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***Research paper***

# Self-governance of ethical leadership in Malaysian public sector :conceptual content analysis and pattern matching analysis

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**Abstract**

Public sector agencies are the main backbones of the Malaysian government in providing efficient public services. In 60 years of Malaysian Independency, this sector has continually assisted Malaysia to grow progressively. According to Corruption Index, Malaysia remains a score of less than 50% which indicates corruption is still occurring in this country. One of the reasons for the wrongdoings is due to the absence of ethical leadership. Thus, the objectives of this paper are to explore the attributes of ethical leadership in Malaysian public sector and to pattern match between ethical leadership with human behavior and social theories. This study employed a qualitative research by focusing on first-order concepts (through interviews) and second-order concepts (using theories to explain the facts). The data were analyzed by performing the conceptual content analysis (NVivo11) which then performed the pattern matching data analysis by matching the findings with the human behavior and social theories (under second-order concepts). This study revealed eight (8) attributes of ethical leadership which were role model, attachment, ethical support, knowledgeable, disciplined, leaders' spirituality encouragement, virtue values and shared values. These attributes are very much related to the social learning theory/idealism philosophy/social transactions, attachment theory, virtue ethics theory, divine command theory, social bonding theory and AlGhazali Theory of Virtue. It is suggested that the attributes of ethical leadership should become the ethical identity and ethical direction of Malaysian Public Sector. Instilling ethical leadership will enhance the public trust as well as the international community trust towards public sector.

***Keywords***: *Ethical Leadership; Self-Governance; Malaysian Public Sector; Content Analysis; Pattern Match Analysis.*

## 1. Introduction

Public sector is the core agent in the Malaysian government in ensuring the progress of the country. Malaysian Public Sector is continually making an effort to serve the public with the best services. Malaysia through her 60 years also experienced financial scandals such as PERWAJA Steel Bhd, Bumiputra Malaysia Finance, Sime Darby (Rahman, 2006), Transmile, LFE Corporation Bhd., Linear Corporation Bhd., Kenmark Industrial and PKFZ (William, 2010). Currently, the issues of 1MDB Corporation and Tabung Haji have received attention from the public and media (The Star On Line, May 10, 2015; The Straits Times, Mac 10, 2015). Recent mainstream newspapers reported on the misbehavior of some members of Federation Department, Local Authorities, State Department , Statutory Bodies and Land and District Office (Tan, 2017; MalayMailOnLine, 2017; Ram, 2016). These blunders have raised the questions of effectiveness of government agencies or departments in combating crimes such as financial scandals, fraud, bribery and corruption. Eventhough the overall percentage of members' involvement may not be high, it is quite upsetting to have these members involved in immoral activities that affect the quality life of Malaysian citizens. These cases signified that Malaysian Public Sector at certain stage was unable to uphold ethical conduct due to the negative influences by some individuals or groups of individuals which have tarnished the Malaysian Public Sector's image. It represents lacking an enforcement mechanism and weak ethical culture in the Malaysia Public Sector. If these are not to be prevented internally, it would prolong the negative perceptions towards Malaysian Public Sector.

According to Corruption Index, Malaysia remains a score of less than 50% which indicates fraud, bribery and corruption are still occurring in this country. Remaining at low scores will cause the government to incur huge financial losses and also give bad reputation to Malaysian Public Sector. The score obtained indicates that Malaysia needs to improve the organizations' internal self-precautionary by assisting the government agencies or departments in upholding the organizational ethical self-identity. Immediate resolution on this issue will further support Malaysia to be a developed country in which ethical principles and integrity become priorities before year 2050. Therefore, an initial precaution effort in preventing crime and corruption should start by the leaders of public sector that is to inculcate sound ethical practices.

Malaysian Public Sector needs to have ethical leadership as one of the ethics elements towards self-identity precautionary. In addition, this identity will enhance ethical self-governance and secure the public trust. Ethical leadership will assist the government agencies or departments to execute precaution monitoring and surveillance aspects of their management in avoiding mismanagement or misconduct.

Thus, the objectives of this paper are

a) To explore the attributes of ethical leadership in public sector

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b) To pattern match between ethical leadership with human behavior and social theories.

## 2. Literature review

A review of the literature suggests that wrongdoings of personnel in any organization are due to the absence of ethical leadership (Soltani, 2014, Sims & Brinkmann, 2002). According to Kaptein (2008) ethical leadership is a form of leadership in which individuals have 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.

One of the characteristics to be ethical business organization is leadership (Phillips, 2017). An organization is ethical when its leaders demonstrate ethical practices in any situation. These leaders should be able to make ethical choices in all areas of decision-making process and by doing so they have successfully created an ethical culture in the organization. An ethical culture at the top of the organization will give good influence to its employees. Only leaders can ensure that ethical system is in a good tact, practical and implementable. In other words, leaders are in the position to support ethical conduct in their organizations which is referred to as ethical leadership. Ethical leadership is about leaders who can lead the right behavior of subordinates (Philips, 2017). According to Van Buren (retrieved Jun 2017) ethical leadership is a process of influencing people through principles,values and beliefs that can be defined as right behavior. Literatures concur a leader with ethical leadership is one who shows good examples (role models) communicates the importances of ethical standards, ensures employees are accountable to those standards and creates good working environments (Philips, 2017; Sims & Brinkmann, 2002).

Thus, government agencies or departments need ethical leadership to uphold ethical self-identity which will subsequently improve the employees' behavior or conduct or decision. Treating culture of ethical self-identity as a strategy will translate many good values into tangible behaviors while embedding ethical self-identity culture in the agencies may pose wider trust among public. An organization that cultivates ethics will earn respect and trust from its employees, customers, suppliers and investors and importantly from the public. As a result, organizations with ethical leadership will be able to improve their financial performances and their 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 organization (Kaptein & Avelino, 2005). Leadership by example is the most crucial factor of best conduct of government that leads to ethical employees. In addition, the role of leaders is to be responsible to their subordinates and other stakeholders (Brooks, 2007). Ethical leadership gives positive outcomes such as emulate appropriate behaviour, influence employees to be accountable for their conduct and influence quality ethical decisions (Brown & Treviño, 2006). Therefore, having ethical leadership will restore trust toward the organization.

According to Trevino (1990), ethical conduct of an organization will be higher if leaders and organization norms encourage and support ethical conduct by rewarding ethical conduct and punishing unethical conduct among employees. A study by Lu and Lin (2014) revealed that ethical leadership had a significant positive effect on both measurement of leadership behavior: organizational directed and individual directed. The study concluded that the leader with high ethical values enable to inculcate more helping behavior through reciprocal exchange among employees. Thus, ethical leadership will be able to restore high trust toward the public sector which leads to continuous survival of the public sector.

## 3. Methodology

This study employed a qualitative research focusing on first-order concepts (through interviews) and second-order concepts (using theories to explain the facts). The findings of first-order concepts were through conducting interview with key informers (KIs) of four government agencies or departments; statutory body (10), local authority (6), state department (6) and federation department (9) by using criterion purposive sampling. These organizations were well-known with identity of ethical practices while the key informers were those who had experiences and knowledgeable in the subject matters under this study. The KIs from each government agencies or departments were interviewed by the researchers using protocol questions and the interview were recorded manually using the field notes. The recording was organized chronologically using both tacit and explicit information. The researchers' involvement during the interview was for the validity and reliability purposes.

The data were analyzed by performing conceptual content analysis using NVivo11 software. This was to determine the attributes/themes in the ethical leadership. The attributes were then further analyzed using pattern matching data analysis. This was to match concepts found through interviews with the human behavior and social theories (under second-order concepts). The value of using a pattern-matching technique is to link the qualitative research data to the theoretical proposition from related theory/ies (Saunders, Lewis & Thornhill, 2009), which explanations can be made (Yin, 2003). By doing so, it will eventually result in greater validity and support to the theory or conceptual framework underpinning the study (Yin, 2003). Pattern analysis is used for testing the internal validity (Yin, 20030. Thus, this analysis would give confirmation that ethical leadership is a valid concept to be developed under organizational ethical self-identity precautionary model. In results and discussion section, the KI would be referred to as, for example, SBOff1, LAOff2, FDOff3, SUKOff4 and others.

## 4. Results and discussion

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

**Table 1:** Demographic (Gender) of the Respondents

| | SB | | LA | | FD | | SD | |
|---|---|---|---|---|---|---|---|---|
| No of respondents | 10 | | 6 | | 9 | | 6 | |
| Gender | 3 M | 7 F | 5 M | 1 F | 4 M | 5 F | 0 M | 6 F |

The findings of this study had similarities with the outline given by Thornton (2013) related to ethical leadership. The KIs in this study had highlighted eight attributes of ethical leadership which were role model, attachment, ethical support, knowledgeable, disciplined, leaders' spirituality encouragement, and virtue values and shared values as shown in Diagram 1.

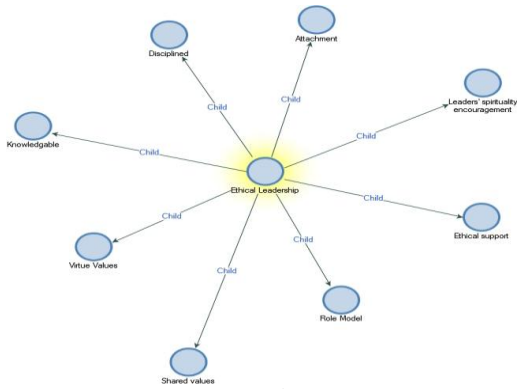



**Diagram 1:** Attributes of Ethical Leadership.

According to Thornton (2013) cited in Fernandez (2017), ethical leadership is about model ethical behavior where a leader must adhere to high ethical standards, treat others with respect and authenticity, be able 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 treat ethics as an ongoing learning journey. This study found similar attributes when the KIs indicated that ethical leadership would concern role model, attachment, ethical support, knowledgeable, disciplined, virtue values and shared values. This study found one additional attribute which was not discussed in literature which was leaders' spirituality encouragement. The coverage of ethical leadership attributes is shown in Table 2.

**Table 2:** Coverage of Attributes

| | Attributes | Explanation/ Sub attributes |
|---|---|---|
| 1. | Role Model | Ethical by example<br>a) Ethical Values by example<br>b) Self-behavior by example<br>c) Proper/Accurate execution by example |
| 2. | Attachment | Communication<br>a) Firm messages/statement<br>b) Clear instructions<br>c) Direct Interaction/ Acknowledgement<br>Concern<br>a) Caring<br>b) Consideration<br>c) Understandable<br>Approachability<br>a) Willing to listen<br>b) Willing to learn<br>c) Willing to give and take |
| 3. | Ethical support | a) Consistent ethics reminder<br>b) Against immoral activities |
| 4. | Knowledgeable | a) Works related knowledge<br>b) Relevant related knowledge |
| 5. | Disciplined | Control of one's behavior and actions<br>a) Understand company's objectives/ aims<br>b) Understand won's works<br>c) Be Strict<br>d) Follow rules |
| 6. | Virtue values | Responsible, independence view, competency, be neutral, firm, honest and hold to religion. |
| 7. | Shared values | Accountability, teamwork, customer focused, continuous improvement, good governance, confidentiality, integrity, transparent. |
| 8. | Leaders' Spirituality Encouragement | Holistic and inter connected |

## 4.1. Role model – ethical by example

Most of the KI agreed that leaders should behave ethically and become the role model for the subordinates to follow. According to SBOff3, ethical behaviour is about values and behaviours which the leaders are the champion in showing ethical by example. SBOff3 added "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". SBOff1 further added that to ensure 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. SBOff8 agreed leader by example will lead to ethical employees and this was supported by SBOff5 who concured ethical leadership is to show the role model, be moral, have honest behavior and aspire staff to be ethical. This was further supported by SBOff6 who described that "Dato CEO shows good example by practicing integrity. Integrity has become the measurement tool for the cutomers to trust SB. Employees believe the integrity level of management, thus they choose the management as the role model". LAOff2 agreed leaders need to be the role model, "if the boss attendance is ok, then people would not query", while LAOff6 gave a remark "ethical leadership is to become the role model with proper or accurate execution". Leadership is about showing good example (FDOff1) or role models which lead to example by leadership (FDOff4, FDOff3, SDOff5, SDOff4). For SDOff3, leaders are the pillars of the organization, therefore they need to be the role model.

## 4.2. Attachment

Bowlby, 1969/1982 cited in Neubert, Carlson, Kacmar, Roberts and & Chonko (2009) described attachment as emotional bonds between a person in meeting the needs for another person. In this study, 14 KIs described the concept of attachment in the perspectives of communication, concern and approachability. Communication is about giving firm messages/statement, clear instructions and direct interaction/acknowledgement. According to SBOff6, leaders should communicate two firm messages with their subordinates. Those messages are to remind about integrity as shared values and to give warning if this value is not followed. While for LAOff2 and SDOff4, communication is about giving clear instruction. The leaders must also give clear instruction and consistently inform the staff of their expectation during performing of tasks (LAOff2 and SDOff4). 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). Another aspect of attachment is showing concern which is divided into 3 sub-attributes : caring, consideration and understandable. Ethical leadership is a form of leadership in which leaders are those who are friendly (easy for subordinates to refer) and taking care of staff welfare (FDOff1, FDOff3, SDOff4), approachable (FDOff5), full with consideration (FDOff3) and understandable (SUKOff4). They must have good relationship with staff who is like a family (SDOff7) or a friend (SDOff4). In terms of approachability, the leaders must have willingness to listen to the staff problems (FDOff6), to learn from staff and to give and take (FDOff3). In addition, leaders must always be willing to have discussion on any issues with the staff (SDOff4).

## 4.3. Ethical Support

Ethical support is another attribute described by the KIs. Ethical leadership is about ethical support by giving strong reminder to the subordinates and not to compromise with immoral activities (SBOff10).

## 4.4. Knowledgeable

Furthermore, an ethical leader is someone who is knowledgeable in all aspects of his works, for example, knowledge of law (FDOff1).

## 4.5. Disciplined

While, disciplined is a process of controlling one's behavior and actions, either through self-motivation or through teaching and punishment (retrieved from www.businessdictionary.com/definition.html). Organizations will set the internal and external regulations to control the members' behaviors according to the organizations' need. This is a precaution to further prevent any wrongdoings. In general, the KIs regard disciplined leaders as leaders who have to understand company's objectives/aims and own's works, 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),

duration of completing work (LAOff1, LAOff2, LAOff3), accurate execution (LAoff60 and seriously against unethical behaviors (LAOff1, LAOff3).

### 4.6. Shared values

Diagram 2 shows the details of shared values which are accountability, teamwork, customer focused, continuous improvement, good governance, confidentiality, integrity, transparent.

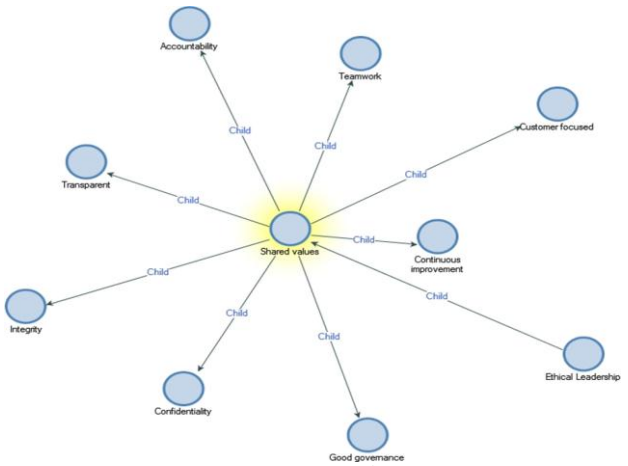



**Diagram 2:** Sub-Attributes of Shared Values.

According to SBOff6, the shared values are not only to be understood by the staff but also to be aggressively shown by the management.

### 4.7. 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 which is depicted in Diagram 3.

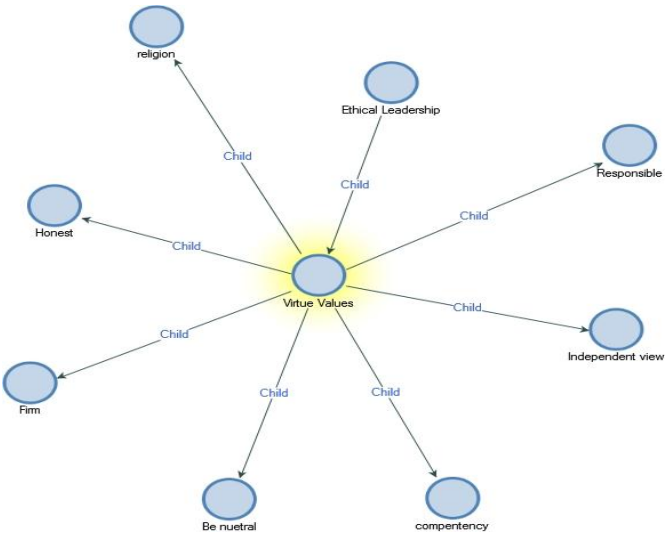



**Diagram 3:** Sub-Attributes of Shared Values.

Interesting view was given by SBOff1 stating that religion should not be separated from good values.

### 4.8. Leader's spirituality encouragement

While in the aspect of leader's spirituality encouragement, KIs described this attribute 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).

Eight attributes of ethical leadership found in this study are further matched with several theories as shown in Table 3.

**Table 3:** Pattern Matching Ethical Leadership with Relevant Theories

| | Attributes of Ethical Leadership | Pattern Matching of theories |
|---|---|---|
| 1. | Role Model | Social Learning Theory<br>Social Transactions |
| 2. | Attachment | Attachment Theory |
| 3. | Ethical support | Social Learning Theory |
| 4. | Know-ledgeable | Virtue Ethics Theory |
| 5. | Disciplined | Social Learning Theory/<br>Idealism Philosophy |
| 6. | Virtue values | Virtue Ethics Theory |
| 7. | Shared values | Social Bonding Theory |
| 8. | Leaders' Spirituality Encourage-ment | The Divine Command Theory<br>AlGhazali Theory if Ethics |

## 5. Conclusion

This study has identified attributes of ethical leadership which are useful to the self-governance of Malaysian Public Sector in the aspect of ethical self-identity. Leaders with these eight attributes of ethical leadership can assist the organization to ensure earlier prevention of unethical occurrences. Knowing and practicing the attributes of ethical leadership may assist the government agencies or departments to gain credibility and public confidences towards their agencies or departments. It is hoped this study will give clear ethical direction of leadership that indirectly may lead to efficiency of Malaysian Public Sector.

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