. Individuals are encouraged to act as persons of good character, setting an example for others to follow. According to Gueras and Garofalo, virtue theory is problematic because it lacks justification for why some traits are considered good while others are considered bad.

Gueras and Garofalo (2002) argued that the best ethic is the unified ethic, which they said combines the theories of teleology, deontology, intuitionism, and virtue. Deontology is needed to appeal to human beings' rational nature and desire for consistency in actions. But teleology is needed to appeal to human beings' emotional side, which desires happiness. Feelings do matter when we make ethical decisions, so intuitionism is important. Finally, human beings want excellence in our actions so virtue is needed. When all of these theories are combined into the unified ethic, we have a more reasonable approach to ethical theory.

According to Madsen and Shafritz (1992), there are several levels of ethics, and each level has its own set of responsibilities that puts pressure on individuals to behave in certain ways. These levels include:

- Personal morality – driven by an individual's core values and sense of right and wrong
- Professional ethics – professional guidelines for how those in a specific profession are expected to behave
- Organizational ethics – culture of the organization that includes formal and informal rules of ethical conduct
- Social ethics – requirements imposed on individuals by the laws of society

Madsen and Shafritz argued that the different levels of ethics may have competing requirements and may cause conflict for public administrators. When they try to balance their ethical obligations with the competing claims of their stakeholders—including citizens



and elected officials—they may be challenged to determine the appropriate way to behave in a given situation. They may find themselves faced with ethical dilemmas where they must make difficult choices. Some of the dilemmas that the authors identified include the following:

- “Lesser-of-evils quandary” – The public administrator is faced with several undesirable choices. He or she must select the “least evil choice.” (Madsen & Shafritz, 1992, p. 15)
- “Quandary of ethical alternatives” – The public administrator has several viable choices. He or she must select the most desirable alternative. (Madsen & Shafritz, 1992, p. 15)
- “Values quandary” – The public administrator is faced with selecting from alternatives that are based on different values that most people would agree are desirable. (Madsen & Shafritz, 1992, p. 16)
- “Quandary of conviction” – The public administrator is faced with making a decision that will have personal consequences. If those consequences are negative, the public administrator is faced with the obligation to do the “right thing” anyway. (Madsen & Shafritz, 1992, p. 16)

Jennings (1987) argued that among public administrators, ethics can be confusing because it often is discussed in two languages:

- Legalism – defines public administrators’ ethical responsibility “as obedience to the law and to the legally constituted directives of political superiors and elected representatives.” (Jennings, 1987, p. 19)
- Moralism – “downplays formal hierarchical authority and places greater weight on the conscientious discretion of individual officials. They must be free, at least to some degree, to act in accordance with their own sense of justice and equity, and to interpret what the public interest and the common good require in specific cases.” (Jennings, 1987, p. 19)

Many public administrators adhere to one approach over the other. Jennings argued that the best ethic would be one that combined the principals of legalism and moralism. Such an ethic, which he called the “ethic of democratic professionalism,” would allow public

administrators some discretion in specific circumstances while requiring them to abide by the rule of law and be subordinate to the will of the people.

According to Cooper (2006), a public administrator faces an ethical issue “when competing or conflicting ethical principles or values are embedded in a practical problem.” (Cooper, 2006, p. 32) With ethical dilemmas, there generally is no one best solution. Instead, public administrators will find themselves faced with multiple possible solutions, some with greater value than others. Cooper argued that public administrators must understand the public interest and use it to guide them as they make decisions to resolve ethical dilemmas. Other scholars such as Frederickson (1997) and Rawls (1999) have used similar arguments to explain how public administrators should handle ethical issues. The problem lies in determining what the public interest is. Cooper (2006) recommended that public administrators learn the values of the citizenry by following the political system and soliciting citizen participation in that system.

According to Frederickson (1997), the potential for public administrators to practice ethical decision-making increases when those administrators are required to abide by specific rules, regulations, inspections, professional standards, ethics codes, and so forth. Citizens are primarily concerned with issues of fairness, equity, and justice. When government fails to meet these issues satisfactorily and when scandals occur, citizens view government as less legitimate. Several decades earlier, Leys (1943) seemed to agree with this when he said, “The sort of ethics which may improve administrative decisions is concerned with the

discovery of standards for right action rather than with the exhortation to do what has been already declared right.”

As this discussion demonstrates, scholars’ notions on ethics are diverse, and they advocate varied approaches. With so much information on ethics available and with much of it contradictory, it might be tempting for public administrators to do their work without regard for ethics. What happens when a government organization ignores ethical concerns? In the spring of 1996, Bowman and Williams (1997) surveyed 750 public administrators, receiving usable responses from 59 percent of them. Some of these administrators reported that their organizations did not address ethical issues. When ethical dilemmas occur, some of them said that their organizations become closed, promoting “secrecy and distrust, which, in turn, encourages dubious actions.” (Bowman & Williams, 1997, p. 520) In such an environment, relevant ethical issues are not seriously considered and may be given lip service or covered up. As one administrator reported, without ethics, the organizational culture is one of “neglect, hypocrisy, and exhortation,” which “reflect a passive, reactive, or defensive strategy that accomplishes little.” (Bowman & Williams, 1997, p. 520)

Skidmore (1995) noted that elected officeholders generally lack a clear understanding of the ethical demands for their positions and of the ethical expectations for appointed officials. Although ethics as it pertains to public service has been debated, no satisfactory solution to the problem of ethics has been developed or implemented.

Is this description of the ethical climate of public service, which Skidmore described in 1995, still accurate? Apparently yes. In 2007, the Ethics Resource Center in Arlington,

Virginia sent the National Government Ethics Survey to 3,452 local, state, and federal government employees nationwide. The Center received 774 responses and found that ethical cultures in government organizations were declining and more employees were being pressured to commit misconduct. Six out of ten survey respondents said that they saw at least one instance of misconduct in their office during the twelve month period before they completed the survey.

This is a critical issue because, as the Ethics Resource Center noted in their report, “The most important asset of government is public trust. When present, citizens believe that elected officials, political appointees, and career public servants are acting in their best interest. When public trust erodes, government effectiveness is hindered.” (Ethics Resource Center, 2007, p. IV)

Some scholars would argue that given human nature, we should expect public administrators, like all individuals, to do things that negate public trust. As Hume pointed out in the Eighteenth Century, man is “naturally selfish” and corruption is commonplace in human affairs. (Hume, 2007, pp. 371 & 372) More recently, Finer (1941) argued that if governments lack external controls to keep public administrators in check, “sooner or later there is an abuse of power.” (Finer, 1941, p. 9) What type of behavior can we expect from the people who staff government agencies? This question is pondered below.

### **Bureaucratic Personalities**

According to Tullock (2005), successful politicians and public administrators generally do not abide by the highest ethical standards. Instead, most government

organizations are staffed by self-interested individuals who seek to maximize their personal well-being. As such, the typical public administrator behaves in a manner that is most likely to promote his or her career. As part of this, the self-interested public administrator will seek to suppress information that reflects poorly upon his or her job performance while publicizing information that flatters him or her.

Tullock pointed out that such public administrators are ambitious and are not consciously violating an ethical or moral code. Rather, they believe that the actions they take to promote themselves are good for the government organization as well. The key to having an ethical bureaucracy is to structure the organization in such a way that public administrators are led by self-interest into doing those things that they ought to do to achieve the organization's objectives in an ethical manner.

Downs (1967) agreed that public administrators are motivated by self-interest. He said that all public administrators act at least partly in their own self-interest, and some public administrators are motivated entirely by self-interest. As such, it can be difficult for public administrators to behave ethically.

Downs further argued that due to the nature of large organizations, even public administrators who make ethical behavior a priority cannot avoid ethical pitfalls for several reasons. Their subordinates will behave unethically and involve their superiors. They will make avoidable mistakes that they feel they must hide to avoid appearing incompetent. They will make unavoidable errors because of a lack of information. They will be pressured to produce quick results and to achieve this, will short-change the process and use methods of

poor quality. Because of these situations, “no leader of any large organization can avoid undertaking acts that he does not want made public.” (Downs, 1967, p. 72)

Like Tullock, Downs argued that the best way to ensure public administrators behave ethically is to design government organizations that serve the public interest appropriately. If an organization includes the “proper institutional arrangements,” then public administrators’ “private motives will lead them to act in what they believe to be the public interest, even though these motives...are partly rooted in their own self-interest.” (Downs, 1967, p. 87)

According to Meier and O’Toole (2006), public administrators are driven by and make decisions based on their value systems. These values, which vary among public administrators, are a function of personal characteristics such as gender, social class, race, and ethnicity. When faced with choices, public administrators select alternatives that most closely match their personal values. Meier and O’Toole argued that these values, more so than political directives, frequently drive policy results and determine how public administrators will treat the citizens they serve. To ensure that public administrators have the values needed to treat citizens appropriately, and ultimately promote democracy, bureaucratic leaders must make an effort to shape their staff’s values that impact their work. This can be accomplished through activities such as organizational socialization and professional training.

Wilson (2000) agreed that some public administrators practice self-serving activities. But he also argued that a lot of bureaucratic work is aimed at achieving greater goals. Public administrators behave in response to the situations they encounter in their work. When faced

with an issue requiring them to make decisions and take action, how public administrators respond depends on many factors including the individual's previous experience, personal beliefs, peer expectations, and organizational interests. To ensure that public administrators behave appropriately, government organizations must have clearly defined and consistent goals that dictate bureaucratic behavior. Without such goals, public administrators will follow their instincts and allow circumstances to dictate their actions. Under these conditions, their actions may be ineffective and even corrupt.

According to Merton (1940), public administrators sometimes take inappropriate actions because of "trained incapacity," which Merton defined as "that state of affairs in which one's abilities function as inadequacies or blind spots. Actions based upon training and skills which have been successfully applied in the past may result in inappropriate responses under changed circumstances." (Merton, 1940, p. 562) Public administrators tend to have great devotion to rules. Although this helps bureaucracies achieve efficiency in many situations, over-reliance on rules can cause public administrators to ignore unique situations that need to be handled in a manner different from the process dictated by the rules. As such, "the very elements which conduce toward efficiency in general produce inefficiency in specific instances." (Merton, 1940, p. 564)

Lipsky (1980) said that most public policy is made by street-level public administrators so their work is the most critical work performed by bureaucratic organizations. Street-level administrators have direct contact with the citizenry and they deliver the services that citizens obtain from government agencies. Often, street-level

administrators make the decisions about how such services are delivered so their actions have tremendous impact on individual's lives.

Lipsky argued that most public administrators at the street-level enter public service at least somewhat committed to altruism and the idea of serving the public. But due to the nature of their work, they often fail to uphold this commitment because typically, they have inadequate resources to do their jobs, the demand for services exceeds what they can supply, and their agency sets vague and/or conflicting goals for them. When they realize that they cannot meet the standard they desire in their commitment to public service, Lipsky said that most street-level administrators will find ways to rationalize the shortcomings of their work. As part of this, they will provide their superiors with reports that make their work appear better than it is in reality. "This is less blatant falsification than it is auspicious shading of the truth and sincere rationalization." (Lipsky, 1980, p. 163) In a situation where they know that they cannot achieve the optimum level of performance, street-level administrators will focus their efforts on making decisions and taking actions that will enhance their performance scores. These individuals believe they are doing the best job they can given the less than ideal circumstances of their work environment. "They develop techniques to salvage service and decision-making values within the limits imposed upon them by the structure of the work." (Lipsky, 1980, p. xiii)

According to Thompson (1977), bureaucracies are characterized by qualities such as routinization, impersonality, strong attachment to subgoals, and resistance to change. In such an environment, public administrators regard themselves as cogs in the bureaucratic



machinery and may feel that they have lost control of their own destinies. They may feel powerless and alienated, and they respond with a variety of behaviors. While some individuals do feel comfortable with bureaucracy and thrive in this environment, others seek to manipulate bureaucratic organization in a way that allows them to achieve personal goals. When public administrators do this, their behavior is normally tailored to meet their personal needs, rather than to advance the government organization's goals.

Thompson said that problems are especially acute among bureaucratic managers. Generally, those in power at a bureaucratic organization suffer from personal insecurities that have a negative impact on their behavior. Their insecurities stem from a gap between their rights of authority—including the right to review, veto, and affirm the work of subordinates—and their abilities or skills needed to solve their organization's problems. Managers have a broader range of responsibilities and receive less feedback to help them understand if their job performance is acceptable. This also makes them feel insecure. To cope with their insecurities, Thompson argued that managers become more controlling, emphasizing procedures and protocol. Generally, while these things may make a manager feel more secure, they do little to help an organization achieve its goals.

According to Caiden (1991), when public administrators behave inappropriately, the fault lies with the organizations, not the individuals. He argued that bureaucracies suffer from "bureaupathologies," which he defined as "vices, maladies, and sicknesses of bureaucracy." (Caiden, 1991, p. 490) He identified 175 bureaupathologies including alienation, bribery, busywork, corruption, discrimination, extortion, highhandedness,

inaction, incompetence, indifference, lack of commitment, leadership vacuums, mediocrity, nonaccountability, phony contracts, procrastination, rudeness, secrecy, soul-destroying work, tunnel vision, and so forth. According to Caiden, the individuals who work in a government organization are hard workers who want to do a good job. But bureaucracy's "systematic shortcomings...cause individuals within them to be guilty of malpractices." (Caiden, 1991, p. 490)

These scholars seem to agree that public administrators often behave inappropriately as they perform their work. But they do not seem to agree on why this occurs. Regardless of why their behavior is sometimes less than acceptable and perhaps unethical, can public administrators be motivated to do their jobs in a more ethical manner that helps them be accountable to the citizens they serve? This question is considered below.

### **Methods for Promoting Ethics**

According to Madsen and Shafritz (1992), organizations can take actions to encourage public administrators to behave ethically. One such action is to have ethical leadership that creates an ethical climate in an organization and provides examples of ethical behavior for others to mimic. Another action is to implement institutional controls that minimize opportunities for fraud and other abuses of power. Organizations also can develop ethics codes, which are written statements of the values and beliefs the organization wants to promote and the conduct expected of employees. Finally, organizations can implement an ethics training program, which Madsen and Shafritz argued is the most useful strategy for instilling ethics in an organization. They explained that an ethics training program can

instruct public administrators on the types of behaviors they should avoid. Training also can assist public administrators to develop the moral reasoning skills needed to handle ethical dilemmas.

Dobel (1993) agreed that ethics codes can be useful to help instill an ethical environment in an organization. Such codes can help restore the public's trust in government and can help establish government's legitimacy. They also can provide public administrators with advice and direction on ethical dilemmas and can become a source for professional identity that helps public administrators in their relations with stakeholders. According to Dobel, the most successful codes are those that become part of an organization's culture. To help enforce the codes, they should be supported by an ethics board. Employees also should receive training on ethics and the expectations set forth by the codes.

Dobel noted that ethics codes function in political environments and as such, can be problematic. For example, public administrators may resist the implementation of codes and the codes may make them feel that they are not trusted. In another example, the codes can make relationships with vendors more difficult since they often specify how contracts will be handled and may change the contracting process, making it more restrictive. Since codes are often developed and implemented in response to an ethics scandal, they may have a negative tone and once the scandal has passed, the codes may be forgotten. Despite these and related issues with codes, Dobel argued that codes can be useful and government organizations should develop and implement such codes. However, Cooper (2006) cautioned that any ethics code must be supported by other techniques, such as ethics training, before it can be

effective. Verschoor (2007) agreed, stressing that a code will not be effective unless it is enforced.

Thompson (1992) also argued that training in ethics is important because it helps to remind government officials that they serve all citizens and as such, must be held accountable to the citizenry. Thompson noted that there is a difference between personal ethics and political ethics, and government officials must understand this. For example, from a personal perspective, it may be acceptable to give preferential treatment to a good friend, but from a political perspective, such behavior is unethical. Many government officials do not understand that their personal ethics may be inappropriate in government work, and they may be insulted when instructed to attend ethics training. Thompson said that such training is necessary to help government officials learn acceptable ethical behavior for government work. Ethical standards for government are complicated and require careful study to fully understand and follow.

Do ethics codes and training programs help promote ethical behavior? Yes, apparently they do. According to the Ethics Resource Center (2007), when a government organization implements an ethics program that is enforced and complemented by a strong ethical culture, misconduct among employees “drops by 60 percent, and reporting rises by 40 percent.” (Ethics Resource Center, 2007, p. V)

Even in the presence of ethics codes supported by ethics training and strong ethical cultures, oversight in the form of performance audits and program evaluations is usually needed to ensure that all government employees practice ethical behavior. Why is this

important? Why do we care whether public administrators are ethical, doing their work in a transparent and accountable manner? In a totalitarian regime or other government where citizens have little or no voice in their government, these things have minimal importance. But in a democracy, they help ensure that citizens are not oppressed by their government. As Denhardt and Denhardt (2000) remind us, in a democracy, “The government belongs to its citizens.” (Denhardt & Denhardt, 2000, p. 549) What is democracy and how is it related to bureaucracy? The next section helps explain this.

### **Democracy**

The word “democracy” is taken from two Greek words, “demos,” which means people, and “kratos,” which means rule. Democracy literally means “rule by the people,” and refers to direct, participatory, and representative forms of such rule. According to Sargent (2006), democracy in the United States is characterized by seven key elements:

1. Government decision-making involves citizens
2. Government operates using a system of representation
3. Government is based on the rule of law
4. The majority rules through an electoral system
5. Citizens have some degree of equality
6. Citizens have some degree of liberty or freedom
7. Citizens are educated

Dworkin (2000) said that democracy tends to be abstract and ambiguous, and determining the form of democracy most appropriate for society is a challenging task. Americans generally believe in democracy. As Waldo (1984) explained, democracy is not just a form of government in America, “but a faith and an ideal, a romantic vision.” Most Americans see the nation’s mission as “witnessing Democracy before mankind, bearing

democracy's ideals of freedom and equality, and its material blessings, to the nations of the world." (Waldo, 1984, p. 15) However, according to Ranney and Kendall (1951), most Americans do not clearly understand democracy or have a concept of what democracy is.

The term "democracy" has a double meaning, referring to both self-government and equality. When democracy was first formed in the United States, citizens took self-government seriously, but equality was a lesser concern. Over the years, the nation made progress toward further democratization through actions such as eliminating slavery, allowing Blacks and women to vote, and allowing direct election of senators. Democracy can be viewed as a movement more than "an accomplished fact...In the instance of modern democratic governments also, the best claim they have to be called democratic is in the direction they are taking and in the spirit which pervades them." (Henke, 1919, p. 202)

Scholars have offered various theories of democracy. According to Dahl (1956), democracy cannot be narrowly defined. At a minimum, "democratic theory is concerned with processes by which ordinary citizens exert a relatively high degree of control over leaders." (Dahl, 1956, p. 3) Dahl outlined three theories of democracy:

- Madisonian Democracy – Advocates a system of representation in "an effort to bring off a compromise between the power of majorities and the power of minorities, between the political equality of all adult citizens on the one side, and the desire to limit their sovereignty on the other." (Dahl, 1956, p. 4)
- Populistic Democracy – Operates on the concept of majority principle, which "prescribes that in choosing among alternatives, the alternative preferred by the greater number is selected." (Dahl, 1956, p. 37)
- Polyarchal Democracy – Every organization member votes, and each vote has equal weight. The alternative with the most votes is the winner. Polyarchal democracy is marked by a system of separation of powers with legislative, executive, and judicial

branches that are divided and subdivided. The process of officials competing and being in conflict with one another creates a system of checks and balances.

Dahl argued that none of these theories accurately describes democracy in the United States. Rather, a hybrid form of democracy is practiced.

On matters of specific policy the majority rarely rules...quite a tiny proportion of the electorate is actively bringing its influence to bear upon politicians...year in and year out the overwhelming proportion of American citizens makes its preferences effective, if at all, by no means other than going to the polls and casting a ballot. (Dahl, 1956, pp. 124 & 130)

Despite this, Dahl argued that elections are not trivial. They are crucial processes for ensuring that political leaders will be somewhat responsive to the preferences of ordinary citizens. As Redford (1969) explained, the ballot forces a politician to listen to his constituents and seek policies promoting their interests.

Edelman (1985) expounded on this and noted that the most important purpose that voting serves is symbolic—it reassures the “masses that they are participants in the making of public policy.” (Edelman, 1985, p. 190) In actuality, Edelman argued that elections have little impact on public policy. Still, they are a ritual that provides the citizenry with the opportunity to express their opinions on current issues, and they provide citizens with the sense that they are involved in the democratic process.

According to Rawls (1999), elections are important and must be fair, free, held regularly, and open to participation by all eligible adults. The means to gather information about political issues should be available to all citizens, and all citizens should have the resources needed to determine how their well-being and the common good will be affected

by political proposals. In addition, all citizens should have the opportunity to submit alternative proposals for consideration.

Rawls also argued that democracy must include justice for all citizens. This means that each person must be fairly represented by the government, and each person must be treated equitably. Democracy should guarantee basic liberties to each citizen. These liberties include political liberty, which Rawls defined as:

The right to vote and to hold public office; freedom of speech and assembly; liberty of conscience and freedom of thought; freedom of the person, which includes freedom from psychological oppression and physical assault and dismemberment; the right to hold personal property and freedom from arbitrary arrest and seizure as defined by the concept of the rule of law. (Rawls, 1999, p. 53)

In addition, Rawls said that all citizens must have access to “positions of authority and responsibility” and “all social values—liberty and opportunity, income and wealth, and the social bases of self-respect—are to be distributed equally unless an unequal distribution of any, or all, of these values is to everyone’s advantage.” (Rawls, 1999, pp. 53 & 54)

Dworkin (2000) echoed some of Rawls’ ideas about democracy with an emphasis on equality. According to Dworkin, a democratic government has a responsibility to take the actions necessary to ensure that all citizens are treated equitably.

As this sample of the literature demonstrates, scholars do not agree on how to define democracy nor do they agree on the most important principles of democracy. To make the issue more complex, other scholars have offered theories of how democracy functions and why some citizens choose to participate in democratic political processes, such as voting, while others decline such participation. According to Downs (1957), citizens use rational



choice to make this decision. Individuals consider the costs and benefits of voting and if they believe the benefits outweigh the costs, they vote. If not, they abstain from voting.

Rosenstone and Hansen (2003) argued that citizens participate in democracy, both by voting and through actions such as campaigning for a candidate, because they are mobilized to do so. Individuals involved in the political process, such as politicians, contact citizens and ask them to vote and become politically active. When contacted, citizens likely will do this if they feel their participation will be beneficial and if they have the resources, such as education and money, needed to participate. If they are not mobilized to participate, most citizens will not be active in a democracy, even if they have the resources.

Hibbing and Theiss-Morse (2002) argued that the average American does not participate in democracy unless he or she needs something from the system. Instead, the average citizen wants a system run by elites who take actions benefiting the average person. The system should function efficiently and effectively, thereby eliminating the need for the average person to be involved in politics to hold the system accountable. The system should hold itself accountable, giving the average person more time to devote to other pursuits in life.

These theories are only a few of the many ideas that scholars have espoused regarding democracy. Democracy is a multifaceted concept that cannot be easily characterized. Scholars have varied opinions about how democracy functions and how citizens become involved in it. They cannot offer a consensus on what democracy is or on the appropriate processes for exercising it.

For the purposes of this dissertation, this discussion of democracy helps one to understand that the task of ensuring bureaucracy does not threaten democracy is made even more difficult by the inability of everyman to articulate precisely what democracy is. Is democracy a romantic vision as Waldo (1984) suggested? Is it a direction and spirit as Henke (1919) indicated? Are elections merely symbolic as Edelman (1985) explained or are they critical processes as Dahl (1956) and Redford (1969) insisted? Is democracy more about justice, as Rawls (1999) described, or equality, as Dworkin (2000) proposed? And finally, are citizens really as apathetic as Hibbing and Theiss-Morse (2002) portrayed or can they be motivated to be more active in democracy as Rosenstone and Hansen (2003) suggested?

These questions have no easy answers. When public administrators are instructed to ensure that their actions do not pose a threat to democracy, there is no simple, concrete definition of democracy to guide them in their work. But there is one common denominator in this discussion—the citizen. All of the theories and concepts cited for this dissertation seem to agree that in a democracy, citizens are important and should have a voice in their government. For the purposes of this dissertation, the citizen is the critical component of democracy that is emphasized. When scholars state that bureaucracy must be managed in a way that minimizes its threat to democracy, this means minimize the threat to the citizens living in that democracy. Government must not impede citizens' rights. Instead, it must protect their rights, focusing on a “set of enduring democratic values—efficiency, representation, social equity, and individual rights.” (Nalbandian, 2006, p. 1053) This is best

accomplished by having public administrators in charge of government who take care to be transparent, accountable, and ethical. In the United States, what is the relationship between democracy and bureaucracy? This question is pondered in the following section.

### **The Relationship between Bureaucracy and Democracy**

In 1887, Woodrow Wilson wrote his classic essay, “The Study of Administration,” which is credited as the beginning of the “self-conscious study of public administration.” (Fry, 1989, p. 2) Wilson argued that the administration of public affairs should be separated from politics, with administration focused on executing public law and governmental action plans. In 1900, Goodnow echoed Wilson’s ideas by arguing that government should be divided into two distinct, separate functions—politics, which involves “policies or expressions of the state will,” and administration, which is concerned with executing these policies. (Goodnow, 2003, p. 18)

This concept became known as the politics-administration dichotomy. For many years in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, it was accepted by leading political scientists that politicians should not be involved in the administrative affairs of government. Likewise, administrators should not be involved in the political activities of public officials. Rather, public administration was to be regarded as a science. Public administrators were to take a businesslike approach to government and execute policies, which were determined by public officials, in an efficient and economical manner. (Goodnow 2003)

Later scholars (i.e., Gulick 1933 and Durham 1940) deemed the politics-administration dichotomy unrealistic. Waldo (1984) argued that public administrators

operate in a political environment and it is not possible to exclude politics and policy considerations from administration. But Waldo and other scholars also argued that when public administrators are involved in policy considerations, there may be negative implications for democracy. As Mosher (1982) explained, most public administrators are appointed rather than elected. They tend to be professionals in their fields and elected officials' dependence on their expertise is "so great that the orientations, value systems, and ethics which they bring to their work and which they enforce on one another are a matter of prime concern to those who would strengthen the democratic system." (Mosher, 1982, p. 12)

Rourke (1984) agreed that public administrators have great expertise, which gives them power in government. Etzioni-Halevy (1983) concurred that public administrators have a great deal of power. She argued that this is a danger to democracy because administrators are appointed elites who do not answer to the public and may take actions that are not responsive to the needs and wants of the citizenry they serve. Gruber (1987) offered the same opinion, saying that bureaucracies are staffed by individuals who derive power from their expertise and positions rather than from an electoral mandate.

According to Etzioni-Halevy (1983), bureaucracy poses a dilemma for democracy because it threatens democracy but is necessary to carry out the functions of democratic government. She noted that much of the work performed by bureaucracies is done in secret, which is antithetical to democracy. Democracies should be open, providing the citizenry with widespread knowledge of their government's operations to help them make informed choices in elections and other interactions with their government. She also argued that the

relationship between public administrators and elected officials exacerbates the threats of bureaucracy to democracy. Elected officials do issue directives to public administrators. But public administrators provide advice and feedback to elected officials that may limit the scope of these directives and may guide the way they are implemented. She argued that government organizations are not under the control of elected officials. Rather, bureaucracies may have more control over elected officials because if elected officials do not heed the advice and guidance of public administrators, they will be faced with opposition as public administrators find ways to avoid implementing elected officials' directives.

Rourke (1984) noted that this causes anxiety in political systems because of a concern that bureaucracies could become organizations that are self-directed, paying more attention to their own edicts than to those they receive from legislative bodies. Some politicians and others fear "bureaucrats might become a power elite and dominate the governmental process in which they are meant to play a subordinate role." (Rourke, 1984, p. 16)

Mosher (1982) seemed to agree with this when he noted that government is managed primarily by professionals whose work is determined not so much by elected officials as it is by professional elites, professional organizations, and higher education institutions and faculties. This can be problematic. As Spadaro (1973) and Greene (1982) found in separate studies, the relationship between public administrators and elected officials is marked by conflict with most public administrators preferring to work without oversight from elected officials. Gruber (1987) also noted that public administrators tend to resist external

intervention in their work, and Rohr (1998) called this shift in power to public administrators a threat to liberty.

To counter this, Levitan (1942) argued that public servants working in a democracy have a responsibility to be loyal to the decisions made by the majority of the citizenry. Public administrators need to have a good understanding of the meaning of democracy and what it means to serve the people. Levitan stressed that in a democratic government, it is important to have democracy in administration as well as in legislation. Later scholars (i.e., Kingsley 1944, Krislov and Rosenbloom 1981, Denhardt and deLeon 1993) agreed with this theory, asserting that if a government organization is staffed by individuals who share similar backgrounds with the citizenry they serve, the bureaucracy will provide more equitable and democratic service. As Coleman Seldon, Brudney, and Kellough (1998) found in a study of loan officers at the Farmer's Home Administration, the citizenry does tend to receive more responsive service when they and the public administrators serving them share similar backgrounds.

Having a more representative bureaucracy might improve government's image. As Goodsell (2004) found, bureaucracy has traditionally been viewed as possessing an elitist bias, staffed with public administrators who are unrepresentative of the citizenry and inclined to align themselves with society's most powerful interests. Both public administrators and society's powerful are believed to be opposed to change. Public administrators are believed to be covertly involved in forming and manipulating public policymaking in an effort to maintain the status quo. According to Goodsell, the traditional view has been that

bureaucracy undermines and perhaps even sabotages democracy and representative government.

A representative bureaucracy might change this perception of bureaucracy, but other efforts may be needed as well. Berman (1997) did a study in the 1990's and found that the public tends to distrust government and believe that in addition to being corrupt and inept, government policies and public officials' actions are designed to take advantage of citizens. Berman and other scholars (i.e., Bellone and Goerl 1992, Terry 1993, Stivers 1994, Cooper 2006) argued that to improve bureaucracy, public administrators must actively listen to citizens and use citizen input to guide their work. Scholars such as Denhardt and Denhardt (2000) advocated for the New Public Service in public administration, which focused on serving the public rather than attempting to steer society in specific directions.

King, Feltey, and Susel (1998) agreed that citizens, public administrators, and elected officials want to increase citizen participation in public policymaking. During the 1990's in the United States, there were many ineffective efforts to do this. King et al. argued that at least part of the problem was public administration is based upon expertise and professionalism, which is not conducive to participatory processes. Many public administrators hesitated to involve citizens in policymaking and some found citizen involvement problematic because they felt it delayed the process. When they did solicit citizen input, they might not use it when they made decisions. At times, public administrators seek citizen input after the issues are already framed and most of the decisions are made. King et al. described public administrators as "territorial and parochial" with

resistance to sharing information. Their study results supported the earlier work of Greene (1982) who found that bureaucracies have considerable control over the design and delivery of services, and they are not influenced by either citizens or elected officials.

As the research shows, there are many issues facing bureaucracies that operate in democracies. To help explain this, Denhardt and Catron (1989) argued that democracy and bureaucracy have an uneasy relationship because the two emphasize different ideals. Democracy focuses on individual rights, equality, justice, and liberty. Bureaucracy focuses on procedures, due process, efficiency, economy, impartiality, standardization, and accountability.

According to Durant (2006), bureaucracies in the United States today may be more challenged to meet the demands of democracy than were bureaucracies of previous eras. The Progressives and New Dealers who led the bureaucracies dominant in the 20<sup>th</sup> Century believed that government regulation was the solution to market failures. Today's reformers, whom Durant considered part of the neoadministrative state, regard government as a failure, and they look to the market for solutions. They want to decentralize government and deregulate business so that the markets will flourish, providing the services that citizens need. They believe that greater accountability will come from the transparency of the markets through benchmarking, surveys of citizens, and competition.

Durant said that these reformers have a “‘D<sup>5</sup>’ government reform agenda: downsizing, devolving, de-funding, deregulation, and de-centering government’s role in addressing society’s ills.” (Durant, 2006, p. 184) He argued that this reform agenda has reduced



government agencies' abilities to function by reducing government's resources, making it more difficult for bureaucracies to be held accountable and deal with the concerns of democracy such as equity, constitutional rights, equality, and distributive justice. As Durant pointed out, "Who is responsible...when government programs fail if government agencies lack the capacity to oversee their agents?" (Durant, 2006, p. 186)

It appears that many scholars have found problems with bureaucracy and it may not serve the citizenry in a democracy as well as it should. If this is accurate, why do democratic governments continue to use bureaucracies? According to Gormley and Balla (2008), bureaucracy is necessary because of the scope of modern government. Government at all levels—federal, state, and local—is responsible for a large number of functions, and it relies on bureaucracy to accomplish its goals. Rourke (1984) said, "No modern state could operate for a day without the performance of myriad tasks by highly trained bureaucracies." (Rourke, 1984, p. 15) He explained that public administrators provide expertise and skills that are critical for effective government operations. Redford (1969) said that bureaucracy is necessary because humankind has needs that cannot be met by the private sector.

Edelman (1985) agreed with this and argued that bureaucracy serves an important symbolic purpose in society as it brings order to problems. For example, he reasoned that if the Interstate Commerce Commission (ICC) was abolished, private companies would have to assume responsibility for setting rates and handling mergers. Customers would worry that they were being exploited and companies would worry about public protest. The relationship between companies and their customers would be marked by anxiety, instability,

and tension. Edelman argued that to alleviate these problems, another agency like the ICC would have to be created to take over the management of rates, mergers, and other commerce activities. He explained that “our political institutions constitute, among other things, a device for providing symbolic reassurance to threatened groups.” (Edelman, 1985, p. 170)

It does appear that despite the problems with bureaucracy and its imperfect relationship with democracy, bureaucracy is necessary to carry out the functions of government. Meier and Bohte (2007) argued that bureaucracy has such an important role in government that it has become a political institution acting as the fourth branch of government. Bureaucracy has grown over the years, largely against the wishes of both politicians and citizens. “In a nation that pays lip service to notions of individual liberty and limited government, the growth of bureaucracy is viewed at best as a threat and at worst as un-American.” (Meier & Bohte, 2007, p. 3)

James Q. Wilson (2000) agreed that citizens have a negative view of bureaucracy. “To them, bureaucrats are lethargic, incompetent hacks who spend their days spinning out reels of red tape and reams of paperwork, all the while going to great lengths to avoid doing the job they were hired to do.” (Wilson, 2000, p. xviii) But this view may be exaggerated. Citing various public opinion surveys that asked citizens about their personal experiences with public administrators, Wilson noted that most respondents said “that these experiences were good, that the agency personnel were helpful, friendly, and competent.” Wilson concluded that “this can only mean that those lazy, incompetent bureaucrats must work for some other agency—the one the citizen never sees.” (Wilson, 2000, p. xviii)

Goodsell (2004) argued that bureaucracy functions appropriately most of the time and generally provides satisfactory services. To continue this tradition, Gawthrop (1998) said that public administrators are expected to be competent leaders with the ability to successfully maneuver “through the complex managerial decision-making maze of contemporary policy systems.” (Gawthrop, 1998, pp. 87 & 88) Elected officials at all levels of government will continue to depend on public administrators with expertise in fields such as accounting, law, medicine, and engineering to implement laws, ordinances, and policies. Gawthrop argued that under a system of democracy, it is the public administrators’ duty to ensure these laws are faithfully executed in an ethical manner that promotes the common good.

### **Summary**

In sum, the relationship between bureaucracy and democracy is an uneasy one. Transparency and accountability are needed to develop a bureaucracy that conducts its business in a manner that aligns with the principles of democracy. To ensure that they take actions that are transparent and accountable, public administrators must practice ethical behavior. Since not all public administrators can be guaranteed to do this, some monitoring of their activities must occur. Internal performance auditors, such as city auditors, should be in charge of such monitoring, which should include periodic ethics audits. Once they complete their audits, auditors must be advocates for the changes they recommend for government operations.

This dissertation focused on city auditors and sought to verify whether they are making ethics audits a priority. It attempted to learn what, if anything, city auditors are doing to advocate for the changes recommended in their audits. Using case study research, this dissertation endeavored to learn about the impact that performance auditing has had on ethical behavior. In addition, it gathered information regarding the impact that written ethics codes and training on ethical issues have on public administrators' behavior.

The existing body of literature pertaining to performance auditing is limited. The profession has existed for a somewhat brief time and as such, has little to offer for established paradigms and theoretical frameworks to guide the work of performance auditors. It is possible that this dissertation can provide some insights into the work that auditors should be doing and the processes they should follow to achieve this work. If this dissertation can accomplish this, it might help strengthen the performance audit profession, which can be very important to democracy. As Funkhouser stated, "Citizens—either directly or through their elected representatives—are the source of accountability within a democracy. Accountability occurs through a system of governance. Good governance systems have effective checks and balances, including a strong audit function." (Funkhouser, 2008, p. 19)

Bureaucracies that function in democratic governments must be transparent and accountable. To ensure this, these government organizations must be staffed by ethical employees. As Kettl and Fesler (2005) remind us, "In the end, the quality of government's work depends on the quality of the individuals recruited and retained in the public service, on

their respect for bureaucratic accountability and ethical behavior—and especially on their commitment to the constitutional, democratic system.” (Kettl & Fesler, 2005, p. 413) A strong audit function—one that works with government managers and leaders to help them improve their performance—can be critical to ensure that bureaucracies do their jobs in a manner that promotes democracy.

### **Theoretical Framework**

The theoretical framework for this dissertation came from the works of Mosher (1982), Verschoor (2007), Funkhouser (2008), and Patton (2002).

Mosher asked two questions that he felt addressed the problems he was concerned about (Mosher, 1982, p. 5):

1. “How can a public service...be made to operate in a manner compatible with democracy?”
2. “How can we be assured that a highly differentiated body of public employees will act in the interests of all the people, will be an instrument of all the people?”

These questions were used to help guide this dissertation. Verschoor recommended that internal auditors “should periodically assess the state of the ethical climate of the organization and the effectiveness of its strategies, tactics, communications, and other processes in achieving the desired level of legal and ethical compliance.” (Verschoor, 2007, p. 21) To accomplish this, Verschoor listed eleven areas that internal auditors should be alert for and review when they conduct an ethics audit.

1. Code of conduct that it is clear, understandable, and has related statements and policies to reinforce its objectives.

2. Leadership that is communicating and demonstrating the organization's expected ethical attitudes and behavior.
3. Strategies and programs for supporting and renewing the organization's ethical culture.
4. Readily accessible processes for employees to confidentially report ethical violations and misconduct.
5. Declarations by employees that they are aware of the organization's expectations for ethical behavior.
6. Clearly delegated responsibilities for ensuring that "ethical consequences are evaluated, confidential counseling is provided, allegations of misconduct are investigated, and case findings are properly reported." (Verschoor, 2007, p. 22)
7. Readily available training opportunities for all employees.
8. Personnel practices that motivate employees to be ethical.
9. Routine surveys of employees, as well as the organization's suppliers and customers, to determine the organization's current ethical climate.
10. Routine reviews of the organization's formal and informal processes "that could potentially create pressures and biases that would undermine the ethical culture." (Verschoor, 2007, p. 22)
11. Hiring procedures that include reference and background checks such as integrity tests and drug screening.

This dissertation used Verschoor's work to develop the survey and interview questions posed to city auditors regarding the ethics audits, as well as other audits, that they perform. Verschoor's work also was used as the basis for the interview questions posed in the case study research.

Funkhouser (2008) argued that performance auditors do little, if anything, to advocate for their audit findings and recommendations once they complete an audit. He suggested that if they would become involved in the political process and use it to promote their audits, their work would be more likely to result in positive changes needed to improve government operations. This dissertation used Funkhouser's work to develop the questions posed to city auditors regarding advocacy for their audits.

This dissertation included interviews with 58 public administrators at a city government, city auditors in 25 cities, and five staff and one newspaper reporter at a city that recently implemented a city auditing function. To guide the interview process, this dissertation incorporated the theoretical traditions in qualitative research of constructivism and narratology. According to Patton (2002), "constructivism begins with the premise that the human world is different from the natural, physical world and therefore must be studied differently." (Patton, 2002, p. 96) Constructivists believe that meaningful reality is constructed socially, and the different individuals involved in a social setting will each have their own perspective on the realities of that setting. There is no "truth" to be discovered about the reality of a particular social setting. Rather, each individual's perception constructs the reality, and no individual's perception is more "right" or "true" than another individual's

perception. (Patton, 2002, pp. 97 & 98) Researchers who work from a constructivist theoretical tradition seek to answer the following questions (Patton, 2002, p. 132):

- “How have the people in this setting constructed reality?”
- “What are their reported perceptions, ‘truths,’ explanations, beliefs, and worldview?”
- “What are the consequences of their constructions for their behaviors and for those with whom they interact?”

The central idea of narratology, or narrative analysis, “is that stories and narratives offer especially translucent windows into cultural and social meanings.” (Patton, 2002, p. 116) Narratology is an accepted approach for studying organizations, and it has at least four forms (Patton, 2002, p. 118):

- “Organizational research that is written in storylike fashion (tales from the field).”
- “Organizational research that collects organizational stories (tales of the field).”
- “Organizational research that conceptualizes organizational life as story making and organizational theory as story reading (interpretive approaches).”
- “Disciplinary reflection that takes the form of literary critique.”

Using narratology as their guide, researchers seek to answer the following questions (Patton, 2002, p. 133):

- “What does this narrative or story reveal about the person and world from which it came?”
- “How can this narrative be interpreted to understand and illuminate the life and culture that created it?”



By using narratology and constructivism, this dissertation was enabled to explore the stories of the public administrators and city auditors who participated in this research in an effort to get a better understanding of the real world of city governments. By exploring their stories, this dissertation attempted to gain insight into how these public administrators practice ethics and how city auditors influence this work.

To instill more validity in the data obtained during the interviews, the interviews were conducted using a standardized, open-ended approach. As Patton (2002) explains, in such interviews, “the exact wording and sequence of questions are determined in advance. All interviewees are asked the same basic questions in the same order. Questions are worded in a completely open-ended format.” (Patton, 2002, p. 349) This method has the advantage of allowing for the “comparability of responses” and it “facilitates organization and analysis of the data.” (Patton, 2002, p. 349)

### **Research Hypotheses**

This dissertation used both qualitative and quantitative research methods to explore the following four hypotheses.

1. The original hypothesis stated, “**If public administrators receive ethics training, they are more likely to be transparent and accountable.**” After I began the fieldwork for this dissertation, I realized this hypothesis was stated incorrectly because I cannot measure whether public administrators are transparent and accountable. What I am trying to measure is whether they practice ethical behavior, which hopefully will lead to greater transparency and accountability. As such, the hypothesis should have been stated, “**If public administrators receive ethics training, they are more likely to practice ethical behavior.**” This hypothesis was tested as follows:

- The city auditor survey included questions about whether ethics training has been provided at the city where each survey respondent works. The survey asked respondents to offer an opinion on the effectiveness of such training.
  - During the case study interviews, each individual was asked to discuss any ethics training he or she has received and the impact of such training.
  - During the city auditor interviews, each interviewee was asked to discuss, in general, the impact of ethics training.
2. The original hypothesis stated, **“If public administrators work in an organization that has an ethics code, they are more likely to be transparent and accountable.”** Again, this hypothesis was stated incorrectly. It should have read, **“If public administrators work in an organization that has an ethics code, they are more likely to practice ethical behavior.”** This hypothesis was tested as follows:
- The city auditor survey asked respondents whether their city’s government has an ethics code. The survey asked respondents to offer an opinion on its effectiveness.
  - During the case study interviews, each individual was asked to discuss their city’s ethics code and its impact.
  - During the city auditor interviews, each interviewee was asked to discuss, in general, the impact of ethics codes.
3. **If city auditors do more ethics audits, as well as find more ethics violations in their other audits, the public administrators they monitor are more likely to do their work in an ethical manner.** This hypothesis was tested as follows:
- The city auditor survey included questions to learn if city auditors are doing ethics audits and if so, the survey asked for information about the outcomes of these audits. In addition, the survey asked auditors about ethical violations uncovered in other audits and the outcomes of these audits.
  - During the case study interviews, each individual was asked about the audits that he or she has been involved in. Each individual was asked how these audits have affected his or her work.
  - During the city auditor interviews, each interviewee was asked to discuss how the audits conducted by his or her office have influenced ethical behavior at the city auditor’s government.

**4. If city auditors advocate for the changes they recommend in their audits, the changes are more likely to be implemented.** This hypothesis was tested as follows:

- The city auditor survey included questions to determine what actions city auditors have taken after they completed an audit to advocate for its recommendations and how those actions have affected the outcome of the audits.
- During the city auditor interviews, each interviewee was asked to discuss the ways that their office advocates for the changes recommended in their audits and the outcome of such advocacy.

When this research was concluded, each hypothesis was tested using three or more different sets of data from both quantitative and qualitative sources. This was an attempt to use the process known as “triangulation,” which means “collecting information from a diverse range of individuals and settings, using a variety of methods.” (Maxwell, 1996, p. 75) As Maxwell explains, using triangulation “reduces the risk that your conclusions will reflect only the systematic biases or limitations of a specific method, and it allows you to gain a better assessment of the validity and generality of the explanations that you develop.” (Maxwell, 1996, pp. 75 & 76)

Using this process will help to ensure that my biases have minimal influence on this research and the findings. I am a city auditor who does performance audits at a local government in the Midwest. By researching auditing and meeting with other city auditors as part of this research, I am studying my own profession. This can be a threat to the validity of this study. By allowing the research to be guided by the process of triangulation, it is hoped that these threats are nominal.

## Chapter 2

### SURVEY RESULTS

#### **Methodology**

Learning about the work performed by city auditors and how it influences ethical behavior of city government employees is best served by a methodology that gathers specific information about ethics codes, training in ethical issues, and ethics audits conducted at city governments. A survey was prepared to capture this information and was distributed nationally to city auditors and other staffs at 249 U.S. cities with a population of 100,000 or more. Staff at each city was contacted via e-mail and provided with a link to the dissertation survey on SurveyMonkey™'s website. (*SurveyMonkey™ is a company that offers web-based survey solutions for companies, organizations, and individuals conducting survey research.*)

The e-mails including the survey link were initially sent from my university e-mail account during 2010. For 139 cities, or 55.8 percent, the survey link was sent to the city auditor. If the city did not have an auditor or if the auditor's e-mail address was not available on the city's website, the city's finance department director was contacted. This was done for 73 cities, or 29.3 percent. At 37 cities, e-mail addresses were unavailable for both the city auditor and the finance department director. For eight of these, or 3.2 percent, staff in the Mayor, City Manager, or City Clerk's office was contacted, and for 29 cities, or 11.6 percent, the survey was delivered to a general information e-mail address for the city. For these cities, the e-mail was requested to be forwarded to either the city auditor or finance

department director. If the city did not have a city auditor, the finance director was requested to complete the survey because generally, the finance department is responsible for acting as the liaison for any independent audits that a city experiences. As such, finance directors have familiarity with audits and in lieu of a city auditor, can best explain how the auditing function impacts ethical behavior. The finance director also would have knowledge of whether a city has an ethics code and offers ethics training, and he or she should be as capable as a city auditor in providing an informed opinion about how these tools are impacting the behavior of their city's employees.<sup>1</sup>

By August 2, 2010, 133 individuals had responded to the survey, resulting in a 53.4 percent response rate.

### **Questionnaire Description**

The survey included 28 questions in three sections covering the topics of ethics, transparency, accountability, and audit follow-up. The hypotheses for this dissertation state that public administrators are more likely to be ethical if they have received ethics training, work in an organization that has an ethics code, and if they are monitored through ethics

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<sup>1</sup> The survey responses were collected anonymously. This is recommended as an ethical approach to survey research. As Mangione (1998) explains, "Respondents are generally more likely to respond if they feel that their answers will be kept confidential instead of being attributed to them directly." (Mangione 1998: 403) During the second week of May 2010, the survey link was e-mailed again to all individuals who did not indicate that they responded to the initial e-mail. For the second notice, the survey link was sent individually to each e-mail address. Sending individual e-mails allowed for a personal appeal to each person surveyed. It also permitted better feedback for e-mails that were undeliverable.

During the third week of May 2010, follow-up was conducted by telephone to determine if the initial survey had been received. If not, a new contact was derived and the survey process began for that city.

After calling these cities and obtaining correct e-mail addresses, as time permitted, additional cities were contacted to learn if they had responded to the survey and if they had not, to encourage them to do so. Eighty-five of the 249 cities surveyed were contacted via telephone. During June and early July, a final appeal via e-mail was made to ask for survey responses.

audits and other audits that look for ethical violations. The first section of the survey included seven questions that sought to learn whether the survey respondent's city has an ethics code and whether their employees are subjected to ethics training and ethics audits.

The next section included fifteen questions that sought to learn whether respondents felt the employees in their city were ethical and strove to be transparent and accountable in their work. The purpose of these questions was to determine if the respondents in cities that use tools (i.e., ethics training, ethics codes, and ethics audits) to encourage their employees to be ethical felt their city's employees were more ethical than the respondents in cities where no such tools were used. For each question in this section, the respondent was presented with a Likert scale and asked to indicate their level of agreement with statements such as "The majority of your city government's employees practice good ethics." Using a Likert scale to gather the answers to these questions yielded data that was uniform and easier to analyze. As Fowler (1998) explains, survey "answers are probably more reliable and valid when a list is provided than when the question is asked in open form." (Fowler, 1998, p. 362)

In the last section, which included five questions, respondents were asked to indicate whether and how their city's auditors advocate for the implementation of audit recommendations. The purpose of these questions was to gather information germane to the last hypothesis for this dissertation, which states that "if city auditors advocate for the changes they recommend in their audits, the changes are more likely to be implemented."

In the final survey question, which was open ended, respondents were given the opportunity to comment on any item in the survey. *(To review the survey instrument, please see Appendix A. To review a list of the cities surveyed, please see Appendix B.)*

### **Survey Analysis: Ethics Training**

As Table 2.1 shows, the majority of the survey respondents agreed to some extent with the statements, “Ethics training encourages employees to practice good ethics,” “Ethics training helps your city government be more transparent,” and “Ethics training helps your city government be more accountable.”

**Table 2.1. Summary of Responses to Survey Statements About Ethics Training**

Statement: “Ethics training encourages employees to practice good ethics.”

Disagree very much	0	0.0%
Disagree moderately	1	0.8%
Disagree slightly	3	2.4%
<i>Total disagreeing</i>	<i>4</i>	<i>3.2%</i>
Agree slightly	22	17.9%
Agree moderately	47	38.2%
Agree very much	44	35.8%
<i>Total agreeing</i>	<i>113</i>	<i>91.8%</i>
Don’t Know	6	4.9%
<i>Total responses</i>	<i>123</i>	

Statement: “Ethics training helps your city government be more transparent.”

Disagree very much	1	0.8%
Disagree moderately	1	0.8%

(Table Continues)

**Table 2.1. Summary of Responses to Survey Statements About Ethics Training  
(Continued)**

Disagree slightly	6	4.8%
<i>Total disagreeing</i>	8	6.4%
Agree slightly	35	28.2%
Agree moderately	39	31.5%
Agree very much	27	21.8%
<i>Total agreeing</i>	101	81.5%
Don't Know	15	12.1%
<i>Total responses</i>	124	

Statement: "Ethics training helps your city government be more accountable."

Disagree very much	0	0.0%
Disagree moderately	1	0.8%
Disagree slightly	4	3.3%
<i>Total disagreeing</i>	5	4.1%
Agree slightly	33	26.8%
Agree moderately	41	33.3%
Agree very much	31	25.2%
<i>Total agreeing</i>	105	85.3%
Don't Know	13	10.6%
<i>Total responses</i>	123	

In addition, the respondents were asked to rank codes of ethics, ethics audits, ethical leadership, and ethics training according to their importance in encouraging employees to practice good ethics. They were asked to use a scale of 1 to 4, with "1" being the most important and "4" being the least important. They were given the option of assigning items the same number if they believed they were equally important. Forty-two respondents, or



35.0 percent, assigned “1” to ethics training, and an additional 43 respondents assigned it with “2.” This indicated that of the 120 individuals who ranked ethics training, a large number of them, 85 or 70.8 percent, believe that ethics training is important.

The first hypothesis for this study stated, “If public administrators receive ethics training, they are more likely to practice ethical behavior.” Seventy-eight of the respondents, or 60.5 percent of those who answered the question, said that their city government provides ethics training, and the survey results indicated that ethics training is important and can be an effective tool to promote transparency and accountability. This information seems to support the hypothesis.

Based on these results, I expected that a more in-depth analysis using ordinal regression would reveal significant relationships between the results of the question, “Does your city provide ethics training?” and the results of statements such as “Ethics training helps your city government be more accountable.” In this particular analysis, the value of chi square was .764 with an observed significance level of .683.

Given that 105, or 85.3 percent, of the respondents agreed that ethics training helps their government be more accountable, this result seemed erroneous at first. But a closer inspection of the data showed that several respondents from cities that **do not** provide such training agreed that it could help cities be more accountable. Likewise, several respondents from cities that **do** provide such training disagreed that it helps their government be more accountable. Other ordinal regression analyses using the questions pertaining to ethics

training produced similar results. Thus, the survey results do not clearly support this dissertation’s first hypothesis.

### **Survey Analysis: Codes of Ethics**

Of the 130 respondents who answered the question, 107, or 82.3 percent, said that their city government has a code of ethics. As Table 2.2 shows, the majority of the survey respondents agreed to some extent with the statements, “Codes of ethics encourage employees to practice good ethics,” “Codes of ethics help your city government be more transparent,” and “Codes of ethics help your city government be more accountable.”

**Table 2.2. Summary of Responses to Survey Statements About Codes of Ethics**

Statement: “Codes of ethics encourage employees to practice good ethics.”

Disagree very much	0	0.0%
Disagree moderately	4	3.2%
Disagree slightly	4	3.2%
<i>Total disagreeing</i>	<i>8</i>	<i>6.4%</i>
Agree slightly	30	24.2%
Agree moderately	48	38.7%
Agree very much	34	27.4%
<i>Total agreeing</i>	<i>112</i>	<i>90.3%</i>
Don’t Know	4	3.2%
<i>Total responses</i>	<i>124</i>	

Statement: “Codes of ethics help your city government be more transparent.”

Disagree very much	1	0.8%
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(Table Continues)

**Table 2.2. Summary of Responses to Survey Statements About Codes of Ethics  
(Continued)**

Disagree moderately	3	2.4%
Disagree slightly	8	6.5%
<i>Total disagreeing</i>	<i>12</i>	<i>9.7%</i>
Agree slightly	32	26.0%
Agree moderately	38	30.9%
Agree very much	32	26.0%
<i>Total agreeing</i>	<i>102</i>	<i>82.9%</i>
Don't Know	9	7.3%
<i>Total responses</i>	<i>123</i>	

Statement: “Codes of ethics help your city government be more accountable.”

Disagree very much	0	0.0%
Disagree moderately	4	3.2%
Disagree slightly	4	3.2%
<i>Total disagreeing</i>	<i>8</i>	<i>6.4%</i>
Agree slightly	37	29.6%
Agree moderately	42	33.6%
Agree very much	27	21.6%
<i>Total agreeing</i>	<i>106</i>	<i>84.8%</i>
Don't Know	11	8.8%
<i>Total responses</i>	<i>125</i>	

When ranking codes of ethics, ethics audits, ethical leadership, and ethics training according to their importance in encouraging employees to practice good ethics, 65 respondents, or 53.7 percent, assigned “1” to codes of ethics, and an additional 34, or 28.1

percent, assigned “2.” This indicated that of the 121 individuals who ranked codes of ethics, a large number of them, 99 or 81.8 percent, believe that codes of ethics are important.

The second hypothesis for this study stated, “If public administrators work in an organization that has an ethics code, they are more likely to practice ethical behavior.” The survey results indicated that codes of ethics are important and can be an effective tool to promote transparency and accountability.

Based on these results, I expected to find a significant relationship between the results of the question, “Does your city have a code of ethics?” and the results of statements such as “Codes of ethics encourage employees to practice good ethics.” As noted above, 112, or 90.3 percent, of the respondents agreed with this statement. Ordinal regression analysis showed that the value of chi square was 1.449 with an observed significance level of .229, indicating no relationship between the responses to these statements. Closer inspection of the data showed that several respondents from cities **without** a code of ethics agreed that codes encourage the practice of good ethics. Likewise, several respondents from cities **with** a code of ethics disagreed that codes encourage the practice of good ethics. Other ordinal regression analyses using the questions pertaining to ethics codes produced similar results. Thus, the survey results do not clearly support this dissertation’s second hypothesis either.

### **Survey Analysis: Audits**

A large number of the survey respondents, 100 or 76.9 percent, said that no one at their city performs ethics audits. Just 19 respondents, or 14.6 percent, said yes, ethics audits are conducted at their city. Despite this, several respondents indicated that although ethics

audits are not performed at their cities, other audits conducted are concerned with ethical violations. As one respondent stated, “Although there are no formal ethics audits, ethical issues are reviewed in all audits.” Another respondent noted, “As part of our performance auditing we look for fraud and abuse of people, position and resources.” One respondent said, “Ethics audits aren’t done on a regular basis. Ethics is often included as part of another audit being done.” Other respondents made similar comments, indicating that their audits are designed to find ethical violations regardless of the nature of the audit.

Overall, the respondents seemed to agree that audits, both ethics audits and other types of audits, are at least somewhat important tools for promoting ethical behavior. As Table 2.3 shows, a majority of the survey respondents agreed to some extent with the statements, “Audits help your city government be more transparent” and “Audits help your city government be more accountable.” Although not a majority, many of the respondents also agreed with the statement, “Ethics audits encourage employees to practice good ethics.”

**Table 2.3. Summary of Responses to Survey Statements About Audits**

Statement: “Ethics audits encourage employees to practice good ethics.”

Disagree very much	3	2.4%
Disagree moderately	2	1.6%
Disagree slightly	8	6.5%
<i>Total disagreeing</i>	<i>13</i>	<i>10.5%</i>
Agree slightly	26	21.1%
Agree moderately	28	22.8%
Agree very much	15	12.2%
<i>Total agreeing</i>	<i>69</i>	<i>56.1%</i>

(Table Continues)

**Table 2.3. Summary of Responses to Survey Statements About Audits  
(Continued)**

Don't Know	41	33.3%
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<i>Total responses</i>	<i>123</i>	
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Statement: “Audits help your city government be more transparent.”

Disagree very much	0	0.0%
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Disagree moderately	2	1.6%
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Disagree slightly	1	0.8%
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<i>Total disagreeing</i>	<i>3</i>	<i>2.4%</i>
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Agree slightly	10	8.0%
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Agree moderately	27	21.6%
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Agree very much	77	61.6%
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<i>Total agreeing</i>	<i>114</i>	<i>91.2%</i>
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Don't Know	8	6.4%
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<i>Total responses</i>	<i>125</i>	
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Statement: “Audits help your city government be more accountable.”

Disagree very much	0	0.0%
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Disagree moderately	1	0.8%
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Disagree slightly	0	0.0%
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<i>Total disagreeing</i>	<i>1</i>	<i>0.8%</i>
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Agree slightly	11	8.9%
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Agree moderately	25	20.2%
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Agree very much	83	66.9%
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<i>Total agreeing</i>	<i>119</i>	<i>96.0%</i>
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Don't Know	4	3.2%
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<i>Total responses</i>	<i>124</i>	
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Despite the above results, when ranking codes of ethics, ethics audits, ethical leadership, and ethics training according to their importance in encouraging employees to practice good ethics, most of the respondents seemed to think that audits, or at least ethics audits, are not as important as other tools. Of the 115 who ranked ethics audits, just nine, or 7.8 percent assigned “1” to this item. An additional 31, or 27.0 percent, assigned ethics audits with “2,” indicating that in total, only 40, or 34.8 percent of the respondents, regard ethics audits as an important tool for promoting transparency and accountability. Twenty-six, or 22.6 percent, assigned it a “3” and 49, or 42.6 percent assigned it a “4,” for a total of 75, or 65.2 percent, who indicated that they regard other tools as more important for promoting transparency and accountability. This dissertation’s third hypothesis states, “If city auditors do more ethics audits, as well as find more ethics violations in their other audits, the public administrators they monitor are more likely to do their work in an ethical manner.” Based on the information above, it appears that this hypothesis is not supported by the survey results. The next section provides additional information regarding this.

### **Survey Analysis: Advocacy and Audit Recommendations**

The survey included the statement, “When your office completes an audit, whether an ethics audit or other audit, you and/or other staff in the auditor’s office take actions to advocate for the audit’s findings and recommendations.” Of the 114 individuals who responded to this statement, exactly half, 57, or 50.0 percent, said that they always advocate. An additional 27, or 23.7 percent, said they often advocate and nine, or 7.9 percent, said they sometimes advocate. Seven, or 6.1 percent, said they occasionally advocate, but 14, or 12.3

percent, said they never advocate. Table 2.4 shows the methods used for advocacy. As shown, the most commonly used method was presentations at public meetings.

**Table 2.4. Advocacy Method and Frequency of Use**

	<u>Never</u>	<u>Occasionally</u>	<u>Sometimes</u>	<u>Often</u>	<u>Always</u>
Press conferences	89 – 83.2%	9 – 8.4%	6 – 5.6%	3 – 2.8%	0 – 0%
Newspaper interviews	57 – 53.3%	32 – 29.9%	10 – 9.3%	7 – 6.5%	1 – 0.9%
Newspaper columns	83 – 77.6%	13 – 12.1%	8 – 7.5%	3 – 2.8%	0 – 0%
Television interviews	71 – 66.4%	22 – 20.6%	9 – 8.4%	5 – 4.7%	0 – 0%
Radio interviews	86 – 80.4%	11 – 10.3%	6 – 5.6%	4 – 3.7%	0 – 0%
Public presentations	36 – 33.6%	23 – 21.5%	17 – 15.9%	12 – 11.2%	19 – 17.8%
Citizen engagement	72 – 67.3%	22 – 20.6%	10 – 9.3%	2 – 1.9%	1 – 0.9%

Of the 111 individuals who responded, 45, or 40.5 percent said they agree very much with the statement, “When your office advocates for an audit’s findings and recommendations, the department that your office audited is more likely to implement the changes recommended in the audit.” An additional 34, or 30.6 percent, said they agree moderately and ten, or 9.0 percent, said they agree slightly for a total of 89, or 80.1 percent, who agreed at least somewhat that advocacy is important.

The survey also included the question, “How often are the most significant recommendations in your audits ultimately implemented?” Of the 114 individuals who responded to this question, 29, or 25.4 percent, said that their most significant recommendations are always implemented, and 67, or 58.8 percent, said they are often implemented. An additional 14 respondents, or 12.3 percent, said their most significant



recommendations are sometimes implemented. Three answered this question with “occasionally” and one respondent said the recommendations are never implemented.

As a test of whether advocacy appears to be important, the survey results were tested with ordinal regression analysis, using the results to the question, “How often are the most significant recommendations in your audits ultimately implemented?” as the dependent variable. The results for the statement, “When your office completes an audit, whether an ethics audit or other audit, you and/or other staff in the auditor’s office take actions to advocate for the audit’s findings and recommendations,” were regarded as the predictor factor. For this test, I hypothesized that if an auditor’s office advocated for the findings and recommendations in their reports, the recommendations were more likely to be implemented.

The results indicated a significant relationship between these two variables. The analysis showed that the value of chi square, 18.322, had an observed significance level of .001. Since this is less than .05, it indicates that whether an auditor advocates for their audits’ findings and recommendations can be a predictor of whether the most significant recommendations in their audits will be implemented.

Ordinal regression also was used to test for other relationships in the survey results. Most of these tests yielded results that were not statistically significant. But when the results for “How often are the most significant recommendations in your audits ultimately implemented?” were used as a predictor factor, they were found to have a significant relationship with the results for three other questions. When using the results to the statement, “The majority of your city government’s employees understand the importance of

organizational transparency” as a dependent variable, the analysis showed that the value of chi square, 20.915, had an observed significance level of .000. Since this is less than .05, it indicates that whether audit findings and recommendations are implemented can be a predictor of whether a city’s employees understand the importance of transparency.

The results for the question, “How often are the most significant recommendations in your audits ultimately implemented?” also were used as a predictor factor for the results to the statement, “The majority of your city government’s employees understand the importance of organizational accountability.” This analysis showed that the value of chi square, 27.099, had an observed significance level of .000. Again, since this is less than .05, it indicates that whether audit findings and recommendations are implemented can be a predictor of whether a city’s employees understand the importance of accountability.

Finally, I examined the relationship between the results for the question, “How often are the most significant recommendations in your audits ultimately implemented?” and the results to the statement, “Audits help your city government be more accountable.” This analysis showed that the value of chi square, 10.767, had an observed significance level of .029. Although this is higher than the observed significance level for the other tests, it is still less than .05, indicating that whether audit findings and recommendations are implemented can be a predictor of how accountable a city is to its citizens.

The third hypothesis for this study stated, “If city auditors do more ethics audits, as well as find more ethics violations in their other audits, the public administrators they monitor are more likely to do their work in an ethical manner.” The final hypothesis used

for this study said, “If city auditors advocate for the changes they recommend in their audits, the changes are more likely to be implemented.”

As noted previously, when ranking items in terms of their importance in promoting transparency and accountability, the survey respondents did not rank ethics audits as high as other tools. Despite this, the ordinal regression results presented above indicate that when audit recommendations are implemented, this can help promote transparency and accountability in a city’s government. Audits, both ethics audits and other types of audits, may be more important tools than the survey respondents recognize. It is not clear that the survey results support the third and fourth hypotheses for this dissertation, but the ordinal regression results indicate that perhaps these hypotheses are valid.

There is a caveat that must be applied when reviewing these survey results. They represent the opinions of individuals and are not based on empirical evidence. The individuals who answered the survey—city auditors and finance department management staff—were certainly qualified to issue an opinion on the items discussed in the survey. Nonetheless, the results are opinions only and must be regarded cautiously.

The survey results and the dissertation’s hypotheses will be explored further in the following chapters, which discuss the case study results and the results of interviews with city auditors.

### **The Importance of Ethical Leadership**

Verschoor’s work on ethics audits is part of the theoretical framework for this study. He recommends that when conducting an ethics audit, auditors should check to determine if

the auditee has “leadership that is communicating and demonstrating the organization’s expected ethical attitudes and behavior.” (Verschoor, 2007, p. 21) This dissertation does not include a hypothesis regarding ethical leadership, but the survey did include several questions pertaining to this topic. The results indicated that the survey respondents regard ethical leadership as extremely important in the promotion of ethical behavior, transparency, and accountability. For example, when ranking codes of ethics, ethics audits, ethical leadership, and ethics training according to their importance in encouraging employees to practice good ethics, 97 respondents, or 80.8 percent, assigned a “1” to ethical leadership, and an additional 13, or 10.8 percent, assigned a “2.” This indicated that of the 120 individuals who ranked ethical leadership, the majority of them, 110 or 91.6 percent, believe that this is important. Just seven respondents, or 5.8 percent, assigned ethical leadership with a ranking of “3,” and only three of them, or 2.5 percent, gave it a “4.” Clearly, as Table 2.5 shows, the survey respondents regarded ethical leadership as the most important tool for promoting ethical behavior among employees.

**Table 2.5. Tool Rankings**

<b><u>Tool</u></b>	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>4</u></b>	<b><u>Average Ranking</u></b>
Code of Ethics	65 – 53.7%	34 – 28.1%	11 – 9.1%	11 – 9.1%	1.74
Ethics Audits	9 – 7.8%	31 – 27.0%	26 – 22.6%	49 – 42.6%	3.00
Ethical Leadership	97 – 80.8%	13 – 10.8%	7 – 5.8%	3 – 2.5%	1.30
Ethics Training	42 – 35.0%	43 – 35.8%	27 – 22.5%	8 – 6.7%	2.01

The survey included the statement, “Having ethical leadership encourages employees to practice good ethics.” Of the 124 individuals who answered the question, 108, or 87.1 percent, of them agreed very much with this statement. An additional 14 respondents, or 11.3 percent, agreed moderately, and two, or 1.6 percent, agreed slightly. None of the survey respondents disagreed with this statement even slightly.

When presented with the statement, “Having ethical leadership helps your city government be more transparent,” 79 respondents, or 62.7 percent agreed very much. An additional 32, or 25.4 percent, agreed moderately while 12, or 9.5 percent, agreed slightly. Just one respondent disagreed slightly. Finally, in response to the statement, “Having ethical leadership helps your city government be more accountable,” 86 respondents, or 68.8 percent, agreed very much and 24, or 19.2 percent, agreed moderately. Eleven, or 8.8 percent, agreed slightly, while only one respondent disagreed moderately.

These results suggest that the survey respondents believe ethical leadership is vital to developing an ethical organizational environment that promotes transparency and accountability. Although this dissertation does not include a hypothesis regarding ethical leadership, the survey results indicate that this is an area needing further study. This dissertation will discuss ethical leadership in more detail in Chapter Five.

## Chapter 3

### CASE STUDY RESULTS

#### Participants

The survey results did not clearly support or disprove the hypotheses for this dissertation. To learn more about how codes of ethics, ethics training, and audits influence the behavior of local government employees, a case study was performed at a Midwestern city government that serves a population of almost 500,000. Between August 27 and November 18, 2010, I conducted 52 interviews with 58 individuals in fifteen departments at this city. Fifty-one of these interviews were one-on-one meetings. One interview was done as a focus group with seven individuals from the same department. Tables 3.1 and 3.2 provide a breakdown of the departments and positions represented in this research.

**Table 3.1. Departments Represented  
By Interviewees**

<u>Department</u>	<u># Interviewed</u>
Aviation	9
City Auditor	4
City Clerk	1
City Manager	2
Finance	6
General Services	1
Health	3
Housing & Community Development	5
Human Relations	1
Human Resources	3
Law	1
Neighborhood & Community	5
Parks & Recreation	5
Planning & Development	5
Public Works	7
<b>Total</b>	<b>58</b>

**Table 3.2. Positions Represented  
By Interviewees**

<u>Type of Position</u>	<u># Interviewed</u>
Director	5
Other Managers	21
Office Staff	27
Field Staff	5
<b>Total</b>	<b>58</b>

The individuals who participated in this research were not randomly selected. Rather, each department director was contacted and asked to find volunteers who were willing to participate in this research. Each director was asked to solicit volunteers from both management staffs and non-management positions. In a few instances, I did ask to speak with specific individuals because given their positions, they likely would be able to offer useful insight for this dissertation. But in most cases, the interviewees volunteered to participate in this research.

Since the participants were not randomly selected, the ability to use the research data to make inferences to the City's general population of employees is negligible. In an effort to instill more validity in the data, the research was broadened to cover a large number of City departments and include a wide variety of staff positions. As the list above shows, at least one employee in fifteen different City departments participated in this research. These individuals included top management as well as front-line workers. They ranged in age from the 20's to 60's, and included both men and women. The interviewees were from different races, including Blacks and Whites. Some had college degrees, but others did not. Some

worked in City Hall, but others worked in outlying City offices and had limited contact with City Hall. Working with a non-homogeneous group was an attempt to instill some validity into the case study research, even though the participants were not randomly selected.

### **Methodology**

At each interview, the interviewees were asked a set of eleven questions. These questions were based on the work of Verschoor (2007), which is discussed previously in this dissertation. Verschoor recommends that to access the ethical climate of an organization, an auditor must determine if the organization has an ethics code, training on ethical issues, a process for reporting ethical violations, ethical leadership, and audits. For this research, Verschoor's recommendations were used and questions were asked to determine if the individuals who participated in this research were familiar with their City's ethics code, had received training on ethical issues, were familiar with the City's process to report ethical violations and misconduct, had ethical leadership, and had been involved in audits.

All but two interviews were tape recorded. At these two interviews, detailed notes were taken. For all interviews, a written record was prepared based on the taped record or the notes. Each interviewee received a copy of the written record for his or her interview and was given the opportunity to make changes and/or additions to the document. All revisions were accepted and the documents approved by the interviewees became the official records for this research.

On average, the interviews lasted about 30 minutes. A few interviews were concluded more quickly, and some lasted as long as 45 minutes to an hour. All of the



interviews were conducted at a location chosen by the interviewees. Usually, this location was the interviewee's office, but some of the interviews were conducted in conference rooms at City offices. During each interview, the interviewees were asked the questions below and then allowed to say whatever he or she wished. In an effort to avoid biasing the answers, follow-up questions and comments on the interviewees' answers were limited.

The interview transcripts were analyzed using coding, which is defined as "the formal representation of analytic thinking" that "links data to a conceptual issue." Coding is the process of "thinking through what you take as evidence of a category or theme." The categories are concepts and a code can be defined as "a word or short phrase that captures and signals what is going on in a piece of data in a way that links it to some more general analysis issue." (Rossman & Rallis, 2003, pp. 285 & 286)

For this dissertation, the coding process outlined by Auerbach and Silverstein (2003) was used. They recommend beginning the analysis by stating the questions the researcher seeks to answer. For this dissertation, those questions were the eleven questions asked at each interview. Once the questions are posed, Auerbach and Silverstein recommend selecting text that is relevant to the questions. "Relevant text refers to passages of your transcript that express a distinct idea related to your research concerns." (Auerbach & Silverstein, 2003, p. 46) The relevant text for this dissertation was the specific information from each response that helped answer the interview questions. As I read through each interview transcript, I followed Auerbach's and Silverstein's instructions to filter the text,

choosing “which parts of your text you will include in your analysis, and which parts you will discard.” (Auerbach & Silverstein, 2003, p. 42)

For this phase of the analysis, I used the qualitative process of initial coding to filter the text and select the key points made by each interviewee in response to the questions. The transcript for each interview was reviewed and considered exclusive of all other interviews. The key points, or relevant text, in each interview transcript became the codes, regarded as initial codes, assigned to each interview record. According to Saldana, “Initial Coding is breaking down qualitative data into discrete parts, closely examining them, and comparing them for similarities and differences...It is an opportunity for you as a researcher to reflect deeply on the contents and nuances of your data...It is a First Cycle, open-ended approach to coding the data...Initial Coding is intended as a starting point to provide the researcher with analytic leads for further exploration and ‘to see the direction in which to take [this] study’.” (Saldana, 2009, p. 81)

Once each interview transcript was coded individually with initial codes, I used the process of focus coding to continue my analysis. According to Saldana, “Focused Coding searches for the most frequent or significant Initial Codes to develop ‘the most salient categories’ in the data corpus and ‘requires decisions about which initial codes make the most analytic sense’.” (Saldana, 2009, p. 155) Saldana further explains that Focused Coding is a “Second Cycle analytic process” that enables a researcher to develop “major categories or themes from the data.” (Saldana, 2009, p. 155) During the focus coding process, the initial codes for each interview were compared to the initial codes for all other interviews to

determine the repeating ideas in the data. According to Auerbach and Silverstein (2003), “A repeating idea is an idea expressed in relevant text by two or more research participants.” (Auerbach & Silverstein, 2003, p. 54) Repeating ideas from the relevant text for each interview were grouped together. Each group of repeated ideas was given a heading to explain how it was interpreted.

After all of the repeating ideas from the entire set of interview transcripts were grouped and given headings to describe them, the headings were grouped and used to create themes. “A theme is an implicit idea or topic that a group of repeating ideas have in common.” (Auerbach & Silverstein, 2003, p. 62) The themes became the data used to follow up on the quantitative findings from the survey research used in this dissertation.

To help organize the focus codes and themes that were derived, an Excel spreadsheet was used. This sheet listed each interviewee on a single row with the focus coding categories listed at the top of each column in the spreadsheet. For each interviewee, I moved across the row and at each column with a code that matched one of that interviewee’s answers, a “1” was placed in the corresponding cell. If the code for a column did not apply to the interviewee, the cell was left blank. Once all data was inputted for each interviewee, the “1’s” in each column were added to get the total number of interviewees whose answers matched the focus code in each column. This process not only afforded a better opportunity to organize the data, but it also allowed for quantifying some of the responses received.

To verify the conclusions derived from coding the data, another researcher independently reviewed the interviews and developed his own set of initial and focus codes.

We compared findings and generally, reached the same conclusions. In the few instances of disagreement, we discussed the justifications for coding the particular interview a certain way. In all instances, we reached a mutual understanding and agreement on the final codes.

### **Interview Questions**

The questions posed to each interviewee are listed below. Beneath each question, information is provided to epitomize the 52 answers given to that particular question. In some cases, the interviewees did not directly answer the question, so not all questions have 52 answers. Where feasible, the answers have been broken down to show the number of responses that came from managers, including directors, and the number of responses that came from non-management staff. In total, 20 answers came from management staff while 32 were from non-management staff.

#### ***1. Are you familiar with the City's code of ethics?***

Everyone interviewed said they were aware that the City has a code of ethics, and many of them said they were at least somewhat familiar with it. Some individuals acknowledged that it has been several years since the last time they looked at the code, and others noted that they could not remember a single item covered by the code. But some were reasonably familiar with it, and a few could even quote sections in the document.

**2. Does knowledge of this code affect the decisions you make while at work? If yes, how?**

In 34 of the interviews, 13 with management and 21 with non-management staff, the interviewees said they do use the code as a guide when they do their work. Some noted they refer to the code when disciplinary matters arise. As one individual explained,

“There have been cases where I have to be able to interpret the ethics policy to employees when they’re out of line and make sure they are within the guidelines of it...it’s part of what we need to know for disciplinary actions. What part of the code was violated, what part wasn’t violated, where to find the policy. It is definitely a tool that we can use regularly.”

Others said the code is a guide to remind them how to treat their customers. For example, several individuals noted that the code makes them more aware of the need to treat all of their customers fairly, ensuring that no one receives preferential treatment. One individual provided a detailed explanation, answering this question as follows.

It does. Because we are regulating people, I notice in our choices there is a natural tendency to not want to regulate someone in order to avoid conflict. We have to understand what crosses the line. The code of ethics is part of the overall City Code as are other regulating provisions. For example, a code that speaks to a required fee that customers need to pay may in some cases provide a waiver provision or in others may not provide a waiver provision. So ethically, in the case where no waiver is allowed, staff has to ensure that the customers pay this fee even though the customer may be very upset with the fee, which becomes the source of the inherent conflict. I believe it is an ethics violation to waive the fee in this case, when we know that the code doesn’t give us the authority to waive it.

However, if the circumstance were such that the situation, application, or request could also be characterized as being a type of application where it meets a provision for a fee waiver or different fee, staff might have the ability to guide the customer to this approach where they can waive or adjust the fee, and so staff might choose that course to assist the customer’s needs. That would be less of a clear distinction as an ethics violation. But certainly there can be situations where there is no flexibility and

a fee is clearly required. I feel that the code of ethics provides guidelines on what is an ethics violation and therefore tempers the choices we make in using discretion, and rightly so. Without the code we are more susceptible to making wrong choices.

Eighteen individuals, including seven from management and eleven from non-management staff, said they do not use the code as a guide when they do their work. Six of them explained that the requirements of the code are a match with their own personal ethics. As such, when doing their work, rather than referring to the code, they rely on their internal ethics code to guide their actions. Since their personal ethics are in congruence with the City's code of ethics, they argued that they are following the City's code even though they do not refer to it as they do their work. As one individual stated,

The way I view the code of ethics, there's nothing really in the document that I can recall is what I would define as like an epiphany moment...So would I be able to say that because of what's in the code of ethics, does it guide my decisions? I would probably have to say that that's questionable because I think that maybe what guides me is just more my internal principles that match what's in the code. I don't have any conflicts with what's in the code of ethics. So I would hesitate to say that the code of ethics guides my decisions because I think my professionalism is really what's the driver. But fortunately, it comports with what's in the code of ethics. So that's how I would describe it.

Another interviewee explained,

I use my own personal judgment and my own understanding of where I see a potential for a conflict of interest and maybe that shouldn't be as individualized as that, but it's clear that I believe that anything that sets up a precedent or sets up that potential for a conflict of interest becomes problematic and easy for me to say no. I don't have to stop and look up the code because I think it's always clear to me...I don't go referring to the code all the time. I just know in my brain that I've been doing this for 35 years and I know that the potential is there. It's fairly easy.

Twelve individuals, four from management and eight from non-management staff, specifically said no, the code does not affect them as they do their work. They stressed that

they do not consider the code when they make a decision pertaining to their job. Instead, these individuals rely on their own values to guide them as they do their work. As one interviewee explained, “I think most people have a code of ethics internally and you follow the code...for the most part you either have a code of ethics or you don’t internally and that’s what I follow. The City’s particular code doesn’t really affect the decisions I make because I’m assuming I’m making them in compliance with the code.”

Another individual said,

A lot of the things that I do are not just because the City has a guidebook, but these are just things that I would do anyway. I think that’s probably the same for a lot of people. It’s not just because you have guidelines in place that people behave properly; people have their own morals, and their upbringing has an effect on what they do and how they conduct themselves.

One interviewee noted that he does use the code as a guide for certain issues, such as whether he and his staff can accept gifts. But he also expressed the opinion that a code of ethics has limited value. “If you don’t come to the table with some sort of ethical background, you’re not going to be influenced by a piece of paper or some sort of booklet that someone gives you.”

Given these statements, why should an organization have a code of ethics? If many employees are using their personal values to guide their behavior, what purpose does a written code of ethics serve?

One individual discussed this and explained that written codes are necessary to establish workplace rules.

If we didn’t have any law, it would be chaos. People would do whatever they wanted to do. You’ve got to have policy, got to have laws in place, got to have the rules in

place because it helps a couple of things. It puts safety in the workplace because a lot of things we do, other people don't realize it is for their own safety and for the safety of others. It also makes for a cohesive or conducive workplace when people understand and know the rules.

Another interviewee also argued that a written code of ethics is necessary for any workplace.

When there is no code of ethics, you're going off of your personal judgment on what is right and wrong. Those are based on your upbringing, your education, your exposure. You form your own sense of judgment. But a code of ethics in any industry might be different. What you think is ethical could be different for each individual based on your sense of what is right and wrong. Having a code of ethics gets you into a more uniform thing. This is what your organization expects you to do and this is what is considered ethical in the situation that you're in. What applies to public employees is totally different than the code of ethics in a private sector position. So it's good to have that in place so you know the outlines, where the boundaries are and what is considered ethical or not.

One interviewee told a story to help demonstrate why a written code of ethics is necessary and useful in the workplace.

We had Christmas dinner one year and drinking was still allowed or wasn't really punishable and even my boss said, go back and get your food and then come back to your office and don't hang out back there because when they get to drinking, they get wild. Sure enough, they knocked out the ceiling tile. That's the way it was handled back then, just stay away from it so you don't get involved in it. Now, I'm sure it's a whole different ballgame out there. I was young and did what I was told, but the language, the cursing and all of that was permitted and it was tolerated and it was acceptable. I'm sure that's not the way it is out there now. Of course, that was 1980 or 1981 or so.

I think ethics plays a big part even if it's in your subconscious of how you act or how you behave because it's kind of like everything else. A child doesn't know they are doing something wrong until you tell them they're doing something wrong. Then hopefully that's when they click and say, if I do this again I'm going to get in trouble. I think ethics is like that. Once it's really been brought to the table that your behavior is unacceptable, then at least now you can say, we told you that was unacceptable and now you've done it again. Before, I was the one that had to accept their behavior, instead of turning it around saying, you have a young lady working in the office, you



need to change your behavior for her to be able to feel safe. There were times I didn't feel safe.

**3. *Have you had training on the City's policies regarding sexual harassment, drugs and alcohol, and other such topics?***

The City where this research was conducted reviews its written ethics code with new employees during their orientation. But beyond orientation, this City does not require its employees to attend ethics training. Few of the individuals interviewed indicated that they have received training specifically on ethics. But the City offers and requires all employees to periodically attend training on ethical issues such as sexual harassment, drugs and alcohol, and diversity. All of the individuals interviewed stated yes, they have attended these training sessions, most of them more than once.

**4. *If yes, how has this training affected the decisions you make while at work?***

Six individuals, two from management and four from non-management staff, said the training does not affect the way they perform their jobs, and they do not consider the issues covered by the training when they do their work. As one interviewee stated,

In my case, it comes more from my personal choices and your personal background and ethics. I really don't know how much this training can help me. I think I did more of it on my own options, my own environment that I grew up in. So there are a lot of factors. There's not, just one class is not going to change human behavior. It is what environment you were born in, what environment you grew up in, what was enforced when you were growing up. I think it's very complex. It's not an easy answer. These are good sessions and give good pointers, but I think it's a combination of a lot of other variables.

In 24 of the interviews, 12 with management and 12 with non-management staff, the interviewees said the training raised their awareness level. As one interviewee explained, “It reinforces, I think, some of your own beliefs and behaviors. Tries to clarify certain things like the sexual harassment and the diversity training. Sometimes helps to explain to people where they might not even realize that they have some biases. So sometimes it helps bring those out and makes you think about them.”

Another interviewee made similar remarks.

I’m going to say yes, it has. Because during the training, a lot of the gray areas that I’ve kind of taken for granted made me think of a bigger picture, situations where I may think I’ve done the right thing but it may be perceived as something totally opposite. So it has opened my eyes to make sure that I analyze all angles of the situation before you react. It is kind of eye opening, some of the discussions that we’ve been involved with during the training classes. So yes, they have come in very helpful.

Thirteen individuals, six from management and seven from non-management staff, noted that the training actually taught them something that they did not know prior to attending the training session. Fifteen individuals said they use the information provided in the training sessions as a guide or reference for doing their jobs. As one interviewee stated,

The way the courts define sexual harassment or the way that it is dealt with, to me, is not as black and white as your upbringing or what you bring with you. Same thing with drugs and alcohol. Just knowing how the legal system and the courts recognize those things, I think they do impact how you do things. It’s very beneficial to have those trainings and yes, they do guide and adjust how I behave in the workplace.

Another individual discussed a situation where he used the training to help him deal with an issue that arose on the job.

It was an incident that was brought to my attention that through my training, I kind of thought that this might be something that could be construed as sexual harassment.

So that training really was helpful in navigating through that incident. There was a positive ending to it. But the training was very helpful in being able to navigate through it so we did have a positive outcome.

It should be noted that the 15 individuals who said they use the training as a guide included only three managers. The other 12 who gave this answer were non-management staff.

As noted previously, the City where these individuals work does not offer training specifically on ethics. Several interviewees suggested that such training would be useful. One noted that when the City's ethics code was initially implemented, such training was provided, and it was understood that follow-up training would be offered periodically. This individual recommended that having a current training course on ethics would benefit the City.

If nothing else, that demonstrates management's support of an ethical environment. Without the training, even though it's required by code, I think that tells you ethics isn't important. We had classroom training; however a refresher could be via the internet or video. It doesn't have to be actual classroom training to show it's important. But there's been nothing as far as I know since the original.

Another interviewee described the City's training sessions on sexual harassment and diversity as "quite good," and suggested that the City needs training that deals specifically with items in the City's ethics code.

One thing in the code of ethics is receiving gifts. I have no knowledge of any training about that and I think that's a big issue. We, in our office, we would never accept a gift, period. But our code allows people to accept gifts to a certain value and if they report it and so forth. But there's no training on that. If we would have training on each one of those things, I think it would be helpful.

5. *Have you used the City's process to report ethical violations and misconduct? If yes, what was your opinion of this process?*

Four interviewees, including one manager, said they were not familiar with the City's ethics hot line or process to report ethical violations and misconduct. But all other interviewees said yes, they were familiar with the hot line and related process. Thirty-seven individuals said although they were familiar with the process, they have not used the hot line, nor have they reported an ethical violation or misconduct through some other means. But in 14 of the interviews, eight with managers and six with non-management staff, the individuals reported that yes, they have used the hot line or reported an ethical violation in another manner.

In 21 of the interviews, the interviewees described the hot line and the process to report ethical violations and misconduct as "good." As one individual explained,

I think it can be done anonymously. If it can be done with no retaliation on anyone's part, then I think it's a good, fair process. Not every employee is going to feel comfortable going to a person and giving his or her name for whatever reason. I know that for part of the reported procedures you can call the ethics hotline where you don't have to give your name, so I'm very comfortable with that. It keeps everything confidential. I'm comfortable with that process, I'm comfortable to know we have a process in place to report it and that it can be done confidentially.

Another interviewee argued that having this process helps promote accountability among the City's employees.

I think it's very useful. We need to have some sort of policy to keep everybody in line, not just the entry level positions, but from the bottom to the top, and I think that policy is put in place to do exactly that...I think it helps keep people on their toes about it. It also helps to know that not only can you be reported by co-workers, you can be reported by a citizen, other employees besides your co-workers that you work

with. It definitely helps to know that there are other eyes out there and this can be reported more than one way.

Three individuals, including one manager, expressed concerns about the process, noting that it needs to be improved because it is inefficient and inconsistent. An additional five individuals, including two other managers, said that although the process works well, it is lengthy, with investigations and related work taking too long to resolve the issue in question.

One individual who is reasonably familiar with the process, tried to explain why the process may not work as well as it could. “I think it works well. The challenge is that it needs a full-time staff. There’s only one person technically...So as a result, those complaints may not get investigated in as timely a manner as possible. But I think they will get investigated. It just may not be timely.”

Other interviewees expressed concerns that the process may be used to log spurious complaints intended to cause conflict for people the complainants dislike. One individual who was previously involved in helping to investigate hot line complaints agreed this is a valid concern and shared knowledge of a specific case where this may have actually happened.

One of the things I noticed with the hot line was there seemed to be employees or employee groups that didn’t like certain employees or groups of employees and they used the hot line to make specious claims against an employee or group of employees. In one such complaint, there was a nugget of truth to what the complainant said happened. The complainant said an employee was using their position with the City to try and get a discount on a personal car from a car dealership. I talked to the fleet manager and was told, ‘no, I sent them to the dealership to talk to the dealership about getting a car for the department.’ So an employee had a piece of information, and either did not know the whole story and

decided to make something up or had just gotten a part of the information and thought something was wrong. Since they are all anonymous, you can't follow up on the complaint.

These concerns suggest that the hot line and related processes to report ethical violations and misconduct are imperfect. But another interviewee who has dealt with the process on several occasions offered praise.

Based on the process that the City has, I would say I'm impressed because it seems to be very unbiased and deals strictly with the facts of the case and not based on assumptions. My involvement in turning in complaints and having complaints...it was very professionally done and it was done in the best interest of the City and not trying to find something to serve, based on who made the complaint. It wasn't a self-serving investigation like they were trying to get something. It was just like it's either there or it's not. Very professional.

***6. What actions does your leadership take to communicate and demonstrate the behavior that the City expects of its employees? (Please answer this question first as it pertains to the leadership in your department and then as it pertains to overall City leadership such as the Council and City Manager.)***

The interviewees listed five methods that their immediate supervisors and department directors use to communicate and demonstrate the behavior that employees are expected to practice while doing their jobs.

- Meetings and e-mail
- Training
- Written policies and resolutions
- Leading by example

- Supporting and monitoring by providing the resources needed to do the job and by checking on employee progress

Many of the interviewees said they have little or no contact with the Mayor, City Council, and City Manager, and they did not regard the actions of these individuals as providing them with guidance about how to perform their jobs. Some interviewees expressed concerns about the negative media coverage that the Mayor and City Council have received recently, and a few said this coverage is troublesome because it reflects poorly on all of the City's employees. Others noted that they try to ignore the activities of the Mayor and City Council and try to do their jobs without regard for what the Mayor and City Council are doing.

7. ***How do the actions of your leadership affect the decisions you make while at work?***

Six individuals, including three managers and three non-management staff, said they are unaffected by the actions of their leaders. These individuals explained that they do their work and pay scant attention to what their leaders are doing. As one interviewee stated,

I hate to sound self-righteous, it's just that I do what I do in my job because and I handle things the way I do because of what my own values are. Regardless of who has been leadership in this department or at the highest level of the City, it doesn't really affect how I make decisions in the workplace. That doesn't mean that I don't go to them for advice. That doesn't mean I don't apprise them of things they need to know, but if we're talking about how ethical decisions and ethical tone affect what I do, I'd have to say, it doesn't very much.

Twenty-seven individuals, including seven managers, said they do look to their leaders to provide them with a role model and give them guidance in how to perform their

work. One interviewee gave an example. “I know that if I want to leave a little early, I know that my boss wouldn’t do that without charging it to vacation time...it makes me think about it twice, about how should I handle this because I know how (my boss) would handle it and that’s probably how he would expect us to handle it.”

Ten individuals, including two who said they look to their leaders for guidance, specifically noted that they feel their leaders are holding them accountable and they consider this as they do their jobs. As one interviewee explained, “I have to say (my supervisor) is one of the easiest persons that I can go talk to and he will correct me if there’s something that I’ve done wrong...I try to do what I think is right. But then I also look to my leader, which I report to (my supervisor), so I look to him.”

Another interviewee said,

Our director has great rapport with us. We talk to the director all the time. They have an executive team that communicates down to us on what some of the expectations are, what they feel we’re doing well, what they feel we’re not doing so well. I would say that the actions of the leadership as far as what they pass down as far as expectations, impacts us directly, because we need to honor the expectations that are there from the City Manager or from the director or things that they want to see done, different ways they want to see things done... Most of the leadership within the department is very positive.

One individual said that her supervisor and other department leaders have stressed that she is being monitored while she works in the field. “As a person who has been out in the field, I was taught that everyone is watching you always. So there are eyes everywhere and you really need to watch what you do...It kind of makes me more aware to do my job properly because I’m aware that people are watching.”



Some of the interviewees did not answer this question as it pertains to their supervisors and leaders. Instead, they answered it using themselves as models, explaining how they personally practice leadership and strive to influence their employees. These answers are not included in the answers noted above because they weren't specifically responding to the question asked. Despite this, many of the individuals who took this approach provided some intriguing information as they discussed their own leadership styles. Some of this information will be used in Chapter Five, which will discuss leadership in more detail.

**8. *What qualities do you expect a good leader to have?***

This question yielded a myriad of answers, with no two individuals providing the exact same list of qualities. Overall, the interviewees identified three broad categories—personality, solidarity, and technical—of qualities that they considered important. Within each category, the qualities cited most frequently included the following:

**Table 3.3. Desired Leadership Qualities**

<u>Category</u>	<u>Quality</u>	<u># of Mentions</u>
Personality	Good communicator	19
Personality	Integrity/honesty	19
Solidarity	Supportive	16
Personality	Good listener	15

(Table Continues)

**Table 3.3. Desired Leadership Qualities  
(Continued)**

Technical	Competent/knowledgeable	14
Personality	Lead by example	13
Personality	Visionary/decision maker	13
Personality	Ethical	11
Solidarity	Concerned/empathetic	10
Solidarity	Consistent/fair	10
Solidarity	Team player/ interacts with employees	9
Solidarity	Open door policy	7
Personality	Respectful	6
Personality	Humility/emotional intelligence	5
Personality	Open minded	5
Technical	Analytical/good judge	5
Technical	Professional	4

Several of the interviewees gave detailed descriptions of the type of individual they consider a good leader. For example, one individual said,

I expect a good leader to remove as many barriers as possible from the work place as they can in order for the people in the work place to do their best. So part of it is removing barriers. Part of it is being a good role model, talking out of the same side of your mouth, not talking out of both sides of your mouth. Part of it is being able and willing to communicate honestly and frequently. Part of it is to have high ethical standards and expect the best in people and expect people to perform well. But also give them the tools and give them the ability because otherwise they're set up for

failure. A good leader...vision and clarity of ethics is really important. You can have a good visionary, but if they don't have good ethics or they are not good communicators or they don't support the workforce, then it's not going to be a successful environment for employees to thrive and do their best.

Another individual said,

I expect my leaders to communicate very well, I expect them to be listeners, because sometimes you have to really listen to understand what it is that is needed for you take back and say okay look, I need to look at this because if they're telling me this, how can I fix this so it works for everybody. I expect them to be very professional on every level, every day. I expect them to come in here and demonstrate leadership. I expect them to actually lead us. People lead by example, so if our leaders are not leading us correctly, you have a lot of people that are following incorrectly. It's kind of like a child and its mother. The parent is the leader. You expect someone to lead you in the right path. If our leaders are making the best decisions as far as guidance and communications. They have to have a lot of patience with us sometimes. They must be very understanding. They have to have the door open and let us know it's okay to come and talk to them about anything. Otherwise people won't do that. It builds up and it won't be good because nothing good comes out of a bad situation unless there is someone you can go to, to help you out.

**9. *Who do you think you are accountable to when you do your job?***

In 35 interviews, 15 with management and 20 with non-management staff, the interviewees specifically stated that they are accountable to the public or citizenry. As one interviewee explained,

I think I'm accountable to the citizens when I do my job and I think the accountability lies with them because they are the people who can actually get together and say that this department is really not needed and complain to our Board of Directors, the City Council, the City Manager. If they don't have good answers for what any of the inspectors are doing, this department may not be here. It is the inspectors and the citizens of the community that keep us going. Without them we wouldn't have any work to do. The accountability starts with the citizens and works its way up the chain.

Others agreed and explained they are accountable to the citizens because that is who they are expected to serve. As one interviewee stated, “Well, of course the customer because if I don’t do the job correctly, then he doesn’t get what he needs.”

Another said,

First and foremost, I’m accountable to the citizens of (city) that come to us for help. Beyond that, I’m responsible to my boss because he is the department director and anything that any of us do reflects on him, good or bad. So I have a certain amount of accountability to him and I have accountability to my team, to provide the kind of leadership, to be the kind of resource person that they need in order to be successful. There’s some accountability at all levels. I think it’s primarily to the public because that’s who we’re here to serve.

Others that the interviewees listed as people they are accountable to included supervisors, department directors, City Manager, and City Council. Several individuals expressed the opinion that they are accountable to everyone. As one interviewee explained,

Ultimately the residents of (city) are who I’m responsible to and I take that seriously. It’s not just a flippant remark. It is clearly they who pay my salary. Through their elected officials, they’ve adopted certain codes and ordinances that I’m expected to enforce and ultimately, I’m accountable to them. In the interim, in the place of the residents, the City executive leadership, the Mayor, the Council, the City Manager all are the interim or the intermediate persons to whom I’m accountable. I also feel like I’m accountable to my staff to model, demonstrate, articulate, decide all the things that I have to do and do it in as timely and effective manner as possible.

Twenty interviewees, including six managers and 14 non-management staff, also said they are accountable to themselves. A couple of them stated that it may seem strange to say you are accountable to yourself, but as one interviewee explained, “There’s also myself, which comes back to that moral center that I spoke of. Are you happy with yourself when you go home at the end of the day? As a former boss said, don’t do anything that you don’t want to see on the front page of the newspaper.”

**10. *Have you been involved in any audits of your department? If yes, how did the audit process affect your work?***

In 38 interviews, 17 with managers and 21 with non-management staff, the interviewees said yes, they have been involved in audits. Fourteen individuals, including three managers, said no, they have never been involved in any type of audit.

For this question, it is important to note that the sources of audits experienced by the interviewees varied. A few had been involved in one or more audits conducted by the city auditor's office. But others had never dealt with the city auditor's office. Instead, they said that they were involved in audits conducted by outside certified public accountants or by the Federal government. Most of the interviewees who had experienced an audit had been involved in a financial audit. Some also had experienced a performance audit.

When explaining how the audit process affected their work, some of the interviewees said it created additional work. As one explained,

My experience has been that financial audits, more so than program audits, are necessary but very expensive in terms of the time it takes to prepare for them and provide documentation requested by the auditor. With highly complex programs, the outside auditor may come into the workplace with a general template based on federal guidelines. What the financial auditor lacks, however, is specifics. She or he sometimes lacks a practical understanding of the appropriate parameters that pertain to the particular jurisdiction. The financial auditor may have little understanding of how the mechanics of program implementation work and may not comprehend the systems in place necessary to execute the program. This lack of program-specific expertise and paucity of contract deliverable comprehension causes in-house program managers to generate additional reports and very specific documentation that really serve the purpose of convincing the auditor what she or he doesn't understand about the practical application of program guidelines. In this way, financial audits can cause a whole lot of extra work and so much ancillary documentation that they can

impede our ability to work efficiently. It just takes many more hours to provide the kind of documentation and back-up that satisfies them.

Others also noted that audits cause them to produce a lot of extra paperwork and do other additional work. One individual said that he spends so much time preparing for audits “so that’s how it affects my work because that IS my work, preparing (documents) for the auditors.”

Another interviewee noted,

Yes, we have audits quite often, anywhere from six months to twelve months on a continual basis. They look at quality control...how we’re handling customer service, finances as they’re coming in and going out, are we spending our budget wisely. So we’re constantly under the microscope regarding audits...It makes (my work) more detailed. I have to really hone in and take my time and pace myself to make sure that I produce quality work.

Others noted that they use audits as a tool to help them improve their work processes.

One interviewee seemed especially favorable of audits, stating,

I love audits. We’ve got several audits going on right now. We’ve got several issues that we’re dealing with. It really lets everyone know what’s going on. So many times, processes happen that you’re not aware of, but audits bring everything to light and they help you become better. We make a lot of changes usually right after audits. People say, well we’ve always done it this way and for a hundred years we’ve always done it this way and that’s not good. So audits refresh us and keep us going forward I think.

Following the interviews, I sent an e-mail to interviewees who indicated that they have been involved in many audits to learn if the type of audit that is performed makes a difference to the amount of stress that staff feels during the audit process. In particular, I wanted to learn if staff feels they are experiencing more scrutiny with one type of audit than with another. I received 12 responses to this question. Eight individuals said that all audits

are stressful and make staff feel that they are under the microscope, regardless of whether the audits are financial, performance, or another type of audit or evaluation. The other four individuals agreed that all types of audits cause stress for staff, but two of them argued that performance audits cause greater anxiety while the other two argued that financial audits generate more stress.

***11. Does the knowledge that your department could be audited at some point affect the way you do your work? If yes, how? If we took away the possibility that you would ever be audited, would you change the way you do your work?***

Six of the interviewees, two managers and four non-management staff, said that audits do not affect the way they perform their work. As one individual explained, “My philosophy is this—you do the right thing, even when no one is watching you. You don’t have to wait to be audited. Something worth doing is worth doing right. I don’t have to worry about it.”

In 11 interviews, nine with management and two with non-management staff, the interviewees said that audits help them improve their work processes, and six individuals, including two managers and four non-management staff, specifically noted that being audited helps them be more accountable.

Seventeen interviewees, including six managers and eleven non-management staff, said they are more careful in their work because they know that being audited is a possibility. As one individual explained,

It does affect the way I work in that I don't throw anything away. I always document everything just because of that. It just makes you more conscious of documentation and you don't put anything out there electronically that is controversial. Just the fact that we have the sunshine law, all records are public. It makes you more aware...I like to think I'd do the right thing anyway. But, I do try harder to keep track of everything now more than anything.

Thirteen of the interviewees, eight managers and five non-management staff, said that if they knew they would never be audited, they likely would change the way they do their work. As one explained,

You'd like to say no, but in reality, I could see where you might decide to cut a corner here or there, and before you know it, when you cut one corner, it's not that big a deal. But before you know it, you start cutting more corners and yeah, I can see where it would have an impact. So yeah, I think that not having an audit, or not having a fear of an audit, could have an impact on the way you do your work.

Another interviewee answered the question saying,

Yes. I don't want someone coming in and looking at my contract file and finding that I don't have copies of invoices. Because more often than not, we have to do encumbrances for some of our contracts and I want to make sure I have a record of everything I paid off of that money. That's important. They could at anytime audit your job too, to see what you do on a daily basis. You need to make sure that you're doing it the way you're supposed to. Not just paperwork, but your actual job, everything you're doing.

As another interviewee explained,

Absolutely. Because since we were audited, I know the kind of havoc it can wreak on a department because it's a tough process. They pretty much go through everything that you've done for a period of time and all of that is made available to the public. It really just shines the light on what inefficiency you might have. One of the things that I make my staff aware of is that we could get audited at any time...it absolutely affects the way we work because if you know you can be called on at any time to provide data for an audit, it's something that you've got to stay ready for. If you didn't think anybody was watching you or could at any point say, let me open up and see the inside of your operation, you might pattern yourself a little differently. But knowing that that's a possibility...having watched up close how that process works, I would say that it does affect how I do my work.



But in 31 interviews, ten with management and 21 with non-management staff, the interviewees said that even if there was no possibility of their work ever being audited, they would continue to do their work in the same manner. As one individual explained,

The audits mostly are somebody checking over you to make sure you haven't done something illegal. I just don't, so it doesn't really affect me. Sometimes there's a question, such as why a bill didn't get paid for two weeks, and I'm always good about keeping notes about why I didn't do this and why I didn't do that. I keep those notes because of the audit, but I don't think I'd stop making the notes because if the audits ever went away. I have so many things going on that I started doing it so I could keep track...of everything and now my notes, if I ever get audited, they help that way too. But I never started them because of audits. I started them so that I was better at my job.

As noted above, 17 interviewees stated that they are more careful in their work because they know that being audited is a possibility. But when asked if they would change the way they conduct their work if they knew they would never be audited, twelve of these 17 people said, no, they would not. This seemed contradictory. If a person is being more careful because they know they could be audited, would they not cease to take such care if they knew they would never be audited? Chapter Six will analyze the information gathered during the dissertation fieldwork. This issue will be revisited as part of this discourse.

### **Case Study Analysis: Ethics Training**

The individuals who participated in this case study gave varied answers to the interview questions. What does this information mean? In particular, how does it relate to the hypotheses for this dissertation?

As noted previously, the first hypothesis for this dissertation states, "If public administrators receive ethics training, they are more likely to practice ethical behavior." All

of the case study participants said yes, they have had training on ethical issues such as sexual harassment. Six of them said the training has not affected the way they do their work, but all other interviewees—46 or 88.4 percent—credited the training with at least increasing their awareness level, helping them to better understand ethical issues and the behavior expected of them in the workplace to avoid ethical dilemmas. Some said the training information has become a guide or reference for them as they do their work.

What does this mean? Does training help public administrators practice ethical behavior? For some individuals, apparently the answer is yes, training is helpful. It makes them think more about the actions they take while at work, and it makes them more likely to do their work in a manner that is acceptable and hopefully more ethical.

But does this mean that they are actually behaving more ethically? Since the City used for this case study does not offer training focused on ethics, it is difficult to answer this question. However, the training that the City offers on topics such as sexual harassment covers ethical issues that present gray areas and ethical dilemmas. For example, different individuals have different ideas about what constitutes sexual harassment and what types of behavior are acceptable in this regard. As some of the interviewees stated, the training has helped some of them to better understand the issues surrounding sexual harassment and to temper their behavior as needed to ensure they act appropriately while at work.

This suggests that training can be a useful tool to influence individual behavior. If training is beneficial, then it seems reasonable to suggest that if employees attend training on ethical issues and they learn about the importance of being ethical, this likely will influence

them to be more ethical in their work. Since a majority of the case study participants indicated that the training they have received has influenced their behavior, the case study results indicate that the first hypothesis is supported.

### **Case Study Analysis: Ethics Codes**

The second hypothesis for this dissertation states, “If public administrators work in an organization that has an ethics code, they are more likely to practice ethical behavior.” As stated above, 34 of the interviewees said they use the City’s code of ethics as a guide to assist them as they do their work. All seven of the individuals who participated in the focus group agreed with this, meaning that a total of 40 interviewees, or 68.9 percent, consider the code useful.

Does this mean that these public administrators are more likely to practice ethical behavior than are their co-workers whose behavior is not influenced by the code? On page 70, an interviewee is quoted who describes a situation where he and his staff are using the code to ensure that they are being accountable by not waiving fees for customers unless the situation allows a waiver provision. In this particular situation, it seems clear that yes, the public administrators’ behavior is being positively influenced by the code to be more transparent and accountable. Since a majority of the case study participants indicated that the city’s ethics code has influenced their behavior, the case study results indicate that the second hypothesis also is supported.

### **Case Study Analysis: Audits**

The third hypothesis for this dissertation states, “If city auditors do more ethics audits, as well as find more ethics violations in their other performance audits, the public administrators they monitor are more likely to do their work in an ethical manner.” The case study results do not provide any data that clearly proves or disproves this hypothesis. Six interviewees said audits do not affect the way they perform their work, and 31 of them said if there was no possibility of their work ever being audited, they would continue to do their work in the same manner. But thirteen said they likely would change the way they do their work if they knew they would never be audited. Eleven interviewees credited audits with helping them improve their work processes, and six said that audits help them be more accountable. Seventeen said they are more careful in their work because they know that being audited is a possibility.

This information provides no consensus on the impact of audits. The subject of auditing will be discussed in more detail in Chapter Four, and this hypothesis, as well as the fourth hypothesis for this dissertation, will be revisited at that time.

### **Leadership**

As noted previously, this dissertation does not include a hypothesis regarding leadership. But because the questions for the case study interviews were based on the work of Verschoor, whose work recommends the consideration of leadership, the case study interviews included two questions regarding leadership. As noted previously, just six, or

10.3 percent, of the 58 individuals interviewed during the case study said that they are not influenced by the actions of their leadership.

In addition, 28 of the interviewees took the time to rank codes of ethics, audits, leadership, and training in terms of their importance in promoting good ethics among local government employees. Twenty-three of these 28 individuals ranked leadership as “1” and three of them ranked it as “2.” Two of them ranked it as “3” and none of them gave it a “4.” Like the survey results discussed in Chapter Two, the case study results indicate that leadership is an important issue regarding how to encourage employees to practice ethical behavior. Leadership will be revisited in Chapter Four and discussed more thoroughly in Chapter Five.

### **Other Topics**

The questions asked during the case study interviews included two topics—hot lines and individual accountability—that are not covered specifically by the hypotheses for this dissertation. These topics are relevant to the issues of transparency and accountability, and will be discussed in more detail in Chapter Six.

## Chapter 4

### INTERVIEWS WITH CITY AUDITORS

The case study interviews indicated that to encourage ethical behavior among local government employees, ethical leadership, codes of ethics, training on ethical issues, and audits each have a role to play in creating an ethical culture. To gather additional information regarding these issues, I did face-to-face interviews with 20 city auditors in six states. For one of these interviews, the city auditor's two assistant auditors also participated in the interview, so these interviews included 22 individuals. Two city auditors in two additional states were interviewed via telephone, and three city auditors in two additional states completed the questions in writing and responded by e-mail. In total, 25 city audit shops in ten states participated in this part of the dissertation research. Each audit shop served a city with a population of at least 100,000. Table 4.1 shows the states represented and the number of city auditors from that state who answered the research questions.

**Table 4.1. City Auditor Participants**

<b><u>State</u></b>	<b><u># Interviewed</u></b>
Arizona	4
Arkansas	1
Hawaii	1
Kansas	5
Kentucky	1
Louisiana	1
Missouri	2
Oklahoma	2
Pennsylvania	1
Texas	7
<b>Total</b>	<b>25</b>

In Chapter One, the discussion on auditing focuses on performance audits. The case study results discussed in Chapter Three showed that employee behavior is influenced by all types of audits, including performance and financial audits as well as investigations and compliance reviews. Given this information, when I approached city auditors to request an interview, I was unconcerned about the type of audit work that they perform. Most of the auditors who participated in this research conduct more than one type of audit, and when I asked the questions below, it was intended that the questions pertained to any type of audit or evaluation, not just performance audits.

The individuals who participated in this part of the research were not randomly selected. Instead, for the face-to-face interviews, I contacted city auditors in locations that I was able to physically visit and asked if they would be willing to meet with me while I was in their area. With two exceptions, the auditors agreed to meet. For the telephone interviews and written responses, I contacted city auditors who had expressed an interest in this research after completing the survey that was sent earlier. I gave all of these individuals the option of doing a telephone interview or responding to the questions in writing. Several auditors declined to participate in this part of the research, but two agreed to a telephone interview, and three answered the questions in writing.

Since the auditors were not randomly selected, the ability to use the research data to make inferences to all city auditors nationwide is negligible. In an effort to instill more validity in the data, I sought input from city auditors in several different states and conducted

interviews until the data gathered became repetitious and additional interviews were not providing new insights.

### **Methodology**

During each interview, the interviewees were asked a set of nine questions, which are listed below. Those who responded in writing were presented with this same set of questions. The first, third, fourth, and sixth questions were intended to follow-up on the questions presented to the interviewees who participated in the case study research described in Chapter Three. The fifth and seventh questions were intended to follow-up on the survey results discussed in Chapter Two. The second, eighth, and ninth questions were intended to learn what role city auditors think they should be performing to help promote an ethical culture in their governments.

All interviews, including those conducted via telephone, were tape recorded. A written record was prepared based on the taped record. Each interviewee received a copy of the written document and was given the opportunity to make changes and/or additions to it. All revisions were accepted and the documents approved by the interviewees became the official records for this research. For the written responses, the documents the auditors submitted were accepted as the official records for this research, and no changes were made to these documents.

On average, the interviews lasted 30 to 40 minutes, although some continued for as long as an hour. All of the face-to-face interviews were conducted at a location selected by the auditors. This location was either the city auditor's office or a nearby conference room.



During each interview, the interviewees were asked the questions below and then allowed to say whatever he or she wished.

The interview transcripts were analyzed using the same coding process outlined in Chapter Three on pages 77 to 80. To help organize the focus codes and themes that were derived from the city auditors' transcripts, another Excel spreadsheet was created, using the same process outlined on page 79. Once again, to help verify the conclusions derived from coding the data, another researcher independently reviewed the interviews and compared his findings with mine to help develop the final codes.

### **Interview Questions**

The questions posed to each city auditor are listed below. Beneath each question, information is provided to exemplify the answers given to that particular question. For some questions, one or more auditors did not directly answer the question, so not all questions have 25 answers.

- 1. Based on your experience, how critical is ethical leadership in promoting an ethical environment in a department or division? In particular, what happens when a department or organization lacks ethical leadership?***

Twenty-two auditors described ethical leadership as critical or important to promote an ethical environment. Twelve of them noted that leadership sets the tone at the top and if that tone is to be ethical, the leaders must exhibit ethical behavior. As one auditor explained,

I believe ethical leadership is critical in promoting an ethical environment. I personally believe that the tone at the top sets the tone for the entire organization. Unethical behavior by a company's executive leaders could result in an 'if it's good for them, it's good for me' attitude. I believe leaders should lead by example. When a department or organization lacks ethical leadership, the entire organization suffers.

Another auditor made similar remarks.

I think it's very important. It sets the tone for the organization and even though it doesn't seem like it should have as much impact as it does, I think it just does. I've always thought people should have a basic understanding of what's right and wrong and what the correct thing is to do, but for some reason, if you don't set the tone at the top, then people see a little wiggle room that filters down and affects the organization as a whole. So although you know what's right and wrong, when you see that your colleague has a little more wiggle room, you tend to drift too, unless there's some reinforcement that comes from the top down. So it is a critical part of an ethical culture.

According to 21 auditors, if ethical leadership is lacking in a department or organization, employees have a poor role model and by emulating this example, the department or organization ultimately develops a negative culture. Three auditors explained that when this happens, there will be issues such as the overriding of internal controls<sup>2</sup>.

When a department lacks ethical leadership the entire organization suffers, the customers suffer, the citizens suffer. I think it reaches all aspects of business. It's a key to governance in its entirety. Internal control override is probably the first thing that happens. When employees see managers override controls, there is a powerful message received – that the rules don't apply to everyone. Some people will just do whatever it takes to get the job done, and doing the right thing becomes not so important.

Six auditors noted that when leadership is unethical, employee morale is negatively affected. As one auditor explained,

At a minimum what it does is the morale issue, and so people with high ethical standards, they don't start to do something that they consider unethical just because you do as a department head. But it really has a chilling effect on morale and whether

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<sup>2</sup> An internal control can be defined as “all actions taken to make an organization run effectively and accomplish its goals, and can be as easy as a supervisory checkoff or as extensive as an automated system used by an agency to track construction of a major project. Controls even include management's attitude, operating style and integrity, and ethical values. It is how managers communicate with the people they supervise, how they check on staff, how they ensure that their employees do not do the things management does not want them to do. Internal control equals management control and is no longer considered the sole realm of an organization's auditor or accountant.” (Finkler 2001: 219 & 220)

I really want to follow you as a leader and what that does really to morale and teamwork and those good things.

Another auditor stated,

I think it is very important. I think the first thing that happens when there is a lack of ethical leadership is employee morale suffers and then people aren't looking for better ways to do things. They're not enjoying their time at work, they're not doing a good job. I think that happens long before the really bad stuff starts happening. People don't start stealing as soon as the leadership is bad. First, the services suffer, then the employees suffer, and it's more likely than that the really bad stuff begins to happen.

**2. *As auditors, how can we help a department or division develop and maintain ethical leadership?***

The auditors gave a variety of responses to this question. All of them had at least one suggestion and several offered two or more options for ways their office could assist.

- Ten of them suggested that their office could help management develop internal controls and/or they could examine existing internal controls and recommend improvements.
- Nine of them said that their offices must demonstrate ethical behavior and help set the overall tone of their government.
- Nine of them suggested that they should provide management staff with information about best practices to be ethical and they also could be involved in training on ethical issues.
- Eight said they should monitor employee activities and be alert for ethical issues.
- Six suggested that they should identify ethical issues in their audit reports.
- Five said they could help their government develop codes of ethics and other written standards regarding ethical issues.

**3. *Based on your experience, how useful/important are codes of ethics in promoting an ethical environment in an organization?***

Four auditors said that codes of ethics are not useful in helping employees behave more ethically. As one explained,

I don't think they're very useful. I think we ought to have them but I don't think employees change their behavior because of a code of ethics. I think they change their behavior because of the tone at the top, because of their particular manager and because of their relationships with staff at their level. I think we should keep doing these codes of ethics and we should remind people and we should talk about them. I think there's value in them. Some of it is practical on the HR side if people have signed an agreement that they are going to abide by this, then fire them if they don't. But I don't think anybody behaves ethically because they read the code of ethics.

Another auditor said,

I don't think there's any use for them other than the fact that people know that you thought about it enough to put one out. As far as actually looking at a code of ethics, I don't think you're going to possibly influence anybody who was a problem. You might possibly influence somebody who isn't a problem, but then, what have you accomplished?

The other 21 auditors said that codes are useful, although six pointed out that they are useful only if they are enforced. According to one, "Leadership has to buy into it, they have to train their supervisors, their supervisors have to train staff level. You've got to have everybody making this an important issue for it to be important to all employees."

Another auditor agreed, stating,

I think it's the matter of enforcement. If it's not equally applied, say some of the department heads don't buy into it, then the department is not going to really follow the rules if the department head is not going to enforce it. Unless there's an overall City mandate that says this is our code of ethics and this is the way we're going to operate, and unless everybody blesses it with continual reinforcement, it's probably not going to be that strongly enforced.

Sixteen of the auditors who said codes are useful argued that they are needed to help set policy and expectations of what behavior is considered ethical.

I think it's crucial. I think it establishes...kind of that minimum bar. It establishes what the expectations are. It establishes what the City wants to accomplish as far as ethics. It provides guidance...I think those policies are real important to kind of set that minimum, communicate the tolerance for fraud, expectations of ethical behavior.

The importance of codes was emphasized by another auditor who said,

They are very important because they give a guideline of behavior that employees should follow and without that, with no code of conduct or code of ethics, then who's to say what's right and what's wrong. So you have to put it in writing. It's like policies and procedures. That's one of the first things we look at in an audit—do we have policies and procedures in place?, do you have a code of conduct in place?, because it's the guiding light to employees.

Another one explained,

You have to have a code of ethics because you have to define what ethical behavior is. So if you don't have a code of ethics, I think it's more difficult for people to understand what to expect...I think if you want people to adhere to a standard, you have to fully explain what that standard is. You can't just tell people to be ethical if you don't tell them what that means. I think you have to have a code of ethics and provide a definition for ethical behavior.

According to four auditors, codes of ethics help set the tone at the top. “Lack of a code of ethics, it's sort of the same modeling at the top. When the organization adopts a code of ethics it shows to the employees that it is important to this City, and lack of it just doesn't portray that ethics is important in the organization...if you have a code of ethics, you know that unethical behavior is not tolerated.”

Four other auditors noted that such codes help develop an organization's ethical framework and culture. As one explained,

I think they're important in that they are the first step in terms of defining, in terms of developing a framework for the organization or defining the boundaries of what the organization has defined as ethical and unethical behavior. So is it the end all, be all? No. But it's that mechanism that an organization first needs to go through to define, these are the types of behaviors that we won't tolerate, and be able to communicate that to everyone in the organization.

One summed it up by saying, “I think it is very important. Not having an ethics code may give the implication that ethics is not a priority. Establishing an ethics policy that includes corrective action that will be taken when there is unethical behavior helps promote an ethical environment.”

**4. *Based on your experience, how useful/important is training on ethical issues in promoting an ethical environment in an organization?***

Three auditors said that training is not useful. As one explained,

The training you do one time just to let everyone know what the policy is. But after that, the amount of money you’re going to spend in training is going to far outweigh the benefit you’re going to get from that training. You either are ethical or you aren’t...By the time you’re five or six, you probably have a code of ethics. That’s the one you’re going to carry with you for the rest of your life...I don’t put a lot of stock in codes and training. I see the point in having them, but beyond that they’re not really very effective.

Similar remarks were made by another auditor.

Again it’s pretty much the same as having an ethics statement. Somebody who doesn’t need it might benefit from it...If somebody doesn’t have the basics already there, then you’re wasting your time for the most part. Exceptions to every rule but I’m not going to spend a great deal of time trying to teach an unethical person how to be ethical. That’s not something I think you can teach somebody. That’s part of your core values. You learn those growing up and it comes from family, friends, early school.

Two auditors said that whether training is useful depends on the content. As one explained,

I think it depends on the quality of the training...I’ve had ethics training that I thought was excellent...I think there’s degrees of usefulness and there may be some that’s not useful at all and others that may be useful in saying, here are the boundaries that you’re obligated to live within...There’s also other training that says, here’s some tools on how to recognize when you find yourself in an ethical dilemma and here’s some tools you can use to make a decision as you move forward.

According to four auditors, training must be continuous to be useful. Offering such training one time is not sufficient. Rather, employees must have periodic refresher courses for the training to be beneficial.

Twelve auditors described training as useful because it reinforces the information contained in the organization's code of ethics, and it may even teach individuals about ethical issues. As one auditor explained,

Training on ethical issues obviously is important because it provides the organization and those that take the class with the code of conduct, code of ethics. So that's all reinforced. They talk about it. They provide examples so the training reinforces the code of ethics. So that's how it promotes an ethical environment in my mind—it promotes the code of ethics that is currently in place in an organization.

Another one agreed, stating,

We have to know how to apply any standards...You can't issue them to employees and assume that they will immediately understand what they're to do in all cases. Again, that's the standard of the expectation, but it has to be trained on just like any other function of the job. You can't just simply say, here's the line of your job description, now do that. You have to put some meat on the bones of that. And so training is not just useful. It's essential.

Seven auditors noted that training can provide examples of ethical dilemmas and help employees understand how to handle those. One auditor explained,

It is also important, especially when it includes examining different scenarios and how you should handle them. I think training this way takes the stated prohibitions and puts them in terms of a person's interactions with co-workers, the public, contractors, consultants, and everyone else. It helps you better understand the intent of the ethics code and how you're supposed to apply it.

A similar argument was used by another auditor to justify training.

I think training is very important. In training, you are going to give them clear directions. In my experience, the training will explain things in terms that everyone can understand. It is not like reading revised statutes, or the law, which can be very

technical and very hard to understand. Training gives you more examples. And, I think it certainly gives employees opportunities to discuss the gray areas. So I think that is where you get these issues out there and have a lot of discussion, and get a lot more clear direction.

**5. *Is it an issue that of the four items—leadership, codes of ethics, ethics training, and audits—a majority of the people involved in my research have listed audits as the least important tool for promoting good ethics among local government employees? Why or why not?***

Four city auditors said they felt that audits should rank higher than codes of ethics and ethics training, but everyone who answered the question agreed that leadership is the most important tool for promoting ethical behavior among local government employees.

Eighteen auditors agreed that audits are the least important tool. Some of them explained that when developing an organization's ethical culture, it begins with leadership. The code of ethics must come next as a mechanism for leadership to communicate what the expectations are for ethical behavior. Training is next to ensure that everyone understands the code and how to apply it.

Audits come in at the end to verify that the organization has implemented the leadership, codes of ethics, and training needed to encourage employees to behave ethically. Several auditors described leadership, codes, and training as proactive elements of an ethical culture, while audits are a reactive element designed to detect issues and recommend improvements. As one auditor explained,

You've got to give that training and they've got to understand that it's important and then we're here to make sure everybody is falling in line. We're that oversight. We're that extra push in that to make sure that everybody is falling in line. But how can we come in as auditors and say something is wrong if we've never implemented a code of conduct, if we've never told them or trained them on what they should be doing correctly?



**6. Overall, what do you think are the most important tools for promoting good ethics among local government employees?**

Eighteen auditors continued advocating for ethical leadership, naming it as an important tool. As one explained, “The most important tool for promoting good ethics in government is leadership from the administrator...If the leader is not supportive, those who act ethical will be ostracized and disempowered.”

Fourteen auditors listed training as important. “I definitely think training. And when I mean training, not just a one-time course, but ongoing employee communication. Need to have training then follow up, whether it is through newsletters or something. You just have to have something that is ongoing. In other words, training needs to stay in the forefront of their minds.”

Eleven auditors reiterated the idea that the code of ethics is an important tool, and eight of them suggested that it is important to communicate with employees about ethics. “I think that regular communication with employees about ethics issues—it might just be a little ethics scenario that goes out in a newsletter or goes out in a broadcast e-mail—here is your ethics broadcast for the week. I think those are real good ways of keeping ethics at the top of people’s minds.”

Communication was stressed by another auditor who said,

I think maybe the most important tool is communication, which is really a component of ethical leadership. The way an organization communicates to its employees about what’s gone on. If an organization is open and transparent about ethical violations and ethical concerns, then I think that sends a message and that makes it an important tool. Being honest and open and disclosing to your employees that there’s an issue

rather than covering it up is, I think, a critical thing that you have to do. That's how you're going to get the message across loud and clear, here's how we handle it.

Four auditors stressed that it is important to hire people who practice good ethics, and they regard a good hiring process as a tool. "You'll save yourself about 90 percent of your issues if you could figure out a way to hire people with integrity and ethics, high ethics, or ethics that meet your standards and what you're looking for in the organization."

Three auditors suggested that audits can be tools for promoting ethics, and three others suggested that good internal controls and mechanisms such as hotlines can be promotion tools.

**7. *How important is it that we advocate for our findings and recommendations once we complete an audit? In particular, does advocacy help ensure that our findings are heeded and our recommendations are implemented?***

Two auditors said no, advocacy is not important. As one explained,

Your issues and your recommendations kind of stand on their own. If you're doing a good job of laying out your issues and supporting them with facts, and having meaningful recommendations, they're going to want to implement them. If you're having to advocate too strongly, you probably didn't do something as well as you needed to on the front end to sell it to begin with.

But 22 auditors argued that yes, advocacy is important. According to one,

It's extremely important. Otherwise nothing is going to get done. Again, if there's a cliché about what gets measured gets done, well, it's not going to get done if they know no one is going to follow up. If no one's going to come back and check, they have other priorities. They're going to do something else unless you've convinced them somehow that it's in their best interest and they're now motivated to do it for their own reasons. This does happen, but it is more likely that it just simply won't get done.

Another said, "I think that when it's appropriate to advocate with your customers for change, it's very important and I think if you want your recommendations to be taken

seriously and you feel like we need corrective action to take place for whatever reason, process improvements or controls then yes, I think advocacy is very important and crucial to that.”

Others argued that an auditor should always be willing to advocate for his or her findings and recommendations. “It’s extremely important that we advocate for our findings and recommendations once we complete the audit. If you’re not willing to advocate for them, why did you write them in the first place?” Another said, “If you don’t push for your recommendations, then they don’t think that you believe in your recommendations.”

Most of the auditors said they advocate by following up after their audit reports are issued and determining what action has been taken to address the findings and recommendations outlined in the report.

I think advocacy is essential. We have the process where we report our findings to the Audit Committee, and then we do a follow-up approximately six months later. And that goes to the Audit Committee as well. We just found that advocating the report, the findings and recommendations to the Audit Committee, goes a long way toward ensuring implementation. Follow-up continually brings it to their attention that the department heads either did or did not implement the recommendations, did what they said they would do, or not do, with their action plans.

Some of the auditors said they have used the media to advocate for their audit reports. As one said, “Don’t just release the report and forget about it or just release the report and do the follow-up. Talk to people about it. I think how we deal with the press matters tremendously.”

This auditor told a story about an audit report that he had released about 18 months previously, and the auditee had taken little action to address the findings and

recommendations. The auditor mentioned the audit report to a news reporter who did some research on the issues and wrote a newspaper article. After the article was released, another agency began work to address the audit issues.

Over half of the auditors who answered this question did not specifically state whether they believe that advocacy helps ensure that findings are heeded and recommendations are implemented. One who did answer the question said no because although she believes advocacy helps the auditee understand the audit findings and recommendations, “I do not believe that advocating findings and recommendations ensures implementation.” But nine auditors said they do believe that advocacy helps in this regard.

**8. *If our audit findings are taken seriously and our recommendations are implemented, is this more likely to promote an ethical environment in our government organizations? Why or why not?***

Four auditors said no. As one explained,

I think about my audit recommendations and they are mainly process related and so it's not really touching on specific behaviors by an employee or employees. Recommendations should result in improvements in internal controls that should help prevent or detect behaviors that may be unethical or fraudulent. So in that way it does promote it by enhancing or improving the overall control environment of the organization. But does that really get to specific behaviors by employees? I don't think so. I think it would be a stretch to say an audit would have that broad of an impact.

Four other auditors said it depends on the nature of the findings and recommendations. For example,

I think it depends on the recommendation. Again, it goes back to my point that your average audit may not have many recommendations that could affect the ethical environment. But in a broader context, improving the internal controls can also reduce the opportunities for temptation. Thus, it can help the ethical environment because you're not tempted as often. In that broad sense, it probably does have an

impact, but it would have more of an impact if the recommendations were specific to ethics, or an audit report that looked at ethics and provided suggestions on how to improve the ethical environment and ethical controls.

One auditor argued for both sides of the question.

I can see both the why and why not...As far as the why—why would it be more likely to promote an ethical environment? I think with an audit, if you have implementation of the findings, there is a perception of enforcement. I think that is really important. Also, with the perception of enforcement, I think it could lead to more reporting of unethical behavior. So that is, I guess, the why to the question.

As far as the why not, it may not be an ethics issue that is being audited. Also, a person can be ethical, but they can make mistakes they should not have that show up in an audit. Also, audits are focused on various things and not so much on ethical situations. The person may not know the law. But that does not make her an unethical or an immoral person.

The other sixteen auditors argued that yes, if audit findings are taken seriously and recommendations are implemented, this is more likely to promote an ethical environment in their government organization. As one explained,

Absolutely. I believe so, because I think it means that management is being an example and setting a tone for employees, saying that we've had an audit and they've pointed out some things that could be done better. We're going to take that action because we have integrity and we want to behave in an ethical manner. So I think that's a boost to employees who think, I can get on board with that, my management is doing the right thing. It's a leadership principle. Even just acknowledging that an audit finding has merit is an example of demonstrating ethical leadership.

According to another auditor,

I think that they do because when you talk about ethics, you're talking about doing what's right. Ultimately, we all report to the taxpayers and so if our findings are taken seriously and our recommendations implemented, that shows that we are trying to do what's right for the taxpayers. That we have to be good stewards of the public funds and that all has to do with ethics. So that's why I say that it would promote an ethical environment in a government organization. In the case of investigation, where fraud is found, people may have to be terminated. That promotes an ethical

environment because it gets rid of some of the bad apples that are causing ethical situations within the organization.

Doing the right thing was the theme for another auditor who said,

Absolutely. Why or why not? Part of what we do is we make sure that the controls are in place and then you have the whole program side of it, the whole efficiency and those are really the right way to do things and why are they the right way to do things? You want to bill everybody the same, you want to follow your laws and the statutory requirements and really those are kind of centered around, this is the right way to do things, which very much follows ethical behavior. I think reporting findings, following up on findings, and carrying through on findings does promote ethical behavior. This is the way you do things right, this is the way you do things which makes it better for customers you're serving and it all starts with, this is why we're making these recommendations.

Nine auditors noted that one way audits can help promote an ethical environment is by improving internal controls and encouraging employees to comply with an organization's expectations for ethical behavior. Some auditors noted that by helping to ensure compliance, auditors can promote ethical behavior among employees who might otherwise be unethical. For example, "Whatever those recommendations were are obviously going to be directed at better controls or more efficient ways of doing something. All those things I think feed into ethics or at least displaying ethical behavior. In behaving the way we'd want them to behave...it's going to promote ethical behavior even though they're having unethical thoughts."

Another auditor explained this in more detail.

We've had some managers in the city that were a little bit more in the gray area. But the spotlight is turned on them. Again, you'd like to have a manager who's going to do the right thing because it's the right thing to do and not kind of get into some of these gray areas. But if you put the spotlight on...you're accomplishing the same thing. You're just going to keep the spotlight on because you know that they're more likely to get in a gray area and do some things that are a little questionable or have

had a history of doing that. So you take away the opportunity for their own personal code of ethics and values to stay within the behaviors and what the city is looking for...there are people that stay ethical in the city because of the scrutiny...and so they stay within the same lines as the really ethical manager who would never get into a gray area. They're both walking down the same path now. One of them because that's their own personal integrity and value system, and you don't have to tell them. They don't need rules and a code of ethics. The other manager is in the same slot, but they're being encouraged and kept there through scrutiny, training, through keeping the spotlight on them. But you end up in the same place.

**9. *What do we as auditors need to be doing to be more effective in promoting good ethics among local government employees?***

This question resulted in a multitude of suggestions with several auditors offering more than one idea. Fourteen auditors said they must be ethical themselves.

As auditors I think we can help model behavior as someone who could potentially be looked up to in the organization as...in a leadership role because organizationally I work for the Council. I think maybe as auditors, there's a perception that maybe we are expected to exercise ethical behavior because we're the ones that sometimes make calls on whether something is ethical or not, or we investigate it...I think there's a notion that the auditors are kind of in a unique position. The fact that they would investigate those types of situations and that they are looked to, and I think that provides us with an opportunity to model ethical behavior.

Thirteen suggested that auditors need to actively communicate about ethics and advocate for ethical behavior. As one explained,

There's kind of two sides to that part of our responsibility and one is you can chase fraud, you can chase abuse. The other side is you can get in front of it and you can do the training, do the outreach, you can do the things you can do on kind of a proactive basis in terms of getting out and letting people know there are issues and being a champion for ethical behavior...you really need to get to the point where you're not just chasing what's already occurred, but you're taking steps to try to create an environment where people want to be ethical.

Nine auditors recommended that auditors should be involved in developing an organization's code of ethics and in providing ethics training. According to one,

If cities don't have a code of ethics, we should be trying to get those installed. If the leaders aren't promoting good ethics, then we need to be encouraging that because I think those are the things that I think are most important. So issuing audit reports is not going to get it done. What we need to be doing is trying to challenge the leadership, so we need to be demonstrating why it's important, how it's important, and we can hear lots of good sources for codes of ethics, and we have the ability to get those and provide those to people who don't have access to them. We need to be making sure that the leadership is there, have the code and then encouraging training, and audit offices can be training in ethics.

Five auditors recommended that auditors should sponsor a hotline. As one auditor explained,

Another important tool is a fraud hotline. That promotes good ethics. I don't know how you can say it doesn't promote good ethics because in our employee code of conduct, if you see a fraud take place...you're required to call the hotline. To me that promotes good ethics because frauds are related to ethics because someone committing a fraud is practicing bad ethics. I think in an indirect way, the fraud hotline promotes good ethics in an organization. If somebody knows there is a hotline they may think twice about committing the fraud, waste, or abuse.

The other suggestions were to interact with other staff in the organization, be visible, actively enforce requirements, and develop a good rapport and build trust with other staff.

Some of the auditors acknowledged that they think the auditing profession could do a better job of promoting ethics. As one stated,

We need to be much better at communication of our message, meaning not just the written report. I think we need to think all the time in our work about that tone at the top issue and the ethical issues. I think we need to become better at the, I want to say, the interpersonal dynamics. We're not consulting with management, but we need to be able to deal with them openly and honestly...I think obviously paying attention to ethics is a hot topic. Trying to measure it, I think basically every government ought to do an employee survey where we ask a couple of questions about ethics and not miss an opportunity. We need to be fair. We need to model 'speaking truth to power.' I think focusing on important risks helps, too. As an auditor, it is easy to work on problems that aren't the really big risks. As an example, in a police department it would be easy to focus on an issue like vehicle maintenance (which isn't a bad topic), but it might be more important to focus on a higher risk like use of



force. As auditors, we shouldn't shy away from the bigger risks. That said, if the governing body wants us to focus on small risks, we probably should. But we need to point out the big risks and make sure that the governing body makes a transparent choice.

One auditor summed it up by saying,

The main thing is to do your job. That way, it gives people an excuse to be honest. We try and make people responsible for their own jobs and make sure those managers know that they are responsible for creating and enforcing internal controls. It's their job. I think if you want to enforce ethics, then tell them there will be serious consequences to their careers if they don't do this. That's the best way I know how. Taking this stance is a management call at the end of the day. As auditors, it's our job to suggest that to management.

### **City Auditor Interview Analysis: Ethics Training**

The auditors had varied opinions to offer in response to the interview questions. Do their answers support or oppose the hypotheses for this dissertation?

As noted previously, the first hypothesis for this dissertation states, "If public administrators receive ethics training, they are more likely to practice ethical behavior." Three of the auditors said that training is not useful, and two of them said its usefulness depends on the content. But 20 of the auditors, or 80 percent, argued that training has merit. Six of them explained that training helps to explain the city government's expectations for ethical behavior, and seven said it provides examples to help define those expectations. Twelve noted that training can actually teach individuals about ethics, and some pointed out that doing this helps to reinforce the city's code of ethics.

This information suggests that training can be a useful tool to influence individual behavior. Thus, the results of the city auditor interviews indicate that the first hypothesis for this dissertation is supported.

### **City Auditor Interview Analysis: Ethics Codes**

The second hypothesis for this dissertation states, “If public administrators work in an organization that has an ethics code, they are more likely to practice ethical behavior.” Four of the auditors argued that codes of ethics are not useful. But the other 21 auditors, or 84 percent, said they are useful. Six of these individuals cautioned that they must be enforced to be useful, but if enforced, they can help promote an ethical environment in an organization. The results of the city auditor interviews indicate support for the second hypothesis as well.

### **City Auditor Interview Analysis: Audits**

The third hypothesis for this dissertation states, “If city auditors do more ethics audits, as well as find more ethics violations in their other audits, the public administrators they monitor are more likely to do their work in an ethical manner.” Four of the auditors argued that their audits do not help promote an ethical environment in their government organization. Five auditors said that if the audit findings specifically deal with ethical issues, their audits will help in this regard. But if the findings deal with issues that are not directly related to ethics, the audits will not be useful to promote ethics.

The other 16 auditors, or 64 percent, argued that their audit findings, including those that are not directly related to ethical issues, always help promote an ethical environment if they are taken seriously by their government’s leadership. This information suggests that this hypothesis is somewhat supported by the research results.

### **City Auditor Interview Analysis: Advocacy**

The fourth hypothesis for this dissertation states, “If city auditors advocate for the changes they recommend in their audits, the changes are more likely to be implemented.” Twenty-two of the auditors said that advocacy is important. But only nine of them specifically agreed that advocacy helps to ensure that recommendations are implemented, and one auditor argued that no, advocacy does not help. This information suggests that this hypothesis is not supported by the research results.

### **Leadership**

Again, the research results indicated that leadership is a critical component of promoting an ethical environment among local government employees. All of the auditors argued that without ethical leadership, an organization will not have an ethical environment. In a later question, when asked to list the most important tools for promoting good ethics among local government employees, 18 of the auditors, or 72 percent, listed ethical leadership. Repeatedly during the interviews, the auditors returned to the topic of leadership and stressed that an organization must have an ethical tone at the top to create an ethical culture throughout the organization. When the results of the city auditor interviews are combined with the results of the case study interviews and the survey research conducted for this dissertation, it is clear that ethical leadership is an important topic. Chapter Five will take a closer look at this issue.

## **Hot Lines**

Several of the city auditors discussed hot lines as a tool to promote ethical behavior among local government employees. This topic is not specifically covered by the hypotheses for this dissertation, but as noted in Chapter Three, it is relevant to the issues of transparency and accountability. The information provided by the city auditors and the information from the case study research regarding hot lines will be discussed in more detail in Chapter Six.

## Chapter 5

### ETHICAL LEADERSHIP

#### **Summary of Study Results**

Repeatedly, the results of this study have suggested that ethical leadership is vital to produce an ethical organization staffed with employees who practice ethical behavior. In the survey responses, 97 respondents, or 80.8 percent, ranked ethical leadership as the most important tool for encouraging employees to practice good ethics. An additional 13, or 10.8 percent, ranked ethical leadership as the second most important tool. In sum, 110, or 91.6 percent, of the survey respondents indicated that they consider ethical leadership an important means for promoting ethical behavior.

In the case study, just six, or 10.3 percent, of the 58 individuals interviewed said that they are not influenced by the actions of their leadership. In addition, 23 of the 28 individuals who ranked codes of ethics, audits, leadership, and training in terms of their importance in promoting good ethics among local government employees listed leadership as the most important tool. Three others ranked leadership as the second most important tool for a total of 26 out of 28 individuals who indicated that ethical leadership is important for promoting ethical behavior. Many of the case study participants made comments to explain why they consider ethical leadership critical. As one stated, “If you have a (leader) in charge that’s unethical, that plays favorites, it destroys the whole organization. It’s a cancer and it grows right down through the organization...You’ve got to change the culture. If you have a leadership that lacks ethics in some areas, it’s not going to work.”

During the city auditor interviews, all of the 25 auditors who participated in this study made remarks to indicate that they think ethical leadership is important. When asked an open ended question allowing them to name the most important tools for promoting ethical behavior, 18 of the 25 auditors specifically listed leadership. According to one,

That has to come from the top. You have to have good ethics at the top and whoever is up there has to actively seek to make sure that good ethical behavior is what's expected and gotten from department heads and division managers and so forth. It's got to come from the top. I don't think that you can expect ethical behavior on a long term basis from employees if they see management running around doing whatever they please.

At the local government that recently implemented an auditing function, when asked to rank the most important tool—leadership, codes of ethics, ethics training, and audits—in promoting good ethics among local government employees, all five employees and the newspaper reporter said that leadership is the most important item. As one explained,

The obvious answer is that it is hugely critical in creating an ethical department or division because of the culture of expectation that if you have ethical leadership, it doesn't have to be something you talk about, it doesn't have to be something that you've touted or advertised. It's just a mantra or kind of a base part of the culture that people pick up on very quickly. It's my perception in terms of operation, and then when you lack ethical leadership, I think that eventually your organization starts to deteriorate, starts to fray.

Are these findings consistent with the findings of other studies? Yes, they are. The following section will review the literature regarding ethical leadership. Repeatedly, this literature emphasizes the importance of ethical leadership and its necessity in creating an ethical organization that promotes ethical behavior. This literature was not covered in the initial literature review for this dissertation because at that point, the dissertation focused on public administration and political science literature, which has little to say about ethical

leadership. Once it became apparent through the dissertation research that ethical leadership is a critical issue important to this dissertation, I sought literature that focused on ethical leadership. Most of the literature discussed below comes from the study of business administration.

### **Review of the Literature Regarding Ethical Leadership**

What is ethical leadership? According to Brown et al. (2004), ethical leadership is “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making.” (Brown et al., 2004, p. 120) According to Brown and Trevino (2006), ethical leaders are honest, trustworthy, fair, and principled in their decision-making. They behave ethically in their personal as well as their professional lives, and they care about people. These characteristics are regarded as the moral person piece of ethical leadership.

Ethical leaders also have a moral manager facet. As a moral manager, an ethical leader will convey the importance of ethics by communicating with their employees about ethical issues and by deliberately being a role model for ethical behavior. They also will use a system of rewards and punishment to make their employees accountable for ethical behavior, rewarding them when they behave appropriately and punishing them when they err.

Toor and Ofori (2009) described ethical leaders as individuals who “engage in acts and behaviors that benefit others and at the same time, they refrain from behaviors that can cause any harm to others...Ethical leadership, in its true sense, promotes ethical conduct by

practicing as well as consciously managing ethics and holding everyone within the organization accountable for it.” (Toor & Ofori, 2009, pp. 534 & 535)

Johnson (2009) said that ethical leadership is practiced in a two-part process that involves personal moral behavior as well as moral influence. Ethical leaders’ actions are moral, and they use their influence to mold the ethical framework of the groups, organization, and societies to which they belong. According to Johnson, an ethical leader will exhibit character traits such as justice, courage, compassion, humility, and optimism. They also will make wise decisions and will effectively handle ethical challenges that confront them. In addition, they will be responsible for the ethical behavior of their followers, providing an ethical role model for these individuals.

In a more concise definition, the Ethics Resource Center (2007) states that ethical leadership is the “tone at the top and the belief that leaders can be trusted to do the right thing.” (Ethics Resource Center, 2007, p. 12)

How does ethical leadership compare to unethical leadership? According to Johnson (2009), unethical leaders lack integrity, have an insatiable ambition and enormous ego, tend to be arrogant and amoral, practice avarice, have a reckless disregard for the consequences of their actions, act cowardly and refuse to make tough choices, fail to understand problems, and are incompetent in key leadership situations. Sims and Brinkmann (2002) said that unethical leaders downplay the importance of ethical behavior, treating ethics as a nice thing to do but not a requirement. They are more willing to compromise and their standard of behavior is based on what is best for their personal welfare. Unethical leaders also avoid



ethical concerns and seek to minimize their responsibility for ethical situations. They will plead ignorance of the issues and corresponding rules and regulations, arguing that is why they have attorneys.

What happens to organizations that do not have ethical leadership? According to Collins (2009), “The failure of ethical leadership in an organization is very destructive; it demoralizes the workforce, breeds public distrust, and ultimately results in organizational decay.” (Collins, 2009, p. xv) According to Mendonca and Kanungo (2007), employees who work for unethical leaders are more likely to practice unethical behavior themselves. At a minimum, even if employees do not become unethical themselves, “they will certainly not be inspired to function in a manner which serves the best interests of the organization.” (Mendonca & Kanungo, 2007, p. 57)

Ethical leadership is critical to create an ethical organization staffed with ethical employees. Why? The answer likely lies in social learning theory. According to Wood and Bandura (1989), a primary method of learning for individuals is observing the behavior of others and the resulting consequences. If the behavior produces outcomes that individuals value, they are likely to model that behavior.

According to Johnson (2009), social learning theory is applicable to leadership because followers regard their leaders as role models, and they will behave in a manner that emulates their leaders. Other scholars such as Brown et al. (2005), Neubert et al. (2009), and Grojean et al. (2004) agree that social learning theory explains why ethical leadership is critical. In the workplace, employees will follow the cues of their leaders, such as

supervisors and other managers, often copying their behavior. As such, if employee behavior is to be ethical, their leaders must demonstrate ethical behavior.

This idea can be traced back to Barnard's classic work, *The Functions of the Executive*, originally published in 1938. Barnard did not specifically mention ethics, but he did note that executives have the responsibility of creating the moral codes that their organizations are expected to follow. He stressed that executives are expected to secure, create, and inspire their organization's morale, and he argued that whether an organization endures is dependent upon whether that organization has quality leadership. According to Barnard, the quality of an organization's leadership depends upon the scope of morality that the leadership is based on.

Senge (1990) argued that leaders have a responsibility to be a role model for their employees, and he described this as a core leadership strategy that is necessary to help followers attain personal mastery. According to Schein (1992), leaders have a duty to be role models, teachers, and coaches for their followers. By doing this, leaders help ensure that followers understand the behaviors expected of them and help develop the organization's culture according to the leader's edicts.

Many scholars (i.e., Lager 2011, Sauser 2008, Gini 2004, and Collins 2009) agree that to promote ethical behavior among employees, leaders must create an ethical organizational culture in the workplace. What is organizational culture? According to Schein (1992), a group's culture is "a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has

worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.” (Schein, 1992, p. 12)

What makes an organization’s culture ethical? According to Sauser (2008), an organization with an ethical culture will have a “culture of character,” which means that “positive moral values are ingrained throughout the organization such that all of its members strive without fail to know what is right, value what is right, and do what is right...Organizations with character not only comply with legal and ethical standards, they also internalize them from top to bottom such that every member of the firm becomes a guardian of integrity.” (Sauser, 2008, p. 8)

Why is this important? In workplaces with ethical cultures, employees are more likely to behave ethically. According to Mulki et al. (2009), employees who work in organizations with an ethical culture also tend to experience more job satisfaction. Neubert et al. (2009) agreed with this finding and also noted that employees working in an ethical culture tend to have greater attachment and commitment to their employer. Greater job satisfaction and greater commitment to the organization usually result in employees being more productive and doing better work.

According to the Ethics Resource Center’s 2007 National Government Ethics Survey, strong ethical cultures produce positive outcomes for employees. For example, when an organization develops a strong ethical culture, the rate of ethical misconduct among its employees is reduced by more than 50 percent, and the reporting of ethical misconduct

increases by 40 percent. In addition, pressure to commit ethical misconduct is reduced by as much as 74 percent. Unfortunately, the Center's 2007 survey found that strong ethical cultures existed in only eight percent of government workplaces, and the cultures of half of government workplaces were weak or weak-leaning in regard to ethics. These findings suggest that there is considerable room to improve the ethical cultures of government workplaces.

How can this be achieved? Based on the results of the research for this dissertation, ethical leadership is the key. As Sauser (2008) explained, "the creation of values-based organizations must begin at the top. Cultures of character are built by leaders of character." (Sauser, 2008, p. 9)

Many other scholars (i.e., Hood 2003, McDevitt et al. 2007, Mulki et al. 2009, and Sims & Brinkmann 2002) agree that the tone at the top determines whether an organization's culture is ethical. As Neubert et al. (2009) explained,

Managers play a critical role in providing a moral framework for organizational members and in shaping the collective character of the organization...Managers occupy positions of influence within organizations by nature of the legitimate authority inherent in their roles and responsibilities. The visibility and legitimacy of these roles and responsibilities provide managers with positional power and status that increases the likelihood that their behavior is readily observed and reproduced. (Neubert et al., 2009, p. 158)

According to Daft (1998), the results of a survey of 250 large corporations showed that

the single most important factor in ethical decision making was the role of top management in providing commitment, leadership, and example for ethical values. The CEO and other top managers must be committed to specific values and must give constant leadership in tending and renewing those values...Top leaders are

responsible for creating and sustaining a culture that emphasizes the importance of ethical behavior for all employees every day. When the CEO engages in unethical practices or fails to take firm and decisive action in response to the unethical practices of others, this attitude filters down through the organization. (Daft, 1998, p. 383)

### **Research Results Pertaining to Ethical Leadership**

Clearly the literature argues that ethical leadership is vital to create ethical organizations staffed by ethical employees. The research findings for this dissertation support this conclusion. For example, when asked to list the characteristics that they expect in a good leader, the case study participants cited qualities such as honesty, good communication skills, empathy, good decision maker, fairness, competency, and leading by example. All of these are traits that the literature agrees should be present in someone who is an ethical leader.

One individual offered his own definition of what he perceives as ethical leadership.

I think it means an authority that is exercising ethical accountability and ethical direction. We've got accountability. We're going to do things right and not wrong. We're going to take care of the public's money and resources. We're going to hire on merit and not based on who our friends are. We're going to try to do the right thing, not because it's somebody that's yelling the loudest and all those things. That's how I would define ethical leadership. If there isn't a leader there, then it is very possible to say we'll do whatever it takes to get us to 5:00. If a department lacks it, number one it's usually fairly quickly evident that there's a vacuum there and something needs to be done.

This definition is consistent with the findings in the literature. The literature stresses an ethical culture is necessary to promote ethical behavior among employees. Many of those who participated in this study agreed. As one individual said,

I believe that you have to have a culture that will promote the kind of values that will generate the kind of environment where you have persons that are behaving in a way that is ethical. It is a culture that produces those values, and it is culture that the

leadership embraces and they model it so that it's not something where these are things that you said but you never see it demonstrated. You need to have a culture where you have values that demonstrate ethical behaviors and you have leaders that model that. I think that is crucial in creating a sustainable ethical environment. Legally we should have regulations or policies because the law requires that, and those things should be in place. But the most important thing is having that culture and that leadership that models it to employees that come into the organization.

Several city auditors discussed the importance of leadership modeling ethical behavior for employees, frequently mentioning the "tone at the top." Twenty-seven individuals who participated in the case study noted that their leadership affects them by being a role model and providing guidance for how to perform their jobs.

One individual explained that leadership has the responsibility to set the tone.

That's the whole point in having leadership whether it's to my staff or from above me. You really want to set the tone on how you want things to be. If I start to loaf around here and not do my work, then there's no way I can tell my subordinates to be here on time, take care of the customer, unless you set that as a tone. We have pretty good leadership, at least in the department I'm in. They give you plenty of latitude as managers to do things your way within your work group, but at least they set the right path to be on. That really helps. It's very difficult to get people to follow you if you aren't headed the right way.

Auditors with varied experience in different city departments agreed that ethical leadership is vital to promote an ethical culture and encourage employees to practice ethical behavior. Twenty-one of them argued that without ethical leadership, employees will have a poor role model, and this can lead to a negative ethical culture in the organization. One auditor quoted the Institute of Internal Auditors and stated,

IIA preaches tone at the top and I think that's exactly on point. Without fail, when we have gone to departments or operations where there's been unethical leadership, the employees rationalize behavior that's not ethical. They fall into a 'well, everybody's doing it so this is okay' and without fail that's exactly what we will find.

Not all employees, but those employees that are predisposed to be unethical...and it'll be because upper management and leadership aren't ethical.

Another auditor agreed, stating,

I've encountered situations where if the director doesn't set a good tone at the top, you can just tell that that whole department kind of slacks off a little. As an auditor, my hackles kind of go up that there's just something suspicious going on in there. There may not always be but it seems like if there's not a good tone at the top, everybody starts mirroring what is at the top.

Are employees really watching their leadership and following their example? Do the actions of leadership really impact employee behaviors? The results for this dissertation indicate that yes, at least some employees pay close attention to their leadership and the way their leaders behave does affect their work. One individual noted that he has worked for his city government many years and during that time, he has experienced many changes in upper management in his department. He said these changes do affect him and his co-workers.

Each manager has their own style of communication and dealing with the employees...you feel and see the change from every time there's a change at the top level...I've been through four or five directors now and everyone has their own style and I think their policies trickle down to us...Some are good, some are not. Honestly we have had instances in the past where the manager's style was not very supportive of the employees. Then you see your productivity going down, people taking a lot of sick time...It is so obvious, the change. For example, currently we have a very good team and you can see the morale going fairly high, including myself, as compared to the previous team. I'm just being very honest about it.

Another individual made similar comments.

The actions of leadership sometimes affects my attitude at work which, in turn, affects the decisions that I make while I'm at work. For instance, if I'm dealing with a manager or supervisor whose behavior demonstrates that they don't care about my well-being, don't value my opinion, or don't want to answer questions that I may have, it causes me to think negatively about them and occasionally affects whether or not I'm going to be fully engaged at work. When I say fully engaged, I mean whether I'm going to offer new and creative ideas and suggestions for improvement, go above

and beyond the call of duty, or show excitement or enthusiasm about my work. The result is that I do exactly what is expected of me, no more and no less...If leadership doesn't practice what they preach, it affects my opinion about them as well as how I relate to them.

Another person recounted her observations of a division with an unethical leader.

Within the organization, we hired a person who is very—I like to think of it as all image and no substance—so it's all about 'I'm a leader, I'm ethical, I'm a head of whatever.' Talks all the right talk. Doesn't live it. Doesn't live the culture, rolls in whenever you want, takes long lunches, leaves when you want. What I've seen in the workplace is this kind of a boiling deception that comes from the fact that your leader isn't walking the walk. There's dissention, there is a huge amount of unhappy employees. Does it affect their work ethic? I'm not 100 percent sure. I wouldn't say they then become unethical on watching you behave in this way. I don't think it makes them behave unethically, but they are probably a little less dedicated than they were two years ago. So I can see it. What's fascinating to me is the disconnect between action and words. We can talk all day about leader, leader, leader but it's actions that matter.

One of the city auditors related unethical behavior to current events, noting that having unethical leadership has led to many problems that have made news headlines in recent years.

Ultimately, the mandate is only as good as the tone at the top. If the leadership is unethical, the outcome will be fraud, waste, abuse, and ultimately the downfall of the organization. Enron, WorldCom, Tyco, and most recently Bell, California are examples of what happens when unethical leaders fail to establish an ethical environment. If ethical leadership is non-existent, the effects are many. The organization will suffer losses; fraud, waste and abuse will occur; and corruption and criminal activity will be condoned. Ultimately, the employees, investors, financial entities, and the taxpayers will suffer. The recent collapse of the mortgage market is an example of what can happen when lenders, mortgage brokers, banks, federal institutions like Fannie Mae and Freddie Mac, and the corollary entities condone unethical behavior through 'loose lending' practices.



Can an unethical culture be changed? According to one city auditor, yes, it can be and ethical leadership is the critical factor that will allow for changing the culture. As this auditor explained,

We experienced this in the city because we had a city manager come in about 12 or 13 years ago and he had a real push for ethics. He demanded high ethics. He defined what ethics are and he conducted training classes every year, and everybody was required to go through them. I saw a real difference in our audits about how people view situations, and we don't see a lot of those sorts of problems like we used to before that was done...people are going to emulate what they see, not just what's said. What our city manager did was say it and do it, and over the course of 12 years, I've seen a difference.

One auditor, when asked if she had any closing comments in her interview, made the following statement, "It cannot be over-emphasized that the ethical tone of any organization is set at the top."

Both the literature and the research for this dissertation emphasize that ethical leadership is critical for developing and maintaining an ethical culture in an organization. If leadership is critical and the most important tool for promoting ethical behavior among employees, what are the roles of ethics codes, training, and audits? How do they relate to ethical leadership? And are other tools needed to develop an ethical culture? These questions will be pondered and answered in the next chapter.

## Chapter 6

### CREATING AN ETHICAL CULTURE

As explained in Chapter Five, ethical leadership is the most critical tool for developing an ethical culture in an organization and promoting ethical behavior among employees. How can ethics codes, training, and audits complement ethical leadership in this endeavor? Are these necessary tools to help implement an ethical culture or is ethical leadership sufficient for the task? Although ethical leadership is critical, no leader, regardless of how ethical and capable he or she is, can create and sustain an ethical environment without assistance from ethics codes, training, and audits. This chapter will explore each of these items and explain how leaders can use them in their quest to ensure that their organizations attain mastery as they strive to behave ethically.

#### **Training as a Tool for Ethical Leaders**

During the case study interviews, 46, or 88.4 percent, of the interviewees said that training on ethical issues at least increased their awareness level, helping them to better understand ethical issues and the behavior expected of them in the workplace to avoid ethical dilemmas. Twenty, or 80 percent, of the city auditors argued that training has merit in helping individuals be more ethical. Four of the six individuals interviewed in a Midwestern city's local government that recently implemented an auditing function agreed that training is important and can be useful in this regard. In total, 70 of the 91 individuals who participated in the interviews for this research agreed that training is important. In addition, 85 of the 133 survey respondents expressed the opinion that training is valuable. *(Please note that some of*

*the city auditors who participated in interviews also responded to the survey. For this reason, I cannot say that 115 different individuals said that training is valuable. Since the survey responses were anonymous, I do not know which responses belong to the auditors I interviewed.)*

Training has merit because it helps employees understand the behavior expected of them while they perform their work. As one city auditor explained, “Training reduces uncertainty and clarifies what is and is not acceptable. Without this training, public officials may unintentionally breach ethics rules and violate state prohibitions. The complexities of federal, state, and local government rules and regulations can readily result in transgressions if the training is not provided.”

Another interviewee said, “I think training is useful because what you do in successful training programs is you give examples, you give real world situations.” One city auditor argued that individual behavior can be changed as a result of training. “I’ve seen people who have been here a long time that had one set of beliefs and values, and once things were explained to them, they looked at it in a different light and they changed their behavior.”

Although not everyone who participated in the research for this dissertation agreed that training is beneficial, a majority of them did, lending support to this dissertation’s first hypothesis, which states, “If public administrators receive ethics training, they are more likely to practice ethical behavior.”

To accomplish their objective to develop an ethical organizational culture, ethical leaders need to ensure that their employees receive training on ethical issues. Preferably, such training should focus on ethics and offer real-world examples of how to handle typical ethical dilemmas that occur in the workplace. As Sauser (2008) explained,

From time to time the ethics compliance officer and human resources manager should conduct ethics training sessions...A highly effective way to conduct an ethics training session is to provide 'what if...' cases for discussion and resolution...Using the organization's code of ethics as a guide, participants would explore options and seek a consensus ethical solution. This kind of training sharpens the written ethical code and brings it to life. (Sauser, 2008, pp. 10 & 11)

### **Ethics Codes as a Tool for Ethical Leaders**

During the case study interviews, 40, or 68.9 percent, of the interviewees said that they find their city's code of ethics useful. Twenty-one, or 84 percent, of the city auditors agreed that ethics codes have value. Five of the individuals interviewed in a Midwestern city's local government that recently implemented an auditing function expressed the opinion that ethics codes are beneficial. In total, 66 of the 91 individuals who participated in the interviews for this research agreed that ethics codes are important, and 99 of the 133 survey respondents gave high rankings to ethics codes.

Although not everyone who participated in the research for this dissertation agreed that ethics codes are useful, a majority of them did, lending support to this dissertation's second hypothesis, which states, "If public administrators work in an organization that has an ethics code, they are more likely to practice ethical behavior."

Ethics codes have value because they elucidate an organization's expectations for ethical behavior, thereby defining ethics for that organization. Not only does this help

employees understand the behavior expected of them, but such written clarification gives an organization greater justification for disciplining employees if they behave inappropriately. One city auditor remarked that his government did not have a written code of ethics until a few years ago. When asked how useful this code has been, he said, “You have to have a set of rules to fall back on as ethics administrator or ethics commission. The code is the most important thing...I think it’s made a difference to how everyone within (our government) handles and operates themselves. The employees are aware you are going to be held accountable.”

Many ethics scholars (i.e., Dobel 1993 and Cooper 2006) agree that ethics codes are important. As Hood (2003) stated, “A formal statement of ethics implies that organizational members are expected to act with a degree of integrity in their daily business lives.” (Hood, 2003, p. 270) In their efforts to create an organizational culture, ethical leaders need to ensure that they implement and enforce an ethics code.

### **Audits as a Tool for Ethical Leaders**

This research shows that ethical leadership is critical to create an ethical culture that encourages employees to behave ethically. Ethical leaders should use training in ethical issues and ethics codes as tools to help them develop an ethical culture. What role do audits play in this process?

The third hypothesis for this dissertation states, “If city auditors do more ethics audits, as well as find more ethics violations in their other audits, the public administrators they monitor are more likely to do their work in an ethical manner.” The research for this

dissertation does not clearly support this hypothesis, but neither does it clearly disprove it. The case study results showed that some individuals are influenced by audits and perform their work with more diligence because they know that they could be audited. For example, eleven interviewees credited audits with helping them improve their work processes, and six said that audits help them be more accountable. Thirteen, including eight managers, said they likely would change the way they do their work if they knew they would never be audited.

But others said they are not affected by audits and when they do their jobs, they give no thought to the possibility of being audited. Six interviewees, including two managers, said audits do not affect the way they perform their work, and 31 of them, including ten managers, said if there was no possibility of their work ever being audited, they would continue to do their work in the same manner. As such, these individuals claimed that the threat of an audit does not impact their work processes. But previously, 12 of these individuals had said that they are more careful in their work because they know that being audited is a possibility. I found this contradictory. If an individual is being more careful because they know they could be audited, it seems reasonable that if the threat of an audit is removed, they would cease to be so careful. The possibility of being audited may be influencing these individuals more than they are willing to admit. Regardless, the case study results did not provide evidence to clearly support this dissertation's third hypothesis.

One explanation for this may be that some government employees are not involved in audits during the course of their work. Fourteen of the interviewees for the case study said

they have never been involved in any type of audit. This group, which represented 24.1 percent of the individuals interviewed, included three managers. One of the city auditors noted that this seems reasonable because when a department is audited, rarely does the audit involve all department employees, and unless they are involved in the audit, the employees may be unaware that the audit is occurring. In addition, this city auditor pointed out that when the audit report is released, it may not be shared with employees who are not management staff, and some employees may not realize that changes occurring in their work processes are the result of an audit. As such, some employees may claim they are not influenced by audits when in reality, they are.

The survey results showed a similar ambiguity regarding audits. A majority of the respondents agreed to some extent with the statements, “Audits help your city government be more transparent” and “Audits help your city government be more accountable.” Although not a majority, many of the respondents also agreed with the statement, “Ethics audits encourage employees to practice good ethics.” But when ranking codes of ethics, ethics audits, ethical leadership, and ethics training according to their importance in encouraging employees to practice good ethics, most of the respondents seemed to think that audits, or at least ethics audits, are not as important as other tools. Just nine, or 7.8 percent, of the respondents assigned “1” to this item, and only 31, or 27 percent, of the respondents assigned it a “2.” All other respondents, a total of 75 or 65.2 percent, ranked it “3” or “4.”

Does it make a difference if auditors advocate for their findings and recommendations to help ensure that they are implemented? The fourth hypothesis for this dissertation states,

“If city auditors advocate for the changes they recommend in their audits, the changes are more likely to be implemented.” Twenty-two of the auditors said that advocacy is important. But only nine of them specifically agreed that advocacy helps to ensure that recommendations are implemented, and one auditor argued that no, advocacy does not help.

This information suggests that this hypothesis is not supported by the research results. However, the survey results discussed in Chapter Two showed a significant relationship between advocacy and the likelihood that audit findings and recommendations would be implemented. If the findings and recommendations were implemented, the ordinal regression analysis of the survey results indicated that this can help promote transparency and accountability in a city’s government. Despite this, the results of this dissertation research do not clearly support this dissertation’s fourth hypothesis.

The day I visited a Midwestern city’s local government that recently implemented an auditing function, my objective was to gain more insight about whether audits encourage public administrators to practice ethical behavior. This city government did not implement a city auditing function until January 2008, so having an auditor monitor their activities is a relatively new phenomenon for the city’s employees. When I met with staff, I asked them how their government’s operations have changed since the auditor began work. All of them agreed that having an auditor has resulted in positive changes. Two of them said the auditor’s work has led to improvements in the audited activities, and two of them stated that their government is more transparent because the auditor’s reports are public documents. One noted that staff works harder to be accountable since they know the auditor is



monitoring their activities, and three of them said staff realizes they are under more scrutiny now.

When asked if having an auditor on staff helps promote an ethical environment in their organization, all of the interviewees said yes, it does. One said this is accomplished because the government is more transparent since they have an auditor producing public reports about their operations. Another said this is achieved by helping staff be more accountable. One individual described the auditor as a good resource to help city employees understand ethics, and another said that having an auditor helps with public perception because “there’s a check and balance thing going on.” Two expressed the opinion that staff is more careful because they know they could be audited. As one stated, “I think it’s made people more circumspect about realizing that those levels of authority, signature authority, were there for a purpose and they need to respect that...I think we’ve gotten a lot more respect for the rules because they realize, he’s going to look at (my area) at some point. It gives people pause to think, if it’s sort of a gray area, just not going to risk that.”

Although all of these interviewees seemed to agree that audits are important, when asked to rank leadership, ethics codes, ethics training, and audits in terms of importance in promoting ethics, all of them agreed that leadership is the most critical component, and no one ranked audits higher than “2.” Several of them assigned “3” to audits. Some of them explained that while audits are important, they are not paramount. As one stated, “If you don’t have an audit, you don’t have the means of accountability. But it all really needs to

start with leadership where you've got somebody saying, let's do it right and then check on that.”

So, we're back to leadership. Do ethical leaders really need audits to promote an ethical culture in their organizations? Most of the literature is silent on this issue. But a few scholars such as Gruber (1987) and Redford (1969) expressed the opinion that public administrators must be monitored to ensure that they behave appropriately on the job. Sauser (2008) linked the concept of auditing to ethical leadership and argued that to craft a “culture of character,” an ethical leader should periodically subject the organization to a “social audit” that has the objective of “identifying and correcting any areas of policy or practice that raise ethical concerns.” (Sauser, 2008, pp. 10 – 12)

I agree with Sauser, and I believe the results of this research indicate that while audits may not be the most critical tools, they can be useful to help ethical leaders develop an ethical organizational culture. As several city auditors pointed out, that culture needs to start with an ethical leader who implements and enforces a written ethics code. Once that code is in place, the employees should be trained to ensure that they understand the behavior expected of them as per the ethics code. Then audits come later to review operations and determine what ethical issues need to be addressed. Ethical leaders can work with their organization's auditors to identify and correct ethical lapses and to create internal controls that will become part of the institutional framework to encourage ethical behavior. Instead of regarding auditors as their adversaries, ethical leaders could regard them as benefactors who

can offer guidance and support as ethical leaders strive to nurture an ethical organizational culture.

Is this a reasonable goal? Yes, it is. As one interviewee in a leadership position stated during the research for this dissertation,

I think (the auditing process) can help build some of that infrastructure that you need...I think the auditor can really work hand in hand with leadership saying, you know, I'm in there looking for gaps...It's just going to enhance my ability to be a leader and so I think that you have to have a willing management team and see the value of enhancing what you're trying to really demonstrate on a day-to-day basis. I think it can work really well.

Another leader made similar remarks.

Auditing is something that I look at as a report card to the extent of letting me know how well we're running or administering the programs that we've been entrusted with. Auditing helps me to get feedback, what I've done well in and what I need improvement in. I look at auditing as a tool to help me to become a better administrator. I've found auditing very helpful. Without that, we would be missing a very important tool to help us improve.

As a profession, are city auditors equipped for the challenge of working with leadership to promote ethical organizational cultures? Some of them are, and some of them are already doing this. For example, in recent years, the city auditor's office in one Midwestern city has worked with city leaders to draft a detailed ethics code that is now a city ordinance. Once the ordinance was adopted, a handbook was drafted and provided to employees to explain the purpose of the ethics code and to aid employees in their efforts to follow the code. The city now has an ongoing ethics training program that requires employees to periodically attend classes to remind them of the behavior the city expects of them, including their responsibility to report violations of the ethics code. Finally, the city

now has an ethics hot line that both employees and the public can call to report ethical violations. Hot line calls result in incident reports that are e-mailed to the city auditor's office. The city auditor's office works with the city's human resources director to investigate each incident and resolve the reported issue.

The auditor for another local government that is using its audit shop to help promote an ethical organizational culture argued that this can work well. "If an audit is out there promoting to do things the right way, and leadership is promoting to do things ethically the right way and leadership also promotes our audits, I think it all goes hand in hand as far as promoting it and the likelihood that the environment as a whole will go back to 'let's do things the right way'."

Although some city auditor shops are taking a proactive approach to assist their cities in implementing and nurturing an ethical organizational culture, my observations during this research suggested that others are taking a more passive approach. Sixteen auditors, or 64 percent of those interviewed for this research, argued that their audit findings, including those not directly related to ethical issues, always help promote an ethical environment if taken seriously by their government's leadership. Nine, or 36 percent, disagreed. Some auditors do not seem to think that nurturing an ethical culture is part of their responsibility. Several auditors argued that their audits rarely touch on ethical issues and as such, they are not in a position to have any influence on their government's ethical culture.

It is possible that this perspective is the product of a restricted definition of ethics. Several of the auditors who participated in this research seemed to equate unethical behavior

with fraud and other illegal activities. They seemed to think that unless their audit scopes covered areas where such activities were apt to occur, there is little likelihood that their audit findings would result in improvements of the ethical culture.

I disagree because I argue that everything is related to ethics, at least indirectly. As one city auditor stated,

If you have a finding, why is it a finding? It's a finding because something is not operating like it should or you didn't follow a certain statutory requirement or something to that effect. Then why is it important? You know it's a finding but why is it important to correct that? Well, you want to follow the law, you want to be a law abiding entity and so it does follow ethics I think. Maybe not for somebody who says this has nothing to do, this is a billing problem. Well yes, it does. It really does...The whole ethical behavior touches so much more than just fraud and especially with what we do. All the, this is the right way to do things and this is why. It can be no more complicated than you've got to do it because that's what the law says, but a lot of times it's this is why, because it's a good thing, it's the right thing, it's the fair thing.

Another made similar remarks.

I think it all impacts ethics – everything. Even things that you would think have nothing to do with ethics. Ethics is not an isolated subject matter, exclusive of other things. It's all encompassing. Just the very action when employees see their management implementing recommendations from an audit team, then what they see is ethical behavior and that influences their behavior.

I agree with these auditors' viewpoints. Yes, fraud and illegal activities are clearly ethical violations. But ethics is about much more than just illegal deeds. Ethics is about how we treat others. Do we lie and manipulate or regard our colleagues with dignity and respect? Ethics is about how we do our jobs. Do we give our work our best effort or do the bare minimum to get the job done? Ethics is about justice. Do we ensure that all citizens who

approach our front desk for service receive equal treatment or do some individuals get preferential assistance?

Of course, as one city auditor pointed out, we have to understand that different people can look at the same issue and have different views on how that issue should be handled. If two people have good intentions but suggest different approaches to resolve an issue, how do we determine which approach is more ethical? And what about individuals who try to do the right thing but lack the knowledge necessary to make the best possible decision? Surely if their intentions are honest, we would not regard such individuals as unethical.

This is why formal ethics codes are so critical. In the realm of government, ethics is about doing things the right way as defined by a formal ethics code and other written documents, such as ordinances and policies that specify how government services are to be developed and delivered. The difficulty lies in determining the content of these documents. There is no right or wrong answer regarding which items should be covered by an ethics code. Rather, the specific content should be determined by a government's leaders assessing the regime values of those served by the government. At the local level, regime values can be determined by following voter behavior and giving attention to issues touted by voters as important. At a minimum, ethics codes need to cover issues such as conflicts of interest, employees' acceptance of gifts from constituents, employees' participation in political activities, management of confidential information provided to the government, and the use of government property for personal pursuits.

Auditors need to consider the items covered by ethics codes when they develop the scope of their audits. I would argue that all audits, regardless of their scope, touch on ethical issues, at least indirectly. Whether the audit is concerned with customer satisfaction, police brutality, workers' compensation claims, building inspections, purchasing processes, monetary collection procedures, or any other possible audit topic, ultimately, the audit findings most likely can be related to an ethical issue.

For example, if an audit finds that employees are ignoring their government's policies on diversity in the workplace, this is an ethical issue because people are not being treated fairly. If an audit finds that not all customers who apply for a building permit are being required to pass an inspection, this is an ethical issue because the procedures are not being applied equally to all customers. If an audit finds that some contracts were awarded without using a competitive bidding process, this is an ethical issue because not all potential contractors are receiving equal opportunity to do business with the government. If an audit finds that some employees are playing computer games instead of working, this is an ethical issue because the employees are misusing their time on the job. The list goes on and on. If a broader definition of ethics is employed, many audit findings can be linked to ethics in some manner.

It is important, however, to ensure that this definition does not become too broad. As one city auditor pointed out, if everything is regarded as ethics, there is the risk that nothing will be considered as ethics because auditors cannot include everything in the scope of every audit. So it becomes easier to overlook ethical concerns. This is another reason that ethics

codes are useful documents. If ethics for a particular government are defined by an ethics code, auditors can use that code as their guide for the issues they need to consider during an audit. Items in the code that are relevant to the area being audited should be included in the audit scope.

The research for this dissertation indicates that some city auditors already use all of their audits as mechanisms for finding ethical lapses in their governments. But some city auditors do not, and this could explain why the research for this dissertation does not clearly support the third and fourth hypotheses. Since some auditors are defining ethics narrowly and not connecting their audit findings to ethics in many cases, their audits are having limited impact on public administrators' ethical behavior.

I think this could easily be changed if more auditors would take a broader approach to ethics. Generally, when an audit shop begins a new audit, the auditors review their city's written documentation and possibly industry best practices that apply to the area being audited. The edicts contained in the written documentation and the best practices become the standards against which the audited activity's actual practices are measured.

When they conduct an audit, in addition to being alert for fraud and other illegal activities, auditors need to be watchful for other issues that they might normally disregard. Doing this should increase the likelihood of finding ethical lapses. For example, internally, employees may be running personal errands while using a government vehicle, may be taking longer lunch breaks than reported, and may be verbally abusing subordinates. Externally, when dealing with their customers, employees may be approving incomplete



license applications, may be handling preferred customers' cases ahead of others who requested service earlier, and may be failing to return customer telephone calls. As long as activities such as these are done on a small scale, they may be given little, if any, notice in an audit. But these are the types of misbehaviors that can create a negative ethical culture in an organization and can rankle customers who will rightly feel they have not received the best possible service. Auditors need to ensure that their audits give consideration to these types of ethical concerns as well as fraud and other illegal activities.

Why is it so important that auditors take a proactive role in promoting ethical behavior among government employees and their leaders? Because leaders cannot be trusted to always do the right thing. For a recent example of tomfoolery among government leaders, consider the case of Bell, California, where six former council members are currently awaiting trial for the misappropriation of more than \$5 million in public funds for salaries and loans. In a perfect world, all organizations would have ethical leaders who always strive to do the right thing. But we do not live in that world. Instead, our world is replete with leaders who commit a myriad of ethical violations, both large and small. And when these leaders fail to behave ethically, it has a negative impact on an organization's culture, possibly encouraging their subordinates to also behave unethically.

As such, it is important that auditors provide the checks and balances needed to encourage government employees to behave ethically. Ideally, auditors will work with an ethical leader in this endeavor. But if the leaders are not ethical, auditors still need to strive to do what they can to promote an ethical organizational culture. The city auditors

interviewed for this research offered suggestions for actions they can take to do this. These include examining existing internal controls for needed improvements, developing new internal controls if necessary, providing training on ethics, monitoring behavior, helping to develop ethics codes and other standards for behavior, and being an ethical role model themselves. To be more effective in this regard, auditors suggested that they should take actions such as being an ethics advocate through efforts such as newsletters that discuss ethics, reminding employees of their responsibility to behave appropriately and report any inappropriate behavior that they may observe.

Several of the auditors discussed hot lines and recommended that their offices can promote ethical behavior by sponsoring a hot line and advertising its existence to both employees and the public. Some of the audit shops already do this, and they reported that the hot lines have proven to be a useful tool for learning about unethical behaviors committed by employees. This is consistent with findings from the Association of Certified Fraud Examiners. The Association's 2010 "Report to the Nations on Occupational Fraud and Abuse" stated that in organizations with hot lines, 47 percent of the frauds detected were found through a tip to the hot line. In organizations without hot lines, tips accounted for only 34 percent of the cases detected. (ACFE, 2010, p. 17)

One reason hot lines are successful is because they provide employees and the public with an anonymous reporting mechanism. "The ability to report fraud anonymously is key because employees often fear making reports due to the threat of retaliation from superiors or negative reactions from their peers." (ACFE, 2010, p. 17) During the case study research for

this dissertation, some of the employees discussed their city's hot line and suggested that it has enhanced their city's ability to monitor employee behavior. Hot lines could be a useful tool for auditors to help promote an ethical culture in their governments.

If they make ethics a priority and strive to promote ethical behavior through all their audits, auditors can be a powerful force for developing and maintaining an ethical organizational culture. It is important to note that the case study results indicate that all types of audits—including performance, financial, compliance, and so forth—influence employees and help keep their behavior in check. Regardless of the nature of their audits, just the fact that auditors are checking government operations and monitoring employee behavior is a motivator to help keep employees ethical.

Some employees need limited oversight to ensure they behave appropriately. Friedrich (1940) was correct when he stated that whether an administrator will behave responsibly is “very largely a question of sound work rules and effective morale.” (Friedrich, 1940, p. 19) Many individuals will usually do the right thing if they have the proper guidance. But Finer also was correct when he argued for censorship noting “that sooner or later there is an abuse of power when external punitive controls are lacking.” (Finer, 2001, p. 9) While some individuals will strive to do the right thing, others, including some leaders, will not unless they are coerced to do so.

For this reason, it is vital that auditors insert themselves into their organization's ethical culture and take a proactive role to make that culture as ethical as possible. Johnson (2009) argued that to create an ethical organizational culture, “Organizations ought to be as

concerned about continuous ethical improvements...as they are about improving products and services...Organizations can never claim to have arrived when it comes to ethical development. There will always be room for improvement.” (Johnson, 2009, pp. 286 & 288) Johnson recommended that to develop an ethical organizational culture, organizations must keep attention focused on ethics.

One of the city auditors who participated in this research agreed and noted that one way audit reports can “promote the ethical environment” is “by keeping attention on ethical behaviors and continuing the discussion, communication of ethical issues within the organization.” This auditor noted that “ethics management is a journey, not a destination.”

### **Implications for Further Research**

This discussion assumes that a government organization has auditors on staff. It also assumes that those auditors will be independent and have the authority to take a leading role in helping their organizations to develop an ethical organizational culture. Many governments in the United States, particularly at the local level, do not have auditors on staff. In some that do have auditors, the auditors have limited independence and may be incapable of asserting the authority needed to assume responsibility for activities such as developing an ethics code and manning a hot line.<sup>3</sup>

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<sup>3</sup> Government Auditing Standards issued by the U.S. General Accounting Office stress that all auditors must be independent when they perform their work. Specifically, the Standards state, “In all matters relating to the audit work, the audit organization and the individual auditor, whether government or public, must be free from personal, external, and organizational impairments to independence, and must avoid the appearance of such impairments of independence...If one or more of these impairments affects or can be perceived to affect independence, the audit organization (or auditor) should decline to perform the work—except in those situations in which an audit organization in a government entity, because of a legislative requirement or for other reasons, cannot decline to perform the work, in which case the government audit organization must disclose the impairment(s).” (GAO 2007: 29 & 30)

This is an area that needs further research. Since the third and fourth hypotheses for this dissertation are marginally supported, additional research is needed to determine if my arguments in support of auditing as an important tool for ethical leaders are valid. Such research should examine government organizations that have auditors on staff and compare their ethical organizational climate to that of government organizations that do not have auditors on staff. This research should seek to determine if having auditors on staff appears to make a difference in how ethical the organizational climate is.

To better understand this difference, when examining those governments with auditors, the research should consider the level of independence those auditors have to do their work and its impact on their ability to assume authority for promoting an ethical organizational culture in their organizations.

In addition to considering how much independence an auditor has, further research should consider whether this independence is hindered by unethical leaders. An organization may claim its auditor is independent and may even provide written documentation to support this claim. But in practice, if the auditor is working in an organization with leaders who make efforts to undermine the auditor's independence or take other actions to limit the auditor's effectiveness, there may be little the auditor can do to focus attention on ethics. To be valid, further research that compares governments with auditors on staff to those that do not have auditors will need to understand exactly how much authority the auditors have and how that impacts their ability to be influential in the realm of ethics.

## **Conclusion**

In the end, why does all of this matter? Why is it important that government organizations have ethical employees working in an ethical environment? Because ethics helps promote transparency and accountability in government operations, and transparency and accountability are critical for democracy. Regrettably, not all government employees seem to realize that they are accountable to the public and as such, they may not always strive to ensure that their actions help promote transparency and accountability. When I did the case study interviews for this research, 41 of the interviewees specifically stated that they consider themselves accountable to the citizens they serve. But the other 17 interviewees said they are accountable to others, such as their supervisors and department directors. They did not list the citizens as a group to whom they are responsible.

I found this troubling, and I believe this is one reason employees must be monitored to ensure they practice ethical behavior. If they do not recognize that they are accountable to the citizens who pay their salaries and receive their services, can they be trusted to do the right thing as much as possible?

To protect democracy, it is critical that government organizations be staffed by ethical employees. As explained in the literature review for this dissertation, bureaucracy is necessary to carry out the functions of government. Various scholars such as Rourke (1984) and Redford (1969) have argued that without bureaucracy, government cannot function. But, as scholars such as Mosher (1982) have explained, since bureaucrats are not directly accountable to the citizens they serve, they may not always act in a manner that promotes

democracy. Scholars such as Cooper (2006) and Thompson (1992) have argued that government employees must be held in check through ethics. If they practice ethical behavior, they should promote transparency and accountability, which, in turn, will promote democracy.

As noted in the literature review, having ethical employees in charge of government will not ensure that democracy flourishes because a functional democracy requires more than just ethical employees in charge of its bureaucracy. But if government employees are ethical, they are more likely to do work that meets the expectations of the citizens they serve, thereby being accountable to those citizens. They also are more likely to conduct their affairs openly, giving citizens the opportunity to observe what their government is doing and express their opinion on those operations. By increasing the likelihood that government employees will act appropriately and conduct government's business in an open manner, ethics can play a critical role in minimizing the threat that bureaucracy poses for democracy.

Mosher (1982) asked two questions that have been used as part of the theoretical framework for this dissertation. He inquired (Mosher, 1982, p. 5):

1. "How can a public service...be made to operate in a manner compatible with democracy?"
2. "How can we be assured that a highly differentiated body of public employees will act in the interests of all the people, will be an instrument of all the people?"

This research has indicated that this is accomplished by having a government that is staffed by ethical employees. The government must be operated by ethical leaders who implement and enforce ethics codes that are complemented by ethics training. In addition,

auditors must work with ethical leaders to monitor employee behavior and help develop that ethical organizational culture. And in the absence of ethical leaders, auditors should take a more dominant role, making every effort to ensure their organizations' employees practice ethical behavior, making transparency and accountability primary goals.

How can this be achieved? Based on the results of this research, it appears that auditors can take many steps to help implement and nurture an ethical culture in their organizations.

- Auditors can recommend that their governments have ethics codes. They can assist in the development of these codes by providing feedback on regime values that have been identified during their audit fieldwork.
- Periodically, auditors can take the lead to ensure that ethics codes are reviewed and updated as necessary to reflect changes in regime values and technology that may influence how government work is performed.
- When beginning an audit, auditors should review the ethics code and determine which issues covered by the code are germane to the audit scope. As much as practical, auditors should review these items as part of the audit fieldwork. In this way, auditors will be able to give ethics greater emphasis in their work and keep the attention of their government's leaders and employees focused on ethics.
- Auditors can recommend that their governments provide periodic ethics training. If practical, auditors can work with government leaders in charge of training to ensure the training includes appropriate content and is delivered in a manner that makes it relevant to those being trained.
- Auditors can sponsor hot lines that allow employees and citizens to contact their government regarding ethical concerns and possible ethics violations. When calls are received, auditors can take the lead on investigating the issues reported.
- Auditors can issue periodic newsletters that include discussions of ethical issues. If auditors prefer not to issue their own newsletters, they can write a column for another newsletter issued by their government and discuss ethical issues in this column.



- Finally, auditors can be advocates for ethics. When they release an audit report, they need to ensure that the report has the attention of government leaders, including elected officials. Auditors can meet with government leaders to discuss their audit findings, and they can present their audit reports to elected officials during public meetings. As part of this, auditors can call attention to any ethical concerns identified during the audit fieldwork.
- In addition to advocating their reports to government leaders, including elected officials, auditors also can provide press releases to the media that covers their government's activities. These releases should cover the audit findings and mention any ethical concerns identified during the audit.

By taking these actions, auditors can play a more proactive role in the promotion of ethics within their government organizations, helping these organizations develop an ethical culture. And hopefully, by doing this, auditors can help ensure that more government employees practice ethical behavior, providing more quality and satisfactory services to the citizens they serve.

APPENDIX A

Following is the survey instrument used for this dissertation.

1. Does your city have a code of ethics?  
*Yes                      No                      Don't Know*
  
2. a. Does your city provide ethics training?  
*Yes                      No                      Don't Know*  
  
b. If yes, how often is such training provided and who receives it?
  
3. a. Does your office perform ethics audits of your organization?  
*Yes                      No                      Don't Know*  
  
b. If yes, how often do you perform such audits and which departments are included in these audits?
  
4. If you perform ethics audits, how frequently do you look for the following items as you conduct the audit? (*Please note that for the following questions 19.a to 19.k., do not base your answers on whether your organization has these items in place. Please base your answers on how frequently you monitor your organization to determine if these items have been implemented.*)
  - a. Code of conduct for ethical behavior  
*Never      Occasionally      Sometimes      Often      Always*
  
  - b. Ethical leadership  
*Never      Occasionally      Sometimes      Often      Always*
  
  - c. Strategies and programs to support the organization's ethical culture  
*Never      Occasionally      Sometimes      Often      Always*
  
  - d. Processes for employees to confidentially report ethical violations and misconduct  
*Never      Occasionally      Sometimes      Often      Always*
  
  - e. Employee declarations that they are aware of the organization's expectations for ethical behavior  
*Never      Occasionally      Sometimes      Often      Always*
  
  - f. Processes to evaluate consequences of ethical misbehavior  
*Never      Occasionally      Sometimes      Often      Always*

- g. Confidential counseling for employees regarding ethical concerns  
*Never      Occasionally      Sometimes      Often      Always*
- h. Investigations of allegations of misconduct  
*Never      Occasionally      Sometimes      Often      Always*
- i. Ethics training opportunities for all employees  
*Never      Occasionally      Sometimes      Often      Always*
- j. Personnel practices that motivate employees to be ethical  
*Never      Occasionally      Sometimes      Often      Always*
- k. Routine employee surveys to determine the organization's current ethical climate  
*Never      Occasionally      Sometimes      Often      Always*
- l. Routine reviews of the organization's FORMAL processes that could create pressures and biases that could undermine the ethical culture  
*Never      Occasionally      Sometimes      Often      Always*
- m. Routine reviews of the organization's INFORMAL processes that could create pressures and biases that could undermine the ethical culture  
*Never      Occasionally      Sometimes      Often      Always*
- n. Hiring procedures that include reference and background checks  
*Never      Occasionally      Sometimes      Often      Always*
5. Rank the items below according to their importance in encouraging employees to practice good ethics, with "1" being the most important and "4" being the least important. If you believe any of the items are equally important, assign them the same number.

\_\_\_\_ Code of Ethics

\_\_\_\_ Ethics Audits

\_\_\_\_ Ethical Leadership

\_\_\_\_ Ethics Training

## ETHICS, TRANSPARENCY, and ACCOUNTABILITY in YOUR ORGANIZATION

*Please answer the following questions with regard to ethics, transparency, and accountability in the city government where you are currently employed. Using the following scale, circle the response that best describes your opinion regarding the question.*

*1 = Disagree very much*

*4 = Agree slightly*

*7 = Don't Know*

*2 = Disagree moderately*

*5 = Agree moderately*

*3 = Disagree slightly*

*6 = Agree very much*

### **Ethics:**

6. The majority of your organization's employees practice good ethics. 1 2 3 4 5 6 7
7. Ethics audits encourage employees to practice good ethics. 1 2 3 4 5 6 7
8. Ethics training encourages employees to practice good ethics. 1 2 3 4 5 6 7
9. Codes of ethics encourage employees to practice good ethics. 1 2 3 4 5 6 7
10. Having ethical leadership encourages employees to practice good ethics. 1 2 3 4 5 6 7

### **Transparency:**

11. The majority of your organization's employees understand the importance of organizational transparency. 1 2 3 4 5 6 7
12. Your audits help your organization to be more transparent. 1 2 3 4 5 6 7
13. Ethics training helps your organization to be more transparent. 1 2 3 4 5 6 7
14. Codes of ethics help your organization to be more transparent. 1 2 3 4 5 6 7
15. Having ethical leadership helps your organization be more transparent. 1 2 3 4 5 6 7

**Accountability:**

16. The majority of your organization’s employees understand the importance of organizational accountability. 1 2 3 4 5 6 7
17. Your audits help your organization to be more accountable. 1 2 3 4 5 6 7
18. Ethics training helps your organization to be more accountable. 1 2 3 4 5 6 7
19. Codes of ethics help your organization to be more accountable. 1 2 3 4 5 6 7
20. Having ethical leadership helps your organization be more accountable. 1 2 3 4 5 6 7

**AUDIT FOLLOW-UP**

*Please answer the following questions with regard to the actions that your office takes to promote an audit once you release your audit report with findings and recommendations.*

21. When your office completes an audit, whether an ethics audit or other audit, you and/or other staff in the auditor’s office take actions to advocate for the audit’s findings and recommendations.

*Never                      Occasionally                      Sometimes                      Often                      Always*

22. If your office advocates for an audit’s findings and recommendations, how frequently do you utilize the following methods?

a. Press conferences.

*Never                      Occasionally                      Sometimes                      Often                      Always*

b. Newspaper interviews.

*Never                      Occasionally                      Sometimes                      Often                      Always*

c. Newspaper columns.

*Never                      Occasionally                      Sometimes                      Often                      Always*

d. Television interviews.

- |    |                                   |                     |                  |              |               |
|----|-----------------------------------|---------------------|------------------|--------------|---------------|
|    | <i>Never</i>                      | <i>Occasionally</i> | <i>Sometimes</i> | <i>Often</i> | <i>Always</i> |
| e. | Radio interviews.                 |                     |                  |              |               |
|    | <i>Never</i>                      | <i>Occasionally</i> | <i>Sometimes</i> | <i>Often</i> | <i>Always</i> |
| f. | Presentations at public meetings. |                     |                  |              |               |
|    | <i>Never</i>                      | <i>Occasionally</i> | <i>Sometimes</i> | <i>Often</i> | <i>Always</i> |
| g. | Engagement of citizen groups.     |                     |                  |              |               |
|    | <i>Never</i>                      | <i>Occasionally</i> | <i>Sometimes</i> | <i>Often</i> | <i>Always</i> |

23. How often are the most significant recommendations in your audits ultimately implemented?

- |              |                     |                  |              |               |
|--------------|---------------------|------------------|--------------|---------------|
| <i>Never</i> | <i>Occasionally</i> | <i>Sometimes</i> | <i>Often</i> | <i>Always</i> |
|--------------|---------------------|------------------|--------------|---------------|

24. When your office advocates for an audit’s findings and recommendations, the organization you audited is more likely to implement the changes recommended in the audit.

- |                           |                            |                          |                       |                         |                        |                   |
|---------------------------|----------------------------|--------------------------|-----------------------|-------------------------|------------------------|-------------------|
| <i>Disagree Very Much</i> | <i>Disagree Moderately</i> | <i>Disagree Slightly</i> | <i>Agree Slightly</i> | <i>Agree Moderately</i> | <i>Agree Very Much</i> | <i>Don’t Know</i> |
|---------------------------|----------------------------|--------------------------|-----------------------|-------------------------|------------------------|-------------------|

25. If your office does not advocate for an audit’s findings and recommendations, why? Please check all reasons that apply.

- Office policy prohibits advocating for an audit’s findings and recommendations.
- Staff lacks the training/expertise needed to advocate.
- Staff is uncomfortable doing such activities.
- Staff considers the job to be done once the audit report is completed.
- Staff thinks the findings and recommendations will be implemented without advocacy.
- Other, please explain. \_\_\_\_\_

## APPENDIX B

Following is a list of the cities surveyed for this dissertation.

<u>State</u>	<u>Cities</u>
Alaska	Anchorage
Alabama	Birmingham
	Huntsville
	Mobile
	Montgomery
Arkansas	Little Rock
Arizona	Chandler
	Gilbert
	Glendale
	Mesa
	Peoria
	Phoenix
	Scottsdale
	Tempe
	Tucson
California	Anaheim
	Bakersfield
	Berkeley
	Burbank
	Chula Vista
	Concord
	Corona
	Costa Mesa
	Downey
	El Monte

California (continued)

Elk Grove  
Escondido  
Fontana  
Fremont  
Fresno  
Fullerton  
Garden Grove  
Glendale  
Hayward  
Huntington Beach  
Inglewood  
Irvine  
Lancaster  
Long Beach  
Los Angeles  
Modesto  
Moreno Valley  
Norwalk  
Oakland  
Oceanside  
Ontario  
Orange  
Oxnard  
Palmdale  
Pasadena  
Pomona  
Rancho Cucamonga  
Riverside



California (continued)

Roseville  
Sacramento  
Salinas  
San Bernardino  
San Diego  
San Francisco  
San Jose  
Santa Ana  
Santa Clara  
Santa Clarita  
Santa Rosa  
Simi Valley  
Stockton  
Sunnyvale  
Thousand Oaks  
Torrance  
Vallejo  
West Covina

Colorado

Arvada  
Aurora  
Colorado Springs  
Denver  
Fort Collins  
Lakewood  
Pueblo  
Thornton  
Westminster

Connecticut	Bridgeport
	Hartford
	New Haven
	Stamford
	Waterbury
Florida	Cape Coral
	Clearwater
	Coral Springs
	Fort Lauderdale
	Gainesville
	Hialeah
	Hollywood
	Jacksonville
	Miami
	Miramar
	Orlando
	Pembroke Pines
	St. Petersburg
	Tallahassee
	Tampa
Georgia	Atlanta
	Augusta
	Columbus
	Savannah
Hawaii	Honolulu
Iowa	Cedar Rapids
	Des Moines
Idaho	Boise

Illinois	Aurora
	Chicago
	Elgin
	Joliet
	Naperville
	Peoria
	Rockford
	Springfield
Indiana	Evansville
	Fort Wayne
	Gary
	Indianapolis
	South Bend
Kansas	Kansas City
	Olathe
	Overland Park
	Topeka
	Wichita
Kentucky	Lexington
	Louisville
Louisiana	Baton Rouge
	Lafayette
	New Orleans
	Shreveport
Massachusetts	Boston
	Cambridge
	Lowell
	Springfield

Massachusetts (continued)	Worcester
Maryland	Baltimore
Michigan	Ann Arbor
	Detroit
	Flint
	Grand Rapids
	Lansing
	Sterling Heights
	Warren
Minnesota	Minneapolis
	St. Paul
Missouri	Kansas City
	Springfield
	St. Louis
Mississippi	Jackson
N/A	District of Columbia
North Carolina	Charlotte
	Durham
	Fayetteville
	Greensboro
	Raleigh
	Winston-Salem
Nebraska	Lincoln
	Omaha
New Hampshire	Manchester
New Jersey	Elizabeth
	Jersey City
	Newark

New Jersey (continued)	Paterson
New Mexico	Albuquerque
Nevada	Henderson
	Las Vegas
	North Las Vegas
	Reno
New York	Amherst
	Buffalo
	New York City
	Ramapo
	Rochester
	Syracuse
	Yonkers
Ohio	Akron
	Cincinnati
	Cleveland
	Columbus
	Dayton
	Toledo
Oklahoma	Oklahoma City
	Tulsa
Oregon	Eugene
	Portland
	Salem
Pennsylvania	Allentown
	Erie
	Philadelphia
	Pittsburgh

Rhode Island	Providence
South Carolina	Columbia
South Dakota	Sioux Falls
Tennessee	Chattanooga
	Clarksville
	Knoxville
	Memphis
	Nashville
Texas	Abilene
	Amarillo
	Arlington
	Austin
	Beaumont
	Brownsville
	Carrollton
	Corpus Christi
	Dallas
	Denton
	El Paso
	Fort Worth
	Garland
	Grand Prairie
	Houston
	Irving
	Killeen
	Laredo
	Lubbock
	McAllen

Texas (continued)	McKinney
	Mesquite
	Midland
	Pasadena
	Plano
	San Antonio
	Waco
	Wichita Falls
Utah	Provo
	Salt Lake City
	West Valley City
Virginia	Alexandria
	Arlington
	Chesapeake
	Hampton
	Newport News
	Norfolk
	Portsmouth
	Richmond
	Virginia Beach
Washington	Bellevue
	Seattle
	Spokane
	Tacoma
	Vancouver
Wisconsin	Green Bay
	Madison
	Milwaukee

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## VITA

Tracey Pemberton Elmore was born on November 29, 1964, in Leslie, Arkansas. She grew up in northwest Arkansas, and graduated from Marshall, Arkansas High School in 1983. She attended college at the University of Central Arkansas in Conway where she earned a Bachelor of Science in Journalism. While at UCA, she served as the editor of the college newspaper.

After working a couple of years as a newspaper reporter, Ms. Elmore returned to college at Southwest Missouri State University in Springfield to pursue a Master of Public Administration. She graduated in December 1991. The following summer, she was named a Dunn Fellow for the State of Illinois. She spent one year working in the Illinois Governor's office, and then she moved with her husband to Topeka, Kansas, where she assumed a position in the Kansas Adjutant General's Office. In 1995, she transferred to the Kansas Legislative Division of Post Audit to begin her career as a government performance auditor.

Since 1999, Ms. Elmore has been the city auditor for Independence, Missouri. In 2004, she began working on an interdisciplinary doctorate in public affairs and administration/political science at the University of Missouri-Kansas City. She graduated in May 2011.