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Research paper

Exploring Attributes of Ethical Leadership and Ethical Guidelines in Malaysian Public Sector

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Abstract

State departments, federal departments, statutory bodies, local authorities and district and land office of Malaysian Public Sector are responsible to provide ethical and efficient public services. However, due to the absence of ethical leadership and organizational ethical guidelines, cases of corruption and mismanagement continue to occur in the public sector. Thus, the objective of this paper is to explore the attributes of ethical leadership and ethical guidelines in Malaysian public sector. This study employs a qualitative research by analyzing data from interviews with key informers of public sector using conceptual content analysis. The study reveals role model, attachment, ethical support, knowledgeable, disciplined, shared values, virtue values and leaders' spirituality encouragement as the attributes of ethical leadership. Meanwhile, guidance, communication, check and balance, concern on stakeholders and compliance are the attributes of ethical guidelines. These identified attributes should become the ethical identity and ethical direction of Malaysian Public Sector. Thus, ethical leadership and ethical guidelines are to be the internal mechanism for organizational ethical self-identity precautionary. This would enhance the public trust as well as the international community trust towards public sector.

Keywords: *Ethical Leadership, Ethical Guidelines, Public Sector, Ethical Identity, Ethical Culture*

1. Introduction

Public sector refers to the entities that exist and people who are employed for the public purpose[1]. It supports the ruler government in the form of executive tasks, legislature tasks and judiciary tasks. Public sector serves varieties of stakeholders such as the ruler government, government servants and mainly to the public. In public sector, the entities consist of a number of different forms of organization. According to1, the public sector comprises of public service departments, senior executive service (SES) and non-SES organizations, other organizations and independent offices. In New Zealand, public sector consists of public sector, state sector, state service and public services[2]. Meanwhile, Malaysia has five categories of public sector organizations which are state departments, federal departments, statutory bodies, local authorities and district and land office27. Public sector organizations located in whatever countries are non-profitable organizations with the purpose to provide efficient and ethical public services. In other words, they must hold high level of integrity. However, in reality if the public sector organizations are not well managed, integrity may be easily violated and this resulted to corruption as reported in Sweden[3], India4 and also in many other countries. Malaysia had also experienced public sector financial scandals such as PKFZ5, 1MDB Corporation and Tabung Haji 6,7.

These financial scandals or mismanagement have received attention from the public and media. Mainstream newspaper had reported on the misbehavior of some members of Federation Department, Local Authorities, State Department, Statutory Bodies and Land and District Office 8,9,10.

These misbehaviors have raised the questions of effectiveness of government agencies or departments in managing and monitoring their employees. These cases signified that some members of Malaysian Public Sector were unable to uphold ethical conduct and to comply with the ethics regulation. In Malaysian context, it is quite upsetting to have these members involved in immoral activities that affect the image of public sector, country and the quality of public life. Public sector leaders who cannot set the good example and who cannot establish well-execute ethical guidelines may affect the credibility of Malaysian Public Sector in delivering good governance and accountability. It represents lacking of an enforcement mechanism and weak ethical culture. If these are not to be prevented internally, it would prolong the negative perceptions towards Malaysian Public Sector.

Therefore, initial precaution efforts in preventing mismanagement and corruption should start by the leaders of public sector that is to inculcate sound ethical practices through well written and well execute ethical guidelines. In other words, right human capital with right ethical attitudes and appropriate ethical regulations are very much needed to further combating issues of corruption, financial scandals or mismanagement.

Malaysian Public Sector needs to have ethical leadership and ethical guidelines which are two important ethics elements towards self-identity precautionary. In addition, this identity will enhance ethical self-governance and secure the public trust. Ethical leadership with well execute ethical guidelines will assist the government agencies or departments to execute precaution monitoring and surveillance aspect of their management in avoiding mismanagement or misconduct or corruption.

The objectives of this paper are:

(a) to explore the attributes of ethical leadership in Malaysian public sector

(b) to explore the attributes of ethical guidelines in Malaysian public sector

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2. Methodologies

This study employs a qualitative research by collecting data from interviews with key informers of public sector. Four government agencies were selected on the basis of their well-known identity of ethical practices. Selected personnel, referred as key informers (KI) with relevant experience and knowledge of the subject matters under study were interviewed from a statutory body, local authority, state department and federation department. Criterion purposive sampling was used to select the government agencies and key informers. The KIs from each government agencies or departments were interviewed by the researchers using protocol questions and was recorded manually using the field notes. The recording is organized chronologically using both tacit and explicit information. The researchers' involvement during the interview is for the validity and reliability purposes.

The data was analyzed by performing conceptual content analysis using NVivo11 software. This is to determine the attributes/themes in the ethical leadership and ethical guidelines. Thus, this analysis concurs ethical leadership and ethical guidelines as valid concepts to be developed under organizational ethical self-identity precautionary model.

3. Literature review

A review of the literature suggests that wrongdoings of personnel in any organization are due to the absence of ethical leadership 11,12 and ethical guidelines or code of ethics 13,14. According to 15, ethical leadership is someone who has the ability to be role model, uphold moral behaviors and have good relationship with the organizational members. If ethical leadership is ignored, it may give negative impact to the workforce and to the organization. Lack of ethical leadership will put organization at risk. Leaders who cannot act ethically will create and cause potential ethical problems such as fraud and corruption. According to28, ethical leadership includes leader who is honest, integrity, concern for responsibility/sustainability and people orientation while unethical leadership refers to leader dishonesty, corruption, egocentrism, and manipulation.

One of the characteristics to be ethical business organization is leadership16. An organization is ethical when its leaders demonstrate ethical practices in any situation. This leadership should be able to make ethical choices in all areas of decision-making process and by doing so he/she has successfully created an ethical culture in the organization. Only leaders can ensure ethical system is in a good tact, practical and implementable. In other words, leaders are the heart and soul of an organization, thus in the position to support ethical conduct in their organizations through the establishment of ethical guidelines. Ethical guidelines or code of ethics is a formal written statement to portray ethical practices of organizations that monitors and influences the employees' ethical behavior17 and prevent fraud18.

Ethical guidelines reflect the attitude of an organization, which come from the heart and soul of the organization. Literatures concur a leader with ethical leadership is one who shows good example (role models) communicates the importance of ethical standards or ethical guidelines, ensures employees are accountable to those standards or guidelines and creates good working environments16. Thus, government agencies or departments need ethical leadership and ethical guidelines as an internal solution to uphold ethical self-identity which will subsequently improve the employees' behavior or conduct or decision. An organization that cultivates ethics through behaviors (ethical leadership) and rules (ethical guidelines) will earn respect and trust from its employees, customers, suppliers and the public. As a result, public sector organizations with ethical leadership and ethical guidelines will be able to improve their services performances and productivity.

Ethical leadership is not only about setting a good example but also to stimulate ethical conduct of employees by having a sound understanding of the ethical quality and ethical progress of the organization19. Leadership by example and guidelines to be followed are the most crucial factors of best conduct of government that lead to ethical employees. Ethical leadership and ethical guidelines give positive outcomes such as emulate appropriate behavior, influence employees to be accountable for their conduct and influence quality ethical decisions20,29. Having ethical leadership and ethical guidelines should restore trust toward the organization.

According to21, ethical conduct of an organization will be higher if leaders and organization norms encourage and support ethical conduct as highlighted in the ethical guidelines by rewarding ethical conduct and punishing unethical conduct among employees. A study by22 revealed that ethical leadership had a significant positive effect on both measurement of leadership behavior: organizational directed and individual directed. The study concludes that the leader with high ethical values enable to inculcate more helping behavior through reciprocal exchange among employees. While a study by 17 has highlighted ethical guidelines or code of ethics can be effective mechanism to promote ethical behaviour.

On that remark, through ethical leadership and ethical guidelines, ethical culture will be created which consequently lead to increasing trust towards the public sector and continuous survival of the public sector.

4. Results and discussion

The number of KI interviewed in this study is shown in Table 1. KIs are the manager/head of department/unit in the respective statutory body (SB), local authority (LA), federation department (FD) and state department (SD).

Table 1: No of key informers according to four categories of public sector

	SB	LA	FD	SD	Total
No of KIs	10	6	9	6	31

The findings of this study have similarities with the outline given by 15,23 related to ethical leadership. The KIs have highlighted eight attributes of ethical leadership which are role model, attachment, ethical support, knowledgeable, disciplined, shared values, virtue values and leaders' spirituality encouragement as shown in Figure 1.

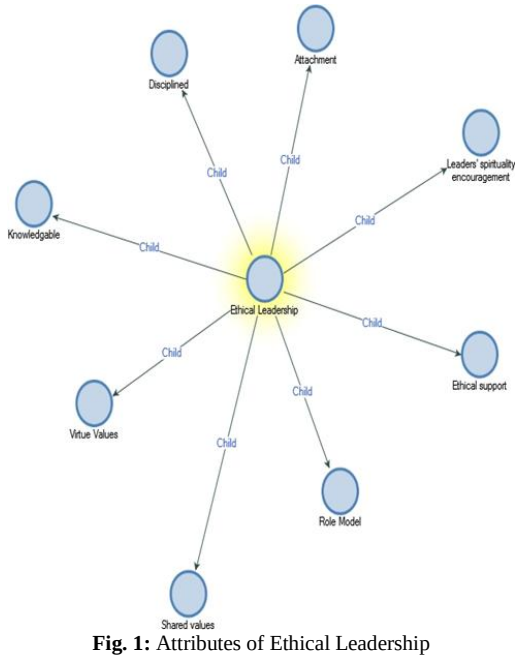


Fig. 1: Attributes of Ethical Leadership

Ethical leadership is about model ethical behavior where a leader must adhere to high ethical standards, treats others with respect

and authenticity willing to talk honestly about ethical choices in the working life, adopt transparency in decision-making and communications, recognize and reward examples of ethical behavior and treats ethics as an ongoing learning journey23 cited in 24. This study found similar attributes as in23 when the KIs indicated ethical leadership is concerning of role model, attachment, ethical support, knowledgeable, disciplined, virtue values and shared values. Interestingly, this study found one additional attribute which was seldom discussed in the literature, the leaders' spirituality encouragement. The summarized coverage of ethical leadership attributes is shown in Table 2.

The first attribute found by this study is role model. The KIs believed that leaders must behave in an ethical manner and become role model to all their subordinates. In other words, leaders must show good example by ensuring they themselves have all ethical qualities such as ethical values that they hold, ethical self-behavior and ethical execution of their tasks. This is reflected by the responses given by the KIs. Among responses regarding ethical values hold were:

SBOff6 : "Dato CEO shows good example by practicing integrity. Integrity has become the measurement tool for the customers to trust SB. Employees believe the integrity level of management, thus they choose the management as the role model".

SBOff1 : "in ensuring no corruption, an organization must have culture that reflects management tolerance by showing good example. The management of SB is the best role of model because they have shown good examples that are admired by their staff".

Among responses regarding ethical self-behavior:

LAOff2 : "if the boss attendance is ok, then people would not query".

SBOff3 : "ethics is not only about applies by the individual but also about being seeing by others as ethical. Ethical should not only be shown to the management but also to the outsiders".

SBOff5 : "ethical leadership is to show the role model, be moral, have honest behavior and aspire staff to be ethical".

While among responses regarding ethical execution of their tasks:

LAOff6 : "ethical leadership is to become the role model with proper or accurate execution".

SDOff3 : "leaders are the pillars of the organization, therefore they need to be the role model".

Table 2: Coverage of ethical leadership attributes

Attributes	Explanation/Sub attributes
Role Model	Ethical by example a. Ethical Values by example b. Self-behavior by example c. Proper/Accurate execution by example
Attachment	Communication a. Firm messages/statement b. Clear instructions c. Direct Interaction/ Acknowledgement
	Concern a. Caring b. Consideration c. Understandable
	Approachability a. Willing to listen b. Willing to learn c. Willing to give and take
Ethical support	a. Consistent ethics reminder b. Against immoral activities
Knowledgeable	a. Works related knowledge b. Relevant related knowledge
Disciplined	Control of one's behavior and actions a. Understand company's objectives/ aims b. Understand own works c. Be Strict d. Follow rules
Virtue values	Responsible, independent view, competency, be neutral, firm, honest and hold to religion.
Shared values	Accountability, teamwork, customer focused, continuous improvement, good governance, confidentiality, integrity, transparent.
Leaders' Spirituality Encouragement	Holistic and inter connected

Second attribute of ethical leadership is the concept of attachment with three sub-attributes: communication, concern and approachability. In this study, communication is about giving firm messages/statement, clear instructions and direct interaction/acknowledgement. Among responses regarding communication is from SBOff6 who stated that leaders should communicate firm messages about integrity as shared value with their subordinates and to give warning if this value is not followed.

LAOff2 and SDOff4 agreed the leaders must give clear instruction and consistently inform the staff of their expectation during performing of tasks. Most of KIs agreed that communication or interaction between leaders and subordinates must be a direct one (LAOff4, LAOff6, FDOff1, FDOff4, FDOff5) and leaders should acknowledge the staff by responding to the greetings given (FDOff5). While, friendly (easy for subordinates to refer) and taking care of staff welfare (FDOff1, FDOff3, SDOff4), approachable (FDOff5), full with consideration (FDOff3) and understandable (SUKOff4) are among sub-attributes under concept of concern. While, the term of approachability is referred to the willingness of the leaders to listen to the staff problems (FDOff6), willing to learn from staff and willing to give and take (FDOff3). One KI, SDOff4 further agreed leaders must always be willing to have discussion on any issues with the staff.

Ethical support is another attribute of ethical leadership described by the KIs. Leaders must give strong reminder to the subordinates and not to compromise with immoral activities (SBOff10). According to KIs, it is important for the leaders to be knowledgeable. This fourth attribute of ethical leadership emphasized a leader must be knowledgeable in all aspects of his works, for example, knowledge of law (FDOff1). Besides knowledgeable, a leader must be disciplined.

Disciplined is a process of controlling one's behavior and actions, either through self-motivation or through teaching and punishment as defined by www.businessdictionary. com/definition.html. In general, the KIs regard disciplined leaders must understand the company's objectives/aims and one owns works. Leaders must be strict and follow rules. According to SBOff1, an organization can discipline its leaders such as board of directors (BOD) by ensuring that they have the same objectives and aims. A disciplined leader must give firm message regarding dismissal for those who are involved in wrong doing and who do not comply with the organization's procedures (SBOff6). In addition, disciplined leaders need to be strict (LAOff5) in terms of having good behavior (LAOff5, SDOff4), completing work within the time given (LAOff1, LAOff2, LAOff3), accurate execution (LAoff60 and seriously against unethical behaviors (LAOff1, LAOff3).

Ethical leadership must hold certain shared values, which among the common shared values described by KIs are accountability, teamwork, customer focused, continuous improvement, good governance, confidentiality, integrity, transparent. According to SBOff6, the shared values are not only to be understood by the staff but also need to be aggressively shown by the management. While the sixth attribute, virtue values, the KIs believed that leaders must hold some virtue values such as responsible, independent view, competency, be neutral, firm, honest and hold to religion. Interesting view was given by SBOff1 stating that religion should not be separated from good values.

Finally the attribute of leader's spirituality encouragement which KIs described as holistic and inter connected. Values such as honest, responsibility, innovate, teamwork, fast action, caring and discipline need to be instilled by the leader by giving encouragement, recover and 'punitive' (LAOff5). Ethical leader is the one who can interact with subordinate and encourage spirituality during morning meeting or row call as practiced in Japan, recite doa, perform majlis tahlil where all enforcement officers must be able

to give tazkirah (LAOff4). Thus, it is concluded that KIs of public sectors refer ethical leadership as leaders who can be the role model to others, have good relationship with subordinates (attachment), always give ethical support, knowledgeable, disciplined, sharing good values with subordinates, hold virtue values and give spirituality encouragement.

However, the good qualities in leaders are not sufficient unless it is supported by written ethical guidelines. Ethical guidelines are the regulated behavior that to be obeyed by the subordinates. In most organizations, codes or ethical guidelines are the formal written statement that portrayed ethical practices of companies. It becomes the legal standards for placing self-regulation in the organizations25,26.

According to KIs, element of ethics can be practiced in each area/unit/section/department when it is supported by complete ethical guidelines or code of ethics. However, if the code of ethics is still in progress, other forms of guidelines will be used such as circulars/distribution/memo/orientation/pamphlet/statement of procedure/desk file.

Different KIs have identified the ethical guidelines in different form such as Standard Behavior of Officer/Terms and Condition of Services. These ethical guidelines highlighted matters regarding attendance, accountability towards tasks, do not leave job, follow the instructions and circulars. In this study, KIs agreed that ethical guidelines or code of ethics have five attributes which are guidance, communication, check and balance, concern on stakeholders and compliance which is shown in Figure 2.

The KIs in the respective statutory body (SB), local authority (LA), federation department (FD) and state department (SD) have shared same concern of having ethical guidelines. For them, ethical guidelines are the guidance used by their organization. Ethical guidelines guide them in terms of preferred policy, requirements in the workplace and values to be hold by the employees. Guidance is the first attribute that focus on policy of confidential information, integrity, conflict of interest, staff attitude and dress code. According to SBOff3, the organization is recommended to have non gift policy when dealing with vendors to avoid conflict of interest especially among vendors and clients. This policy is not only applicable to staff but also to the management. In addition, the ethical guidelines also focus on the dress code, attitude and moral values of the staff (SDOff4).

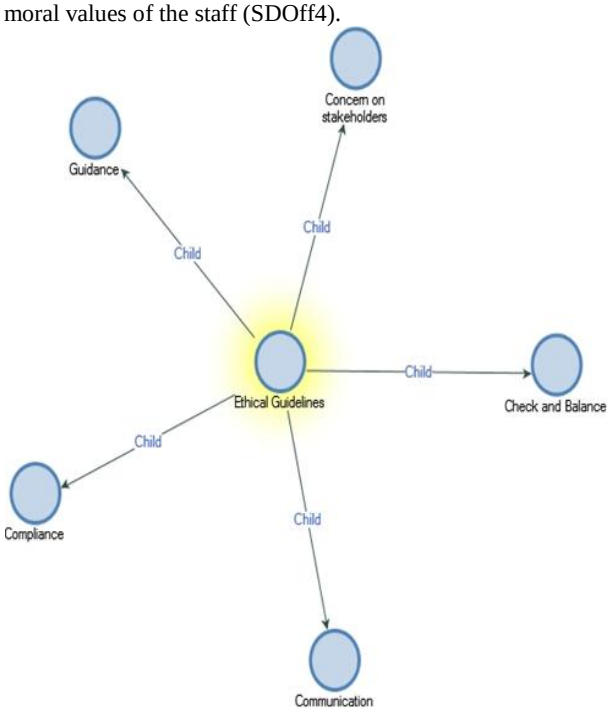


Fig. 2: Attributes of Ethical Guidelines (Code of Ethics)

The second attribute of ethical guidelines is the communication. It can be formal and up-front communication. Ethical guideline is a tool to communicate what can and cannot be done and also informing the disciplinary action taken if the employees do not follow the guidelines. Ethical issues were communicated through formal email and in a casual form of writing. SBOff6 stated email was blasted to all staff mentioning disciplinary actions among wrong doers and also highlighted the importance of integrity among staff. Interestingly, in ensuring the staff understand ethical issues, attractive way of communication was introduced which was in the form of comics to get more attention from the staff.

Third attribute of ethical guidelines was check and balance. In fact, the check and balance activity is aggressively being done as preventive actions. In other words, they do not compromise when it comes to unethical conduct. There is no tolerance on the fraud activities and any staff who involved in fraud activity and to be found guilty will be terminated. According to SBOff10, check and balance must be made to align between pressure of personal financial and pressure of achieving the Key Performance Indicator (KPI). Therefore a systematic internal control is to be in place for the purpose of check and balance. Fourth attribute is concern on stakeholders. Procedures and services given, were mostly concerned on the customer and public (SBOff3,FDOff5) which is the core stakeholders of the public sector. Fifth attribute of ethical guidelines is compliance towards the written ethical guidelines. One of the KIs, SBOff3 who has been working for 27 years stated the organization he worked with, is one of the most regulated organizations that able to monitor and control the staff behavior through the guidelines/policy established. The summarized coverage of ethical guidelines attributes is shown in Table 3.

Table 3. Coverage of ethical guidelines attributes

Attributes	Explanation/Sub Attributes
Guidance	Statement of Policy (Integrity, No Gift)
	Workplace Requirement
	Employees Values
Communication	Formal
	Up-Front
Check and Balance	Preventive
	Minimize pressure
Concern on stakeholders	Customer
	Public
Compliance	Follow procedures
	Firmed Regulation

4. Conclusions

Ethical practices can be easily accepted and instilled by the employees if public sector gives serious attention in having ethical leadership and in establishing formal written ethical guidelines as their ethical culture. Great ethical attention given to the leader and organization's ethical guidelines will ensure the members able to uphold high moral ideals and ethical standards. Ethical leadership and ethical guidelines provide directions and guidance to the society and the nation at large according to the aspiration stated by Malaysian Institute of Integrity through its National Integrity Plan (NIP). Thus, indirectly give positive impact to the public sector in providing integrity services to the public and for Malaysia in becoming a nation of integrity.

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