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Ethical dilemmas : pressures on leaders to walk the talk

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ETHICAL DILEMMAS:
PRESSURES ON LEADERS TO WALK THE TALK

A Dissertation Presented
to
The Faculty of the School of Education
Department of Leadership Studies
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of the Requirements for the Degree
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by
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Dissertation Abstract

In organizations, leaders are faced with ethical dilemmas on a daily basis as they balance their own ethics with the company's policies and practices. These pressures leave leaders questioning what is the right thing to do, especially if they hold two competing values.

The purpose of this qualitative study was to explore the recursive nature of the causes and effects of ethical decision making within an organization. Specifically, this researcher examined the relationships among the following: (a) the ways in which leaders experience competing pressures between ethical dilemmas arising from their espoused ethics and their perceptions of their organization's stated or unstated policies and practices; (b) the ways in which leaders' interactions with others affect their resolution of ethical dilemmas; and (c) the ways in which leaders' resolutions of ethical dilemmas then affect the stated or unstated policies and practices of their organizations, as well as future interactions among individuals within the organization.

This study coupled Trevino's (1986) person-situation interactionist model with an examination of complex responsive processes (Stacey, 2001). The findings of this study supported earlier research that demonstrated leaders consider both individual and situational factors when making ethical decisions. The study differed from previous empirical research in that prior studies were primarily quantitative in nature and used a solitary ethical model to study the ethical behavior of leaders.

The findings of this study revealed five meta-themes: (a) participants' values aligned with their definitions of ethics and the ethical dilemmas they experienced; (b) participants had cognitive, physical and emotional reactions to ethical dilemmas; (c) superiors' involvement had a significant bearing on the participants' ethical dilemmas; (d) formal and informal cultural systems and processes influenced the participants' resolution of their ethical dilemmas; and (e) participants' ethical decisions influenced the organization's future decisions and emergent patterns, which may become a legacy in the environment. The finding of intra-participant congruence of ethics' definitions and dilemmas may be a useful contribution to ethicists' ongoing dialog regarding the lack of a common definition in empirical research. The study concluded with contributions to theory and recommendations for organizations, leaders, and education of leaders.

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This dissertation, written under the direction of the candidate's dissertation committee and approved by the members of the committee, has been presented to and accepted by the Faculty of the School of Education in partial fulfillment of the requirements for the degree of Doctor of Education. The content and research methodologies presented in this work represent the work of the candidate alone.

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CHAPTER I: THE RESEARCH PROBLEM

Statement of the Problem

"Ethical dilemmas arise when two sets of values are in conflict requiring individuals to choose between them" (Pontiff, 2007, p. 11). In organizations, leaders are faced with ethical dilemmas on a daily basis as they balance their own ethics and performance goals with the company's practices and policies. At some point in their careers, these dilemmas may conflict with a leader's values. The following situation illustrates an ethical dilemma that one such leader encountered.

A manager of a brokerage office was behind on the branch deposit goals at year-end. After hanging up the phone with the district manager, who had confirmed that the branch was behind on deposits and the employees might be laid off if deposit goals were not met, a customer walked in and approached the front service counter. The customer refused to conduct his business with Chris, the African-American customer service representative, and demanded to speak to a White customer service representative, stating that he would only work with a White person. This was a very high net worth customer, who had brought in several referrals to the branch.

When the manager approached the customer he stated that Chris, who was his senior representative, would "gladly assist" him. The customer became adamant and threatened to take his business elsewhere if he could not be assisted by a White male customer service representative. The customer then began to use inappropriate language in front of Chris. The branch manager was torn between needing to make his business goals to ensure the continued operation of the branch and conversely supporting his employees. The company had written values included teamwork, respect for employees,

and being responsive to customer needs. The ethical dilemma the manager faced was how to satisfy the customer's request, meet the financial goals of the business, and still support the written values of the company.

This anecdote illustrates the tensions leaders often face in their daily responsibilities of leading employee teams and managing a business. However, while this dilemma represents the tensions the branch manager experienced in this anecdote, it is not the only set of value conflicts that leaders face on a daily basis. Oftentimes, the leader is also confronted with the dilemma of managing two internally competing values, what Badaracco (2001) referred to as the *right versus right* ethical dilemma. In the case of the branch manager, this could be the value of standing up for an employee and refusing the customer's demands. However, this course of action would conflict with a decision that would represent the best interest of the entire staff, which would be to acquiesce to the customer's demands in the hopes of generating revenue to keep the branch open. There is also the struggle of competing organizational values and treating customers fairly while ensuring the bottom-line results are met. These values often collide with each other and are not easily resolved with one right answer.

It is with these dilemmas that leaders need to ask themselves, as the principals of the company, what kind of behavior they want to model for their organization by the choices and decisions they make. Badaracco stated that "when ethical issues do arise, the right answer, morally and legally, is often clear. The typical challenge is finding practical ways to do the right thing, not discerning what is right" (Badaracco, 2001, p. 64).

According to popular literature, a leader's ethicality is generally examined through the lens of the employees' observations or the leaders' perceptions of their own

behavior. Both perspectives are typically captured with annual internal employee engagement surveys or management consulting firm reports. Scholarly literature builds upon those perspectives and also looks for clues in the organizational environment that explain the tension that leaders experience between their espoused ethics and the organization's practices and policies. In this study, I examined both the organizational pressures and the leader's own behaviors, either of which may influence a leaders' ethical decision making.

Ethics has been traditionally described as how one *ought to behave*, the right and wrong of one's actions, and ethics are often prescriptive in terms of individual behavior. This approach to ethics is termed *normative*, which is noted in both theology and philosophy (Trevino & Weaver, 1994). However, in the last 40 years in the business world, the empirical approach has been dominant. This approach is based on the work of social scientists and is thus grounded in natural science and observable organizational behavior. The empirical approach preserves the right and wrong aspects of the normative approach while attempting to answer the question *what is* by describing, explaining, and predicting behavior using scientific methods (Trevino & Weaver, 1994). Given that this latter approach is used in the empirical study of actual business practices, it was used throughout this research.

Tenbrunsel and Smith-Crowe (2008), in their qualitative meta-analysis, first noted that one of the key criticisms of current ethics research was the lack of a clear definition of the word *ethics*. In their research of over 80 studies, most scholars made no attempt to define the concept, and a few authors stated that the definition was not within the scope of their study. Those researchers who did make an attempt to define ethics were either

met with criticism or found that their definition was not readily accepted by other social scientists. Tenbrunsel and Smith-Crowe (2008) opined, however, that, "If we don't believe it is important to define what an ethical decision is, or don't believe that it's our place to do so, then we are a field without meaning" (p. 551).

While there is no universally accepted definition of the word ethics itself (Tenbrunsel & Smith-Crowe, 2008), the definition below appeared to be most suitable for this study, because it is in alignment with the conceptual framework of Trevino's person-situation interactionist model and complexity science, both of which were used to frame this study:

> The systematic attempt to make sense of individual, group, organizational, professional, social, market, and global moral experience in such a way as to determine the desirable, prioritized ends that are worth pursuing, the right rules and obligations that ought to govern human conduct, the virtuous intentions and character traits that deserve development in life and to act accordingly. Put more simply, ethics is the study of individual and collective moral awareness, judgment, character and conduct. (Petrick & Quinn, 1997, p. 42)

Another point of clarification related to ethics is the use of the term *ethics* versus the term *morals* in relation to perplexing issues and dilemmas. While these two terms are often used interchangeably in everyday conversation, in this study, the phrases *moral issue* and *moral dilemma* were used only when discussing a study wherein the authors had employed these phrases.

Organizational Pressures

The impact that organizational pressures have on a leader's ethical decision making has been identified as an important area of corporate ethics. A 2005 study conducted by the American Management Association/Human Resource Institute Business Ethics Survey (American Management Association, 2006), the researchers concluded that

the external pressure of marketplace competition was a key determinant of a leader's

ethicality, given the demands of meeting or exceeding the analysts' projections and

adding to shareholder value. Even more illuminating, the same survey identified the top

five reasons for which people chose to compromise their ethical standards in the

workplace: (a) pressure to meet unrealistic deadlines; (b) desire to further one's career;

(c) desire to protect one's employment; (d) working in an environment that has poor

morale or is cynical; and (e) improper training or failure to understand policies

(American Management Association, 2006). The above factors clearly explain why

unethical behavior is an ongoing and multidimensional problem that involves both the

leader and the environment.

Paine (1994) illustrated the distinction between a culture that is ethically based

versus compliance based. An ethically-based culture, according to Paine, is one that

encourages self-governance to chosen standards and is management-driven, whereas a

compliance-based culture is one that is focused on avoiding punishment by conformity to

external standards. Other researchers have posited that a number of disparate facets of an

organizational culture are key determinants of how leaders evaluate and make their own

business ethical decisions. These key determinants include norms, authority, business

objectives, deadlines, executives honoring commitments, relationship with others, and

consequences (Ethics Resource Center, 2003; Trevino, 1986; Watson Wyatt Survey,

2002). Paine stressed that the value in a strong ethical culture is that it discourages

misconduct, and as such, people are less likely to behave in unethical ways at the

workplace.

Researchers have also found that organizational culture can exert a powerful influence on individual behavior. An organizational culture is defined as encompassing the organizational structures, goals, processes, philosophies, attitudes, beliefs, language, and practices of an organization (Schein, 1985). These pressures were intensified when goal attainment, rewards, and recognition were factored into the decision-making process, especially the belief that corporate profit must be obtained at any cost (Ashkanasy, Windsor, & Trevino, 2006; Henle, 2006; Paine, 2003; Trevino & Brown, 2004; Trevino & Weaver, 2003). In fact, some leaders choose to disregard ethical behavior, even when they recognize that they are dealing with an ethical issue.

Many of these leaders who disregard ethical issues are driven by the mantra of "just do it," without regard for the consequences. This is often the case of senior executives who are forced to meet demanding business metrics and organizational pressures. As a result, they may appear to be sleazy and unethical, and possibly even acting in an illegal manner (Badaracco & Webb, 1995). In Badaracco and Webb's article entitled "Business Ethics: View from the Trenches" (1995), they reported the results of in-depth interviews with recent MBA graduates about ethical standards in business. The findings were somewhat startling:

> The young managers believed, in effect, that the people who pressured them to act in sleazy ways were responding to four powerful organizational commandments. First, performance is what really counts, so make your numbers. Second, be loyal and show us that you're a team player. Third, don't break the law. Fourth, don't over-invest in ethical behavior. Taken by themselves, the first three commandments are hardly immoral. But while they are almost certainly necessary for a successful organization, they are hardly sufficient for creating an ethical or responsible one, especially when a fourth powerful norm encourages sleazy behavior. (p. 10)

Within 7 years of Badaracco and Webb's survey, whistleblowers of corporate scandals made the front cover of *Time* magazine as "Persons of the Year" (Kelly, 2002). This prompted government to enact legislation entitled the Sarbanes-Oxley Act (Sarbanes-Oxley, 2002), which specifically addressed some of the issues that surfaced as a result of these high-profile ethical business scandals that included Enron, Tyco, and WorldCom in 2000-2003 (American Management Association, 2006).

While the Ethics Resource Center (2007a) found that the majority of companies had enacted the minimal standards as required by the Sarbanes-Oxley Act between 2002 and 2007, nonetheless, most companies were far from compliant, with less than 40% having all the necessary elements in place that were required by the act. Further, in the Ethics Resource Center's latest study (2009), their index of ethical culture—which includes ethical leadership, accountability, and values, as opposed to simply the rules or written ethics code, revealed that the number of employees who perceived their work cultures as ethically strong had increased from 9% to 18%. Based on their earlier indices in 2000 and 2003, which had shown a slight increase in the strength of ethical culture overall, the 2009 upswing may also be a short-term phenomenon that is a function of economic distress in the country.

Perceptions of Leaders' Ethicality

The view of a leader's ethicality, as viewed through the lens of employees' perceptions, did not improve. Whether the behavior is as significant as the well-known ethics business scandals of Enron, Tyco, and WorldCom that occurred between 2000 to 2003 or as relatively insignificant as a leader's inconsistent words and actions, research revealed that employees often do not believe their leaders act ethically (American

Management Association, 2006). This was confirmed by 2002 Watson Wyatt USA survey, which found that only 63% of workers believe their companies conduct business with honesty and integrity. Furthermore, in a November 2005 U.S. Roper poll, 72% of respondents stated that they believed wrongdoing occurred in business. A mere 2% of respondents believed that leaders of large firms were very trustworthy (a drop from 3% in 2004), and the pattern is not improving (Bronwyn, 2007). Argyris and Schön (1974) would argue that this discrepancy might be attributed to espoused theories versus theories in use. In their study, they found that individuals often communicated one set of behavioral expectations while acting on another.

A second explanation for the pervasiveness of unethical behavior in the workplace was identified in the Ethics Resource Center survey (2007a). In this survey, 56% of all employees stated that they had observed misconduct in their organization; yet, only 40% of those employees, in fact, reported this misconduct to their managers. The reason given most often for not reporting the misconduct was that they would have had to report the misconduct to the person involved. The misconduct identified in the survey included lying to employees, abusive or intimidating behavior toward employees, and leaders putting their own interests ahead of the organization's interests.

Trevino, Hartman, and Brown (2000) identified a multiplicity of reasons to explain why senior executives were not aware that their employees perceived them as behaving unethically. Some of the key reasons concerned the leader's self-image and social identity as being tied to the organization's identity, as well as the leader's cohort group of executives' collective identity. In this situation, the leader then reasoned that, if

the company or his or her group were perceived as honest and ethical, then as the leader of the organization, "I am also honest and ethical."

Another second pervasive reason that leaders' perceptions were often distorted was that communication upward to leaders was often filtered, with employees less likely to transmit unfavorable information to their leaders than positive news. In other words, even if there was evidence of wrongdoing occurring at lower levels, it may not have been communicated to the leaders. This also aligns with the Ethic Resource Center's findings that employees more often choose not to report misconduct.

On the dark side of organizational behavior, leaders often rationalize their corrupt actions by stating that (a) they did not know what was going on in the business; (b) that really no one was harmed by the behavior; or (c) that they had earned the right to be able to conduct business in this fashion (Anand, Ashforth, & Joshi, 2005). Anand et al.'s study explored how organizational-level factors, immediate job context, and the person's own moral development stage influence a leader's ethical decision making, especially when the organizational-level factors conflict with that leader's espoused ethics.

Purpose of the Study

The purpose of this study was to explore the recursive nature of the causes and effects of ethical decision making within an organization. Specifically, this researcher examined the relationships among the following components: (a) the ways in which leaders experienced competing pressures between ethical dilemmas arising from their espoused ethics and their perceptions of their organization's stated or unstated policies and practices; (b) the ways in which leaders' interactions with others affected their resolution of ethical dilemmas; and (c) the ways in which leaders' resolutions of ethical

dilemmas then affected the stated or unstated policies and practices of their organizations, as well as the future interactions of others who were either affected by, or involved in, their ethical decision.

In this study, a qualitative approach (Patton, 2002) was used to better understand the extent to which leaders experience competing pressures between their espoused ethics and their organization's policies and practices. Given the subjective nature of ethical decision making, a phenomenological strategy of inquiry (Patton, 2002) was used to explore—from the participants' own perspectives—their understanding of the events that led to this incongruence and tension.

Semi-structured interviews were used for this study to capture the narratives of seven leaders in a Northern California municipal government. The leaders who participated in this study met the following criteria: they (a) had been at the management level within an organization for a minimum of 5 years; (b) had two or more direct reports; and (c) had responsibility for a line of business or for leading a functional unit with a significant scope of responsibilities. In these interviews, I asked the participants to relate their ethical dilemmas and to reflect upon the attendant experiences. These interviews were recorded and analyzed.

<div align="center">Background and Need</div>

The concept of business ethics has been in existence since the time of Aristotle, when early philosophers debated everything from theft and what constitutes immoral action to the pricing of goods (American Management Association, 2006). During the Middle Ages, the *De Contractibus Mercatorum,* written by Nider, a theologian, examined

business ethics and market conditions for buying and selling, thus bridging the early

philosophers' ideas and the church's teachings (Wren, 2000). During the Enlightenment

of the 18th century, Immanuel Kant focused on deontological ethics and the universal

sense of duty toward others (Kant, 1785). Then, in the 19th century, John Stuart Mill

wrote about the utilitarian concept of promoting happiness for the greatest good for the

greatest number (Mill, 1868). Most of these philosophers wrote about ethics from a

normative point of view, that is, what one ought to do. Even into the 20th century and

through the 1960s, most discussions on ethics took place within the domain of philosophy

or theology with very little attention given to the application of these same ethics to

business (Ferrell, Fraedrich, & Ferrell, 2005).

However, since the 1970s, the field of business ethics has undergone rapid change

with the rise of consumerism and the ethical issues inherent in global investments (Ferrell

et al., 2005). The field was primarily self-regulated until Federal Sentencing Guidelines

(U.S. Sentencing Commission, 1991) were established in the 1990s, which set the tone

for organizational compliance by rewarding companies for taking action against

misconduct (Ferrell et al., 2005). Then, in 2001, with the rise of high-profile corporate

scandals such as Enron, Tyco, and WorldCom (American Management Association,

2006), ethics began to take center stage as a topic of necessity in business schools, and

the U.S. government began to enact legislation, beginning with the Sarbanes-Oxley Act

(2002), to protect shareholders and consumers (Ferrell et al., 2005).

Today, post-Enron, universities are offering courses on business ethics, and

within corporations, training is conducted annually for employees to learn their

organization's code of conduct. Of note, in 2009, 20% of Harvard's Business School

class signed an MBA Oath, a voluntary pledge to serve the greater good (Jones, 2009; Koehn, 2005; Persons, 2009; Rethinking Business Education, 2009).

The field of empirical ethics studies was advanced in the 1980s and 1990s by a number of theoretical models created by social scientists (Jones, 1991; Rest, 1986; Trevino, 1986). This new field came underway in tandem with the field of management, leadership, and organizational development (O'Fallon & Butterfield, 2005).

Theoretical Foundations

This study on the individual and organizational factors that influence a leader's ethics, incorporated the following four disciplines: ethics, psychology, organizational behavior, and complexity science. Integrating these four disciplines into this study allowed the researcher to view the problem from multiple perspectives.

The conceptual framework for this empirically based qualitative study was built upon two theories: the person-situation interactionist model (Trevino, 1986) and the theory of complex responsive processes and emergence (Stacey, 1996, 2001). These complementary theories were used to explore the variables that come into play when a leader is faced with an ethical dilemma. Trevino's person-situation interactionist model (1986) provides a basis for understanding the ethical decision-making behavior of individuals in organizations, and this model was grounded in Kohlberg's cognitive moral development model (1981).

Complexity theory incorporates the idea of complex responsive processes (Griffin, 2002; Stacey, 2001). In addition, Stacey and Griffin (2005) define an organization "as an evolving pattern of interaction between people that emerges in the local interaction of those people with its fundamental aspects of communication, power

and ideology, and evaluative choices" (p. 19). One can also study these relationships via the concept of emergence, that is, the spontaneous interactions that settle into mutually reinforcing patterns in a particular context (Bella, 2006; Bella, King, & Kailin, 2003; Stacey, 1996). Therefore, the person-situation interactionist model and complex responsive processes were used together to elucidate the ethical problems that were explored in this study—specifically, why leaders feel pressure to take action that is incongruent with their stated beliefs.

Trevino's Person-Situation Interactionist Model

Trevino addressed the weight that is attached to manager's decisions: "Managers engage in discretionary decision-making behavior affecting the lives and well-being of others. Thus, they are involved in ethical decision making. Their decisions and acts can produce tremendous social consequences" (Trevino, 1986, p. 601). Trevino's person-situation interactionist model posited that an individual was not a blank slate, but rather, adults have progressed through a series of stages, each indicative of a more advanced reasoning capability regarding moral issues than the previous stage. Additionally, Trevino found that ethical decisions were influenced by both individual (e.g., ego strength, field dependence, and locus of control) and situational (e.g., immediate job context, organizational culture, and characteristics of the work) moderators (Trevino, 1986). Trevino's theory has five key components, as shown in Figure 1: (a) ethical dilemma; (b) cognitive moral development; (c) individual moderators; (d) situational moderators; and (e) ethical behavior.

Figure 1. Trevino's Person Situation Interactionist Model.

From "Ethical Decision Making in Organizations: A Person-Situation Interactionist Model," by Linda K. Trevino, 1986, "Academy of Management Review," 11, p. 603. Reprinted with permission.
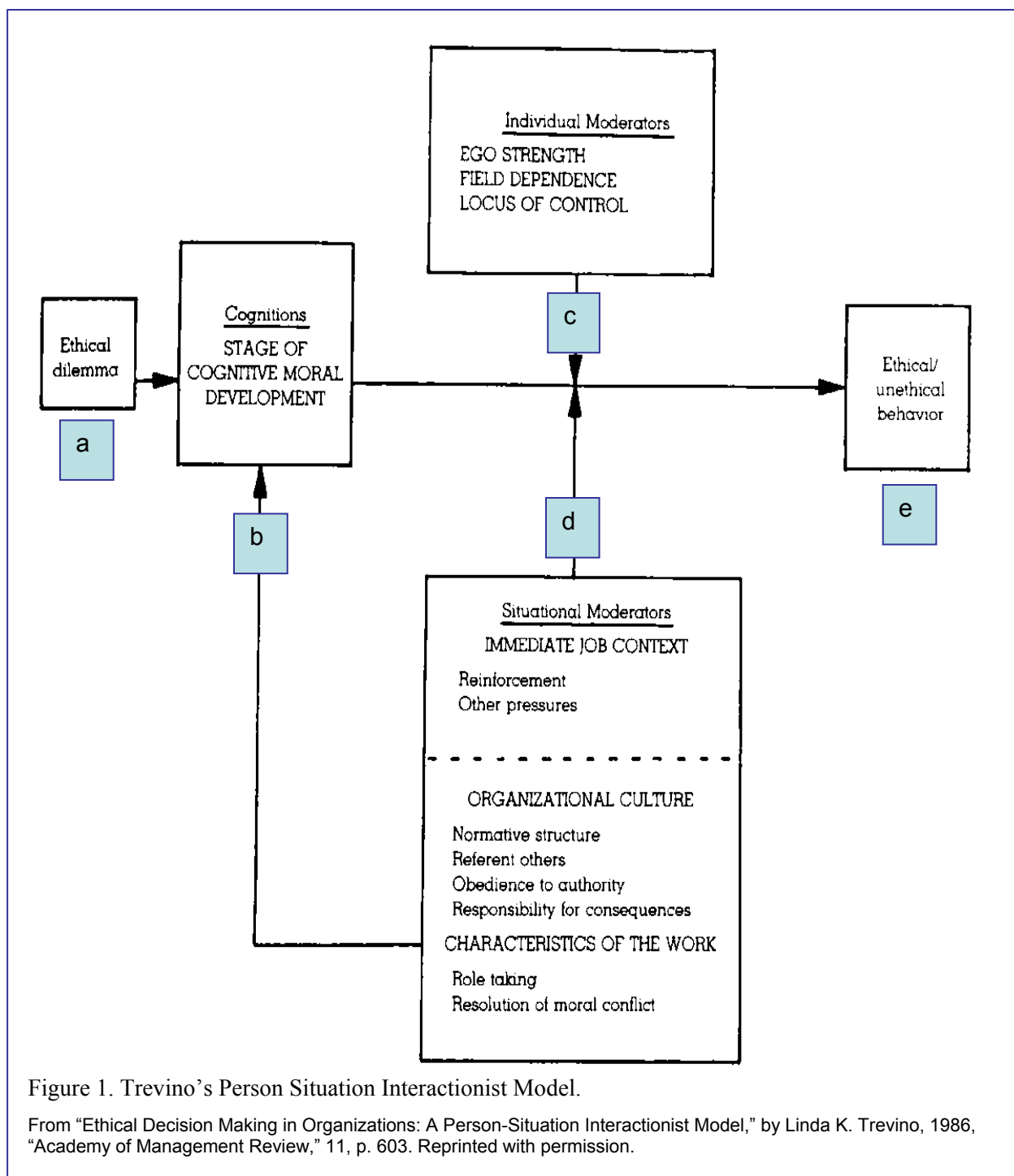
Ethical Dilemma (Figure 1- a)

In examining Trevino's model, the ethical dilemma is the presenting problem (located in the first box on the left-hand side).

Cognitive Moral Development (Figure 1-b)

Moving from left to right the cognitive moral development can be found in the second box marked "b." Trevino (1986) relied upon Kohlberg's cognitive moral development framework as a key foundational element in addressing the moral reasoning of an ethical dilemma. Moral reasoning is predicated upon the belief that a person's moral development will strongly influence their decisions (Kohlberg, 1981). Kohlberg's cognitive moral development model (1981) identified three levels of moral thinking; within each of the levels are two stages that further define the development of moral thinking. In the first level, *preconventional*, stage one is obeying the rules and avoiding punishment, and stage two is the exchange proposition, that is, the proposition that following the rules will benefit oneself as much as it will benefit the other person.

The second level, *conventional*, includes stage three, living up to the expectations of others, and stage four, obeying society's laws, even if they are unjust; that is, one's obligation is to ensure obedience to law and order. Kohlberg placed most adults at either stage three or stage four, and even at stage four, Kohlberg believed that most adults would look outside for their cues on how to act ethically.

The last level is *postconventional*, with stages five and stage six. Stage five focuses on principles, such as implied social contracts and righting unjust laws. Kohlberg believed that few people had achieved stage five, which encompasses societal laws and living in a just world, not just a legal one. Ultimately, Kohlberg chose to exclude stage

six because he believed that no one individual could live up to the ideals of its universal

principles and implicit right to take action, even if such action were illegal or unjust

(Kohlberg, 1981).

Trevino recognized the significance of Kohlberg's work in several of her studies

that examined the correlations between moral reasoning and moral behavior in the

organizational setting (Trevino, 1986, 1992; Trevino & McCabe, 1994; Trevino &

Youngblood, 1990). While she recognized the importance of moral reasoning on moral

behavior, she also stated, "Cognitions of right and wrong are not enough to explain or

predict ethical decision-making behavior completely" (Trevino, 1986, p. 602).

Individual Moderators as Variables (Figure 1-c)

Moving from the middle of the model, one sees Trevino's model expanded upon

Kohlberg's work to include the individual moderators of (a) ego strength; (b) field

dependence; and (c) locus of control (located in the top-center box). Ego strength was

defined by Trevino as a self-regulating skill that focuses on the strength of one's

convictions about one's personal beliefs. Trevino presupposed that individuals with

strong ego follow their own convictions more consistently in their actions, in that they are

more likely to do what they think was right than those with weaker ego (Trevino, 1986).

Field dependence refers to one's reliance upon the guidance and direction of

others. Again, Trevino asserted that the more independent an individual was, the greater

the convergence between the individual's moral reasoning and moral action. The third

variable is locus of control, which refers to whether a person believes that external events

occur randomly or whether the individual is in control of his or her own life events.

Individuals with a greater sense of internal control are more likely to do what is right

based on their own beliefs than the externally focused individuals who believe events

occur by chance. These individuals will be more susceptible to the pressures of the

situation or other individuals (Trevino, 1986).

Situational Moderators as Variables (Figure 1-d)

Located in the bottom-center box is another component of Trevino's model that

may affect a leader's ethical decision making is situational moderators. Trevino's

perspective was that the organizational environment plays a critical role in influencing

and developing one's moral development stage. Trevino identified three situational

variables: immediate job context, organizational culture, and characteristics of work

(Trevino, 1986). The first variable, immediate job context, includes pressures that

employees experience in transacting their daily routine, such as time and reward

structures. Research studies have demonstrated that goal attainment based on a reward

structure may lead to unethical behavior because some employees will strive to achieve

goals at all costs (Barsky, 2008; Ferrell & Gresham, 1985; Jones, 1991; Trevino &

Weaver, 2003).

The second situational variable was organizational culture. Trevino's broad

definition of culture includes values, norms, assumptions, corporate identity, and implicit

rules that govern behavior. Trevino drew upon the work of several theorists (Deal &

Kennedy, 1983; Schein, 1985) in defining organizational culture, and she concluded that

organizational culture influences the ethical behavior of employees, and those individuals

at cognitive moral development stage four are especially vulnerable to this influence.

Trevino reasoned that stage four employees would look to the culture for cues on how to

behave, which includes codified policies, authority figures, as well as rewards and recognition policies.

Another key factor identified in organizational culture was referent others. Trevino and Weaver (2003) described the peer relationship as having one of the strongest influences on an individual's ethical decision-making process. In fact, these peer relationships are often more influential on the individual's actions than his or her relationship to the manager. Trevino (1986) asserted that if an organization's principals wish for their employees to behave ethically, then they need to ensure that each employee has appropriate role models to look to for cues on how to behave and what to consider in making ethical decisions. Otherwise, Trevino contended, policies like codes of conduct and posted vision and value statements are no more than window dressing.

Trevino explained that, in addition to the immediate job context and organizational culture, characteristics of the work itself also have a bearing on ethical decision making. One of these considerations in characteristics of work, is role taking, which was defined by Trevino (1986) as taking into account the perspective of others. The ongoing opportunity to take on complex roles can increase the likelihood that further ethical development will occur, and the outcome may entail managers making higher-stage ethical decisions.

Ethical or Unethical Behavior (Figure 1-e)

On the far right of the model Trevino (1990) posited that, while one's moral development stage would set the foundation for one's actions, that alone was not enough to explain an individual's behavior. Ethical or unethical behavior (located in the box to

the far-right) was also influenced by both formal and informal moderators occurring within an organization.

Person-Situation Interactionist Model Summary

While Trevino's model significantly advanced the theory of ethical decision making by looking at these individual moderators, Trevino's model doesn't take into account the added complexity of multidirectional possibilities in individual interactions, including the very act of making the ethical decision. To better understand the influence that those localized interactions have upon ethical decision making, complex responsive processes were also utilized in this theoretical framework.

Complex Responsive Processes

Given that this study explored the pressures that leaders experience when faced with an ethical dilemma in the workplace, I considered the fact that complex responsive processes, specifically in relation to leadership and ethics, might provide valuable insights into the dynamics of leaders' behavior. In describing complex responsive processes, Stacey (2001) submitted that both individual and collective identities emerge through interactions between and among people, and through these interactions, meaning and themes emerge. These interactions are more than simply verbal exchanges; they also represent symbols, expressed thoughts, feelings, and actions. Nordstrom (2008) suggested that these same interactions also establish meanings that set the context for norms in the organization.

It follows, then, that each complex adaptive entity or person adapts to the environment in which it finds itself (Bloch & Nordstrom, 2007). This adaptation may or may not be congruent with the other entities within the given structure or environment.

For example, two or more of the parties involved may reach the same conclusion and choose to cooperate, or they may interpret the outcome with completely different perspectives. According to Stacey, these exchanges lead to "the production of global patterns of behavior by agents in a complex system interacting according to their own local rules of behavior, without intending the global patterns of behavior that come about…. Global patterns cannot be reduced to individual behavior," which is the definition of emergence (1996, p. 287).

These patterns emerge not as part of a grand design, but rather as part of the spontaneous interactions of complex responsive processes that produce a local context (Stacey, 1996). That local context then diffuses the establishment of a broader context within the culture. In fact, it is not through designs, visions, or proclamations, but through direct spontaneous interactions in the living present that one establishes creditability with others and becomes mutually accountable to another for one's ethical behavior.

Bella, King, and Kailin (2003) wrote that contexts are powerful determinants of human behavior: They shape the behavior of individuals in the group by establishing acceptable standards of behavior. These group norms can be either positive or negative. The emergence of these behaviors and contacts, according to Bella (2006), determines the overall character. That is, the whole cannot be reduced to parts, but rather, by looking at the whole picture, one begins to see patterns emerge.

Bella (2006) used a poignant example to illustrate this theory. Dr. Alibekov, a Russian scientist, was working at Rebirth Island in the former Soviet Republic at a chemical and biological weapons factory. He received praise and recognition for his successful efforts in building and testing biological weapons of mass destruction. His

research included torturing hundreds of primates for the purpose of testing the weapons'
destructive capabilities on mankind. Bella asks: How can such behavior by a man who
had taken the Hippocratic oath as a doctor be explained? Bella concluded that, in the case
of Dr. Alibekov, it was the environment that valued recognition, promotion, and the
demonstration of one's competence among one's peers that made the difference.

In some organizations, certain behaviors will endure because they are justified by
the people exhibiting those behaviors. Such behaviors become the norm, and therefore,
continue to be justified by its members over time without much forethought (Bella, King,
and Kailin, 2003). Bella created a circular diagram to illustrate his point (see Figure 2).
In this diagram, he used a series of boxes and arrows to represent Alibekov's interactions.
By following these arrows to their destination, one moves from cause to effect. In Bella's
scheme, a forward arrow is read as "therefore," and a backward arrow is read as
"because." By analyzing the communications and behaviors in Alibekov's environment
in this way, a pattern emerged. Figure 2, then, represents the context that Alibekov
encountered while working at Rebirth Island.

To interpret Figure 2, we start by reading the lower left-hand box entitled "we are
able to do our work well." The forward arrow is then read as, therefore our work
contributes to the success of the program and the next forward arrow is read as
"therefore, resources are provided to support our work." Reading the boxes in the reverse
order produces the following message: "Resources are provided to support our work,"
because "our work contributes to the success of the program" because "we are able to do
our work well." The pattern with the darker outlined boxes shows a typical pattern of
competence and organizational reinforcement. The pattern takes a sinister quality when

one adds the lighter outlined boxes on the bottom of Figure 2. The result here shows what

happens when conflicting information was ignored or minimized, and the pattern of

competence was rewarded at any cost. This scenario can be illustrated by reading the

boxes as follows: "We do not let troublesome matters divert us from our work,"

therefore, "we are able to do our work well," because "we are not troubled by negative

implications of our work."
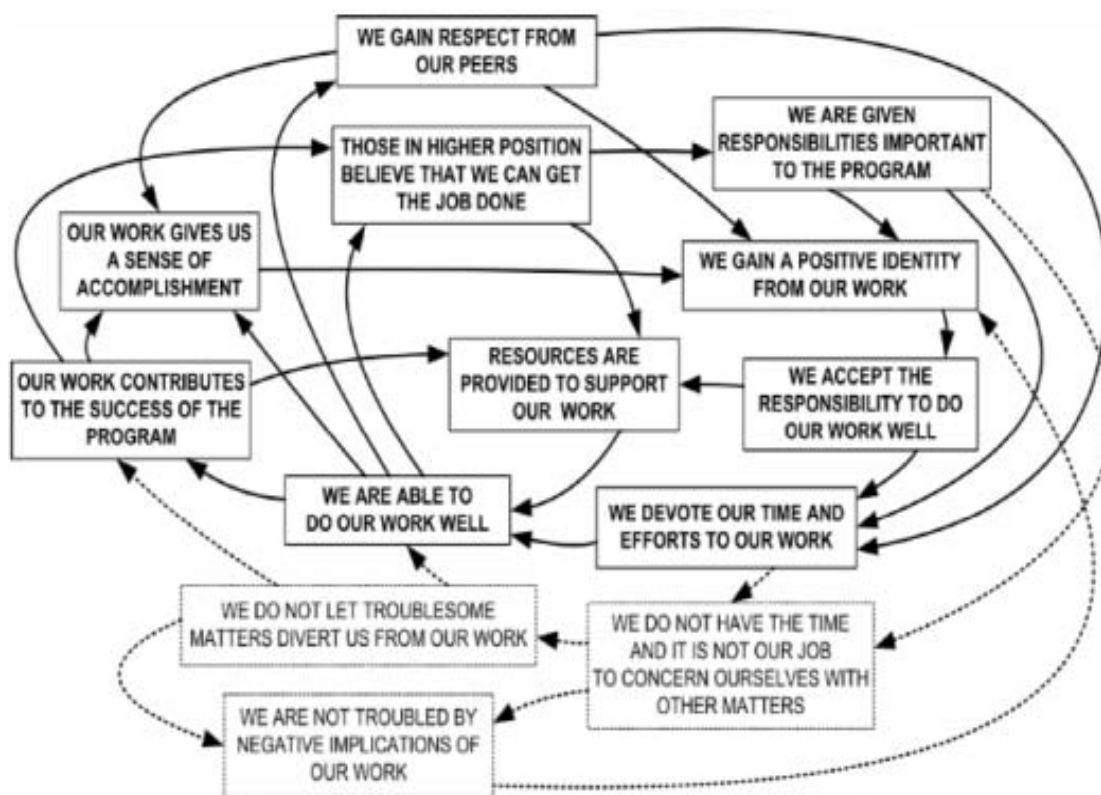
Figure 2. A competence context that becomes demonic.

From "Emergence of Evil. Complexity and Organization," D. A. Bella, 2006, *E:CO*, 8, p. 107. Reprinted with permission.

Bella et al. (2003) contended that what was supported or favored by the system shapes the context of those involved within it. The culture is rarely visible; it is generally referred to in organizations as underlying assumptions (Schein, 1985). Each person in the organization has found good reasons to justify his or her behavior within the context of that environment; moreover, anyone questioning or challenging those norms was viewed as an outsider (Bella et al., 2003). In Alibekov's situation, that outsider may have been ostracized from the group and labeled incompetent. In organizations, in less extreme cases that often translates to an individual who was either not a team player or does not fit well within the culture. Nonetheless, whether it was a scientist's testing facility or an office cubicle, the results can be debilitating for the individual and disastrous for the working environment.

Complex Responsive Processes and Emergence Theory Summary

Complex responsive processes provide a lens through which one can explore local interactions and their influence on the larger environment. Emergence facilitates an understanding of how those local interactions relate to each other in a particular context.

Confluence of Theories

Central to this study was the construct that, in addition to a person's own cognitive moral development stage, other moderators influence a person's decision making with regards to ethical dilemmas. Trevino's person-situation interactionist model (1986), as shown in Figure 1, expanded upon the earlier work of Kohlberg's (1981) cognitive moral development and also explored individual and situational variables as determinants of ethical or unethical behavior. Trevino's individual variables included (a) an individual's own personal convictions; (b) his or her dependence upon the guidance and direction of

others; and (c) how much control the individual believed he or she had over life events;

Trevino's situational variables studied included (a) the immediate job; (b) the overall work

itself; and (c) the organizational culture. Trevino's model also yielded insights on the

influence of these variables on an individual's behavior when attempting to resolve ethical

dilemmas. However, Trevino's model was limited in that it assesses influence on only a

one-directional plane. In addition, although it illustrates the larger context of variables that

influence an individual, it does not show the individual's influence on those variables, on

others, or ultimately, on him- or herself.

Stacey (2001) wrote that complex responsive processes establish meanings that set

the context for norms in an organization. The context that emerges both influences, and is

influenced by, Trevino's individual and situational moderators. Contexts are created as the

emergence of human patterns of interaction and behavior dictate what was acceptable in

any given environment by actions and reactions of people operating within the system.

Through the lenses of both the person-situation interactionist model and complex response

processes, this study examined how much of an influence these variables and interactions

have on a leader's resolution of ethical dilemmas.

The following three figures (Figures 3, 4, and 5) illustrate, using different

perspectives, the anecdote of the branch manager and the racist customer that was

presented in the Statement of the Problem. Figure 3 presents the anecdote through

Trevino's person-situation interactionist model, and Figure 4 presents the anecdote through

complex responsive processes. Each of these figures uses the anecdote to represent the

presenting problem and how the model relates to the consideration of the branch manager's

dilemma. Additionally, a hybrid model was created (Figure 5) that reflects both the ethical

dilemma and the potential emergent pattern based on the resolution of the ethical dilemma.

In resolving his ethical dilemma, the branch manager brought with him a rich

history that included his lived experiences, his cognitive moral level, and his values, all of

which can be linked to Trevino's model of individual moderators (1986). In the context of

his job, the branch manager faced pressure to achieve the revenue goals for the branch,

reflected in Trevino's situational moderators. Additionally, in following Stacey's complex

responsive processes theory, it was evident that whatever actions the branch manager chose

to take would (a) affect the current environment within the office; (b) the future actions and

beliefs of his staff; (c) the organization, and ultimately; (d) himself. Finally, the

organizational culture also played a critical role in the branch manager's decision. One

might ask: Would the norms and structures lead the branch manager toward heroism or

martyrdom? Each of these factors added a dynamic tension to the situation, and the

manager's handling of the situation would likely result in long-term implications for the

culture of the branch.

In Figure 3, the Trevino person-situation interactionist model demonstrated how

the intervening individual and situational variables influence a leader's ethical

decision-making process; yet, it is a linear model. In Figure 4, the model for Stacey's

complex responsive processes makes evident the recursive process of ethical decision

making by demonstrating, through Bella's model, the interactive nature of ethical

decision making. This model, while interactive, doesn't necessarily show the factors that

influence ethical decision making.

Figure 5 illustrates the confluence of these theories. This proposed model superimposes the local interactions that Stacey advanced in his theory of complex responsive processes against the backdrop of the situational moderator variables that Trevino identified in her person-situation interactionist model. The figure illustrates that, while each of these variables independently create an influence on an individual's ethical decision making, when combined they create mutually reinforcing individual and small-group behaviors. Ultimately, those behaviors may spiral out to create the context and acceptable cultural norms of the larger organization.

In reading the figure – move from left to right following the black arrows to the decision point.

Does the branch manager tell the customer to take his business elsewhere? **OR** Does he succumb to the customer's demands and substitute the employee handling the transaction?

Ethical or Unethical Behavior

Individual moderators

Ego strength
- Follows his own convictions

Field dependence
- Independent thinker

Locus of control
- Believes he is in control of life events

Individual Moderators

Situational moderators

Immediate job context:
- Pressure to build up branch deposits

Organizational culture
- Committed to company values

Characteristics of the work
- Pressure to satisfy boss by retaining customers

Situational Moderators

Life experiences & personal beliefs
Believes in treating people fairly & equally

Cognitive Moral Development

Cognitive moral development
- Kohlberg places most adults at the conventional level (individuals look to society or org. culture for cues on how to behave)

Irate customer demands to only work with a white customer service representative

Ethical Dilemma

The ethical dilemma the manager faced was how to satisfy the customer request, meet the financial goals of the business, and still support the values of the company.

Figure 3: Branch Manager scenario with Person-Situation Interactionist Model applied.

In reading the figure – a forward arrow is read as "therefore" and a back arrow is read as "because" to understand the mutually reinforcing patterns.

Keeping deposits helps ensure keeping branch open

District manager will be pleased if manager keeps the deposits at the branch

Manager needs to ensure customers don't close accounts

Branch goals are as equally important to the business as practicing the values and treating employees fairly

After talking with District manager – Manager knows branch can't afford to lose account deposits

Manager tries to reason with customer

Manager wants to keep the customers satisfied

Keeping the branch open is to the benefit of all the employees of the branch and self

Manager is privately concerned about impact to employees if he changes customer representatives

Irate customer demands to only work with a white customer service representative

Manager tries to reason with the customer who is firm on his demand not to work with Chris

There is a potential negative impact if the customer withdraws his funds

Does the manager tell the customer to take his business elsewhere and lose the deposits

Employees will go the "extra mile" because they believe the company values and supports them

District manager says he supports the values of the company

Branch Manager previously talks with employees about the importance of practicing company values

The goal is to meet branch objectives while practicing the values of the company

Employees feel the manager will support them – when customers get abusive

The ethical dilemma the manager faced was how to satisfy the customer request, meet the financial goals of the business, and still support the values of the company.

Figure 4: Branch Manager scenario with Complex Responsive Processes and Emergence model applied.

In reading the figure – follow the path clockwise.

Life experiences & personal beliefs
Believes in treating people fairly & equally

Individual moderator variables
• Follows own convictions
• Independent thinker
• Believes he is in control of life events

Branch manager joins the organization

Branch manager assimilates into organizational culture and job assignment; also reinforces with employees the vision, values, policies and practices

Situational moderator variables
• Pressure to build up deposits
• Committed to company values
• Pressures to satisfy boss by retaining customers

Complex responsive processes
Interactions with employees support the company values, policies, and practices

Cognitive moral development
(conventional level)

Organization

Emergent patterns
Mutually reinforcing behavior occurs in the environment based on the current interactions with employees and decisions by Branch manager impacted by the situational moderators

New Ethical Dilemma

Ethical Dilemma
The ethical dilemma the manager faced was how to satisfy the customer request, meet the financial goals of the business, and still support the values of the company.

Irate customer demands to only work with a white customer service representative

Branch manager is facing competing priorities of reaching branch deposit goals and balancing the needs of the employees in being treated fairly

Complex responsive processes and emergent patterns
Whatever decision the branch manager makes will create a different set of interactions between employees and an organizational culture that supports a new emergent pattern of mutually reinforcing behaviors regarding ethical decision-making.

Does the branch manager tell the customer to take his business elsewhere?
OR
Does he succumb to the customer's demands and substitute the employee handling the transaction?

Complex responsive processes
• Conversations with staff about the importance of modeling and supporting the values
• The conversation with the district manager about branch closure due to lack of deposits.

Situational moderator variables
• Pressures to build up deposits to keep branch open
• Committed to company values
• Pressures to satisfy boss by retaining customers

Figure 5: Branch Manager scenario with proposed Moreno hybrid model applied.

Research Questions

Based on the stated purpose of this study, the research questions were as follows:

1. What is the nature of the ethical dilemmas that leaders perceive they face?

2. How do leaders perceive that stated or unstated policies and practices affect the actions they take in resolving an ethical dilemma?

3. To what extent do leaders perceive that interactions with others, within or outside the organization, affect their resolution of an ethical dilemma?

4. To what extent do leaders perceive their past ethical dilemmas influence future decisions, others' decisions, or their organization's decisions and subsequent emergent patterns in the organization?

There were originally five research questions; however, the data revealed that research questions four and five yielded similar themes. Research question four was therefore rephrased to include the key themes of both future decisions and emergent patterns in the organization, which was initially research question five. The fifth research question read, "How does the resolution of any particular ethical dilemma by a leader subsequently affect the emergent patterns of the organization?"

Definition of Terms

The following definitions were used for this study. They are a combination of theoretical terms from the literature and definitions that emerged from the research.

Complex Responsive Processes: spontaneous interactions between two or more individuals that influence the individuals' involved and subsequently other individuals and the organization as a whole (Stacey, 2001).

Context: the local organizational working environment and the patterns of behavior that become the accepted way of interacting in an organization, whether or not formal rules are established.

Emergence: behaviors arising out of spontaneous interactions that settle into mutually reinforcing patterns to become accepted local rules of behavior that then lead to unintentional global patterns and are not traceable to the individual (Stacey, 1996).

Employees: for the purposes of this study, the general population of municipal workers who are neither peers nor subordinates.

Ethics: the systematic study of individual and collective moral awareness, judgment, character, and conduct (Petrick & Quinn, 1997); for the purposes of this study, at the individual level, it refers to the way people behave based on their beliefs about right and wrong (Ethical Dilemma, 2009).

Ethical climate: unspoken communication to employees about what is important to the organization's effectiveness in terms of rewards, supports, and expectations for its employees (Schneider, 1987).

Ethical culture: the common set of assumptions, values, and beliefs, which is generally transmitted through stories, myths and stories (Schneider, 1987).

Ethical dilemma: a situation that requires a judgment call when there is more than one right answer and there is no win-win solution in which everybody gets everything they want (Ethical Dilemma, 2009); for the purposes of this study, a situation in which two or more values are in conflict and whose resolution requires the negation of at least one of those values.

Ethical leadership: managing with honesty and integrity and promoting such behavior among others (Brown, Trevino, & Harrison, 2006).

Leader: an individual who acts on his or her own initiative, leads others, and "engages in leadership" (Norhouse, 2004, p. 3). The leadership role may include establishing direction, aligning people, and motivating and inspiring others (Kotter, 1990). Additionally, an individual may also have managerial responsibilities that may include planning and budgeting, organizing and staffing, and controlling and problem solving (Kotter, 1990). For the purposes of this study, the individuals under study are considered to be leaders.

Leadership: "a process whereby an individual influences a group of individuals to achieve a common goal" (Norhouse, 2004, p. 3); for the purposes of this study, the influence, intentional or otherwise, that staff members experience as a result of a leader's directives and behaviors.

Manager: an individual who works with and through other people to accomplish the objectives of both the organization and its members (Monatra & Charnov, 2000, p. 1); for the purposes of this study, a lower-level leader (i.e., having influencing within a narrower scope) operating below the higher echelons of the organization leadership.

Moral development: a measure of an individual's cognitive sophistication in making ethical decisions (Kohlberg, 1981).

Moral intensity: the concept that every issue can be represented by six components: (a) magnitude of consequences; (b) social consensus; (c) probability of effect; (d) temporal immediacy; (e) proximity; and (f) concentration (Jones, 1991).

Organizational culture: the artifacts, espoused values, and implied norms invented, discovered, or developed by a group, which have worked well enough to be considered valid and are taught to new members as the correct way to perceive, think, and feel (Schein, 1985).

Organizational pressures: influences originating from the business environment, rather than an individual, which result from explicit policies or implicit practices and behavioral expectations.

Peers: for the purposes of this study, individuals who were at a similar level to the participant and who did not have a reporting relationship to one another. Additionally, peers in some cases refer to individuals on the city's leadership team.

Subordinate: for the purposes of this study, individuals who reported directly to the participant and for whom the participant had responsibility for their performance feedback, rewards, and recognition.

Superior: for the purposes of this study, an individual to whom the participant directly reported and who was responsible for the participant's performance feedback, rewards, and recognition.

Transparency: sharing information with others and acting in an open manner. It is the duty of civil servants, managers, and trustees to act visibly, predictably, and understandably (Transparency International, 2011).

Values: Core beliefs that guide and motivate attitudes and actions regarding what is right and fair in terms of interactions with others (Values, 2011).

Wrongdoing: behavior or action counter to acceptable or legal business practices typically described as inappropriate behavior.

Limitations

This study was a qualitative inquiry into the ethical dilemmas that leaders in organizations face and how they resolve those dilemmas. Previous research on this subject has been predominantly quantitative, and therefore, did not involve personal disclosure, which was an initial concern in this study. Patton (2002) addressed this concern with regard to personal disclosure, noting that, while in-depth interviews are rich in description, responses may also be distorted due to personal biases, anger, politics, and recall. The participants in this study were forthcoming and thoughtful in their interviews; nonetheless, Patton's concerns are certainly relevant here as the participants were reliving their own personal experiences, which limited their objectivity and may therefore have distorted the data collected for this research.

Seven city leaders participated in this study, which was conducted in a city in Northern California. While the sample number was sufficient for this type of study, there are many hundreds of city leaders throughout the state. Therefore, this study cannot be generalized to all city leaders in the state.

Significance

This study contributed to the body of research on the challenges leaders face when making ethical decisions. Specifically, the findings of this study were used to develop an integrated model that combined Trevino's person-situation interactionist model with Stacey's complex responsive processes theory to better illustrate the relationship between local interactions at the point of decision and the intervening factors that contribute to a leader's ethical decision making.

Within the corporate setting, this study may be useful to corporate ethics officers as it would help them to ensure that there are no competing policies and practices that might trigger a leader's unethical behavior. Additionally, given the active role that the board of directors plays in guiding organizations, this study may help them to better understand the organizational factors that influence a leader's ethical behavior.

This study also revealed the organizational triggers that cause leaders to act in direct opposition to their espoused ethics or the organization's policies and practices. Finally, this information may be useful to instructors who offer graduate courses in ethics as an additional perspective for understanding why leaders make decisions that appear unethical from the public's perspective.

CHAPTER II: REVIEW OF THE LITERATURE

In this chapter, I review the empirical literature that formed the basis for this study, which included four major areas: (a) business ethical decision making; (b) research using Trevino's person-situation interactionist model; (c) research using complex responsive processes and emergence; and (d) research studies on ethics in government municipalities. Substantial research has been conducted globally on the effects of ethical decision making; however, because this study was conducted within the confines of a government municipality in the greater San Francisco Bay Area, the literature review was restricted to North America.

Business Ethical Decision Making

In the period between 1996 and 2000, more empirical articles on ethics were written than in any of the previous 4 decades (O'Fallon & Butterfield, 2005); in the period between 2000 and 2007, 473 articles were written on business ethics as compared to the period between 1990 and 1999 where 160 articles were written (Tenbrunsel & Smith-Crowe, 2008). However, with the implied legitimacy that accompanies this volume of research, a greater level of scrutiny and higher expectations are required.

This review examined in detail four literature reviews published during the period 2005 to 2009 by noted social scientists: (a) "Integrative Literature Review: Ethical Business Cultures: A Literature Review and Implications for HRD" (Ardichvili & Jondle, 2009); (b) "Ethical Decision Making: Where We've Been and Where We're Going" (Tenbrunsel & Smith-Crowe, 2008); (c) "Behavioral Ethics in Organizations: A Review" (Trevino, Weaver, & Reynolds, 2006), and (d) "A Review of the Empirical Decision-Making Literature: 1996-2003" (O'Fallon &

Butterfield, 2005). The review of these specific studies provided a foundation for current thinking on the topic, and it also served to situate this study within an historic context.

Together, these four literature reviews were comprised of a total of 830 references. Of these, 670 were referenced in one study, and 160 appeared in more than one study. The databases employed by these researchers included Academic Search Premier, Business Source Premier, EconLit, ABI/Inform, and PsycINFO search engines. The principle journals in which the articles appeared included *Journal of Business Ethics*, *Academy of Management Journal, Academy of Management Review, Business Ethics Quarterly, Human Relations, Journal of Academy of Marketing Science,* and *Journal of Business Research.*

While each of the studies focused on a particular aspect of ethical literature, as noted above, there was a significant amount of overlap in the references. Of the studies referenced by Tenbrunsel and Smith-Crowe (2008) and O'Fallon and Butterfield (2005), 80 references appeared in both. Ardichvili and Jondle (2009) reviewed the fewest number of articles, referencing only 87 articles, of which 88% were unique to their study and not cross-referenced in the other studies. Only three studies were used by all the researchers: (a) "Ethical Decision Making in Organizations: A Person-Situation Interactionist Model" (Trevino, 1986) (b) "The Organizational Bases of Ethical Work Climates" (Victor & Cullen, 1988); and (c) "Compliance and Values Oriented Ethics Programs: Influences on Employees Attitudes and Behavior"(Weaver & Trevino, 1999).

Integrative Literature Review: Ethical Business Cultures:

A Literature Review and Implications for HRD (Ardichvili & Jondle, 2009)

The most recent literature review was conducted by Ardichvili and Jondle (2009). In their study, they focused on the elements that create and sustain an ethically based culture. The researchers sought to identify some of the key characteristics that were important for human resource development to consider in building an ethical culture. The methodology included a search of online databases and relevant journals; 87 references were included in their review.

Ardichvili and Jondle (2009) began their review by looking at the key components of corporate culture and referenced noted researchers in this area (Schein, 1985; Trevino, 1990) who had identified corporate culture as one of the main determinants of ethical or unethical behavior in organizations. Ardichvili and Jondle then linked the attributes of an ethical culture to ethical behavior in leaders. Included in their review—and to support their study—the authors noted the results of a 2008 field study (Ardichvili, Mitchell, & Jondle, 2009). In this field study, executives were interviewed and asked to describe the attributes of an ethical culture. The executives identified the following: (a) moral missions and ethical values; (b) balancing the needs of all stakeholders; (c) leadership modeling and promoting ethical behavior; (d) alignment of values and day-to-day operations; and (e) long-term view (Ardichvili & Jondle, 2009).

These researchers found that ethical business cultures are based on an alignment between formal structures, processes, policies, and related training and development programs. The ethical business culture also included the consistent, value-based ethical

behavior of top leadership as well as ethical interactions among multiple organizational actors and outside stakeholders (Ardichvili & Jondle, 2009).

Ethical Decision Making: Where We've Been and Where We're Going

(Tenbrunsel & Smith-Crowe, 2008)

Tenbrunsel and Smith-Crowe (2008) emphasized the fact that the majority of empirical research on theoretical models was scarce, stating that, "empirical research had been largely correlational and exploratory, and critical evaluation is limited" (p. 546). The purpose of their study was to review the empirical literature on ethical decision making in organizations and identify future areas to study. The methodology was to analyze the literature through a comprehensive current and historical review of 254 behavioral ethics articles. Of the four studies discussed here, Tenbrunsel and Smith-Crowe were the only researchers to propose an alternative model of ethical decision making that addressed some of the gaps that they had identified in their research.

Of these gaps, one of the first issues that the researchers identified was the lack of consistent definitions for the word *ethics* and the term *ethical decision making*. They recommended that a bridge be made between the descriptive normative ethics and the behaviorally based ethics of empiricists, as this would bring together many disciplines to resolve the issue. The ultimate goal was to establish a consistent language upon which to build empirical research studies and theory.

Also included in Tenbrunsel and Smith-Crowe's study was a review of three main components of ethical decision making: (a) moral awareness; (b) moral decision making; and (c) amoral decision making. Tenbrunsel and Smith-Crowe then proposed an ethical decision-making model based on these three components. Each of the three components

of the model was discussed through individual factors (e.g., gender, nationality and culture, ethical experience, affect and arousal, values and orientation, and moral disengagement) and situational factors (e.g., issue intensity, ethical infrastructure, and progression).

The gaps the researchers identified in the current literature included (a) a need for an agreed-upon definition of ethics; (b) a need for stronger emphasis on theoretical models and research in the field, especially in the areas of amoral decision making and at the point of the actual decision; and (c) a need for additional research that moves beyond the rational and into the areas of personal biases and emotions, and the resultant roles that those biases and emotions play in ethical decision making (Tenbrunsel & Smith-Crowe, 2008).

Behavioral Ethics in Organizations: A Review (Trevino, Weaver, & Reynolds, 2006)

In 2006, Trevino, Weaver, and Reynolds completed a comprehensive literature review on the current state of the field of ethics in organizations. The authors' methodology was the most comprehensive of the four studies with 277 sources cited, based on current databases and journals. The study was restricted to notable works by social scientists that, in the authors' view, contributed significantly to the field of study. The study only focused on individual behavioral ethics and was analyzed through Rest's four-component model.

The findings showed that there were gaps in four key areas: (a) theory development, specifically in behavioral ethics, as most current theory was borrowed from related fields; (b) methodological rigor, especially in the areas of qualitative studies focused in organizational contexts; (c) knowledge in the areas of neurobiological, group,

or organizational level analysis, consequences of unethical and ethical behavior, and global ethics; and (d) research translation to legislation.

A Review of the Empirical Decision Making Literature: 1996-2003

(O'Fallon & Butterfield, 2005)

In 2005, O'Fallon and Butterfield completed an extensive review of ethical decision-making studies. The purpose of their study was to determine what advances in the field had been made since the initial studies of Ford and Richardson in 1994 and Loe, Ferrell, and Mansfield in 2000. The methodology included the following criteria in order to be considered for the review: (a) only literature published between 1996 and 2003 and (b) only literature that was part of the initial studies by Ford and Richardson (1994) and Loe et al. (2000). In addition, the studies must have included (c) one of the components of the Rest model for ethical decision making and (d) decision making in an actual or simulated business environment. While 212 articles were initially reviewed and referenced, only 174 were included in the study. The study was then compared against the studies of Ford and Richardson (1994) and Loe et al. (2000).

O'Fallon and Butterfield's findings revealed little difference cross-culturally or by gender compared with the older studies; yet, they did find an increase in value-orientation studies and an additional emphasis on education in research. Most notably as it relates to this study was that locus of control, a component of Trevino's person-situation interactionist model, had been studied more extensively than other ethical decision-making models. In fact, within Trevino's model (1986), internal locus of control had been positively associated with the ethical decision-making process, although there were only five studies to evaluate. O'Fallon and Butterfield's (2005) findings also raised

the same issue as previous researchers (i.e., Ardichvili & Jondle, 2009; Tenbrunsel & Smith-Crowe, 2008; Trevino, Weaver, & Reynolds, 2006) in that there was no clear theoretical grounding to provide accurate measurements and definitions.

Section Summary

These four studies illustrate a landscape that has grown exponentially in the past decade. All four articles confirmed the increase of empirically based studies and the decrease of normative-based research on ethics research. The majority of the 670 studies reviewed focused on individuals, specifically in the areas of gender, nationality, culture, ethical experience, affect, and values. Additionally, the researchers found that most of the researchers who had conducted these studies had based their decision-making research on the assumption that ethical behavior was primarily a cognitive process. This view has been challenged by findings in the areas of neurobiological ethical decision making (Tenbrunsel, Diekman, Wade-Benzoni, & Bazerman, 2009).

In terms of identified gaps, the four studies concur regarding the lack of an agreed-upon definition for the word *ethics*. Three of the four studies recommended that future studies move beyond Rest's model (1986). The research also showed that there was a scarcity of studies focusing on groups and organizations. This study addressed the issue of moving beyond Rest's model by incorporating organizational moderators from Trevino's person-situation interactionist model. The study also incorporated complex responsive processes into the study's theoretical framework to further elucidate the recursive nature of making ethical decisions within organizations.

Research Using Trevino's Person-Situation Interactionist Model

The purpose of my study was to explore the individual and organizational factors that influence a leader's ethics. Trevino was credited with advancing the field of empirical ethics studies by developing a model that built upon Kohlberg's cognitive moral development. Trevino's model included individual and situational moderators that impact the ethical decision-making process (Trevino, 1986). Thus, Trevino's model was examined through three lenses: (a) Kohlberg's theory of cognitive moral development; (b) individual moderators; and (c) situational moderators.

Kohlberg's Cognitive Moral Development

Kohlberg (1981) was the first to develop a cognitive moral development model focused on the moral reasoning of an individual's ethical decision making. Kohlberg's theory proposed that one's ethical decision-making capacity becomes greater as an individual matured. The model, stratified into three levels and six stages of cognition, has been validated over a 20-year period in several studies, rendering it one of the most validated models used in business ethics today (Trevino, Weaver, & Reynolds, 2006).

Kohlberg's longitudinal study spanned 20 years from 1955 to 1975, during which the participants were interviewed every 3 years. His participants comprised 50 young adolescent males, ages 10-16, who resided in a working-class Chicago suburb (Kohlberg, 1981). For his study, Kohlberg developed an interview instrument that included nine hypothetical moral dilemmas. Kohlberg's work resulted in the development of a moral judgment interview and standard issue scoring to assess the moral development level of an individual. Scoring results, quantified over several empirical tests, revealed correlations between adult moral judgment level and IQ ranges. These findings indicated

that moral judgment has a cognitive base; yet, it was not entirely based upon the application of one's mental development or maturity to moral questions (Trevino, 1986). These quantitative findings revealed that moral judgment develops through stages, and each stage implies qualitatively different levels of thinking on how to solve ethical dilemmas. Kohlberg's seminal work set the foundation for other social scientists to follow in the field of business ethics research (Trevino, 1986).

Kohlberg's critics suggested that his research was too narrowly focused on the young male adolescents on which he based his justice orientation toward moral development. Gilligan (1982) has argued that men and women perceive justice and moral reasoning differently. In a study she conducted in 1977, Gilligan interviewed women who were facing the decision of whether to have an abortion. Gilligan made the assertion that men seek individuality whereas women seek connectedness. She then opined that Kohlberg's moral judgment interview instrument was not a good measure of moral development for women because it downgrades women, and the instrument, in fact, has a male bias. As an alternative, Gilligan proposed an "ethics of care" orientation in place of Kohlberg's male-oriented foundation of justice orientation. This discourse between Gilligan, who was once a former associate of Kohlberg's, and Kohlberg represents one of the most contentious challenges to Kohlberg's research (Rest, 1986). Since Gilligan's 1977 assertion, the majority of studies has not supported her claim that men and women differ in their orientation toward ethics (McCabe, Ingram, & Dato-on, 2006; Rest, 1986; Trevino, 1992). However, some studies do support Gilligan's research (Haines & Leonard, 2007; White, 1992).

Tsujimoto and Emmons (1983) conducted a study that tested Kohlberg's moral judgment stages and Hogan's (1972) moral character dimensions. The objective of their study was to attempt to predict who would actually show up to volunteer for charity work. For this study, 49 college students completed a questionnaire, for which each student was paid $3.00. In the second part of the study, each student was encouraged to volunteer time for a charity event that was supposedly unrelated to the questionnaire. The results showed that Kohlberg's assessment was a better predictor of volunteering given that Hogan's instrument did not assess the participants' actual action, but simply their willingness to participate. Both assessments combined provided a better predictor of moral judgment than either of them separately. The researchers found that both moral judgment and ego strength variables were relevant in the prediction of moral conduct. Ego strength is one of the individual moderators in Trevino's person-situation interactionist model.

In 1991, Weber conducted a study to empirically test and adapt a method for measuring managers' moral reasoning based on Kohlberg's work. Weber's method proved both easier to use and more consistent among raters than Kohlberg's. Weber made the following adjustments to Kohlberg's model: (a) he changed the dilemmas to include business-relevant examples; (b) he added follow-up questions to better understand the moral reasoning; (c) he developed both an oral and a written test, the lack of which had previously been a criticism of Kohlberg's research methodology; and (d) he developed an easier scoring system than Kohlberg's standard issue scoring.

Weber selected two groups of 37 corporate managers for his study, all with the same demographics. The average participant in the sample was 40.3 years of age with 20

years of corporate work experience. One group was interviewed using the modified tools outlined above, and the second group was given Kohlberg's moral judgment interview through a written procedure rather than the usual interview protocol. The results supported the adaptation of Kohlberg's assessments and process in terms of the interview, scoring, and probing for in-depth answers. The results for the substitution of dilemmas revealed a statistical difference when comparing the managers' responses to the work dilemmas. This confirmed the earlier work of Freeman and Giebink (1979) and Weber (1990), which found managers' moral reasoning to be higher for the less familiar or less realistic dilemma. In addition, moral reasoning was not as high when managers responded to workplace ethical dilemmas as compared to hypothetical dilemmas.

Butterfield, Trevino, and Weaver (2000) conducted a study involving competitive intelligence practitioners, that is, individuals who work for a company for the purpose of gaining an understanding of a competitor's structure, products, and pricing. Competitive intelligence practitioners do their work through reviewing Web sites, in-store visits, and meeting with sales and marketing people from their competitors' companies. At the time of their study, it was a relatively new field without much structure and lacking guidelines for dealing with compliance and ethical issues. The goal of Butterfield et al.'s study was to understand the factors that influence whether an individual in an organization would recognize the moral nature of an ethical issue. The methodology involved a random sample of competitive intelligence practitioners in which each individual was mailed one of two scenarios to complete and return. The response rate of the 984 participants was 30%. The findings revealed that the magnitude of the issue and how it was framed had the strongest influence on recognizing or identifying the moral nature of an ethical issue.

Individual Moderators as Variables

Trevino (1986) defined individual moderators as those characteristics that are unique to the person and that influence the probability of an individual's ethical decision making in organizations. In a related study, Trevino and Youngblood (1990) addressed the question of whether ethical behavior was the product of bad leaders in a good and ethically based corporation or whether it was the product of good leaders in an unethical organizational environment. The study examined two variables that had an impact on ethical decision making: a person's cognitive moral development level and his or her locus of control. The study sample was comprised of 93 MBA students enrolled in a organizational behavior course. The methodology for the study included both an in-basket exercise and a post-questionnaire rating of a manager's probable response to 10 ethical scenarios. The results from this study supported other research that found that ethical decision making was based on three criteria: (a) a person's cognitive moral development level; (b) how much control a person felt he or she had over events; and (c) how organizations reward or punish its employees.

Terpstra, Ryes, and Bokor (1991) conducted a study to investigate potential predictors of ethical behavior, specifically, whether an individual might participate in insider trading. The researchers took an interactionist perspective and analyzed two sets of variables: the person and the situation. The two personal factors were locus of control and interpersonal competitiveness, and the three situational factors included legality, referent others, and potential profit. The study involved 132 male and 69 female upper-division graduate students. The students completed a research instrument during class periods, which consisted of eight vignettes, each depicting an ethical dilemma

regarding insider trading. They were also asked to complete two psychological scales measuring locus of control. The findings revealed that the students who were highly competitive and had an external locus of control were more likely to engage in insider trading because they were more likely to take their cues from the outside environment. Clearly identified illegal activities seemed to restrain some from participating in insider trading, especially if only a few others were participating. The hypothesis of referent others confirmed previous research on the topic, that is, that peers had a stronger influence than managers or outsiders on an individual's ethical decisions (Trevino, 1986; Zey-Ferrell & Ferrell, 1982; Zey-Ferrell, Weaver, & Ferrell, 1979). The issue of personal gain was also a factor if others were engaged in the activity or the legality of the situation was ambiguous and the potential gain was significant.

Haines and Leonard (2007) conducted a study to test Trevino's person-situation interactionist model in an information technology setting. The purpose of their study was to determine the extent to which an individual's moral intent was influenced by his or her moral judgment and personal feelings of moral obligation, which might determine whether an individual would exhibit an obligation to act. The sample consisted of 167 college juniors and seniors. The methodology included a combination of ethics-based online scenarios and a follow-up discussion in a live chat room. Haines and Leonard's findings showed those participants with low ego strength generally felt more of an obligation to act. As expected, individuals with high ego strength generally did not shift in their scores between pre- and postinteractions, while those with low ego strength did. In terms of the findings on locus of control, individuals with both high and low ego strength showed almost no difference prior to the chat room discussion. However, after

the chat room discussions, individuals with low ego strength were more likely to be swayed by the discussion, even to the point of changing their ethical decisions. Conversely, those with high ego strength held onto their beliefs even after the chat room discussion. After interacting with others in the chat room, the individuals with internal locus of control had a stronger relationship between judgment and intent. Of the individual characteristics examined, gender had the most profound effect on ethical decision making in that males and females differed markedly in both their beliefs and attitudes and their process of ethical decision making. Women's moral beliefs were generally unwavering when determining their behavioral intent, such that once women had a moral judgment about the situation, that judgment became the driver for their behavior.

Trevino, Weaver, and Brown (2008) examined whether a leader's position within the hierarchy contributed to different role and social identities within an organization. They sampled 371 employees from various industries for the study. Questionnaires were sent to employees' homes with a response rate of approximately 25%. The survey findings reinforced the perception that senior leaders tend to be out of touch with their employees and that senior leaders had a more favorable impression of their company's ethics than-rank-and file employees. The study also revealed that leaders believe that their employees would report ethics violations as well as seek out advice about ethical issues within the organization.

In their research, Vega, Golden, and Dechant (2004) found that most managers live by a personal code of ethical conduct, which included their beliefs about integrity, taking care of others, and honoring commitments. Vega et al.'s study was conducted by

an Academy of Management executive advisory panel, and within a group interview

format, they interviewed 111 executive-level managers. These findings revealed that

approximately 70% of the managers bend the rules. The most cited reasons were that (a)

everyone did it; (b) it was a judgment call that needed to be made by the executive; or

that (c) the rules were faulty. Further, the results showed that 74% of the executives in the

study felt it was okay to bend the rules if it would improve company performance.

Executives also cited reasons that would prevent them from bending the rules; the top

three reasons were (a) not wanting to jeopardize their job; (b) not wanting to damage

their personal reputation; and (c) not wanting to violate their personal code of conduct.

The researchers found that these same executives felt they lived by a code of ethics and

that bending the rules to keep the business successful left them conflicted regarding

business ethics.

Another aspect of the individual moderators was the uniqueness of each person's

background and early socialization, and these also influence one's ethical decision

making. Nonis and Swift (2001) conducted a study to examine the relationship between

participant's values and ethical decision making. This study contrasted with other studies,

which typically focused on one value at a time. Nonis and Swift used a scenario

questionnaire (based on the questionnaire that Dornoff & Tankersley [1975] had used in

their study) to present marketing problems, and they asked participants to answer the

questions using a 5-point Likert scale. This study was completed by 69 undergraduate

junior and senior students at a university. The results showed that values do play a role

when an individual was considering making an unethical decision. Nonis and Swift's

research also supported other research (Rokeach & Ball-Rokeach, 1989) that had shown

that values are hierarchically organized based on the order of their importance to the individual.

Reynolds (2006) conducted a survey to determine the extent to which a manager's moral awareness was affected by predispositions, preferences, formalism, and utilitarian ideals. Reynolds's participants included 62 managers who worked in various industries who were part of an MBA program at a Midwestern university. The results showed that moral awareness, in fact, was positively correlated with moral intensity, especially when the presence of harm and violation of an ethical norm was at play.

Fritzsche and Oz (2007) conducted a study with 174 working professionals attending a graduate school in the eastern part of the United States. The purpose of their study was to examine the relationship between an individual's values and the ethical decision making in an organization as a whole. The researchers used a modified version of Schwartz's value instrument (1994; which was created by Stern et al. [1998]), using ethical dilemma vignettes that measured values on a 7-point scale. Fritzsche and Oz also found that values play a role in ethical decision making and that internally driven managers were less likely to be persuaded by others when making business decisions, a similar finding to Haines and Leonard's study (2007) of ego strength as a measure of ethical integrity.

Situational Moderators as Variables

Moral behavior occurs through interpersonal interactions. However, there are also moderators that influence ethical decision making within an organization. The study by Trevino and Youngblood (1990) generated two follow-up articles that looked at the same issue through different lenses. One study by Ashkanasy et al. (2006) essentially asked the

same question that Trevino and Youngblood had asked: Was the problem unethical leaders or corrupt organizations? While Trevino and Youngblood's survey had focused on locus of control and ego strength, Ashkanasy et al.'s 2006 study 16 years later focused on reward systems and the messages they send to employees as part of their immediate job context. The purpose was to test the effect of personal characteristics, a concept entitled, *belief in a just world*. The sample for the study consisted of 167 participants (117 males and 50 females). The methodology for the study included (a) Rest's Defining Issues Test; (b) an 11-item "belief in a just world" instrument; and (c) an in-basket exercise that focused on rewards and punishments. This study specifically investigated whether personal characteristics (i.e., cognitive moral development and belief in a just world) interact with each other and whether they also interact with perceptions of the organizational reward system. Overall, the findings revealed that exposure to information that showed that management had overlooked unethical behavior influenced others to also behave unethically. This study also found that managers with low cognitive moral development who considered themselves to be pragmatic were more apt to make unethical decisions when they believed the environment was set to undermine them.

A field survey study by Trevino, Butterfield, and McCabe (1998) explored whether corporate climate and culture are the same generally or whether they present different issues. The researchers defined *ethical climate* as primarily attitudinal and *ethical culture* as encompassing the organization's formal and informal control systems that influence behavior (Trevino et al., 1998). The participant population included 1,200 alumni from two private colleges (600 from each college) located in northeastern United States. The methodology for the study included a survey questionnaire that measured

personal and organizational characteristics, the ethical climate and culture of the participant's workplace, as well as the participants' attitudes and behaviors. The response rate was 27%. The findings revealed that two ethical culture-based dimensions, overall ethical environment and obedience to authority, were the best overall predictors of unethical conduct. A climate focused on self-interest was also associated with unethical conduct. However, the overall findings revealed that the ethical context of the organization was positively associated with employee attitudes and behaviors.

VanSandt, Shepard, and Zappe's study (2006) also focused on organizational influences on an individual's behavior, and they looked at seven different organizations across different industries. The study explored the connection between organizational influences and individual moral awareness and subsequent ethical choices by measuring the relationship between ethical work climate and individual moral awareness. A total of 196 people participated in the survey (124 men and 70 women; 2 did not report their gender). The participants were asked to watch a movie on corporate takeovers and identify the relevant issues. The participants then completed an ethical work climate questionnaire. VanSandt et al.'s findings showed that ethical work climate predicted individual moral awareness, and that social factors could, in fact, supersede an individual's moral awareness in a work setting.

Another key area within the context of organizational climate was referent others. In her research, Trevino (1986) found that referent others significantly influence ethical decision making in organizations. Her findings were supported by Zey-Ferrell, Weaver, and Ferrell (1979), who also studied marketing managers. Zey-Ferrell et al.'s objective was to determine the causes of unethical behavior among marketing managers by testing

the effects of perceived differential association and differential opportunity. Their study involved 280 marketing managers who completed Newstrom and Ruch's 17-item ethics questionnaire. Their findings indicated that peers had the greatest influence on a marketing manager's unethical behavior, even stronger than the manager's personal beliefs or his or her supervisor's beliefs.

Three years later, Zey-Ferrell and Ferrell (1982) conducted a follow-up study that examined role-set configuration as a predictor of ethical or unethical behavior. The participants consisted of 89 corporate clients and 136 agency advertisers. The study used a revised Newstrom and Ruch questionnaire that included seven types of predictors of unethical behavior. The corporate clients found the referent others in their senior management team, whereas the ad agency advertisers were more influenced by their peers, which was a similar finding to the 1979 study with respect to the marketing managers in that study.

The impact of Trevino's situational moderator *obedience to authority* on ethical decisions was explored in a 1993 study conducted by Victor, Trevino, and Shapiro. These researchers studied fast food restaurants to determine the context in which people would report theft among their peers. The population consisted of 360 employees in 18 corporate-owned fast food restaurants, and the survey response rate was 46%. The findings indicated that the manager created the environment wherein the employees would feel comfortable reporting any misconduct of their peers.

Section Summary

To summarize the findings, research has consistently supported Trevino's person-situation interactionist model (1986). The research validated a relationship

between an individual's moral development stage and the impact of individual

moderators on an individual's ethical decision making (Butterfield et al., 2000; Terpstra

et al., 1991; Trevino & Youngblood, 1990). However, the research on situational

moderators, while supporting Trevino's findings, was not as comprehensive as the

research on individual moderators. Additionally, the research on Kohlberg's (1981)

cognitive moral development model, which was an integral part of Trevino's model, had

demonstrated the validity of a relationship between moral judgment level and behavior

(Trevino, 1986). Rest's Defining Issues Test had further confirmed the validity of this

relationship in over 500 research studies by building and expanding upon Kohlberg's

research (Rest, 1986). This study also expanded upon Trevino's linear model and

examined a nonlinear model that incorporated personal qualities that Trevino called

individual moderators, organizational qualities that Trevino called situational moderators,

plus the informal interactions that occur among individuals within an organization.

Research Using Complex Responsive Processes and Emergence

Both Stacey (2001) and Griffin (2002) suggested that ethics emerges from social

interaction with others and that individuals inform themselves, each other, and the larger

organization. That interaction can also lead to patterns in the environment, and it can

create contexts that shape behavior. This phenomenon was called *emergence*. The

following studies explored those phenomena.

Bloch and Nordstrom (2007) explored a theoretical model and used preliminary

data from Nordstrom's research entitled "Physical Therapist Students as Moral Agents

During Clinical Experiences" (2008*)*. The study's methodology included directed

journaling, semi-structured interviews, and focus groups. The initial findings indicated

that, while the interns had differences in their approach, beliefs, and struggles with their patients, they also had some commonalities in their approach to ethical reasoning. Their ethical decisions and actions were based primarily on their own internal thoughts, reflection on the situations, and interactions with their clinical supervisors. Bloch and Nordstrom noted, "The general lack of interaction and input from their clinical instructors observed thus far can be perceived as a 'response' that influences complex responsive processes in which these interns are engaged" (2007, p. 23). The significance of the lack of response on ethical issues from the clinical instructors may signify that learning clinical skills were deemed more important to the clinical instructors than addressing ethical issues.

In a later paper, Nordstrom (2008) reported on the full study of physical therapists as moral agents during their clinical internships. The expanded qualitative study included five students and their four instructors. Nordstrom continued with the same data collection method used in his previous study (interviews, participants journals, and a focus group after the conclusion of the internships). The findings revealed that all of the students combined inductive reasoning with deductive reasoning that was based on moral principles, ethical duties, and moral values. Their identity of being moral agents was constructed through the complex responsive processes of relating to their patients. This was especially true when the participants lacked moral courage around an ethical dilemma.

Stacey (2001) found that interactions between two or more people wherein identity and meaning are being created in the present are, in fact, much more than mere verbal exchanges. That is, verbal interactions also include gestures, responses, and

symbols that establish meaning for both the individual and the group. One of the key symbols was emotions, which incorporates emotions and physical reactions. Of note, several studies had found that the emotions had a significant bearing on ethical decision making in the work environment. In this vein, Lurie (2004) wrote that ethics involve more than people simply making decisions based on a set of known facts; but rather, decision making encompasses both factual and emotional consideration.

Schwepker, Ferrell, and Ingram (1997) suggested that stress occurs when individual and organizational characteristics do not match, especially regarding the resolution of ethical issues. The researchers examined the role conflicts of salespeople who were with business-to-business companies across 96 firms in the southern region of the United States. The researchers were examining both ethical climate and ethical conflict, using a questionnaire that contained three scenarios; each scenario had six statements asking participants to rate the degree of similarity between themselves and their sales managers. A total of 152 questionnaires were received, representing a 48.4% response rate. The findings showed that an organization's ethical climate had a direct effect on the ethical decision making within sales organizations. Schwepker et al. (1997) submitted that conflict occurred when the individual's ethical values differed from top management. This situation resulted in stress for the individuals, which manifested as tension and frustration. Three other studies (Ferris et al., 1996; Gotsis & Kortezi, 2010; Poon, 2003) also supported these findings; that is, that stress and anxiety are more prevalent in organizations where negative politics existed.

Davis and Rothstein (2006) reviewed 12 studies that investigated the relationship between employee satisfaction and manager integrity. Overall, their findings showed that

when managers demonstrated greater behavioral integrity, employees were more satisfied (a) with their job; (b) with the organization's leadership; and (c) they were more committed to the organization. One significant finding was that the behavioral integrity of the employee's immediate supervisor had a stronger influence on an employee's attitudes than the behavioral integrity of top management. Nordstrom (2008) asserted that ethical requirements were based on the perspective of complex responsive processes, responsibility for one's own actions, and being responsible to another person.

In his study, Bella (2006) analyzed the actions of a Russian scientist, Dr Kanatjan Alibekov, the chief of technological development at a biotechnology lab whose purpose was to build and test biological weapons. The anecdote of the Russian scientist was presented in Chapter I as an extreme example of an ethical dilemma. The specific goal of Bella's case study was to apply the concept of emergence to the study of malevolence. Bella examined Dr. Alibekov's actions in the context of reinforcing patterns within his work environment that supported his heinous behavior. Bella concluded that humans are context-sensitive beings that typically do not act out of context unless reasons are found for doing so. In Alibekov's case, his actions were reinforced by praise for his competence and a job well done within the emergent system. Additionally, Alibekov was rewarded with honors, promotions, and other opportunities that justified for him his abhorrent acts of destruction on living primates. The organizational context provided the foundation and support Alibekov needed to believe his actions was not only justified, but they were the right things to do. Bella stated, "In the absence of independent checks, mutually reinforcing patterns of competent behaviors emerged at multiple levels to form the coherent whole" (p. 112).

In a qualitative study within the confines of an innercity church, Plowman, Baker,

Beck, Kulkarni, Solanksy, and Travis (2007) found that emergence occurred in a

complex system. In this case study, a group of young people within the church—who did

not even attend the church services regularly—suggested that the church congregation

offer food to the homeless in the community, which then occurred. For this case study,

the researchers interviewed 16 church leaders and 6 downtown community

representatives. Additionally, the researchers reviewed 34 secondary sources of

information from newspapers and observed the board of director's meetings for the

church on two separate occasions. The researchers concluded that a small change in

variables in one part of the system had, in fact, brought about changes to another part of

the system. While not specifically focused on ethical decision making, this study does

reveal how a small entity can bring about radical change through unintended actions.

That is, both the focus of the church's community service and its membership changed as

a result of a recommendation made by a group of young people. The researchers'

findings showed that the leadership of emergence can come from any interaction of any

of its members, not just identified leaders, and that leadership was not about a role in an

organization, but rather, leadership behaviors can come from anyone.

Section Summary

There was limited empirical research on complex responsive processes and ethics

in corporate or organizational environments. The six studies that were found revealed

that, to a significant degree, ethical behavior was based on interactions with others, and

that seemingly small changes may result in a marked difference in the environment,

especially if those changes become the accepted norm. In the first two case studies

(Bloch & Nordstrom, 2007; Stacey, 2001), the participants' combined both inductive and deductive reasoning based on their moral principles, professional standards, and values to resolve ethical issues. In the next two studies (Davis & Rothstein, 2006; Schwepker et al., 1997), the manager and the environment influenced the ethical behavior of the individual employees. Finally, the last two studies (Bella, 2006; Plowman et al., 2007) showed that a new pattern of behavior for the environment emerged based on the actions of a few individuals. While abundant research exists on the theory of complex responsive processes and emergence, there was limited research on ethical decision making and complex responsive processes, especially in an organizational setting. Hence, this current research project was designed to expand upon existing research to include complex responsive processes as a part of the theoretical framework.

<div align="center">Research Studies on Ethics in Government Municipalities</div>

The purpose of this study was to explore the individual and organizational factors that influence a leader's ethical decisions in a municipal government. Given the unique challenges government municipalities confront, this section highlights empirical studies on ethics that focused on midlevel managers, supervisors, and leaders within that environment.

The most relevant study was a qualitative study conducted by Gortner (1991) that was focused on the issue of public administration ethics theory and how it applied to the lives of midlevel managers. The study comprised over 40 managers at the GS15 level or higher and retired employees who held similar positions at the Federal Service. The study specifically focused on three research questions: (a) How do midlevel civil servants recognize, analyze, and resolve ethical problems? (b) What is unique about the ethical

environment? and (c) What are the recurring themes that public servants face? The critical incident approach used structured interviews. The study yielded five themes that were all related to the competing values the participants faced: (a) reflective self-searching by employees for the right answers; (b) constraints by the law or policy in making their decisions; (c) a common desire to serve the public interest; (d) a belief that they were making these decisions on their own; and (e) a desire to apply and comply with the professional standards of public servants.

Gortner (1991) also addressed one of the foundational issues in the field: the lack of consensus with regard to the definition of ethical dilemma. In his study, Gortner asked all of his participants for their definition and then synthesized the data and came up with this definition: "An ethical dilemma is a situation where two or more competing values are important and in conflict. If you serve one value you cannot serve another, or you must deny or disserve one or more values in order to maintain one or more of the others" (p.14).

Menzel's (1995) study explored the ethical environment of the public manager role in Florida and Texas. This study focused on three research questions: (a) To what extent did local government managers perceive themselves working in an ethical organization and community? (b) What might explain why the local government manager adopted an ethical view of their workplace and communities? and (c) How has a manager's ethical self-esteem influenced how he or she assessed the ethical environment. Over 876 surveys were sent to two local government management organizations in both Florida and Texas. Upon analysis of the results, the researcher decided to focus on only local city managers, deputy city managers, and assistant city managers. The response rate

was lowered to 281 after the respondents from the other city positions had been removed from the participant population. The results of Menzel's study indicated that local government managers perceived more wrongdoing among (a) people of greater physical distance; (b) elected officials versus appointed officials; and (c) public employees versus high-ranking public managers. In addition, over 50% of the participants reported that they had observed wrongdoing within the previous 12 months.

Bowman and Williams (1997) conducted a study to compare the perceptions of public managers with respect to their code of ethics in 1989 with those obtained in 1996 by a survey conducted by the American Society for Public Administration (ASPA). The researchers sent a multiple-choice survey to 750 public administrators in the spring of 1996 and received 442 responses. They found that the 1996 respondent profile was similar to the 1989 respondent profile. The study showed that the public administration believed that (a) the ASPA code of ethics was beneficial in thinking about ethics; (b) there was a need for continued emphasis on ethics in their organization; (c) government should set the ethical standard and be a role model for others; and (d) the role and purpose of good leadership was to encourage honorable leadership; and (e) a code of ethics was crucial in fostering integrity in agencies.

A decade later, the Ethics Resource Center (Ethics Resource Center; 2007b) surveyed 774 government employees from June through August 2007 using their National Government Ethics Survey. This was the first time that the ERC had conducted a survey with the public sector, so comparison data were not available as with other ERC studies. The purpose of this study was (a) to reach a better understanding of the current behaviors; (b) to identify the logic and rationale behind those behaviors; as well as (c) to

identify the ethical risks and measure the effectiveness of the ethics program. The overall results with relation to local government showed that 63% of government employees had witnessed at least one form of misconduct in the previous 12 months; the averages of the national and state government employees were slightly lower. Of those employees (63%) who had observed misconduct, 75% said that they had, in fact, observed more than one type of misconduct. The types of behavior that were most frequently noted were abusive behavior and putting one's interests ahead of the organization. In addition, this survey showed that top management was unlikely to be aware of the problem, primarily because one third of local government employees chose not to report the misconduct to their superiors. One explanation suggested by the participants' responses was that the pressure to compromise standards was 38% higher in these organizations than the U.S. average. Overall, local governments showed the least amount of progress toward building an ethical culture with only 6% of the participants reporting that there were embedded ethical values that discouraged misconduct.

Section Summary

There was limited empirical research on ethical decision making specifically relating to public servants at the local government level. The studies reviewed show that, while public employees desired an ethical culture and to be role models for the rest of organization, they were beleaguered by misconduct and a culture of fear and retribution. Their misconduct was likely due, in part, to the absence of an ethical culture, because many of the key components of an ethical culture, such as code of ethics, hotlines, and training programs, in fact, are limited in local governments. Clearly, more research was

needed to further analyze the local level of government to specifically understand the ethical issues that local government leaders face.

Conclusions of the Review of the Literature

There has been a marked increase in the literature on the effects of individual moderators on ethical decision-making within a business context. However, there are several gaps that need to be addressed in order to legitimize the field of ethics within a business environment. The most urgent gaps are the need to reach a consensus on the definition of ethics and the need to expand upon and further develop current theories.

The literature on Trevino's person-situation interactionist model (1986) clearly demonstrates that factors beyond cognitive moral development influence an individual leader's ethical decision making, both at the individual and organizational level. However, the literature and studies, while extensive on the topic, show a singular and linear nature to ethical decision making. With her model, Trevino's has theorized that an individual who encounters an ethical dilemma considers the resolution of that dilemma through three primary filters: (a) his or her cognitive moral development level; (b) individual moderators; and (c) situational moderators. While Trevino's model showed inputs and outputs connecting those factors, her model did not indicate how local interpersonal interactions may affect one of the individual or organizational factors. The model showed *what* or *who* affects the individual's ethical decision making; but it does not show *how* those effects occur.

The literature on complex responsive processes and emergence revealed how individuals influence each other in the moment and in future decisions. This literature, though limited in scope, established the circular pattern of interactions that, while not part

of a grand design, still had consequences that affected the larger environment, both at the time of the decision and afterward. This present study investigated some of the gaps that were identified in this literature review.

The empirical studies outlined in this literature review demonstrated the value in studying specific, isolated moderators to understand a leader's ethical decision making; yet, the past studies do not provide the complete picture, which a number of the researchers identified as the first gap in ethics empirical studies. The heart of this study was to determine the extent to which a leader may describe an ethical dilemma in terms of not just one but several moderators (e.g., organizational policies and practices, reinforcement, pressures, and reward systems) that may impact his or her ethical decision making.

The second gap identified in the literature in ethics empirical studies was related to the inadequate number of studies that brought other scientific fields into the study. For instance, I was unable to find any studies that included both organizational behavior and complexity science. This study then forges a new direction by linking an empirically based model of ethical decision making to complexity science.

The third gap identified in the literature was the fact that approximately 40% of all behavioral-based studies used a student population rather than a representative sample of business professionals. The main issue here was that students' answers to ethical dilemmas are based on hypothetical and possibly idealized responses, which may lead to skewed results, whereas the intent of these studies was to analyze the actual behavior of business professionals for whom this study was being generalized. Therefore, in the

study, I chose to recruit business leaders to participate who had been in a leadership role

for at least 5 years and had experienced a recent ethical business dilemma.

Yet another gap in the literature was the lack of empirical studies on ethical

decision making in local governments in the United States. While some studies exist on

local governments, they are focused on other issues. The studies within the United States

targeted the state or national level and generally dealt with socially negotiated issues,

such as health care or political reform. Therefore, in this study, I chose to focus on local

government in an attempt to address this gap.

The final gap identified was the limited number of qualitative studies on

ethical decision making. The studies found in the search of the literature were

primarily quantitative in nature, using questionnaires, surveys, in-basket activities,

or case scenarios with multiple-choice or single-word responses that focused on

numeric findings. While quantitative studies provide data that may be generalized

to a larger population, a qualitative process allows for a richer exploration of a

participant's experience. The opportunity to better understand the issues involved in

the ethical decision-making process may help provide direction on how to educate

and prepare future leaders. This study explored the organizational factors and

individual interactions that influence a leader's ethics while also addressing the five

gaps identified above.

CHAPTER III: METHODOLOGY

Restatement of the Purpose

The purpose of this study was to explore the recursive nature of the causes and effects of ethical decision making within an organization. Specifically, the purpose was to examine the relationships among the following: (a) the ways in which leaders experienced competing pressures between ethical dilemmas arising from their espoused ethics and their perceptions of their organization's stated or unstated policies and practices; (b) the ways in which leaders' interactions with others affected their resolution of ethical dilemmas, and (c) the ways in which leaders' resolutions of ethical dilemmas then affected the stated or unstated policies and practices of their organizations as well as future interactions among others.

Research Design

This study used a qualitative approach to better understand the extent to which leaders experience competing pressures between their espoused ethics and their organization's policies and practices. The qualitative approach, as defined by Creswell (2009), "is a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem" (p. 4). A qualitative approach was appropriate for this study because it allowed for an understanding of the factors behind the participants' actions and words. This approach also allowed for a social constructivist perspective, relying upon the participant's view of the situation being studied (Creswell, 2009).

Given the subjective nature of ethical decision making, a phenomenological strategy of inquiry was used to explore, from the participants' own perspectives, their understanding of the events that led to or created incongruence or tension. This approach

also focuses on "exploring how human beings make sense of experience and transform experience into consciousness, both individually and as shared meaning" (Patton, 2002, p. 104). Overall, this approach was an "attempt to understand the meaning of events and interactions to ordinary people in particular situations" (Bogdan & Biklen, 2007, p. 25). This strategy of inquiry was designed to focus on the participants drawing meaning from their own ethical dilemmas in the fulfillment of their role within the organization.

In the original proposal, I had anticipated interviewing five to seven participants; I interviewed seven. All participants met the qualifying criteria and worked within the same municipal government. The participants consisted of a group of leaders who worked in various roles representing seven of the city's nine departments that report to the city manager. All the participants in this study were at will employees; that is, they could be terminated at any time without just cause.

The research design consisted of three parts: (a) a qualifying questionnaire for each potential participant; (b) an in-person interview with participants to explore their perceptions on their own ethical dilemmas through the lens of Trevino's person-situation interactionist model (1986) and complex responsive processes (Stacey, 2001); and (c) a follow-up discussion with participants to confirm the accuracy of their comments and solicit any additional feedback.

<center>Site and Government Agency</center>

The study took place in a medium-sized municipal city government near a major metropolitan area in the state of California. The community served included residential, industrial, and commercial areas in a largely urban environment of less than 20 square miles.

The population of the city was approximately 75,000 within the city limits, and the median age of the population was 35 years (U.S. Census, 2008). Approximately 70% of the city population was White; the other 30% of the population, in descending order of representation, was Hispanic, Asian, Black, and "other," as identified in the 2000 Census. The ethnic percentages correlated well to the overall population in the state of California, with the exception of the Black population, which was considerably lower than the state norm. A language other than English was spoken by over 39% of the population, which also mirrored the state average. Over 35% of the population had a bachelor's degree or higher level of education, which was approximately 10% higher than the state average. The median income was $67,000; 13% of the household incomes were over $150,000 annually, a 29% increase over the state average.

The city was designated a full-service city in that funds from local taxes, the general fund, and revenue streams pay for city services. Typically, full-service cities fund parks and recreation, libraries, and other ancillary programs in addition to basic services (e.g., public safety, street and sewer maintenances). Full-service cities also offer retirement benefits for their employees, which are funded by the city and managed through the California Public Employees' Retirement System (CalPERS). While such services provide a richer experience for employees, these benefits can also create an additional financial cost, and hence burden, to the city's budget. For example, in the year 2010, the city's contribution was over 15% toward the employees' retirement outside of safety, and for employees involved in safety (fire and police), it was almost 30% with an expectation of a 2% increase in 2011.

This city's revenue came from two key areas: property taxes, which make up approximately 40% of the revenue, and sales taxes, which provide an additional 22%. Due in large part to the recession over the past few years, the California unemployment rate in March 2011 was 12.4%. This was the highest it had been since 1990, with the exception of January 2010, when it was 13.2% (U.S. Department of Labor Statistics, 2010).

The city's adopted 2010-2011 operating budget exceeded $128 million, which reflects an 8% decrease from the previous budget. The decrease in budget was a direct reflection of job loss, which had a bearing on the city's key revenue sources.

The city's workforce in the 2010 budget had been reduced from 561 employees to 521 full-time equivalent employee hours across all departments. The budget reduction had resulted in some departments having employee layoffs, hours reduced, or schedules changed. Additionally, the reduction in budget resulted in some departments identifying concerns about public safety issues in the community. The adopted budget 2010-2012 reflected budget cuts that resulted in reduced or eliminated services to youth and potentially would reduce services impacting public safety.

This city's municipal government was one of 119 charter cities in California. A charter city was described by the California Leagues of Cities (2010) as having full control of its municipal affairs, suited to the needs of the local environment. Municipal affairs are defined within the California State Constitution by four key categories: (a) regulation of city police force; (b) sub government in any or all parts of the city; (c) conduct of city elections; and (d) the manner in which municipal officers are elected (California Constitution, 2010).

This was important to this study because the organizational structure defines the organizational hierarchy and identifies accountabilities and power relationships within the structure. In the charter structure, it was the city manager, appointed by the city council, who supervises the city government's daily operations, prepares and presents the budget, and was the city's face to the public. The city manager position has often been compared to the CEO of a business organization (International City County Management Association, 2008). The city manager works at the discretion of the city council and was ultimately answerable to the city council. Within the study's city council, the constituency elects seven council members, and the city council appoints one member to serve as the mayor for a 2-year term. Additionally, the city council appoints the city clerk, the city attorney, and the city manager.

The city manager oversees the day-to-day operations of the city; the city manager is also the administrative head of the city, and in this capability, supervises nine direct reports, each representing a major department within the city structure as of June 2010: to wit, the deputy city manager; the police department; the fire department; public works; planning, housing, and economic development; building, infrastructure and transportation; human resources; parks, recreation and community services; and finance.

Participants

Recruitment of the Participant Pool

Given the highly confidential nature of an organization's personnel information, prior to site selection, I contacted the site's Human Resources Director to determine whether any potential participants would meet the minimum study criteria during the proposal phase of this study. The minimum qualifications for participation in the study

were that the participant (a) had been at a management level position within an organization for a minimum of 5 years; (b) had two or more direct reports; and (c) had responsibility for a line of business or for leading a functional unit with a significant scope of responsibilities. Once I received approval from the IRBPHS at the University of San Francisco, I then contacted the Human Resources Director at the site again to solicit his assistance in obtaining a complete list of individuals who would meet the minimum qualifications outlined in the study.

The list totaled 50 employees and included all the employees from across all departments in the organization who met the minimum criteria for the study. I then reviewed the list of qualified potential participants and focused on a representation of employees across various departments and various levels within the organization. Next, I telephoned the individuals on the list using the phone script (Appendix A) and qualifying questionnaire to screen each individual (Appendix B). I then identified the qualifying individuals who would be selected for the study. I set a date and time to interview each candidate and then sent a confirming e-mail to him or her. The qualifications for the study were then confirmed during the interview, and a follow-up e-mail was sent to confirm their willingness to participate in the study. The first seven individuals I contacted agreed to participate in the study.

Study Participants

Rationale and Qualifications

Seven leaders were interviewed for this study. The term *leader* was used to describe the participants in this study. It was designed to extend beyond a

particular level or title that may be used in some organizational settings and focused on individuals in leadership roles.

The rationale for selecting leaders at the management level was based on two major observations: (a) While ethical dilemmas may be encountered at any level, I have learned through personal experience that these midlevel professionals face exceptional challenges; and (b) these challenges are due, in large part, to the need of these midlevel professionals to manage expectations of superiors and subordinates and balance both while also managing the business's bottom-line results.

The participants met the following qualifications: They (a) had been at a management-level position within an organization for a minimum of 5 years; (b) had two or more direct reports; and (c) had responsibility for a line of business or for leading a functional unit with a significant scope of responsibilities. The rationale behind the above criteria was to select leaders who had frequently confronted decisions that may have had a significant impact on employees and business results.

The seven leaders in the study included four females and three males, and their positions extended across seven of the nine different departments that the city manager supervises. The overall average tenure for the leaders was over 22 years, with a range of 11 to 36 years. There was no difference between the males and the females in terms of average tenure.

Organizational Structure

Given the focus of this study was within a single organization, the internal hierarchy and relationships were a factor in the creation and resolution of ethical dilemmas. This section details the internal organization in terms of hierarchy, responsibilities, employee groups involved in the study, and working relationships.

The organizational levels of the participants varied based on their reporting relationships. The hierarchy was based on the number of levels removed from the city manager or top level in the organization. For example, an individual who reported to the city manager was considered an L1, that is, one level removed from that role. Three participants reported directly to the city manager, and hence, were identified as L1s; three were at the L2 level (i.e., reported to someone at an L1 level). One participant was at the L3 level, three levels removed from the city manager. Figure 6 provides a sample vertical slice of the organizational structure by level.

City Manager			
Level 1	Gloria (Administrative)	Peter (Administrative)	Ellen (Public Facing)
Level 2	Henry (Public Safety)	Mary (Administrative)	Michelle (Public Facing)
Level 3	Steve (Public Safety)		
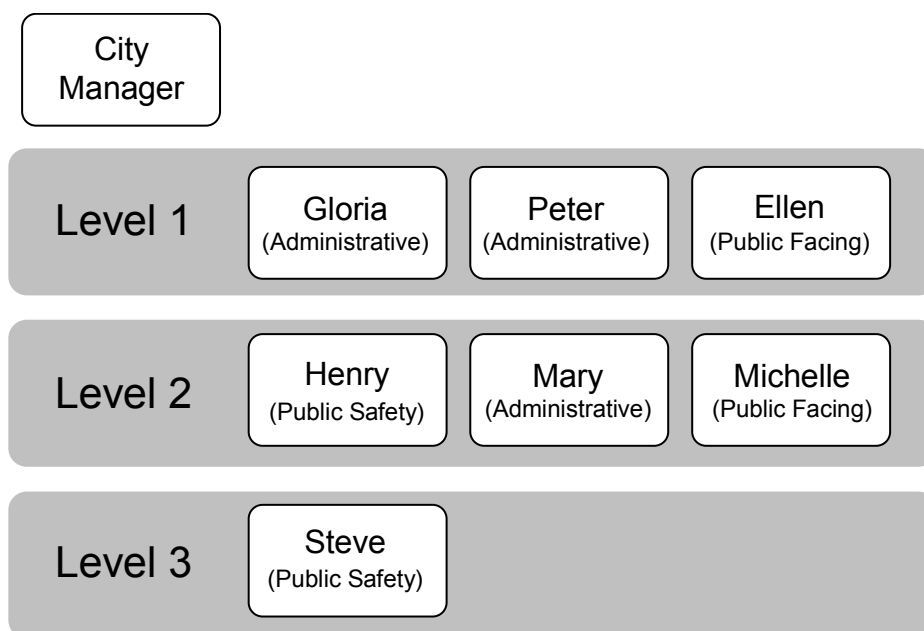
Figure 6. Participant level chart.

In terms of working relationships, the participants in this study had varying levels of interactions with different stakeholders. Only four of the seven participants had direct citizen contact as a regular part of their assigned responsibilities. The other participants had some interaction with citizens; however, it was not considered a regular part of their assigned duties. These participants worked primarily with other employees. Five of the seven participants had frequent interactions with the city manager and city council, regardless of their level in the organization, as it was related to their role either on a special task force or within an organization. Three participants were involved with outside professional organizations, which also created a need for interaction with the city council or city manager.

I categorized the participants' department focus as follows:

Administrative. These participants' day-to-day responsibilities are focused on the internal functions of city government, and the client group was comprised primarily of employees.

Public facing. These participants directly deal with the public in various capacities on a day-to-day basis.

Public safety. The primary focus of these participants was to protect the citizens and the public.

Table 1 summarizes the demographic data gathered on each participant. It also includes their responses to the questions identified as part of the qualifying criteria.

Table 1

Participant Demographic Data

Participant	Observed Ethnicity & Gender	Years in Management Level Position	Level in Organization	Number of Direct Reports	Department Focus: Administrative Public Safety Public Facing
Mary	Black (F)	10	L2	3	Administrative
Gloria	Latino (F)	11	L1	3	Administrative
Michelle	Black (F)	12	L2	13	Public Facing
Peter	White (M)	17	L1	5	Administrative
Henry	Latino (M)	5	L2	19	Public Safety
Steve	White (M)	10	L3	21	Public Safety
Ellen	White (F)	5	L1	5	Public Facing

Brief Description of Each Individual Participant

The demographic data above provides only limited information about the participants. It does not provide the richness of each participant's background, nor does it describe contributing factors that may have influenced their resolution of ethical dilemmas or that may have otherwise influenced their background on the environment. This section provides that additional background on the participants and was not specific to any research question. This information includes their tenure, work background, organizational level, role, and responsibilities, and then a brief description of how they made managerial decisions and decisions that are not straightforward, but rather, fall within a gray area.

Mary

Mary's interview took place during work hours in her private office at city hall—an interior office with no windows that was stacked high with papers and what appeared to be employee files. Given the confidential nature of the work she does for the city, Mary's office had enclosed walls and a solid door, ensuring privacy for employees while discussing sensitive employment issues.

Mary had worked for the city for over 20 years in five different departments. She started her career in an administrative role supporting a department that was part of the infrastructure of the city. One of her early roles, which she took great pride in, was working with both labor and management. She explained to me that she had been in a unique position in that both management and labor reached consensus on hiring her. She later took a role investigating discrimination cases. When she was asked if she wanted the position and the challenge, she raised her hand and said:

I've never shied away from challenges.

She explained that this role piqued her interest in an administrative job with all the related laws and regulations. After this first position, she transferred to a position in an administrative department, which she held for 10 years.

Mary was at the L2 level at the time of the study. Her responsibilities at the time of the study included key administrative duties that supported the organization, such as Workers' Compensation cases and handling staffing and employee issues. Her client group was roughly half the organization, approximately 300 employees.

In describing her managerial decisions, Mary stated that she did not have any preconceived ideas. She always approached people with respect and preferred giving

them the benefit of the doubt. She used the example of when she took over her role at the time of the study, and in her words, "The department was in shambles." She demonstrated to the employees that she was willing to work with them, and this resulted in improved performance in the department. When she talked about decisions that did not have clear guidelines, she referred to her culture and how she had been raised. Mary stated her conscience was what drove her decisions:

> Okay, if I make this decision or if I do this thing, am I going to be able to look myself in the mirror tomorrow?

She indicated she had learned to stop and think about the situation and not to overreact.

Gloria

Gloria met me outside her office in the waiting area reserved for people with appointments. After introductions had been made, Gloria asked that the location of the interview be moved to a private location, given that her office walls did not reach the ceiling, and hence, voices could be overheard outside her office. We then adjourned to a conference room to begin the interview; however, a number of individuals interrupted us to ask if the conference room was open so we moved to a third location for the interview, a conference room that was fully enclosed and slightly more secluded than the previous conference room. This conference room was typical of most organizational conference rooms, set up with a large square table surrounded by chairs. While the conference room was not overly adorned, it did have a poster of the core values of the city, along with a blueprint of some planned developments.

Gloria, who was an attorney, had worked for the city for almost 20 years, and for more than 10 of those years, she had worked in the same office and held the same

responsibilities. Gloria had worked throughout city in various roles at an earlier time, including nonprofit organizations that serve the "underserved" communities in the city.

Gloria was at the L1 level at the time of the study. Gloria managed an administrative office and was second in command, which meant she served as the substitute for the city manager when he was unavailable. These supplemental tasks included serving on various committees, one of which was the budget committee. Community building was one of the goals of the organization; that is, building high social capital that would lead to more community involvement.

Gloria described her managerial decision-making approach as being based on her values, and she said that she needed to be able to live with whatever decision she ultimately made. Her lens for making her routine business decisions, she told me, was based on what was ultimately best for the community. She stated that in the event that a decision was difficult for an employee, yet was considered an improvement for the city, she would choose the needs of the community over the employee. She believed that a city's departments and the departments' functions exist for the benefit of the community.

At one point, she pointed to the poster on the wall in the conference room (the poster listed the values and core purpose) and commented that these values and core purpose were what drove the city to build a "better community." She explained to me that the core purpose and values worked together with both the community and the government to build a better community. She recited the four values: excellence, integrity, service, and creativity. When asked which value best represented her personal beliefs, she looked to the wall and responded "integrity." Gloria stated:

That's who I am, to my core.

She referred back to her early work and the importance she placed on being true to who you are and being able to live with your decisions, because the communities you serve depend on you to represent them and fight for their needs. When asked about decisions that fall into the "gray area," she paused for approximately five seconds and then responded by talking about the challenge of competing values in the workplace. She stated that it was about balancing both sides and being flexible by taking into consideration the impact to those involved. She concluded by saying that she always focused on treating people with respect regardless of the decision.

Michelle

Michelle's interview was conducted at her worksite, approximately six miles from city hall. Her worksite was open to the public 7 days a week, with extended hours that span from morning to night. On the day of the interview, the building was very crowded and buzzing with activity by the citizens availing themselves of the services. To ensure privacy, the interview was conducted in a conference room away from the public area.

Michelle had worked for the city for more than 20 years within the same department that served the public. Michelle told me that she had started as an intern doing entry-level work. She vividly described her early days working in the department. When her boss offered her a job, she told her father she wanted to take the full-time job, but her father informed her that she could not take the job because she would be attending college instead. Ultimately, she arranged to work in the department part time while attending college. While her goal was to work at an international government agency, she stayed with the department and used her skills therein.

She was at the L2 level and was in charge of the department. Her responsibilities included budgeting, managing staff, residing over meetings, and working with the public. One of her key responsibilities was communicating with the neighborhoods, especially the neighborhood in which her department was located. She also supervised staff at a second smaller location within the city that served a bilingual population.

In talking with Michelle about the factors she considered when making managerial decisions, she said that although she had worked in the department for a long time, she still did not know everything and so solicited input from her staff, especially when it related to the work being done. Her style was straightforward, and she expected her staff to be straightforward as well and to speak up when they had an opinion that needed to be expressed. Additionally, she liked to be as open as possible with her staff, except in areas of confidentiality and in cases in which information was restricted to the leadership level. In response to the question as to how she dealt with issues that are in the "gray area," she stated that she conveyed as much information as possible without compromising her role and responsibilities as a member of the management team. Throughout the interview process, Michelle often referred to her upbringing and the fact that she was raised to do the right thing and to speak up.

Peter

Peter was interviewed in his private office—it was one of the largest offices that I had a chance to observe in this study—situated in a corner of the building with windows along one side that overlooked a parking lot and greenbelt, which had been one of the city improvements.

Peter had worked for the city for more than 20 years in an administrative

department. At the time of the study, Peter was at the L1 level. He was responsible for

three divisions and worked in a highly regulated department that interacted with the city

council, several different agencies within the city, as well as agencies at the county, state,

and federal levels.

When making daily managerial decisions with overall projections for the entire

city, Peter balanced several dynamics at one time. As he said:

> Enough disclosure, enough projection to optimistically let the city function
> effectively versus unduly being too optimistic that gets the city into trouble.

His approach was to share major assumptions of his plan and projections with the city

manager and council, based on the best information possible. Most of his work involved

unclear guideposts, and because of the provisional nature of fluctuations within the

markets, he still did his due diligence in terms of research, checking market trends, and

forecasting.

Henry

Henry was interviewed at his worksite that was a few miles away from downtown

in an isolated location alongside the freeway. Henry had worked for the city for over 10

years in one department; yet, he had held a number of roles during this time. Previously,

Henry had worked in another city in a similar role; however, he said he left that city for

"greater opportunities."

He was at the L2 level at the time of the study. Although he had worked in only

one department at this city, he had acquired responsibility and obtained promotions

throughout his career. He mentioned that he had worked for seven bosses during his

tenure with the city. His role at the time of the study was in public safety, which included

managing various units, including youth groups, special task forces, and other

departments outside the city structure. His work was primarily supervisory; he managed

people, workflow, and special assignments.

In addition to his paid responsibilities, he participated in a number of outreach

programs in the community. He also joined a local business service club to be more

connected with the city's activities. While he was quite active in the community, one of

his concerns was to not overshadow his boss in his leadership presence in the community.

Henry stated:

> Yes, there's a point in everybody's career where you want to be in a position
> where you can be a viable candidate [for next level position in the department]….
> Then there's also the responsibility that I think I have as a leader of staff in the
> department.

Henry stated that the amount of involvement he had working with the city council

was up to his boss. He also said he had presented various topics before the council. He

said that he had more meetings than usual with the city council because of the budget

cuts, which involved a reduction of services and a loss of staff positions.

Examination of his routine managerial decision-making practice revealed that he

attempted to be a good steward and do what was in the best interest of the organization.

He went on to say that he wanted the decisions to be defensible and to be able to

articulate how he had made the decision and then to link it to the overarching plan. He

did not want a decision to be perceived as something "out in left field." Given the union

environment he worked in, there were few decision-making situations that were outside

of the rules and regulations included in the memoranda of understanding and signed

agreements. It was a rare situation for him to make decisions in the gray areas.

Steve

Steve's interview was conducted in the same building as Henry's, except that it was held in a large conference room on the opposite side of the building. Steve has worked for the city for over 15 years; his last 10 years were in the same department in the organization in a public safety role. He was in the same department as Henry; however, his title and responsibilities were different.

At the time of the study, Steve was at the L3 level. His supervisory responsibilities included managing 8 to 10 staff, including the evening office staff in the building and various assigned specialty programs. Since his promotion 10 years ago, Steve had also served as the president of a professional association for employees at his level; the association was designed to represent the workers. Prior to his role as president in this association, he also served as president of his last association and had had similar responsibilities. He had three main areas of responsibility at the association: representing workers' rights, handling contract negotiations fairly, and involving himself in addressing disciplinary issues. He also served as a liaison to the city manager and city council on topical issues. Steve noted that recently the budget had been a topic of concern and that he had constantly been at city hall representing the workers. He stated he was getting tired of the responsibility and that the role had created as much stress as his job. Upon reflection, however, he also had agreed to continue in the role without elections because he realized the critical nature of the role and felt an obligation to ensure that the workers were fairly represented.

In describing the factors he considered in making managerial decisions, Steve cited some examples in which he had to step back and consider the information carefully,

typically waiting 24 to 72 hours before reacting. He described this as one of the lessons

he had learned over the past 5 years, that was, to wait and see if the issue was still

important. While Steve was the farthest removed from the city manager in terms of

reporting relationships, he was one of the seven participants that had the most interaction

with the city council and city manager due to his role as president of the association that

represents one of the unions in the city.

Ellen

Ellen met me in the waiting room area outside her open-air office. After she

introduced herself, she immediately suggested that we move offsite to ensure greater

privacy for the interview. While she said we could do the interview in a conference

room, she recommended a café around the corner outside the building for the interview.

Ellen had been employed by the city for over 10 years, always within the same

position. In late 2009, she was given a promotion to head the department for a key

function in the city and became a direct report of the city manager, thus promoting Ellen

to an L1 level. The department she managed focused on the city, balancing both public

and private investors, and was therefore considered a public facing department.

Additionally, the work performed in her department was subject to approval by the city

council, so she often worked with the city manager to bring plans and concepts to the city

council and to concerned citizens.

In describing the factors she considered in making managerial decisions, Ellen

stated:

> I like very much to get input from others. I like to make sure I have all the facts
> first. I like to look at what we've done in the past, but I also like to use fresh eyes
> and ask the question of what really makes sense.

Ellen went on to say that she liked to make decisions quickly because it was good for the organization, and she had previously made mistakes in lingering over past decisions. When asked if she consulted with anyone on these decisions or if she was the final decision maker, Ellen responded:

No, the department's work crossed over into several disciplines. Even if it were ultimately her decision, she would often check with others before making a final determination. Personnel decisions were the one area for which she was particularly cautious and would consult with human resources. For those decisions, she always took the extra steps.

Ethics in Research

All participants' identities were kept confidential, and only pseudonyms were used in all written reports, summaries, draft and final dissertations, and in subsequent publications. Wherever an individual's name appeared in transcripts, the text was obscured. The human resources director, through whom I recruited the participants, was not informed as to who was asked to participate or who did participate in the study. The name of the site location was kept confidential and not disclosed in any publication. The site was only identified in terms of general demographics and an approximate geographic location. In instances for which the site location was a critical component of the research, a pseudonym was used as a reference.

A coded list of participant pseudonyms and their actual names and work departments was kept in a file separate from the rest of the research materials associated with this project, such as digital recordings, transcriptions, and notes. All electronic

information was kept on a computer to which only the researcher had access via a

confidential password.

Protection of Human Subjects and Informed Consent

I obtained approval for this study from the Institutional Review Board for the

Protection of Human Subjects (IRBPHS) at the University of San Francisco. Appendix C

contains the IRBPHS approval. The site also required approval by the institution's

IRBPHS, which was also obtained (see Appendixes D and E). Prior to beginning the

one-to-one interviews, participants received an informed consent letter (Appendix F) and

an informed consent form (Appendix G) along with the participant bill of rights. Each

participant agreed to participate in the study and signed the informed consent form prior

to beginning the interview. Additionally, I started each recorded interview with the

phrase, "Do you understand this is being recorded and it is with your permission?" In

each interview, I would not proceed until I received an audible verbal agreement.

Instrumentation

Three instruments were used in this study: (a) a qualifying questionnaire

(Appendix B); (b) a one-to-one interview questionnaire (Appendix H); and (c) a

follow-up meeting discussion questionnaire (Appendix I). The content contained within

the interview questionnaire was aligned with the research questions of the study (see

Appendix J).

Each instrument was intended to build upon the previous one to gain a more

in-depth understanding of the ethical dilemma from the participant's viewpoint. This was

accomplished by explaining the focus of the interviews during the initial contact, thus

giving participants a chance to reflect upon their own experiences prior to the recorded

interview. Additionally, the follow-up discussion gave participants the opportunity to provide additional details or clarify key points on the summary of his or her interview. Prior to starting the data collection, I created a spreadsheet that identified all the potential participants and captured their preliminary information, which was supplied by the Human Resources Director.

Qualifying Questionnaire

The purpose of the qualifying questionnaire was to ensure participants (a) met selection guidelines; (b) could clearly describe a personal ethical dilemma; and (c) were willing and able to participate in the research project. This was the first instrument used in the study.

The first section of the qualifying questionnaire included the following demographic questions: (a) name; (b) gender; (c) work title; (d) work tenure; (e) number of direct reports working under supervision; and (f) department budget. The second section of the instrument included questions about the potential participant's experience with an ethical dilemma at work. The final section asked the participant whether he or she was willing to participate in the study.

One-to-One Interview Questionnaire

The purpose of the interview was to ask participants to describe their perceptions of ethical decisions that they had made and then reflect upon those experiences (see Appendix H). The semi-structured interview questions were open ended to provide participants with the opportunity to describe in their own words their ethical dilemmas and feelings. The interview consisted of five sections. The participants were asked to (a) give a brief introduction to their organization's purpose, their department's mission, and

the participant's role and responsibilities; (b) describe a personal ethical dilemma; (c) articulate the extent to which the organization's stated or unstated values, mission, policies, and practices affected their actions and their interactions with others regarding the resolution of their personal ethical dilemma; (d) discuss how they perceived their past ethical dilemmas as influencing future decisions, others' decisions, and their organization's decisions; and (e) discuss the resulting effects and patterns that may have emerged in the organization.

The purpose of the first section was to put the participant at ease during the interview process by asking the participant to describe the organization's mission and purpose in their own words. A follow-up question focused on the department's core purpose, and another asked for a brief description of their own role and responsibilities.

In the second section of the interview, I asked participants to describe a personal ethical dilemma they had experienced in the last 12 months to ensure that both the researcher and the participant were working with a common understanding of the term *ethical dilemma*. This question was asked without providing a prior definition to the participant. In describing the situation, participants were asked to provide details on the dilemma, the circumstances involved, the participants and their roles and responsibilities, and the ultimate decision the participant made.

In the third section of the interview, I explored how the participants perceived their organization's core purpose, core values, and stated or unstated policies and practices affected their actions. The lens for this exploration was based on Trevino's (1986) person-situation interactionist model, specifically, the situational moderator variables of the immediate job context, organizational culture, and the work itself. This

section also investigated how their interactions with others affected their resolution of the ethical dilemma, and this was examined through Stacey's (2001) complex responsive processes.

In the fourth section of the interview, I asked the participant to reflect on how past resolutions to current ethical dilemmas influenced their decision and how these resolutions will factor into future decisions made by either themselves or others. The lens for this interview section was also based on Stacey's (2001) complex responsive processes.

In the fifth and final section of the interview, I asked the participant to discuss what, if anything, in the culture or pattern of the work environment emerged as a result of their decision. The participant was then asked whether they had any additional concluding comments or questions.

Additionally, given that I was using a single site for my research study, I added additional questions regarding the annual budget and the 8% decrease that all departments had recently experienced. This was a common topic that all participants were experiencing as leaders within the city's government. Upon conclusion of the interview, I informed the participant that this concluded the scheduled interview process.

Follow-up Meeting Discussion Questionnaire

The purpose of the follow-up meeting discussion was to confirm the accuracy of the interview data and add any additional comments. This was the third instrument used in the study (see Appendix I). The instrument had three purposes: (a) the participant checked the summary for overall accuracy; (b) the participant determined whether any key points were missing; and (c) the participant determined

whether any edits were necessary within each section of the summary. Additionally, this meeting gave the researcher an opportunity to ask any follow-up questions that may have resulted from reading the transcripts and discovering gaps in the research. The meeting lasted no more than 30 minutes, and all participants in this study received a thank-you letter shortly after the follow-up discussion.

<div align="center">Role of the Researcher</div>

Patton (2002) identified the researcher as the primary instrument in qualitative research because all information was collected, analyzed, and interpreted through his or her understanding, perspective, and biases. Given the phenomenological strategy of inquiry of this qualitative study and the sensitivity of the topic, the researcher was a critical element in collecting the data and ensuring that the participants felt comfortable in sharing their personal ethical dilemmas. The researcher also had to be open to hearing their challenges while not prejudging their behavior on how they solved ethical dilemmas.

My professional background as an internal organization development consultant for Fortune 100 companies helped me in my role as the researcher of this study. Throughout my 20-year tenure in business, I had been an organization development practitioner, facilitating and leading teams and resolving team development issues. I also had extensive experience helping leaders resolve many of their leadership challenges. Throughout my experience, I had discovered that at the heart of many leadership challenges were situations in which leaders encounter ethical dilemmas. In fact, my interest in these conflicts and challenges led to this study.

My role as a manager and leader within organizations also afforded me the opportunity to interview individuals in a variety of situations: first, in my experience as an organization development practitioner, I gathered data as part of an action-research model to assist clients in organization and department-level interventions. Second, as a member of the Human Resources function, I had considerable experience interviewing prospective candidates for internal positions within a department. Additionally, I took an advanced qualitative research class as part of the doctoral program in Leadership Studies at the University of San Francisco. One of the class requirements was to conduct an interview, and given the purpose of this study, I interviewed a participant at her location, asking her about experience with ethical decision making.

<div align="center">Validity and Reliability</div>

Patton described validity and reliability in the qualitative approach as studying the world as the participants see it, rather than the world as the researcher imagines it (2002). Bogdan and Biklen (2007) described reliability in a qualitative study as not seeking consistency, but rather, seeking accuracy and comprehensiveness of the data. The goal in reliability was to ensure that what researchers actually record occurred in the setting. This study was to explore individual experiences regarding ethical dilemmas; the goal was not to ensure that all participants have had the same experience, even though they work in the same environment. The objective was to understand the full account of the situation, which included the participant's actions and the pressures that influenced those actions— not to generalize the research or findings to the larger community. To ensure reliability within the study, I consistently used the research data collection process and instrumentation described herein with each participant. I also ensured the transcripts were

accurate, verbatim transcriptions by listening to the digital recording and comparing it to the transcript. At the time of coding, I kept a uniform set of codes to ensure consistency in the coding process as well.

In qualitative research, "the researcher is the instrument" for measuring validity (Patton, 2002, p. 14). Validity is established through the researcher based on his or her skills, amount of time and energy spent on the fieldwork, and the structure the researcher builds into the study. "Validity means that the researcher checks for accuracy of the findings by employing certain procedures" (Creswell, 2009, p.190). A key strategy I employed to ensure validity was member checks by having the participants review their own summaries to verify the accuracy of the information. This allowed different perspectives at different times to establish validity. Additionally I kept a written notebook of their responses and compared them against my own original notes.

<center>Data Collection</center>

This study was designed to capture participants' thoughts and experiences regarding ethical decision making. The three-step data collection process began at the first participant's qualifying interview and continued until the final follow-up meeting discussion had been completed.

The first step in the data collection process was to conduct a qualifying interview, which was used to gather demographic information, determine whether the potential participant had dealt with an ethical dilemma at work, establish the potential participant's comfort level in discussing his or her experience, and confirm his or her willingness to participate in the study. I telephoned each potential participant at work during standard business hours. I used the approach of trying to reach potential participants at the start or

end of the workday, assuming that these would be the best times to reach them because they would be less likely to be in meetings. When I reached the potential participant by telephone, I went through the telephone script and qualifying questionnaire. Upon completion of the final section, I made a determination as to whether the individual was appropriate for the study, and if so and the individual agreed, then a date and time was set for the interview. I then followed up with an e-mail that outlined the expectations of the interview and their participation in the study.

I asked all the participants whether they would like to see a copy of the informed consent form prior to our meeting. Two requested copies and five said they would prefer not to receive a copy. Once the qualifying interview had been completed, I input the data into a spreadsheet that I had created expressly for this study. I also captured their responses in a separate Microsoft Word document to be filed separately with a unique, anonymous identifier for later data analysis. The original notes were kept in a locked file cabinet. I continued this process of contacting potential participants until I had seven confirmed participants.

The second step of the data collection process was to conduct a 60-minute interview with each participant. This interview had been purposefully designed to allow the participants to speak freely about their own ethical dilemmas and decisions and then reflect upon those experiences. Given the sensitive nature of the topic, the environment was critical to the success of the project. The goal was to ensure that the location was comfortable for each participant by offering to meet at his or her office or at a private site of their choosing. Additionally, the time of the interviews was set according to the convenience of both the participant and the organization. The site administrator gave

permission to conduct the research during work hours, which helped facilitate greater participation because the interviews would not interfere with the participants' personal lives. Consequently, I was able to schedule the interviews and meet with all participants within a 10-day period. At the participant's request, I met with each of them at the work location for the interview.

Each participant's interview was digitally recorded. The interview questionnaire was administered in person and was designed to take approximately 60 minutes. The actual length of the recorded interviews ranged from 35 minutes to 58 minutes, with the majority of interviews running about 45 minutes. However, each meeting exceeded the scheduled interview time because once the formal interview was over, the participants wanted to continue the conversation and talk about some of the challenges they were facing in the organization. It was my observation that the participants felt more open to talk after the recorder had been turned off, even though each participant was advised that the interview was not officially over. I relied upon handwritten notes of the additional comments that were made after the recorder was turned off, and these notes were incorporated into the findings where appropriate in the study.

I followed up on any question that had not been answered during the course of the interview, and the participants were allowed to elaborate on answers as needed to complete their thoughts, even if those answers appeared off topic. Overall, it was those tangents that provided the most interesting—and oftentimes the most insightful— perspectives on their situations or feelings. After this interview, I thanked each participant for their time and informed them of the next steps in the data collection

process. A summary document that included highlights, interview themes, and key quotes from the interview was created for each participant to review to ensure accuracy.

The audio files were then downloaded onto the researcher's computer, and the files were also downloaded onto a transcriptionist's computer, who then created password-protected files of the interview transcripts. The transcriptionist then followed the rules of the Institutional Review Board for the Protection of Human Subjects (IRBPHS) at the University of San Francisco for handling confidential data. I also took notes to supplement the audio recordings. Written and audio records obtained as a result of the research were kept in a safe and secure location in the researcher's office.

The third step in the data collection process was to follow up with a 15-30 minute meeting with each participant to receive any feedback they might have regarding the interview summary as well as to solicit any additional comments the participants may have had and to clarify any key points. Additionally, I used this opportunity to follow up on any questions or gaps that I found in the data. Prior to this follow-up meeting, an e-mail (see Appendix K) was sent to each participant that included the interview summary and an instruction sheet to guide their review of the summary. The guidelines sheet (see Appendix L) instructed the participant to (a) check the summary for overall accuracy; (b) determine whether any key points were missing; and (c) determine whether any edits would be necessary within each section of the summary. The e-mail also informed the participant that I would be scheduling a follow-up meeting in 2 weeks' time to finalize their comments and conclude their portion of the field research.

Six participants responded immediately to my e-mail; however, I had to recontact one participant multiple times before I finally received a response. These follow-up

meetings were completed over the phone and lasted approximately 15 minutes. The participants' comments were minimal, and all stated that I had captured their comments accurately and completely. In reviewing my transcripts at least twice prior to the follow-up call, I was able to generate a few more questions to fill in data gaps in the original interview. Upon conclusion of the conversation and in response to my question, all participants stated that they did not wish to have a copy of their transcript; however, they all requested a copy of my finished dissertation. After this follow-up meeting, I sent all participants an e-mail expressing my gratitude for their participation in my study, and I confirmed that I would send them an electronic copy of my dissertation when available.

Data Analysis

The overall analysis was divided into three components: (a) doing a preliminary review that included listening to the recorded interviews and initial note-taking; (b) identifying key categories and coding them by reading the transcripts and handwritten notes; and (c) interpreting and assessing the participant data. I used both an inductive and deductive process for reviewing and analyzing the data. I first used the inductive process to capture specific words that then became categories as they emerged in the review. Initially, I did not use predefined categories because I believed this might constrain my thinking. I then used a deductive process to narrow the focus on those topics that related to either my research questions or models used in this study. This process was used to validate whether data was consistent with the models and theories used in this study.

Preliminary Review

I began my analysis of the interview recordings within 48 hours after each interview had been concluded. My strategy was to listen to the recorded interviews three

times. The first pass was designed to ensure I had completely and successfully recorded the interview. The second time I listened, I took high-level notes on the overall interview, specifically focusing on capturing data for each participant's interview summary. My note-taking process included writing down key words and phrases and noting where there had been pauses or emphasis placed on certain words. My primary goal was to identify information for the summary, which would include a description of the situation, the ethical dilemma the participant faced, and his or her resolution of the dilemma. While at that point the data capture was focused on the summary, it also related to my first research question, which asked the participants to describe an ethical dilemma they had encountered and how they had resolved it. The third time I listened to the recorded interviews, I focused on comparing the recorded interview to the transcripts to ensure the accuracy of the transcription.

Key Categories and Coding

I read the transcripts through several times, including once without taking notes and a second time identifying key words to capture thoughts and ideas that would link to other concepts contained in the text. I added line numbers on the transcripts to make it easier to reference a particular phrase or concept, and then I used just a few words to describe the concept. Where appropriate, I used a bracketing technique, as described by Bogdan and Biklen (2007), to focus on the participants' use of key terms or situations. In the technique of bracketing, the researcher defines terms being used through the participants' responses. That is, the researcher does not attempt to interject his or her definition or understanding of a particular term. In this study, the definition of the term *ethical dilemma* was obtained from the participants; it was not provided or influenced by

the researcher. The technique reduced the researcher's bias as the researcher may otherwise assume that he or she understands how the participant defined the experience.

In my fourth reading, I captured key themes from Trevino's (1986) model, along with complex responsive processes (Stacey, 2001), and through Griffin's (2002) patterns of emergence. At this point, I was using a deductive process because both models provide groupings by which to capture and categorize the data. I continued using the same coding sheet to capture this additional data.

In the fifth reading, I captured critical incidents that supported the themes. Critical incidents, as defined by Patton (2002), are "self-contained units of analysis, often presented in order of importance rather than in sequence of occurrence" (p. 439). I used this approach to find patterns within a participant's descriptions of their ethical dilemmas not linked by sequence of occurrence. This fifth reading also captured any other categories not related to either the research questions or models used in this study.

Interpretation and Evaluation of Participant Data

Once the fifth review was completed, I reviewed the coding sheet that had been created based on the research questions and models. I then looked beyond the research questions and models and included any other categories that emerged. My sixth and last review focused on identifying gaps in the data. I attempted to fill these gaps during the follow-up meeting with the participants.

Once the individual cases had been reviewed and analyzed for key categories, I then reviewed the data across all the participants to see if any patterns emerged during their interview process. I analyzed the data through multiple lenses to determine if any patterns existed across all the participants.

The first lens of analysis was to look at their level and reporting relationship within the organization. The purpose of this first lens was to determine whether the participants' level in any way had a bearing on their different ethical dilemmas—or put another way—whether their responses may have differed based on their proximity to the city manager. The second lens was to determine whether the participants were customer facing or working primarily internally. The third lens was focused on their ethical dilemma. Once all the data were reviewed through these three lenses, I then eliminated any data that was extraneous to the study and did not contribute to the research questions. The findings are reported in Chapter IV.

CHAPTER IV: FINDINGS

Introduction

This researcher considered the competing pressures leaders face when resolving ethical dilemmas and the recursive nature of the causes and effects of ethical decision making within an organization. There were originally five research questions; however, the data revealed that research questions four and five yielded similar themes. Research question four has, therefore, been rephrased to include the key themes of both future decisions and an emergent pattern in the organization, which was initially research question five. The fifth research question read, "How does the resolution of any particular ethical dilemma by a leader subsequently affect the emergent patterns of the organization?"

The revised four questions were as follows:

1. What is the nature of the ethical dilemmas that leaders perceive they face?

2. How do leaders perceive that stated or unstated policies and practices affect the actions they take in resolving an ethical dilemma?

3. To what extent do leaders perceive that interactions with others, within or outside the organization, affect their resolution of an ethical dilemma?

4. To what extent do leaders perceive their past ethical dilemmas influence future decisions, others' decisions, or their organization's decisions and subsequent emergent patterns in the organization?

Research Question One: The Nature of Ethical Dilemmas

Research question one focused on the nature of the ethical dilemmas as perceived by the leaders. Given that behavioral ethicists do not agree upon a single definition for the word *ethics* or the phrase *ethical dilemma*, the participants were asked to define the term *ethical dilemma* and provide an example as a foundation for understanding. The participants all described ethical dilemmas that they had encountered at work. Three major themes surfaced with regard to this research question: (a) the participants' references to their values served as a guidepost in the resolution of their ethical decisions; (b) their immediate superior was in some way involved in the ethical dilemma; and (c) financial constraints due to the reductions in the city's operating budget and reduced resources—which had created circumstances requiring difficult personal and professional ethical choices—also were in some way involved in the ethical dilemma.

Table 2 presents key aspects of each participant's definition of the term *ethical dilemma* as well as a brief synopsis of their personal experiences. While there was no standard or singular meaning among the participants, the findings indicate a high degree of consistency within the participants' definitions and the descriptions of their ethical dilemmas. That is, six of the seven participants' ethical dilemmas touched on some of the key aspects of their definition.

When they were directly asked, all participants were able to describe what they meant by ethical dilemma. The participants' responses ranged on a continuum from feeling things were not quite right to referencing legal standards. The answers the participants offered either related to their own values, the ethical dilemma they had

experienced, or their role in the organization at the time of the study. This section

presents in detail each participant's definition of the term *ethical dilemma*.

Table 2

Participants' Definition and Synopsis of Ethical Dilemma

Participant	Ethical Dilemma Definition and Key Aspects	Ethical Dilemma Synopsis
Mary	Actions that have occurred and do not fit the operating environment	*Vignette1: The Package:* Disclose secret information to identified employees on exit incentive package
		Vignette 2: Personal Friendships: Change policy on exit incentive package to benefit a personal friend
Gloria	Lack of transparency in actions with citizenry; people should know what we are doing	*Vignette 3: The Consultant:* Confront consultant on proposed unethical hidden practices
Michelle	Sharing of proprietary information that would be valuable to an employee	*Vignette 4: Layoff Discussion:* Disclose secret information to subordinate
Peter	Being asked to do something illegal; out of compliance	*Vignette 5: The Bottom Line:* Accept vs. report coworker's incompetence
Henry	Self-interests over the organization	*Vignette 6: Loyalty to the Boss:* Support superior vs. staff interest
		Vignette 7: Overtime Budget: Challenge vs. accept superior's plan on overtime
Steve	Noticing something that is not quite right; it may be politically correct	*Vignette 8: Group Vote:* Support city vs. peers' financial interests
Ellen	It appears to be a gray area; dancing on the line and struggling to determine the right action	*Vignette 9: The Plan:* Professional code of ethics vs. personal interests
		Vignette 10: Competing Values: Present full disclosure vs. partial favorable disclosure on project

Two of these definitions, those offered by Gloria and Steve, described the term based on

how it feels to be ethical or unethical, and their descriptions focused on the city's role as

a public entity. Gloria said:

> Especially as a public entity—that we should feel comfortable with whatever it is
> we're doing, for anyone to know what we are doing. We shouldn't have to hide
> things. We shouldn't have to sneak around. So I think of the word transparency.
> So people use that word as a way to say "I'm on the up and up."

Steve stated that:

> See something [in the work environment] that isn't quite right. How are you going
> to deal with it? Do you let it go because it's politically correct?

> In three other responses, the participants had moved from awareness to the need

to take action to resolve the ethical dilemma. Mary described ethical dilemmas as:

> Some action has occurred that does not fit the environment in which you're
> operating. Because it's a dilemma … there's a conflict there. It implies that
> something has to change.

Ellen's response focused on a choice of options. She stated:

> If it's a dilemma, it seems like there's a gray area. There's a line that's been
> crossed. But dilemmas are when you're "*dancing on the line,"* and it's a struggle
> to know what the right answer is. Perhaps, there are two good choices or two bad
> choices. Usually it's two bad choices.

Ellen elaborated on this definition, adding:

> People pushing the limits a little bit and realizing that they're uncomfortable,
> wanting to resolve the issue but not necessarily feeling comfortable with the
> plain-and-straight approach.

Michelle succinctly described an ethical dilemma as:

> probably thinking about wanting to share some information that would be of value
> to someone but not really being able to do so.

Henry and Peter identified ethical dilemmas as self-interested or illegal behavior. Both of these participants worked in highly regulated areas, and each felt that his office influenced how he answered the question. Henry defined an ethical dilemma as:

> Maybe it's [the public safety] part [of my job] between right and wrong, I think, one that might serve your self-interests over the organization.

Peter described ethical dilemmas in terms of the work he was doing at the time of the study and related how it applied to his role in the organization and the organization's professional code of ethics:

> The most obvious was: Are you being asked to do something that's illegal?

Peter then described how this related to him personally and his role and responsibilities in the organization:

> I've never personally been confronted with that level of, you know, where anyone's pressured me to do that. I do know from at least one other director where he resigned or was forced out because he refused to do that.

Following up during the interview on the restrictions placed on his role and function in the city, I asked if he would respond the same way to a personal dilemma. Yet, his answers reverted back to work examples:

> Something that you know is illegal, I mean, or is out of compliance.

A term that was repeated throughout his interview with regard to ethical behavior was transparency, Peter stated:

> If you've been transparent about it—I mean, transparency is the sister to ethical behavior or is embedded in … ethical behavior.

Peter used the term transparency to describe the appropriate type of behavior for someone in his role, which, he asserted, was a delicate balance between the regulatory agencies and ensuring accurate reporting so that the city was successful. Peter's and Gloria's

descriptions align with the definition found in the Transparency International Web site (2011): sharing information and acting in an open manner, especially civil servants.

Participants' Ethical Vignettes

Each participant was asked to describe an ethical dilemma that he or she had faced as a leader. While the participants presented 14 stories they identified as relating to ethical issues, only 10 of these stories involved an ethical dilemma in which the participant identified a values conflict and felt conflicted in determining the "right answer."

Table 3, adapted from Pontiff (2007), provides a summary of the vignettes presented by the participants. The table indicates the ethical dilemma(s) that the participants experienced, their organization's expectations, their personal beliefs, factors that they considered in resolving the dilemma, the individuals involved, and the ultimate resolution of the dilemma. All participants chose to share ethical dilemmas that related to their work at the city within the past few years. Although the participants had not received the questions in advance, they all offered a personal situation with little prompting, which they shared in detail. Upon closer examination, no two participants shared a common dilemma, even with respect to the budget. Each participant described his or her ethical dilemma as a unique experience, which did not involve any of the other participants in this study. Each vignette is studied only from the perspective of the participant being interviewed. However, it should be noted that others involved in, or aware of, the incidents may have seen them differently.

The findings show that organizational pressures were at the crux of 9 of the 10 ethical dilemmas. These organizational pressures ranged from role expectations with regard to confidential information to challenging a superior on staff issues. The findings also show that in 5 of the 10 ethical dilemmas, the values conflict involved changing company policy or heretofore accepted protocol in order to resolve the issue. The remaining five value conflicts concerned the relationship with the participant's superior or having the courage of one's personal convictions to take a contrarian stance to the situation that had created the ethical dilemma. The participants predominantly considered three factors when they were faced with their ethical dilemmas: (a) organizational pressures including obedience to authority and culture; (b) personal consequences; and (c) professional code of ethics.

Table 3. *Summary of Ethical Dilemmas*

Participant and Vignettes	Ethical Dilemma Experienced *Whether to…*	Organization Norms	Personal Beliefs	Individual Decision Factors Considered	Individuals Consulted	Individual Affected	Participant Resolution
Mary *Vignette 1: The Package*	Disclose secret information to identified employees regarding their employment status versus following accepted protocol on voluntary exit incentive packages	Follow protocol explaining layoff packages	Act in best interest of employee by providing disclosure on employee options	a) Organizational pressure of role responsibility b) Personal values	Peers (department heads) Superior	Employees	Followed city procedure—did not divulge information
Mary *Vignette 2: Personal Friendships*	Maintain current policy or to take the issue to the leadership team for a decision to change policy on exit incentive package that benefit employee, a personal friend	Follow city guidelines as outlined	Show loyalty to friend	a) Personal peer pressure by friend b) Setting precedent for organization	Superior, Peers Leadership team Spouse	Employees	Changed city policy— friend received enhanced package
Gloria *Vignette 3: The Consultant*	Confront consultant and superior on proposed unethical practices vs. accept consultant's business practices	Consultant hired by superior outside of hiring guidelines	Follow professional and personal principles	a) Organizational pressure of protecting city procedures and city reputation b) Personal values and career consequences c) Professional code of ethics	Superior, external consulting team	Peers	Held to professional principles—would not participate in unacceptable practices
Michelle *Vignette 4: Layoff Discussion*	Disclose secret information to employee vs. follow accepted management protocol and whether to challenge superior on breach of confidentiality	Maintain confidentiality as a manager	Act in best interest of employee by providing full disclosure	a) Organizational pressure of role responsibility b) Challenge superior on breach of confidentiality c) Personal values	None	Subordinate	Followed city procedure—did not divulge information
Peter *Vignette 5: The Bottom Line*	Accept or reject additional work due to competency issues with a peer which might result in inaccurate financial reporting at citywide level for which he is responsible	Accept additional work from peer to ensure accurate reporting to city council	Push back on additional work and protect subordinate's workload	a) Organizational pressure of ensuring accuracy in reporting for city b) Personal career consequences	Superior	Peers, subordinates	Held to personal principles and talked to boss about not taking on work

Table 3. *Summary of Ethical Dilemmas* (continued)

Participant and Vignettes	Ethical Dilemma Experienced Whether to...	Organization Norms	Personal Beliefs	Factors Considered		Individuals Consulted	Individuals Affected	Participant Resolution
Henry Vignette 6: Loyalty to the Boss	Support superior vs. self-interest	Show loyalty and support superior's plan	Support alternative recommendations	a)	Organizational pressure to support superior		Superior, city council	Remained silent, did not challenge superior in front of city council
				b)	Personal career consequences			
Henry Vignette 7: Overtime Budget	Accept superior's plan on overtime that would bankrupt budget vs. support subordinates	Show loyalty and support superior's plan	Push back on superior's plan and show loyalty to subordinates	a)	Organizational pressure to support superior	Peers	Superior	Confronted boss on plan—risked personal consequences
				b)	Personal career consequences			
				c)	Staff health and morale			
Steve Vignette 8: Group Vote	Support city vs. peers' financial interests	Support city salary freeze during budget crisis	Support peers and vote for salary increase	a)	Personal peer pressure	Peers, city council	Peers	Voted with peers to support pay increase
				b)	Loyalty to city			
Ellen Vignette 9: The Plan	Support the "under represented" vs. present plan that superior and city council would support	Present plan that city council would support—not the full plan as proposed	Support code of professional ethics and civic duties by serving "under represented"	a)	Organizational pressure to support plan for superior and city revenue	Superior, external subject matter experts	City council, subordinates, employees, citizens	Held to personal and professional principles—recommended entire plan to city council; resulted in personal damage to reputation
				b)	Personal career consequences			
				c)	Professional code of ethics			
Ellen Vignette 10: Competing Values	Present to the city council full disclosure on a tax-generating city project, which she felt, had issues vs. remain silent and not mention the concerns that could potentially derail the project.	Recommend and support plan to generate city revenue	Present full disclosure that would risk personal career and city revenue	a)	Organizational pressure to support city revenue	Subordinates, peers	Superior, city council, citizens	Only presented partial recommendation—did not risk personal reputation
				b)	Personal career consequences			
				c)	Professional code of ethics			

Participants' Basis for Ethical Decision Making

A key theme that all seven participants repeatedly referenced as the guiding principle for making ethical decisions was their own values. As noted in the definition of terms section in Chapter I and for the purposes of this study, values are defined as core beliefs that guide and motivate a person's attitudes and actions regarding what is right and fair when interacting with others (ethics.org, 2010).

Gloria talked about her values when referencing how she handled decisions that fell into the "gray area" of her ethical dilemmas:

> I don't think that I'm ambiguous about what my expectations are. I think people know where I stand.

Michelle referenced her values in the context of her managerial style. Her strategy was to encourage open dialogue and expect everyone on her team to contribute. She believed that, as a supervisor, she needed to model the appropriate behavior for her staff:

> I like to be pretty much above board and very straightforward.

Michelle talked specifically about her values and what she was feeling in her ethical dilemma in *Vignette 4: Layoff Discussion* when a subordinate employee approached her about being laid off and she was not at liberty to directly answer the employee's question:

> And, as I say, I like to be very fair and very open and very honest. And I'm a very direct individual as well.

Michelle commented further that she did not worry about any repercussions as a consequence of her actions:

> I guess it just has to do with my upbringing, [what] my parents instilled in us— values and ethics and morals, and speak up, on your own behalf. Ever since I was young, [my parents let us know that] we're not going to fight your battles. What have you done? Have you taken the initiative?

Mary also mentioned her values when responding to the question of how she made

managerial decisions. She described her approach as follows:

> The first thing is to approach any situation by first respecting—not going in with any preconceived ideas—because I guess that is a cultural thing, and I was raised that way.

> Mary identified one of her beliefs as the need for compassion in her role and used

as an example when she was delivering exit incentive packages to subordinates:

> You need someone that's going be compassionate, who's going to listen, not rush through it and try to hurry up and get you out of the office.

One of Steve's main concerns when discussing his role as president of the association and

his approach in addressing political issues was to not get caught up in the internal politics

of the issue:

> Internal ethics, I just always try to do the right thing, and that's one thing that this place knows about me, and it's probably one of the primary reasons why I'm not a [boss].

Steve brought up his values when he described a situation in which his superior had

called him into his office for conveying his opinion and how he responded in a

straightforward manner:

> I'm not a yes man, and when somebody asks me, I got burned over a position, and, you know, if my [superior] wants to ask me and shut the door, I tell him very blatantly and candidly, but respectfully.

Ellen also valued being candid when she described her actions in her ethical dilemma in *Vignette 9: The Plan*:

> Well, I really believed that somebody needed to say what was true about the process and what had been found and discovered. And if staff wasn't going to do it, nobody would.

Peter discussed his role in the organization as being a role model for the rest of the organization, and when asked whether he would do something that he found to be unethical, Peter responded:

> I don't really feel that I get pushed to do things that I think are against my better judgment.

Finally, Henry likened his conduct to being a good steward in making managerial decisions and modeling that behavior for others:

> I see my role as being a good steward, basically.

Superior's Involvement

Six of the seven participants stated that their superior had played a role during at least one of their ethical dilemmas. The immediate superior's involvement was fundamental in 8 of the 10 participants' identified ethical dilemmas. In some cases, the superior was at the heart of the dilemma, and in others, the superior was looked to as a key arbitrator for the ethical dilemma. I have identified the superior's role in these situations as subthemes. The findings reveal that only two ethical dilemmas did not directly involve the superior, and in these two exceptions, they involved loyalty to peers.

A greater distinction emerged with the participants' organizational level, which revealed some significant differences. For instance, participants at the L1 organizational level experienced ethical dilemmas that involved their superior, whereas participants at the L2 and L3 organizational levels had issues that involved their own role conflict. There was only one exception to these two findings: One participant at the L2 level grappled with whether or not to confront his superior about his behavior. Of note, there was no major distinction in the findings with regard to gender; three female and two male participants had issues that dealt directly with the superior's involvement.

Obedience to Authority

Five of the 10 ethical dilemmas identified by three participants centered on feeling conflicted with regard to obedience to authority. These conflicts involved an action on the part of their superior that had contributed to or created an ethical dilemma for them. The participants responded to this dilemma by either remaining silent or confronting their superior on his or her behavior.

The ethical dilemmas relating to the superior were evenly split across levels and functions within the city. While all participants had agency in making a choice, in only four ethical dilemmas did individuals choose to speak up to their superior and discuss the situation with regard to how it affected the organization, the subordinates, or themselves personally.

Gloria talked about her dilemma in *Vignette 3: The Consultant,* and how she had confronted her superior, the consultant, and the consultant's public relations team at a meeting:

> Everybody was nodding, including my boss. I finally had to say, "So if you want to come to a meeting and show me a document and take it back with you, then you can do that." And that's still not terribly comfortable for me.

On a separate occasion at a later date—still in the same project with same consulting team—Gloria was brought back into the project and asked if she would step up while her superior was out of town. Once she rejoined the project, she started making decisions and taking control of the project. However, the consulting team disagreed with her decisions, and they told her that they would wait for her superior to return before they would resume the project. She then spoke up at this meeting and said:

"Look, we came to this agreement. Why is this changing now?" Well, so-and-so [met with so-and-so, and] . . . I said, "You don't get to make the decisions. I get to make the decisions. You work for me. We don't work for each other."

Michelle in talking about her dilemma, *Vignette 4: Layoff Discussion,* and said she had always been taught to speak up and be straightforward, so when her superior acted inappropriately, she confronted him directly:

Well, I'll just come out and say it as the [superior], and I told him as well. So it's not like it's a secret.... And I did say with the [superior] that this is information that never should have been discussed at this level. It should've just remained amongst us here at the management team because it really puts us in a bad position now. It puts us all in a bad position.

When asked what the repercussions had been when she confronted the superior, Michelle responded that there had been none. The supervisor acknowledged that he had mentioned something at the meeting but chose not to reprimand Michelle for her comments.

In his ethical dilemma *Vignette 7: Overtime Budget,* Henry challenged his superior's recommendations on the budget. Henry challenged his boss because he knew the plan could not be implemented and would have bankrupted the overtime budget of the department, which Henry felt would put the department in jeopardy:

Maybe it was an ethical issue because I knew that we would bankrupt our overtime, we would wear people out. It was ill-thought out. And I felt that it was wrong to put the organization through something like that. So there was a push back from me. We never implemented that.

At another time during another budget reduction session, Henry stated:

I have said to the chief point blank that I thought that he was ill-suited, that his ideas were ill-suited for an organization of our size. Now, is that disrespectful or insubordinate? It sure is. He had a frank discussion with me where he said that he'd felt that I was resistant to his ideas.

Henry related his reasoning of why he had confronted his superior:

So we had a frank discussion, and I ultimately told him what I just told you. And over a period of time, I've said things that he doesn't necessarily want to hear but that he should hear. And I feel good about that. I'm not disrespectful, I'm professional.

Despite the fact that his superior outranked him, Henry was able to define what was

acceptable for optimum performance in this specific situation. Henry's response was true

to his definition: Instead of creating an ethical dilemma by putting self-interests over the

organization, he chose to resolve his ethical dilemmas by putting the organization's

interests over his own by supporting his subordinates over his superior.

In her ethical dilemma, *Vignette 9: The Plan*, Ellen reviewed the proposed plans

with consultants, key planners, project staff, and with her superior on a key project for the

city. When the presentation backfired at a city council meeting, she reflected on the

interactions with her superior and what happened:

> I wish I had done it, but differently. I think my boss liked my guts in doing it…. It
> gave him what he wanted done and somebody to blame instead of him, so he got
> what he needed out of it. And I'm still struggling with that a little bit.

When asked if she had spoken with her superior about the issue and the potential fallout

for her personally, she responded:

> We've talked about this. We've needed to because my boss didn't understand the
> impact that it had on me—really didn't seem to get it. Either my skin's too thin
> from his perspective, or he just didn't see how it affected my ability to be in a
> leadership role.

Conversely, obedience to authority often means not speaking up to the superior,

accepting the status quo, or recognizing the futile effort that the results would produce.

Henry and Ellen described ethical dilemmas in which they each felt compelled to say

something contrary to the opinion expressed by their superior but elected not to speak up

or challenge their superior's perspective. Henry, in the *Vignette 6: Loyalty to the Boss*,

was asked to defend policy choices his superior had made to the city council. Henry

described the process, his feelings, and his ultimate decision this way:

And I had to answer questions to city council in a public meeting to defend basically positions that the [superior] had taken. And that was a bit uncomfortable. So I certainly could have stood up there and said, "You know, you're right, that's a great question that you asked. And here's how I would have handled it, but this is how my boss handled it."

In a similar situation, Henry talked about how he had also been asked to present his superior's recommendation, which he sometimes did not agree with, before the city manager:

And it ultimately came to a meeting before the city manager with the chief and myself where I had presented alternative cuts that I was asked to defend, basically, and if I didn't defend them, I was being disloyal to the [superior].

In *Vignette 10: Competing Values,* Ellen talked about an earlier ethical dilemma she had faced that was similar to the situation described in her *Vignette 9: The Plan*, wherein she had been asked by the city council to make a recommendation on a citywide project. While she stated she did not agree with all aspects of the project and knew there were some potential issues, Ellen wanted to support the community's wishes.   Her decision was to only present the plan and provide choices, thus allowing the city to make the ultimate decision. She remained quiet and did not speak when she needed to on the project. When asked why she had not spoken up, she responded:

I could not have done more then without upper-level management support. In the end, [I did receive] support from above to say more true things.

Decision-Maker

In the two other ethical dilemmas that involved the superior, the superior was consulted or a key player in the resolution of the participant's ethical dilemmas. Peter described the challenges he had faced in addressing his ethical dilemma, *Vignette 5: The Bottom Line,* and felt he needed to seek his superior's opinion in addressing this issue because it involved a peer:

> I went down to the city manager and said, "No, that is not right, that is not equitable; we are accountants. We are good with numbers, but you have someone who is making a six-figure salary, has a college degree, and should be able to do this. We are doing math we learned in the fifth or sixth grade, and I do not think it is appropriate to make someone in my department do that."

When asked about the resolution of the issue, Peter responded that, in the end, his department did not take on the project, but he does not know how it was ultimately resolved. In a follow-up conversation with Peter talked how he thought his superior could have put pressure on him to take on the work. Peter felt the decision was in his hands however he wanted his superior's support to make the decision.

Mary's ethical dilemma, *Vignette 2: The Personal Friendship,* focused on a different role for her superior, which was that of decision-maker along with other colleagues, and ultimately, the department head who managed this subordinate. Mary felt the pressures of wanting to maintain a friendship while considering the city's policy; yet, she felt that it was not solely her decision to make. It was her decision whether to present the issue to the group of decision makers or tell the employee no that it wasn't possible. Rather, she contended, it was up to an internal group of leaders to decide whether to modify the existing policy for her friend:

> In negotiating with her peers, you talk it through, and then in the end, all of us said, "Well, it's up to the department head. They are the ones who are going to realize the savings."

Financial Constraints

Given the economic recession at the time of this study, city governments were facing less revenue generation and were thus encountering financial deficits or budget reductions to account for less operating income. The 8% reduction in the city's budget was a central topic for all participants.

The participants were asked what role the budget played in creating any tension or issues within the department or among individual subordinates. The participants' answers varied; however, there was consensus among all seven participants that the budget as a single issue did not create additional tension. The findings showed that, in the course of the interviews, all seven participants believed that the budget-reduction process had gone well, or they did not have any specific comments because all departments had been equally affected by the 8% across-the-board reduction, and all departments had had to make some tough decisions.

Peter described the process this way:

> We haven't had to pit one department against another yet, because the way we've approached it is we have done across-the-board cuts. So you could get into those issues, but … I haven't heard any real arguments that "I'm more important than you because my people go out and put the wet stuff on the red stuff, and your guys are blowing up balloons at the parks for little kids."

While some participants did not see any contentious issues in resolving the budgetary reductions, the findings revealed that 5 of the 10 dilemmas had some budgetary component that was the driver for the ethical issue. The budget constraints forced the participants to make some tough choices for which there was no one right solution. For example, Mary would not have been offering exit incentive packages had it not been for the budget cuts, which forced the issue of layoffs in both of her dilemmas, *Vignette 1: The Package, and Vignette 2: Personal Friendships.* Michelle would not have needed to have the conversation with the subordinate in *Vignette 4: Layoff Discussion,* without the budget cuts at issue. In his two dilemmas, Henry talked about policy choice, and in his dilemma *Vignette 7: Overtime Budget,* the budget was, in fact, the focal issue

of the dilemma. Finally, in Steve's ethical dilemma, *Vignette 8: Group Vote*, he was faced with the values conflict of either supporting the city or his peers.

Summary

Each of the participant's definitions of ethical dilemma showed a high degree of consistency with the ethical dilemmas they actually experienced. Peter was the sole exception in that he defined ethical dilemma as involving a legal issue; yet, his example was based on organizational pressure with a peer. In all cases, the participants' values were an anchor point for their ethical decision making, and the majority made reference to their parents as having instilled those traits early in their childhood. The superior's involvement was key to this study and was, in fact, the central figure in 5 of the 10 ethical dilemmas. This was most apparent with the women participants who had had to confront their boss on his behavior.

The last theme identified was financial constraints. While not directly stated as a central theme in the ethical dilemmas, five ethical dilemmas had a budget component. Hence, although the participants unanimously agreed that the budget crisis had not been a factor in their ethical dilemma, in fact, it was the underlying issue 50% of the time.

Research Question Two: Stated Policies and Unstated Practices

Research question two asked: How do leaders perceive that the stated and unstated policies and practices affect their resolution of ethical dilemmas? A key element in understanding how the city functions and makes decisions was to understand not only the policies and practices, but also the underlying foundation of the city's stated values and core purpose. With this question, I hoped to gain insight into how the vision and values of an organization would influence an individual's ethical decision making.

Three themes emerged from the participants' responses: (a) the city's core purpose and values did not influence the participants' ethical decision making; (b) union contracts had a bearing on the employees' actions; and (c) the unstated practices of the organization had a residual effect on a company's code of ethics.

Core Purpose and Core Values

This city had adopted a set of guiding beliefs for serving the community, which they entitled *Core Purpose* and *Core Values*. These core purpose and core values were defined by a group of subordinates and citizens over a period of several months. The core purpose was described as the reason for the city's existence, while the core values guide their day-to-day work and help employees focus on the core purpose. To help instill those beliefs, Ellen stated that every new subordinate was given a scroll that had the core purpose and core values inscribed on it to acculturate them into the organization. When participants were asked to describe the core purpose of the organization, the responses varied, and their answers were filtered through their own experiences. Six of the seven participants described the city's core purpose in their own words, saying that its essence was what drives the people to work for the city.

Mary described the core purpose as follows:

Know why you are here. In my opinion, what's the purpose for you being here? The one thing I really appreciate about the [city] is that we have a core value, which means everyone agrees to the core value. But we deliver based on our own experiences. We are all coming from one special point—that is why we are here. Our core value is to serve the public. Now, how do we do that? We can become creative in doing that in our own ways.

In a follow-up question with Mary, I asked how much flexibility the subordinates have in meeting the public service value. She responded:

That's what makes us a unique organization here…. I have to say we are a lot further out there. And we take risks. We are not afraid to take risks staying within the parameters. They encourage us to be innovative, and that encouragement is all the way from the city manager on down.

This was what Gloria had to say about the core purpose of the city:

It is a core purpose, and I think that what drives us most is to build a great community together. It is about building—that implies physical as well as social and philosophical.

While some viewed the organization as the entire city, others responded specifically to their department's role in the city. Gloria then described her department's role as "community building." She described the goals in the city as follows:

We have a community that is pretty engaged and pretty involved…. We do some things at the community level and some things at the block level. The idea is to bring the community together, to get people engaged, get people involved.

Henry responded to the question specifically as it relates to the mission of his department, which was public safety:

Our core purpose is to protect life and to protect property, which should be a core purpose of every organization.

Peter related his department's functions to the overall servicing of the community and noted that, as a government agency, the city was highly regulated. The purpose of Peter's department was to assist the entire organization and was responsible for the key functions that ensured the city was in compliance and operated smoothly.

Ellen also responded to the question by stating her department's vision and then added:

Our organization is about building a great community together.

When Michelle was asked the question, she paused momentarily and said, "I need to take a look." However, when I told her I just wanted a general description, nothing

verbatim, she immediately responded:

> We do provide services to the community. It's a public service agency, so we are here to support and provide services for the community within the … city here.

> When asked how the core purpose influenced her department's decision making,

Mary responded:

> Ideas are spread throughout this organization in that fashion. Everyone's ideas are heard and respected.

Gloria responded by saying:

> It's not just us; it's the community helping us to do that so that there's some ownership and accountability on behalf of the community. It's how do we do this together? So that is what we have adopted as our core purpose.

> The core values for the participants were easy to describe and reference and the

participants could cite them and state how they utilized them as guideposts in their

decision making. Two participants were especially clear at articulating how the values

guided their decision making.

> Gloria referred to the core values of the city several times during the interview.

During the interview in the conference room, she had pointed to the poster on the wall,

which had the core values listed on it, and described how they were developed:

> So we've adopted what's on the wall here, and it's a core purpose, and I think that's what drives us most.

 When asked which core values resonated with her, Gloria stated:

> The core values are excellence: and that's passion to do our best in each moment; integrity: to do the right thing, not the easy thing; and service: we care and it makes a difference; and creativity: freedom to imagine and courage to act.

Gloria provided the following detailed answer to how she used the core values to guide

her decision making. She stated:

So although those are the organizational values, they're very much in line with what my own personal values are.

Ellen discussed how the values helped guide her decision making. She described her work and how the values fit:

It's the applicant, the community, and the organization. You know, there's sort of three groups. I would hope to tap into the organization as a source, a touch point for our organizational values, which we do have. They're very good, and we post them all over our offices to connect with that.

At the conclusion of Ellen's interview, she took me on a walking tour of the downtown area and pointed out some of the recent landmarks that had changed the face of the city and evoked the core value of "building a great community together."

These findings revealed that, while the participants stated that the core values were important and provided the foundation for building a great community, not one participant linked the core values to the resolution of his or her ethical dilemma. Additionally, not one participant cited a conflict with the core values as the heart of his or her ethical dilemmas. So while core values are generally well known by the participants, they do not guide difficult decision making that accompanies ethical dilemmas. The focus of these core values seems to be less on internal decision making and more concerned with external decisions regarding building a great community together.

Union Policies and Contracts

When talking about the vision and values of the city, Peter noted that, as a government agency, the city was highly regulated. This encompassed a number of interactions with the state and federal government on financial reporting. Additionally, the city also worked with the county government in providing services to the community. This city was also highly regulated with both policies and Memoranda of Understandings

(MOUs) from the five bargaining units that negotiated with the city. When asked if one union was more powerful than another, Mary smiled and said it depended upon which contract was being negotiated at the time. She said the public safety unions were very strong, and the Service Employees International Union (SEIU) was the largest union they dealt with. Adding to the complexity in the city's relationship with the unions was the fact that the contract negotiations were on a rolling basis throughout the year. In interviewing the participants, they all mentioned either a policy or union when referring to key decisions they had made.

All the MOUs had been established with specific detailed written policies for the terms and conditions of employment for the city employees and had been jointly agreed upon by the employees. Three participants described situations wherein an individual was either trying to manipulate those guidelines or challenge those guidelines to suit their own needs. In addition, in two other situations described in this study, the stated policy was the catalyst for the ethical dilemmas.

Mary mentioned that her work was subject to the city's policies and practices, which affected their agreements with subordinates, and she offered one example of a MOU that dictated the layoff process. When I asked her if the MOU included who was laid off and how they were laid off, she responded:

> Those are dictated by how are we going to treat our employees if the city has to make a decision in a layoff process? So that's all outlined in the MOU.

Mary, as she described her ethical dilemma, said that, given the outcome of that ethical dilemma, a policy had been changed, and as such, the MOU had been amended. She commented on the challenges associated with a particular change in policy, which had extended the retirement age.

Gloria stated that one of the most significant policies that had a bearing on the city was the subordinate exit incentive package, and in particular, who it was offered to and how. When asked how that affected the resolution of an ethical dilemma, she replied:

> I see a couple of my colleagues, one in particular who wants to manipulate that system to his personal benefit.

Michelle mentioned working with the city policies on the layoff packages, especially as it related to classifications. When Michelle relayed her ethical dilemma story, *Vignette 4: Layoff Discussion,* she referenced the city policy in explaining the process to her subordinate. One of the challenges she identified was the possibility that some of her valued staff could be let go in order to retain other subordinates who had "bumping rights." She explained:

> And so, of course, when you go through a layoff process, you have people that are working in various different classifications, and even though they didn't interview for this particular job or they weren't interested in this particular job, if we did get to that level, some of those people would be transferred here to this location.

The other policy-related issue that had a bearing on Michelle's situation was the specificity of the policies with regard to who could and who could not be laid off. She stated:

> This is what happens. You know, layoffs happen based upon seniority.

> Steve's ethical dilemma directly related to his contract negotiations with unions. Steve represented his peers to city hall, city council, and human resources, when needed. He cited one example in which he had reversed his role in order to stand up for the city:

> I stood up last year at a labor union meeting that was actually going kind of bad, and I said, "Hey, we need to stop and let the city have a breath. We need to take a pay freeze." And we all ultimately did.

He noted, however, that this time around was different and described it this way:

Well, this is the last year of our contract, and we haven't agreed to that.

The trigger of Steve's ethical dilemma was the union contract and the values conflict it

represented as to whether he voted with his peers or the city.

Beyond the MOUs, the city was regulated through other policies and contracts

that provided direction on how the city achieved it goals. Henry also discussed the city's

policies as they related to choices his superior had made:

> It's just a policy choice. And I'm okay with that, with the boss saying, "I want to
> cut …." I'm there. I'm good.

Throughout the course of the conversation, Henry continuously reiterated his position

that if his superior was making a policy choice, whether he agreed with his superior's

decision or not was of little import, stating:

> That's neither right nor wrong, that's just a policy choice.

Yet, despite Henry's insistence that "it was just a policy choice," it was, in fact, a policy

choice that had created the ethical dilemma for Henry in *Vignette 7: Overtime Budget*,

which caught him in between his loyalty to the staff and his superior.

<div align="center">Unstated Practices</div>

Although unofficial, unwritten practices that have developed over time often

become implicit in the organization as the operating norms, and as such, affect how

people interact with one another and the decisions they make. The residual effect of these

practices can be long lasting and may be more difficult to reverse or change than written

policy or contract decisions, which can be reversed by a written change in policy. Gloria,

Steve, and Mary all identified unstated practices as having influenced the resolution of

their ethical dilemma.

Gloria mentioned that the practices of the city had changed since the new city manager had joined the organization. Central to her ethical dilemmas was the practice adopted by the city manager at the time of the study with regard to bringing in consultants. She described the situation:

> I mean, literally, in the last 2 years, we've had more consultants than we ever had the whole time I was with [the city] … for 7 years.

Steve mentioned one of these unstated practices as it related to the budget. His issue was that the budget projections did not reflect those subordinates who had not been replaced after they had left the organization. There had not, in fact, been any layoffs; yet, the employees who had left the organization had not been replaced. He cited one example that he had witnessed at a recent city council meeting. In this meeting, the head of his department had made a point of telling the city council that they had not laid off any employees in public safety. Steve stated his concern this way:

> In the city council's mind, [we are not] laying off public safety employees. Oh, we haven't laid off any uniformed employees. Well, they are [laying off employees by virtue of not replacing those who have left].

Mary talked about the current practices at the time in that a layoff message or the city's rejection of an employee's request for an exit incentive package did not require the manager to deliver the message to the employee, which was the situation in *Vignette 1: The Package*. However, while offering the exit incentive packages to selected employees herself, Mary discovered that one employee believed he had been selected for the program and had turned in his final paperwork for resignation only to find out by Mary that he had not been selected for the program. The requirement that the manager had to inform the employee was not a stated policy requirement; therefore, managers could opt out of having the difficult conversation with the employee. This left Mary addressing the

employee's concerns in the moment and explaining the policy and program. Mary

explained the situation this way:

> I felt like his department head should have said—I don't know—I had to give it to another [person]. And I just said to myself, "You wimp, come on." I even went to [my superior] and said, "Whose responsibility is it to tell the guy he didn't get it?" I couldn't take it. I took it on myself….. "Have they told you they weren't able to accommodate your request"?

Mary ultimately made recommendations to her manager to change the process and

require the department head to have the conversation with the affected employees.

Conversely, Peter, Henry, and Ellen stated that as a result of the resolution of their

ethical dilemma, they and others began to operate differently in the environment;

however, there were no unstated practices that affected the resolution of their ethical

dilemmas.

Summary

This research question focused on how leaders perceived that stated or unstated

policies and practices had affected the resolution of their ethical dilemmas. While the

participants referred to core purpose and core values as being the essence of how the city

worked, when confronted with ethical decisions, the participants did not incorporate them

into their decision-making process.

In point of fact, the stated policies and contracts of the city had a greater bearing

on their ethical dilemmas. In describing their ethical dilemmas, five of the seven

participants referred to the city's contracts with its employees, which dictated the

condition of employment. When the conditions in the contract no longer fit the

employees' personal needs, they had attempted to renegotiate or manipulate the contracts

to which they had initially agreed.

Three of the seven participants proffered that unstated practices had influenced how they resolved or handled their ethical dilemmas, spanning the gamut of hiring practices to changes in policy. Additionally, three participants considered that these unstated practices influenced the way they personally operated in the environment. As stated above, because these practices were not codified, it would require more than a simple vote or policy change to alter their residual impact on the work environment.

Research Question Three: Interactions With Others

The third research question considered the impact of the participants' interactions with others, within or outside the organization, and how these relationships affected the resolution of their ethical dilemma. While the details captured here are solely related to the ethical dilemmas described in the vignettes, all participants mentioned many situations in which they had routinely sought out the advice of others—both inside and outside the organization.

The findings revealed that in four ethical dilemmas, other employees had been consulted or had been asked for their advice regarding difficult decisions or ethical dilemmas. Mary stated that, when confronted by the employee who wanted an exception to her package, she had asked the department heads for advice.

> The department heads, because that money … is being [taken] out of their department budgets. I did have my coworker sit in on these, so I always share what I am doing.

Steve said that in his department, after a long weekend of writing a rebuttal article for the local paper, he contacted one of the members of the group for his advice, who asked him:

"Is this getting any play in the press?" And I go, you know what, I don't know. I called the press up. "You know that article that was written last Wednesday? Got any responses?" "Not one." "Thank you." So why should we stoke it?

Ultimately, it was that interaction with a peer that gave Steve a different perspective on how to handle the situation.

In Gloria's discussion of her ethical dilemma, *Vignette 3: The Consultant,* she recalled a situation in which she had asked a peer, who was an attorney, to join her in a project meeting the consultant was leading so that her peer could express his concerns and any potential conflict that he observed. Gloria also wanted to enlist her peer's advice and support where needed. She described it this way:

> I also invited [a coworker] that was at the time also aware of what was going on. And he and I were probably the ones that were most unhappy, although he was not really part of the process. He got pulled in later. He was only sort of on the edges. So I invited him to join us as well.

While both Gloria and her coworker were in agreement with each other, their point of view on the issues was not supported, and ultimately, the city manager chose to take the consultant's side in the conflict.

Henry spoke about how he collaborated with his peers for advice and counsel on decisions and explained that they had their own discussions regarding policies, difficult decisions, and issues—anything that was of importance that would affect the department. Henry described it this way:

> We've made a point to hash things out at our level and to go to the chief with consensus decisions as best we can. Where there's disagreement, we will let him know, but we try to vet things amongst ourselves. So I will go to the other two [peers] with an idea before I go to the [boss] . Yes, I'll try to do that unless it's strictly within my division.

Three participants stated that they had consulted others outside the organization for advice, feedback, or counsel regarding their ethical dilemma. Mary mentioned she

had discussed the ethical dilemma, *Vignette 2: Personal Friendships*, with her spouse.
She stated:

> I just talked to my husband. He explained to me. He says, "All right, money is involved. Think—sit back and think about the situation from her perspective right now because she's getting ready to be the recipient of a lot of money. Based on that, will that help you understand the reasons she's behaving like she is behaving. And, you know, money can bring out the true colors in people."

Peter indicated that, if a manager was putting pressure on him—especially if it involved an ethical dilemma—he would either reach out to a colleague within the organization or talk with someone from outside the city. Peter explained it this way:

> I talk to a counterpart in another city [and ask], "What do you think about?" I just run it by them: Have I missed anything or am I on track?

Prior to Ellen recommending the full plan to the city, *Vignette 9: The Plan,* she described her concerns and noted that she wanted to ensure that the vetting was done upfront by both her and her superior. Further, because the plan was controversial, she wanted to ensure that she considered all the issues prior to the presentation. Her approach was to consult with other experts, peers, and subordinates. Ellen mentioned that she had also talked with people outside the organization about this plan prior to submitting the recommendations. She described her conversation with her colleague outside of the organization:

> His feedback was—and I should have really listened to this—"You're really brave." It was right on the cusp. I should have reviewed that. But again, I thought the vetting had occurred.

Ellen discovered that the advance discussions between her superior with the city council regarding the plan had, in fact, not been done to the extent to which she felt comfortable; it was thus understandable that this recommendation was a surprise to the council members. She described her reaction to the situation this way:

>So, clearly, the vetting didn't accurately depict what had actually occurred, and I wasn't in control of that. So I was just caught off-guard.

Ellen stated that even a year and a half after the event, the impact of her interactions with members of the city council were still strained:

>So the grudge is deeply held by one or two people. And it just keeps reappearing. I'm working at cracking the ice with this person, but my boss has kept me separated from this person.

Upon closer examination, the answers the participants gave to this research question revealed three themes that went beyond the simple interactions and exchanges. The major themes that emerged from the data were: (a) feelings, both emotional and physical, arose when interacting with others; (b) the participants engaged in their own internal monologue, which became clear when interacting with others inside the organization; and (c) power relationships arose when confronting those individuals outside the organization. The interactions involved the participant and others, some of whom were also involved in the ethical dilemma.

Participants' Individual Reactions

Findings related to emotional or physical reactions surfaced with every participant when dealing with ethical dilemmas. This occurred whether internally interacting with city staff or interacting with others outside the organization. Six of the seven participants described the emotions and physical feelings they had had as a result of their interactions with others regarding ethical dilemmas, which included phrases such as "feeling beat up," "biggest headache," and "embarrassed." While some of the participants described emotional and physical attributes, others mentioned stress as a key component in addressing their ethical dilemmas. It is important to note that, with regard to the emotional and physical feelings that surfaced, no distinction was found based on whether

the participants' interactions had been inside or outside of the organization; nor does it appear that the extent of the emotional reaction was based on the intensity of the ethical dilemma, the scope of the issue, or the individuals involved.

In this first example, Peter's ethical dilemma in *Vignette 5: The Bottom Line* involved confronting a peer with whom he disagreed regarding staff equity:

> Instead of just papering it over, and saying, "Well, uh," and creating more work for someone else, I just really bristled at that, and, you know, it's rare that I'll go down and push back on my boss for something, but I just thought, that wasn't the right thing to do.

Peter's immediate emotional reaction to his ethical dilemma was that he "bristled" at his peer's suggestion, which prompted him to take action by addressing the issue with his superior. In referring back to his definition of ethical dilemmas, while his first definition was "something illegal," his second definition was "something out of compliance," which was, in fact, the situation in this ethical dilemma; that is, it did not conform to accepted business practices.

In Vignette 9: *The Plan,* Ellen described her own feelings when her proposed plan received a negative response. For Ellen, she felt that it was a gray area, a struggle to know what the right answer was, which in her case was to decide whether to put career ahead of the city's needs or vice versa. In terms of how she felt personally, she commented that she still felt gun shy in making recommendations. In addition, she said:

> We became less social during this time period. I was embarrassed. I quit doing some of the volunteer work that I used to do at the kids' school. I actually started buying out instead of doing my hours. Now, I know some of it was I didn't want to be out there so much. I pulled back.

Ellen stated that even a year and a half after the event she was still recovering from it politically and still felt vulnerable emotionally. In essence, her embarrassment had led her

to withdraw from others in the community. Ellen mentioned that, after the fact, she had reached out to staff and others outside the organization for advice and counsel. While others reassured her that she had done the right thing and that she had been "brave," she said she struggled with the right course of action to take and questioned whether she would take the same action going forward given the emotional toll it had caused her.

Steve described his situation in *Vignette 8: Group Vote*. He said that he understood that no choice would involve a win-win solution. He stated that it had been especially difficult because the association had given the city two freezes in the past 5 years. Steve described the situation this way:

> And my feeling is, they need to deal … when we're out of contract. We already gave them two freezes in the last 5 years. And so, to me, it's a difficult dilemma, though, because you see the city that you love … kind of hurting.

Steve was aware that whatever decision he made to resolve this issue would have a significant impact on both future contract negotiations as well as his peers' personal futures. This left him feeling badly about the situation and unresolved about what action he should take. Additionally, he felt it took a toll on him emotionally and physically, both as a member of the association and then as president of the association. Steve described his work with the association as being extremely stressful; however, while he worked in a public safety area, he felt that the stress as president of his association was far greater than his job:

> Sometimes it's the biggest headache for me. That job causes me more grief and stress than my job out on the street.

He explained that the stress of the political environment with the city council added a layer of complexity in resolving certain situations. He related one situation in which the city council had called him in because of his role as president of the association

to ask his opinion on certain budget issues. For him, this had created an ethical dilemma

with regard to how he should respond: whether to offer his personal opinion, which was

in opposition to the proposed plan, or support his department's decisions. He ultimately

chose to offer his own opinion, which later resulted in being reprimanded by his boss

behind closed doors for not supporting the department's plan. He commented that he did

not feel he would ever get a promotion based on his candor.

Three of the participants also described how they were feeling physically as a

result of coping with their ethical dilemmas. In *Vignette1: The Package*, Mary described

a physical reaction by suggesting that she just wanted solitude from her workweek:

> I was so tired when I walked out of here last Friday. I said, "I just want peace and
> quiet. I don't want to hear anything."

Mary talked about how she wondered whether she "had the stomach" for the job after a

long week of dealing with employees on their packages, especially when she was asked

by one employee, a personal friend, to make an exception for her regarding her package.

Mary said:

> Now I kind of say, "Do I really want to do this? Do I have the stomach for it this
> time?" But back then, I used to just jump in the pool.

Henry also talked about the physical stress of handling the job and dealing with ethical

situations. When he talked about standing before the city council and defending his

superior's decisions in *Vignette 6*: *Loyalty to the Boss,* he also mentioned how

uncomfortable it was physically for him.

In talking about her ethical dilemma in *Vignette 3: The Consultant,* Gloria said

she had been extraordinarily uncomfortable in working with the external consultant given

what she described as his unethical business practices. However, what was even more

emotionally troubling for her was that her superior at the time did not question or

challenge the consultant, but rather, seemed to approve of the consultant's actions. She

described one meeting in which the external consultant and the outside public relations

firm had suggested ways to dispose of the meeting documents. During the course of this

meeting, she made the decision to speak up and talk about how she felt:

> I finally had to say I was very uncomfortable. I said, "I'm not comfortable with that. I can't do that." When questioned by the team, she responded, saying, "So if you want to come to a meeting and show me a document and take it back with you, I can do that." But I said I will not—absolutely will not shred a document.

The external consultant's response was to argue that it was best for the public not to

know the details of the project. Gloria then disclosed how the project had unraveled into

more troubling ethical issues:

> I've had to speak up on and have been the lone man out on that. But I'm terribly uncomfortable with a lot of the things that are happening.

This verbal exchange between Gloria and the external consultant not only served as a

heated exchange of opinions, it also was a means for Gloria to express her discomfort

with the situation, and she repeatedly stated that she was uncomfortable with the tone of

the conversation and the plans discussed at the meeting.

Participants' Internal Monologue

Examination of the data revealed that, in addition to the outward conversations

that were occurring with others regarding the ethical dilemmas, some participants also

described their personal thoughts that were occurring while interacting with the

employees. These personal thoughts are described as an "internal monologue;" that is, an

internal conversation that was running through their mind during their interactions with

others in the resolution of their ethical dilemmas. This internal monologue focused on

what the other person might be thinking or how he or she might react to the participant's recommendations or comments. These findings show that the internal monologues were linked to the participants' values, which shaped their definition of ethical dilemmas and ultimately created their ethical dilemmas (i.e., otherwise, they may not have cared).

In the following situations, two participants, Mary and Michelle, described the external conversation along with their "internal monologue" in addressing their ethical dilemmas. In the first situation, *Vignette 2: Personal Friendships*, while Mary knew what her friend wanted out of the program, she was surprised to find her friend "drove her crazy" because she was demanding more than she initially wanted. She went on to say:

> I felt like she was being dishonest and playing—not really coming out and saying what she wanted.

Mary mentioned that, while talking with the coworker, her internal monologue was:

> I am a little defensive and bitter because it was like: Has she been playing me all this time? And is she just trying to get information out of me?

A subordinate in *Vignette 4: Layoff Discussion* asked Michelle whether she was going to be laid off due to the budget reductions. Michelle said:

> As we were going through the process, one of the staff members just really didn't get it, you know? So I had to walk her through that process, and I really had to think about that without just taking a hammer and hitting her over the head and say, "Hey, don't you get it?"

Michelle said she continued to assess the situation when she was explaining it to the subordinate:

> So just kind of thinking about what can I tell the employee and trying to step back and put myself in that employee's shoes, but also trying to think like that employee, and thinking, "How come you don't know? Hello? How come you don't know? It's not you. You're number two."

Mary believed that her friend's actions did not fit the operating environment. She knew her friend had expressed interest in taking a package; yet, her friend's actions created an internal conflict and left her questioning this person's motives. Additionally, one of Mary's values was respect, and yet, she felt that her friend's actions had been disrespectful. Consequently, Mary felt she had been taken advantage of. Mary's internal monologue allowed her to question her friend's behavior without confronting her directly.

Michelle was concerned about sharing confidential management-level information to a subordinate, who would not otherwise be privy to the information. This situation directly corresponds to her definition of an ethical dilemma. This situation created a conflict for her internally because she knew she could not share the information. Additionally, her goal was to be direct in her communications, and yet, in her role as a manager, she could neither divulge the information, nor be direct with her subordinate about it. Her internal monologue was about balancing the employee's inquiry with her own leadership responsibilities about not divulging confidential information. It is important to note that while the participants had these disapproving internal monologues regarding the employees they were interacting with, they were ultimately much more restrained in their actual conversations and interactions with the employee.

Power Relationships

In the two ethical dilemmas that involved power relationships, the power struggle was with those outside the organization—not with the employees or superiors, which may have resulted in negative career consequences. Gloria and Ellen both discussed situations of power-relating issues when negotiating their own ethical dilemmas with

others. Gloria described another situation with the same consultant she had had conflicts

with in *Vignette 3: The Consultant*. Between the earlier situation and this more recent

one, she had been dismissed from the project and had been uninvited to meetings that

were still ongoing. She had discovered that there was a lot of conflicted information such

that agreements would be reached at one meeting with everybody there and then changed

before the next meeting was scheduled. When Gloria confronted the consultants, they

responded by saying:

> "Oh well, we had another meeting, and we decided when you weren't there."

Her response to the consultant was:

> "Well, that's not okay. Either I'm in or I'm not. I'll go either way, but take me as
> a whole package. You don't just get a piece of me." So it's been difficult. I pretty
> much have been taken off the project without being told that.

Gloria took the risk of confronting the consultant, knowing that he could have certainly

advised her superior about her behavior in the meeting, which might negatively influence

her career.

Ellen, in describing her ethical dilemma in *Vignette 10: Competing Values,* felt

conflicted about how strongly she could support a plan for which she did not fully believe

in all of its components. Ellen said:

> I was disappointed in myself [that] I was quiet. I provided all the choices, and the
> decision was made. They ended up making the decision they were going to make.

When asked why she did not speak when given the opportunity, she said that she did not

feel she had the support of the city manager at that time. Without that support, she

explained that her strong recommendation would have left her vulnerable and subject to

reproach by the council. Paradoxically, in a later dilemma, *Vignette 9: The Plan,* Ellen

suffered emotional consequences because she chose to be silent and not speak out publicly about her conflict.

Summary

This research question looked at the interactions that the participants had with others. In those situations in which the participants had reached out to others, it was for advice on how to resolve the issue, for validation of their concerns, or simply to have someone to listen to them. Generally, those interactions took place with people inside the organization; a few of the participants, however, had reached out to peers outside of the organization.

Within the data gathered for this research question, a deeper subtext emerged of what the participants were experiencing when they consulted with others about their ethical dilemmas. Three themes emerged that influenced the nature of the interaction. The first theme related to the feelings that were evoked, both emotional and physical. Of note, the interactions outside the organization tended to be more adverse in nature, and the participants expressed greater feelings of physical discomfort or vulnerability.

The second theme concerned the internal monologue that the participants were having while externally interacting with others. In this internal monologue, the participants shared their reasoning and reactions behind their thoughts. Additionally, the participants described their internal monologues when interacting with other employees—but not when interacting with others outside the organization. These internal monologues may have served to help them carefully consider their responses before actually giving them; that is, they played out the scenario in their minds rather than verbalizing their internal thoughts to others.

The last theme that emerged concerned the power relationships and whether to confront the individual involved in the ethical dilemma. Two ethical dilemmas involved these power relations, and in both cases, external parties were involved with the ethical dilemma. In the first situation, the participant chose to confront the external party regarding the external party's actions, and the participant may have done this because she was more concerned about the city's future than her own career. In the second situation, the participant chose not to confront the individuals involved because of the relationship they had to the city, which might have had negative personal career consequences.

Research Question Four: Decision Making and Emergent Patterns

The fourth research question asked: To what extent do leaders perceive their past ethical dilemmas influence their future decisions, others' decisions, and the organization's decisions, as well as the emergent patterns that may result? In this study, the participants commented on their individual dilemmas from their own perspective with regard to their own future decisions. They also commented from their perspective on how the organization would handle future decisions as a result of their past ethical dilemmas.

Three themes emerged from this area. The first was the participants' perceptions on how the resolution of their ethical dilemmas would impact their own future decisions. The second was their perception of how their resolutions would impact the organization's future decisions, and the third theme was the emergent patterns that might occur due to the resolution of the ethical dilemma.

Participants' Future Decisions

While all participants indicated "lessons learned" from negotiating their ethical dilemmas, Mary, Gloria, Michelle, and Henry all indicated that they were usually

comfortable with their decisions and would continue to use the same process for making

future decisions. Mary stated:

> I think I'm comfortable with the decisions that were made, and my boss is comfortable with me. So he felt I did a good job. I felt very proud that he had enough confidence in me that I could handle it—that makes me feel good. That makes it feel like it's all worth it. You know, it's trust.

Gloria stated:

> I have to live with whatever decision I make. So I try to make them based on values, and I also try to look at what's ultimately best for the community. I don't think that I'm ambiguous about what my expectations are.

When asked if the past ethical dilemmas she described would influence her personal

future decisions, Gloria believed that they would not; she also believed that she would

not have altered other decisions knowing what she knows now, stating that she felt

comfortable with all her past decisions.

Michelle did not answer the question directly. Rather, she talked about how she

had been raised and that her upbringing had taught her to be forthright and honest with

people. All three (Mary, Gloria, and Michelle) stated that, while they were open to new

information, they also felt their values were anchors for their decisions. (Their values and

the importance they placed on them were discussed earlier in this chapter.)

Henry took a more pragmatic approach to his future decision making:

> If it doesn't create severe harm to the organization or if it's not unethical or unlawful, I'm more apt to just say, "Okay, I recognize this is a policy choice," but it doesn't serve me to continue to butt heads with him or to continue to resist or provide him background, which he may intellectually recognize as, "Okay, [Henry's] right," but emotionally, he's seeing that we're butting heads.

Both Steve and Ellen said they had modified their approach to decision making

and would continue to do so in future decisions, especially as they realized "what works

for them." They remarked that their individual approaches were constantly being refined,

as their resolutions of decisions proved successful. The result for each decision worked to create a new pattern of how to address ethical issues. Steve explained that the new approach that had evolved for him over the past few years would influence how he handled issues going forward:

> I have just tried to stay out of battles that aren't mine any more where I used to engage in other battles that weren't mine and insert my opinion. I learned the lesson—I have this thing if I'm upset, I will wait 24, 48, sometimes 72 hours before—and sometimes after 72 hours, it doesn't matter.

> Ellen reflected on the question and responded that she had already refined her

approach for handling contentious issues and expected that she would continue to refine it in the future. In Ellen's case, each of her two ethical dilemmas resulted in her learning valuable lessons. In the first example, *Vignette 10: Competing Values,* she stated:

> I don't know if I could have then—I feel more empowered to do so now. I won't do that again.

When discussing the second scenario, *Vignette 9: The Plan,* which took place a few years later, Ellen stated that she had felt more empowered with new management on board to move forward with the project recommendation. She had also been led to believe that city council and the leadership team had agreed to the plan and that the contrarian viewpoints had already been vetted. When asked if she would make the same decision again, her response was:

> Yes, but I would have presented it differently. I'm not sure if I would have made such a strong recommendation as to "Here's your range of options. This is where your consultants and staff team are right now. You need to make some choices here so that we can keep moving. You have a community that is very uncomfortable with this particular issue, and you've got to keep moving. We want to help you." I would have made it as a suggestion. I would have presented the information: "So this is what the process has appeared to lead to."

When asked what key lessons she learned from both processes, Ellen said:

> Instead of thinking or dancing on the line, if you really go to your gut and quit reading the code and quit going and checking out the conflict-of-interest rules and just acknowledge the gut, you'll be on one side of the line or the other. And then you can make a good decision and move on. I do think that can help a lot—not all the time.

Ellen told me that she recognized that she was still settling into her new role and all the challenges that it brought with regard to how much she could push back on decisions when she felt it involved ethical issues or gray areas.

Organization's Future Decisions and Emergent Patterns

Three of the participants described their ethical dilemmas as having a future impact on the organization. The findings reveal that, in all three situations, this was not due to a long-term strategy, but rather, from the unplanned interactions by each of these participants with other employees in the organization.

In the first situation, Peter described his ethical dilemma, *Vignette 5: The Bottom Line,* as potentially creating a precedent and expectation that his department would take on the added responsibility of balancing other departments' reporting. His initial response was to address the immediate issue regarding this specific department. He made this comment:

> I went down to the city manager, and I said: "No, that's not equitable."

However, Peter quickly realized that the implications of his peer's request would set a precedent and potentially invite the rest of the organization to offload their work onto his department. So he went on to say:

> Do we really want to enable bad behavior? If you've got a department head who can't do certain things, certain tasks like that, maybe we need—… To me, there's another question that needs to be addressed. I mean, the easy choice for me would say, "Yeah, we'll do it." I'll be the nice guy and give that to someone.

In Steve's conflicted decision in his dilemma, *Vignette 8: Group Vote,* he had elected to vote with his peers, who were demanding a pay increase. This decision had far-reaching implications. He explained why he chose to side with the group vote:

> Because next year, we're out of contract, and guess what's going to happen? They're going to drop the hammer on us. So it's like, we didn't put a gun to their head to sign this contract, so it's kind of hypocritical. What does this show to anybody you signed a contract with? And my feeling is, they need to deal when we're out of contract. We already gave them two freezes in the last 5 years. And it's like you want to do the right thing. But, you know, when I look at my membership, and I have 10 of 14 ready to retire in the next 2 to 4 years, this could be it for them.

In the earlier part of the interview, Steve had said that, given his role as president of the association, he could significantly influence the contractual process either for the union or for the organization. He also felt he had enough clout in the other organization, which also had enough employees to influence the vote as well. While he was torn between his loyalty to the city and his loyalty to his peers, he felt, despite the financial difficulties, that his peers had contributed their fair share to the city.

Mary, in her role, had one of the more far-reaching impacts on influencing the organization's future decisions in that her decision led to a change in policy that had the potential of setting a precedent for the entire organization. In describing her situation in *Vignette 2: Personal Friendships*, the employee she was presenting the package to started making additional demands. These demands began to weigh heavily on her relationship with her friend; her friend's demands also put Mary in the uncomfortable position of having to negotiate with the leadership team and ask for an exemption on behalf of her friend. The exemption was granted, and this immediately affected two people. She described the resulting potential impact to the organization:

I'm saying, be careful because we've created a practice. Now we offer this again. That's the thing you have to think about when you're making these types of decisions. And if you did it for this person and not for this person, that can be construed as discriminatory. Are you ready for that? How is that going to impact us in the future?

Mary also talked about other changes she had recommended as a result of the exit interview process and the manager's protocol for employee notification. Hence, this single conversation that had taken place between two individuals resulted in trailblazing a new direction for the organization with unknown financial and policy implications.

Local interactions not only influence future decisions, but by establishing new patterns, global patterns are also created by individuals who establish the culture of the organization. One example was Henry, who after resolving his ethical dilemma in *Vignette 7: Over Time Budget* by speaking up to his superior, found that in staff meetings with his peers, he was treated differently. Henry indicated that the expectation was that he would be the one to address or challenge the difficult issues or issues in which they do not feel the superior was well informed. Henry explained this situation this way:

> They recognize that I'm basically carrying the flag on some of these issues. And, you know, part of it is because … we sit at a table that's similar to this. The chief sits there, at that end of the table, and I sit right here. The most senior captain sits here. And then I have another guy that sits over there. And it's funny how proximity … I've done enough criminal interviews and interviewing people and talking to people and just … being the first one to answer any question is kind of tough. And so I sit closest to him. He would voice some idea that I know we can't implement and that is just absurd. And he turns to me and says, "What do you think?" And so I'm the first one out of the shoot. So, it's all these things going on—proximity makes people a little anxious—and a difficult idea to implement, given our staffing or our funding, our scheduling. I'm sitting pretty close to him and I'm trying to think, 'How ... you know, what's the right thing to say?' 'How do I respond to this?'And so I'm usually the first one. And then if I say how I really feel about something, the senior guy has a choice to either modify his response in a way where he's not going to feel a lot of heat, and then the last guy can go either way. So I'm usually the first one out of the shoot or I had been. And now the issues that he brings up don't directly affect my—"How do I respond to this?" So I'm usually the first one. But they recognize that I've taken some heat,

that I've kind of carried the flag on some things. And I do it because I think that we owe it to the people that work here. And there's an obligation that we have to be good stewards.

Summary

The ethical situations, while described as discrete and unique ethical dilemmas that led to isolated decisions, had far-reaching repercussions in the organization and the environment. Six of the seven participants stated that they would respond differently to ethical dilemmas in the future because of their experience with the dilemmas recounted in this study. Four participants stated that they felt comfortable with their decisions because their values had guided them. Two participants believed that they would continue to modify their decision-making style as they continued to discern what worked best for them in their future decisions. One implication of their decisions was not addressed: how others' decisions had been influenced by the participants' experiences. Not one participant was able to draw examples of others' decisions as having been influenced by theirs.

Three of the participants' ethical decisions had also influenced the organization's future policies: One led to a change in an intradepartmental work policy, another changed external union negotiations, and the third resulted in an internal policy change that may have had significant financial repercussions to the organization.

Finally, one pattern emerged with regard to one participant, who was expected to be the "torchbearer" on challenging issues that he and his peers confront with the superior—they would defer to his response in meetings. His peers, who recognized that he would challenge the superior on difficult and sensitive issues, created this pattern.

This shift, while isolated to one individual in staff meetings, has the potential to alter decisions that would have a bearing on the department's operations.

Summary of Findings

This study focused on the ethical dilemmas the participants faced as leaders within the city municipality. All participants had encountered ethical dilemmas. This chapter presented the findings based on the research questions through the use of the vignettes that the participants related in describing their ethical dilemmas. Additionally, this chapter presented the participants' values, how they had made their decisions based on those values, and especially those decisions that were ethically ambiguous.

In analyzing the data, five meta-themes surfaced: (a) the participants' values aligned with their definitions of ethics and the ethical dilemmas they experienced; (b) the participants had both physical and emotional reactions to the ethical dilemmas; (c) the involvement of the participants' superiors had a significant bearing on their ethical dilemmas; (d) formal and informal cultural systems and processes influenced the participants' ethical dilemmas; and (e) the participants' ethical decisions resulted in the organization's future decisions and emergent patterns that became a legacy in the environment. In the next chapter, I discuss the findings from the research relative to the theoretical framework and the related literature.

CHAPTER V: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Introduction

The purpose of this qualitative study was to explore the recursive nature of the

causes and effects of ethical decision making within an organization by coupling

Trevino's person-situation interactional model (1986) with an examination of complex

responsive processes (Stacey, 2001). Specifically, the study examined the relationships

among the following: (a) the ways in which leaders experienced competing pressures

between ethical dilemmas arising from their espoused ethics and their perceptions of their

organization's stated or unstated policies and practices; (b) the ways in which leaders'

interactions with others affected the resolution of their ethical dilemmas; and (c) the ways

in which leaders' resolutions of ethical dilemmas then affected the stated or unstated

policies and practices of their organizations as well as future interactions among others

within the company or organization.

The findings of this study supported earlier research that had demonstrated that

leaders consider both individual and situational factors when making ethical decisions.

This study differed from previous empirical research in that prior studies were primarily

quantitative in nature and generally used a solitary ethical model to study the ethical

behavior of leaders (O'Fallon & Butterfield, 2005; Tenbrunsel & Smith-Crowe, 2008;

Trevino et al., 2006), whereas this study was qualitative and employed two theories to

analyze the data.

This study added to the empirical research because, unlike previous studies, it was

qualitative in nature and used a phenomenological approach (Patton, 2002) that employed

semi-structured interviews with seven leaders from a single city government. The

overarching objective was to better understand, from the leaders' own perspectives, the competing pressures they experienced between their espoused ethics and their organization's policies and practices.

This research explored the following questions:

1. What is the nature of the ethical dilemmas that leaders perceive they face?

2. How do leaders perceive that stated or unstated policies and practices affect the actions they take in resolving an ethical dilemma?

3. To what extent do leaders perceive that interactions with others, within or outside the organization, affect their resolution of an ethical dilemma?

4. To what extent do leaders perceive that their past ethical dilemmas influence future decisions, the decisions of others, or other decisions made within the organization, and subsequent emergent patterns in the organization?

This chapter is divided into three principal sections: (a) a summary of the major themes that emerged from this study, including their relationship to prior studies; (b) contributions to the current theory based on the findings of this study; and (c) recommendations for organizations and leaders, education, and further study.

<div align="center">Summary: Research and Prior Findings</div>

Five meta-themes emerged from the interview: (a) the participants' values aligned with their definitions of ethics and the ethical dilemmas they experienced; (b) the participants had both physical and emotional reactions to ethical dilemmas; (c) the involvement of the participants' superiors had a significant bearing on their ethical dilemmas; (d) formal and informal cultural systems and processes influenced the participants' ethical dilemmas; and (e) the participants' ethical decisions influenced the

organization's future decisions and emergent patterns, which may, in time, become a legacy in the environment. These meta-themes that emerged are discussed below in relation to theory and prior research. While each theme in this section was discussed independently, they all are interrelated and collectively have a bearing on a leader's ethicality.

Theme 1: Participants' Basis for Ethical Decision Making

Two key findings were identified within this meta-theme: (a) participant's values provided the foundation for their personal view of ethics; and (b) the participants' ethical definitions aligned with their reported ethical dilemmas. While the participants used specific language to describe their ethical definitions and dilemmas, they did not specifically identify their values as values or principles, rather, they used more prosaic terms to describe what they believed in, such as being truthful and honest, and speaking up when called for.

The first finding showed that all seven participants relied upon their values to serve as guideposts for their ethical decision making. The participants described these values, as being instilled in them from early childhood, either by a parental figure or simply something they believed was a "part of their foundational beliefs." The participants attributed their values to their upbringing and to the role models they had had throughout their developmental years. These role models included parents, teachers, mentors, and superiors from early in their career.

The values the participants described were similar to those identified in a study by Trevino et al. (2000), which showed that, in order to be an ethical leader, the leader must first be an ethical person. This includes displaying certain traits, such as honesty and

integrity; demonstrating certain kinds of behavior, such as being straightforward, honest, and compassionate; and finally, making decisions that include being fair and principled. Each participant in this study ascribed to at least one of these values, which was represented either through their traits, behaviors, or decision-making process, and; some of the participants' values fell into multiple categories. Those values, in turn, provided the foundation for their ethics, and thus, their definition of what constituted an ethical dilemma. This finding was consistent with Carroll and Buchholtz's research that showed that "one's values therefore shape one's ethics" (2009, p. 274). This study's finding was also consistent with ethics business scholars, who assert that values play a role in ethical decision making. Additionally, studies have shown that internally driven managers are less likely to be persuaded by others when making business decisions because they rely upon their values to formulate decisions (Finegan, 1994; Fritzsche & Oz, 2007; Nonis & Swift, 2001).

The second finding of this study was that the participants' definitions of ethical dilemmas aligned with their actual ethical dilemmas. That is, six of the seven participants showed a high degree of consistency between their definition of ethical dilemma and the ethical dilemmas they actually experienced, as well as the decisions they made to resolve those dilemmas. Research studies have shown that ethical decision making is a multistage process that begins with a ethical awareness, that is, the awareness that one is facing a ethical issue (Reynolds, 2006). The findings of this study are consistent with Trevino's (1986) person-situation interactionist model, which used Kohlberg's (1981) cognitive moral development as a starting point for conceptualizing moral awareness. An individual's cognitive moral development progresses as the individual develops,

advancing from preconventional to postconventional (Kohlberg, 1981), and this guides an individual's ethical decision making. Additionally, Rest (1986)—whose Defining Issue Test and Four Component Framework was also based on Kohlberg's work—contended that we are conditioned by social experiences and that cognitive development was social experience that occurred early in our development years.

The lens through which the participants made their ethical decisions was built upon a framework founded upon their values, which had developed gradually from early childhood through adulthood. A subset of those values form the moral principles of their ethics—what is considered right or wrong for that individual—and those moral principles of ethics are directly linked to their level of ethical reasoning (Kohlberg, 1981).

Ultimately, when the participants recognized a conflict within their own set of values, they focused on the issue before them—that is, their ethical dilemma. That issue may have initially presented itself as a routine business decision and then became an ethical dilemma when the participants became aware that two or more of their important values were in conflict, and there was no acceptable solution.

They then addressed this dilemma by relying on their values to guide them in making the right decision. Figure 7 below illustrates the progression through which the participants resolved an ethical dilemma. First, the individual's set of values forms the foundation for resolving an ethical dilemma, followed by their individual ethics. Their definition of an ethical dilemma, which is based on both their ethical behavior and their individual values, is a subset of their individual ethics.

When the participants were confronted with a specific ethical dilemma, they reverted back to their individual values to resolve the issue. The resolution of that

dilemma could result in a re-evaluation of their current values, which might then have a bearing on how they resolve their next ethical dilemma. This process is not one directional; rather, it is circular and one of constant readjustment and refinement as the individual confronts each new dilemma.
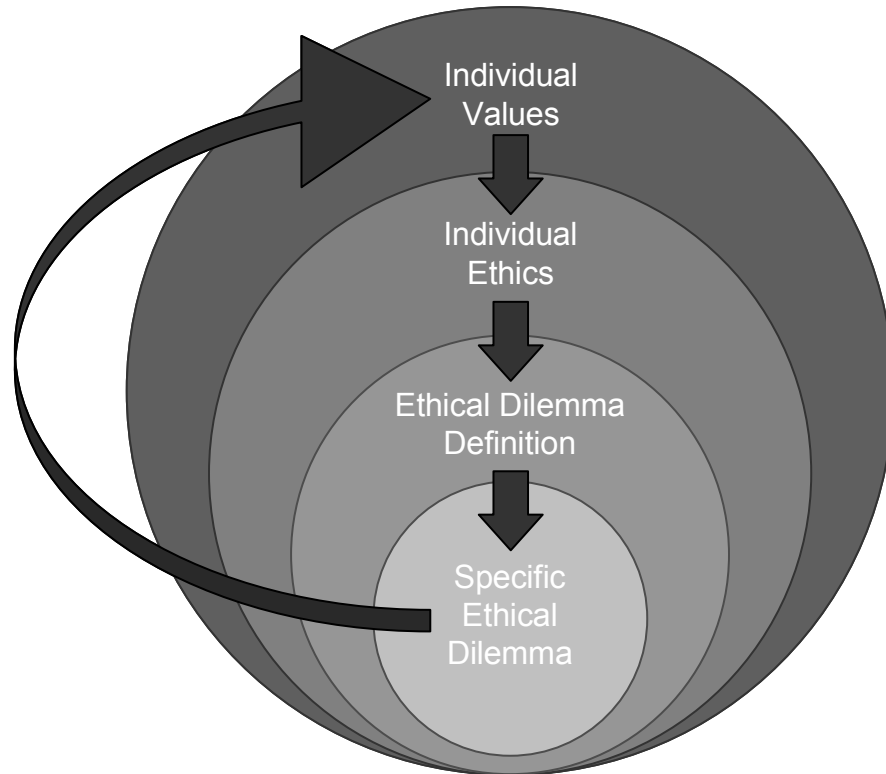
Figure 7: Values Relationship

One of the issues noted in Chapter I was the lack of a consensus for the definition of the word *ethical* in the field of descriptive ethics (Tenbrunsel & Smith-Crowe 2008). It is important to note that, while researchers' efforts were focused on what was legally and morally acceptable to society or individual behavior in addressing conflict with others (Jones 1991; Rest, 1986; Trevino, 2006), the participants did not use this as a guidepost for resolving their ethical dilemmas. This finding challenges previous studies wherein the

researchers asserted the need for standardized definitions of ethics and ethical decision making which would ensure a consistent foundation upon which to conduct empirical research (Tenbrunsel & Smith-Crowe, 2008). Conversely, the findings of this study suggest that individuals encounter ethical dilemmas through their own lived experiences and based upon their foundational values. Further, each participant had his or her own unique definition of an ethical dilemma, and their descriptions were more consistently aligned with their description of their own values. Nonetheless, many participants did share the same basic beliefs about how to conduct oneself in a principled manner.

Theme 2: Individual Physical and Emotional Reactions

The participants described a variety of physical and emotional reactions when addressing their ethical dilemmas. For some, the reaction was primarily physical—e.g., feeling beaten up, or, at the very least, highly stressed when dealing with the ethical dilemma. Others primarily reacted on an emotional level, feeling bad about the situation.

Damasio (2003, p. 160) stated, "Ethical behaviors are a subset of social behaviors." In fact, every experience and decision in our lives is surrounded by emotions or feelings, and in Damasio's view, those feelings and emotions are essential in resolving judgment issues and making decisions that are not a part of one's everyday routine. This includes ethical dilemmas. This was evidenced in this current study as the participants relied, in part, upon their emotional reactions from past situations to solve their ethical dilemma and validate their decisions.

In addition to the physical and emotional reactions, participants often also felt a sense of isolation when trying to resolve their ethical dilemma in that, oftentimes, there was no one to turn to either to help them resolve the issue or to offer advice. In many

cases because of the confidentiality of the issue, participants sought counsel from outside the organization, such as family members or other professionals in their field. This was most prevalent when significant consequences were at stake.

In this study, Stacey's (2001) complex responsive processes surfaced with regard to both the physical and emotional reactions the participant had when addressing their ethical dilemmas. That is, every participant either interacting with city staff or with others outside the city had a visceral physical or emotional reaction. The physical reactions experienced by three of the participants included feeling ill, tired, or stressed. These feelings were consistent with Lurie's findings (2004), which proffered that managers would make better leaders if they were able to express their emotions because this would provide a balance of business and ethical considerations. In this study, some participants suffered in silence, while others spoke up and confronted the situation or the individual who was the source of the conflict.

Most of the ethical dilemmas (9 out of 10) resulted from organizational pressures. This finding was consistent with previous studies (Gotsis & Kortezi, 2010; Schwepker et al., 1997) that have shown that stress tends to occur when individual and organizational values and characteristics do not match, especially with regard to ethical issues. A number of potential sources lead to this conflict, including negative politics with respect to both supervisors and coworkers, scarcity of resources, an organization's policies and practices, and trust among coworkers and management (Ferris et al., 1996; Poon, 2003).

Theme 3: Superior's Involvement

Posner and Schmidt (1992, p. 86) stated, "The behavior of those in charge is the principal determinant of the ethical tone in their companies." Other research studies have

supported the finding that the leader was the primary role model in an organization, and

employees will look for cues from their leaders to guide and model their own behavior

(Ashkanasy et al., 2006; Trevino et al., 1998; Victor, Trevino, & Shapiro, 1993). In this

study, six of the seven participants experienced ethical dilemmas that involved their

superior on myriad issues, which included (a) showing loyalty to one's superior that

conflicted with one's personal beliefs; (b) protecting the financial interests of oneself and

one's peers over the city's interests; and (c) accepting the unethical practices of one's

superior and thereby risking personal career consequences.

In Trevino's person-situation interactionist model (1986), she described one of the

organizational moderators as obedience to authority; that is, when one's superior has

legitimate authority, his or her subordinates are expected to follow the superior's

orders—even if the orders run contrary to a person's own beliefs. This issue was

intensified when there was a strong culture in place that supported the leader's authority.

In two of the ethical dilemmas, the participants were within command-and-control

managerial hierarchies in public safety departments wherein authority to the superior was

not questioned.

In this study in a number of instances, the participants' superiors played a key role

in the participants' ethical dilemmas; however, I only found four studies that examined

the role of the manager as the cause of the dilemma versus being a potential solution

(Ashkanasy et al., 2006; Henle, 2006; Kish-Gephart, Harrision, & Trevino, 2010; Trevino

& Youngblood, 1990). Each of these four studies had the phrase "Bad Apples, Bad

Barrels" in its title. Trevino and Youngblood's study (1990) sought to determine whether

a few individuals with low moral character or the organizational environment had led to

the unethical behavior. All four studies reached the conclusion that those leaders who looked to others for cues or were only concerned with their own welfare were more likely to make unethical decisions at work. Other studies focused on abusive behavior by superiors in organizations and the consequences of those behaviors on the employees. These consequences included (a) social undermining or negative social interactions; (b) physical and emotional abuse, which included hostile verbal and nonverbal behaviors; and (c) belittling and harassment, which affected the employees' self-esteem and confidence (Ashforth, 1994; Duffy, Ganster, & Pagon, 2002; Frost, 2004; Tepper, 2000).

Theme 4: Formal and Informal Cultural Systems in Organizations

In her person-situation interactionist model, Trevino (1986) cited organizational moderators as one of the key factors in ethical decision making. These organizational moderators are (a) immediate job context; (b) the organizational culture; and (c) the characteristics of the work. Within this meta-theme, there were three findings that directly linked to Trevino's person-situation interactionist model—that is, the organizational moderators focused on the culture and environment, which were: (a) the stated policies had the greatest bearing on ethical decision making; (b) the core purpose and core values of the city, while cited for rewarding and recognizing employees, was not a factor in resolving ethical decisions; and (c) unstated practices and the power of norms influenced the resolution of ethical dilemmas.

The first finding, that stated policies had the greatest bearing on ethical decision making, was directly related to the MOUs in this study. In the literature, Schein (2004), referred to this as espoused beliefs and values. All seven participants mentioned either a policy or union contract when referring to key decisions they had made. In five of the

ethical dilemmas, the MOUs were an underlying factor in creating the ethical dilemmas. This was either because of (a) strict limitations in place on how to manage a layoff process; (b) the power of the collective vote for compensation; or (c) due to the strict policies of an employee's hours. The stated policies focused on a compliance-based culture with strict adherence to rules and regulations. However, these policies did not create the foundation for a values-based organization, which resolved their issues by referring back to the company's values. Paine (1994) found that a strong leadership and a values-and-integrity approach to guide employee behavior on key decisions was more effective than a rules-based culture.

Trevino et al. (1999) confirmed Paine's research and showed that values-based cultures have fewer reports of unethical behavior or rule violation. The rules-based culture was solely focused on strict adherence to policy as a way to enforce employee compliance. It is important to mention here that, in this study, three participants described situations wherein employees who disagreed with city rules sought to manipulate the system to achieve their personal goals. This finding also showed that, while the purpose of the code of conduct was different than the MOUs and the city contracts, the goal was the same: to ensure a command-and-control environment of following the rules. In discussing the rule-based command-and-control approaches, Tyler, Dienhart, and Thomas (2008) made the point that this method—whether it is a code of conduct or a MOU—does not engage employee values; rather, it only builds conformity. Paine asserted, "Ethics is as much an organizational as a personal issue" (1994, p. 85). Although a values-based organization may vary in design and scope, the goal is the same:

to define the organization's values as the basis for individual employees' future actions and decision making (Corporate Leadership Council, 1999).

The second finding of this study highlighted the core purpose and core values of the organization. Trevino's person-situation interactionist model (1986) defined the values of the organization as the normative structure: the part of the organizational culture that guides behavior. This was similar to research that showed that an organization's culture facilitates the establishment of its legitimacy and acceptability (Deal & Kennedy, 1983; Schein, 2004). Schein (2004) likened the published list of values as the artifacts of the organization and the first layer of a multilayered culture.

The participants in this study used the following examples in discussing their values: employee recognition, celebrations, and a focus toward building a great community together. The participants believed that their values helped determine what was right and wrong in a given organizational situation, as well as identifying the responsible party (Trevino, 1986). While the participants sought to use those values to guide their own behaviors in the recognition and acculturation of their subordinates and peers, they did not use these values to personally guide their ethical decisions within the organization. Further, although the participants described core purpose and core values in detail—as well as the organization's common language that was used for communication among the employees—the participants acknowledged that they had not used either of these espoused beliefs to drive their decisions. That is, not one participant cited the core values as a tool for resolving his or her ethical dilemma, nor had the core purpose or values revealed any tensions that may have created the ethical dilemmas in their work environment. In fact, the participants referenced their own values—not the company

values—in ethical decision making. Moreover, researchers have found that poorly implemented values are more likely to poison a culture than to support it (Lencioni, 2002).

With regard to the third finding, three participants remarked that unstated practices had influenced the resolution of their ethical dilemma. Trevino and Weaver (2003) defined ethical culture as a subset of organizational culture, which includes both formal and informal cultural systems. Trevino further explained that informal systems are focused on relationships and individual behavior within the environment. The key to an ethical culture is that the more the formal and informal systems support the ethical conduct and set appropriate standards, the more likely the individual will behave ethically (Trevino, 2003).

Schein (2004) posited that, in addition to the visible culture within an organization, there are underlying unspoken assumptions that become the unstated practices or what is considered to be the norms of the organization. These norms, while not visible, are an integral part of the organization's culture and the way in which people work. These unstated practices of the organization were discussed by three of the participants, who felt that, while these norms were detrimental to the organization, they were difficult to challenge because these unstated practices operated outside of the formal system. There was, in essence, an informal "shadow" system. The findings of this study support both Trevino's person-situation interactionist model and Schein's levels of culture in that the ethical issues the participants faced were not based on written policy, but rather, they were based on the leaders' practices within the organization. These leaders' actions may not have been intentional; however, they became incorporated into a

practice within the organization. All three of the participants in this study took deliberate action to change that behavior.

Theme 5: Organization's Future Decisions and Emergent Patterns

This meta-theme revealed that the ethical dilemma had affected (a) the future decisions within the organization and (b) the resulting emergent patterns in the organization. Three of the seven participants believed that the resolution of their ethical dilemmas had an organizational impact on future decisions.

Two of the three dilemmas that fell within this meta-theme revolved around the common experiences of leaders or supervisors going about their general duties within the organization. In both Peter's and Mary's work situations, they were carrying out routine city business with others, and yet, their actions became the catalyst for altering the landscape of city practices and policies. This data was consistent with the findings in Stacey's (2001) study that showed that spontaneous interactions between two individuals could evolve into a new direction and potentially transform the future.

Steve, by contrast, knew that the outcome of his decision by casting one vote would have a definite bearing on the city's future, and although he was concerned about the potential impact his vote would have on the city financially, nonetheless, he was willing to accept the consequences of his actions. Steve's chosen action was consistent in this dilemma with Stacey's study (2001), which pointed out the moral and ethical requirements to take responsibility for one's actions and to be accountable to coworkers for one's actions. The result of all three dilemmas identified in the study was the establishment of local changes to policy and practices that not only influenced immediate

decisions, but by establishing new patterns, also created global patterns that influenced the context of the culture of the organization for future decisions.

The second finding related to the emergent patterns that resulted from the resolution of a person's ethical dilemma. Henry resolved his ethical dilemma by confronting his superior in *Vignette 7: Overtime Budget,* and Henry also addressed other situations in which he successfully challenged his superior on other initiatives. The approach he took to resolve these issues created a ripple effect in his department with regard to how his peers treated him. This is consistent with Stacey's (2001) findings that both individual and collective identities emerge through interactions between and among people, and through these interactions, meaning and themes emerge.

What emerged for Henry was his role in his superior's meetings. Henry observed that his peers deferred to him and saw him as the one who would take the lead role in addressing controversial issues. The resolution of that ethical dilemma, along with several other situations in which he challenged his superior, created the conditions that altered the behaviors of his peers and the way they interacted with him. This was similar to a study by Plowman, Baker, Beck, Kulkarni, Solanksy, and Travis (2007), who found that an overriding emergent change occurred in a complex system because a small change in one area brought about changes in another part of the system, thus affecting the entire system.

<div align="center">Conclusions: Contributions to Theory</div>

Based on the findings in this study, two prospective contributions to the theory emerged. The first was the participants' use of values as the guidepost for ethical decision making rather than a universally agreed-upon definition. The second was the blending of

two theories that provided a holistic picture of ethical decision making that incorporated both Trevino's person-situation interactionist model and Stacey's (2001) complex responsive processes.

Alignment of Values, Ethics, and Decisions

Trevino's person-situation interactionist model (1986) was a foundational theory in this study that included both individual and situational moderators, which the participants used in making their ethical decisions. Trevino (1986) stated that an individual initially filters the ethical dilemma through his or her own cognitive moral development level (as defined by Kohlberg, 1981). Kohlberg identified three levels of cognitive moral development, from preconventional to postconventional. Kohlberg (1981) found that an individual's cognitive moral development level typically progressed as an individual matured into adulthood, at which point the individual will have achieved what Kohlberg termed a conventional level of cognitive moral development that conforms to society's expectations. Early development experiences include forming a set of values, and a subset of those values shape an individual's moral principles, which then provide the lens through which an individual evaluates ethical decisions.

The findings in this study revealed that the participants used a personal hierarchy when describing ethical dilemmas, referencing first their values, and then translating those values into their worldview of personal ethics. The participants all cited their values as being the moral compass through which they made their ethical decisions. Some participants even discussed their upbringing and their parents' early influence on them. That compass allowed the participants to take control of their personal conundrums by ultimately making decisions based on their early socialization and not based on

organizational factors. There seemed to be an internal consistency within each of the
participants when they talked about their ethical dilemmas and the approach they used in
resolving them.

While all the participants worked for the same organization at a leadership level
and had roughly the same tenure, there was no consensus in their definition of the term
ethical dilemma. The common framework for city employees was the city's core purpose
and core values, which all of the participants mentioned during the course of their
interviews. What was interesting to note, however, was that while the participants all
believed that the core purpose and core values were important to the success of the city,
not one participant mentioned these as a touch point when resolving their ethical
dilemmas. Neither did any of the participants suggest that the lack of a common
definition was a hindrance in resolving their ethical dilemmas. This was a nonissue.

As has been noted earlier, researchers have asserted that reaching a common
definition of ethics would provide an important foundation that this would ensure
consistency and coherence upon which to conduct further research (Tenbrunsel &
Smith-Crowe, 2008). However, this research has shown that a definition of ethics is, in
fact, unique to each person. So while the researchers may eventually agree upon a
standardized definition of ethics, ultimately, it would appear that when people are
challenged with ethical issues, they base their decisions on their own fundamental beliefs
and values, and not on an external source. Although this finding does not advance the
urgings of researchers such Tenbrunsel and Smith-Crowe to reach a consensus on the
definition of ethics, nonetheless, creating a standard definition would provide a norm for

research purposes and a way to measure individuals' unique understanding of personal ethics.

Blending of Two Theories

The theoretical foundations that provided the underpinnings of this study were Trevino's (1986) person-situation interactionist model and Stacey's (2001) complex responsive processes. Trevino's model incorporated Kohlberg's cognitive moral development theory, which addressed the moral reasoning of an ethical dilemma. This model demonstrated that ethical decisions are not based solely on one's cognition, but rather, a multitude of factors influence the decision. Trevino's model (1986) is limited in that it is linear and one directional. For this reason, Stacey's (2001) theory of complex responsive processes was also employed in this study.

Stacey's theory recognized that identities emerge through interactions between and among people. Those interactions create meaning from which themes emerge, and those exchanges by local agents (people) who construct their own norms create unplanned global patterns, which Stacey termed *emergence*. While Trevino's (1986) model highlighted the individual and situational variables that influence an individual's ethical decision making, this model did not take into account how the individual influences those variables, others, or ultimately, him- or herself. Stacey's (2001) model showed the recursive nature of local interactions and the bearing that those interactions has on the global environment; yet, it did not identify those variables that would influence an individual's decision. The two models, when combined, provided insights into the individual's microworld of balancing both individual and organizational

variables, while concurrently exploring the macroworld in considering the emergent patterns that occur as a result of an individual's ethical decision.

These findings supported the Trevino model (1986), which consists of three key elements: (a) Kohlberg's cognitive moral development level, which established an individual's moral development level; (b) the individual moderators, which focused on the character of the individual, including ego strength, locus of control, and field dependence; and (c) the organizational moderators that evaluated the organization and included the characteristics of work, normative structure, and immediate job context . The participants' cognitive moral development, combined with their individual moderators, shaped their values, their worldview, and ultimately, their ethical decisions in that they viewed their dilemmas through the lens of their values. The formal and informal cultural systems were also evidenced in every ethical dilemma; in some situations, it was the MOUs that guided decision making; however, the most apparent cultural artifact was the core purpose and core values that were not, in fact, used as a moral compass for ethical decision making.

All of these findings also support the interactive and emergent nature of ethical dilemmas and decisions. Complex responsive processes (Stacey, 2001) focus on the interactive nature of ethical decisions, wherein the rule of negotiation was decided upon in the moment, and not through codified rules and procedures. All of the participants commented on how the impromptu and unplanned nature of their interactions had led to formal changes through policy or procedures within the system.

Application of Contributions to Theory

The hybrid model, which is a confluence of Trevino's (1986) person-situation interactionist model and Stacey's (2001) complex responsive processes, takes into consideration both the personal and environmental factors that individuals consider when making ethical decisions. This model provides a macro-view of ethical decision making that encompasses the individual's background and the resulting emergent pattern that affect the future environment of the organization. Additionally, it provides a micro-view that illuminates the bearing that individual and organizational moderators have on the resolution of the individual's ethical dilemma.

As in the proposed model in Figure 5 in Chapter I, Figure 8 through Figure 17 below illustrate the blending of Trevino's (1986) person-situation interactionist model and Stacey's (2001) complex responsive processes model by incorporating elements of each and illustrating the key themes uncovered in this research. Three fundamental differences between Figure 5 model and the models used in the figures that follow include: (a) participants' values, reflected both at the time of entering the organization and at the time of the actual ethical decision making; (b) the role of the individual's emotions when confronting the ethical dilemma; and (c) the role of the superior as a source of conflict in the ethical dilemma.

When reading Figures 8 through 17, which depict the application of the model to each of the dilemmas discussed by the participants in this study, the graphics are the same for each with the exception of the group of figures in the lower left quadrant. This grouping represents the other individuals involved in the participant's unique dilemma.

Figure 8 illustrates Mary's dilemma in *Vignette 1: The Package:* whether to disclose secret information to identified employees regarding the protocol of exit incentive packages or follow the accepted practice of nondisclosure.

Figure 9 shows Mary's dilemma in *Vignette 2: Personal Friendships*: whether to maintain the current policy or change the policy on an exit incentive package to benefit a friend.

Figure 10 depicts Gloria's dilemma in *Vignette 3: The Consultant*: whether to confront the consultant and superior on the proposed unethical practices or accept the consultant's business practices.

Figure 11 shows Michelle's dilemma in *Vignette 4: The Layoff Discussion*: whether to disclose confidential information to an employee or follow accepted management protocol.

Figure 12 shows Peter's dilemma in *Vignette 5: The Bottom Line*: whether to accept or reject additional work due to competency issues with a peer.

Figure 13 shows Henry's dilemma in *Vignette 6: Loyalty to the Boss*: whether to support his superior or act upon his own self-interest in offering alternatives to city council.

Figure 14 shows Henry's dilemma in *Vignette 7: Overtime Budget*: whether to accept his superior's plan on overtime, which would bankrupt the budget, or support his subordinates.

Figure 15 shows Steve's dilemma in *Vignette 8: Group Vote*: whether to support the city's proposed budget cuts, which would have frozen the employees' salaries, or to support his peers' financial interests and vote for the pay increase.

Figure 16 shows Ellen's dilemma in *Vignette 9: The Plan:* whether to recommend her plan, which would support the "underrepresented" in the community, or present the plan that the city council would support.

Figure 17 shows Ellen's dilemma in *Vignette 10: Competing Values*: whether to present to the city council full disclosure on a tax-generating city project, which she believed had some serious issues, or to remain silent and not mention the concerns that could potentially derail the project.

While each participant's configuration of the model was unique to his or her ethical dilemma, all of these models depicted in Figure 8 through 17 included key themes that were identified in this study. Those key themes emerged at both the individual and the organizational level: At the individual level, all the participants used their values as a guidepost to address their ethical dilemma. At the organizational level, 9 out of the 10 ethical dilemmas involved organizational pressures. The resolution of those ethical dilemmas included the organization's normative structure with the core purpose and core values, obedience to authority concerning following the chain of command, and the external pressures of scarce resources.

In reading the figure – start at upper right hand corner

Personal History
- Cognitive moral development: conventional
- Personal and professional values: open dialogue; respectful; compassionate; encouraged participation

Individual Moderator Variables
- Ego strength: comfortable with decisions; did not change her mind; was willing to take risks and jump in
- Decision making style: respectful and listened; no preconceived ideas

Assimilation
- Leader joined the organization
- Leader assimilated into organizational culture and job assignment; also reinforced with employees' core purpose and core values, policies and practices

Situational Moderators
- Organizational norms: People could grow and develop; company treated people fairly
- Needed to follow policies and procedures
- MOUs dictated policy and procedures

Complex Responsive Processes
Interacted with all levels of employees; client group was approximately 50% of staff

Organization

Emergent Patterns
- 8% budget reduction had forced layoffs and other citywide cuts
- Standard layoff protocol dictated by MOUs were followed

Mary's Definition of Ethical Dilemma
Actions that have occurred and do not fit the operating environment

Employee questioned whether exit package is voluntary or a form of coercion

Ethical Dilemma
Whether to disclose secret information to identified employees regarding their employment status versus following accepted protocol on voluntary exit incentive packages

Situational Moderators
Organizational pressure of role responsibility and not disclose secret information to affected employees

Future Decisions or Emergent Patterns
Current environment continued

Resolution
Mary elected not to disclose personal employee status and followed protocol on voluntary exit incentive packages

Decision Factors
Does Mary disclose to employee their employment status if they don't take the voluntary incentive package?

OR

Does Mary not disclose individual employment status and follow company protocol on voluntary exit incentive packages?

Complex Responsive Processes
- Emotional reactions: wanted peace and quiet and solitude
- Internal monologue: someone should have told the boss that he should have addressed the issue

Figure 8. Vignette 1 - Mary (Moreno's Hybrid Model)

In reading the figure – start at upper right hand corner

Personal History
- Cognitive moral development: conventional
- Personal and professional values: open dialogue; respectful; compassionate; encouraged participation

Individual Moderator Variables
- Ego strength: comfortable with decisions; did not change her mind; was willing to take risks and jump in
- Decision making style: respectful and listened; no preconceived ideas

Assimilation
- Leader joined the organization
- Leader assimilated into organizational culture and job assignment; also reinforced with employees' core purpose and core values, policies and practices

Situational Moderators
- Organizational norms: people could grow and develop; company treated people fairly
- Needed to follow policies and procedures
- MOUs dictated policy and procedures

Complex Responsive Processes
Interacted with all levels of employees; client group was approximately 50% of staff

Emergent Patterns
- 8% budget reduction had forced layoffs and other citywide cuts
- Standard layoff protocol dictated by MOUs were followed

Organization

Mary's Definition of Ethical Dilemma
Actions that have occurred and do not fit the operating environment

Employee challenged exit package and wanted policy amended

Ethical Dilemma
Whether to maintain current policy or to take the issue to the leadership team for a decision to change policy on exit incentive package that benefit employee, a personal friend

Situational Moderators
Organizational pressure of role responsibility to not modify or make exceptions to standardized packages

Future Decisions or Emergent Patterns
Policy changed and future implications could be significant however unknown to date

Resolution
Mary took issue to leadership team and her superior for decision. The decision was to amend the policy and honor employee's request.

Decision Factors
Does Mary take the issue to the leadership for resolution on whether to modify standard exit incentive package?
OR
Does Mary explain to the employee that this is a standard package and decide not to pursue the matter further?

Complex Responsive Processes
- Emotional reactions: "Don't have the stomach for it."
- Internal monologue: felt like employee who was a personal friend had been dishonest and played her

Figure 9. Vignette 2 - Mary (Moreno's Hybrid Model)

In reading the figure – start at upper right hand corner

Personal History
- Cognitive moral development: conventional
- Personal and professional values: integrity was who she was to the core; not ambiguous; straightforward; honest

Individual Moderator Variables
- Ego strength: was comfortable with decisions; didn't change her mind; was willing to take risks and jump in
- Decision making style: lived with whatever decision she made; she decided what was best for the community

Assimilation
- Leader joined the organization
- Leader assimilated into organizational culture and job assignment; also reinforced with employees' core purpose and core values, policies and practices

Situational Moderators
- Organizational norms: needed to serve the community and fight for those in need
- Needed to follow policies and procedures
- MOUs dictated policy and procedures

Complex Responsive Processes
City manager had hired consultants and deferred critical decisions to them

Organization

Gloria's Definition of Ethical Dilemma
Transparency in actions with citizenry; people should know what we are doing

Gloria questioned the process and was dismissed from project when she questioned consultant for operating out of guidelines

Emergent Patterns
- 8% budget reduction had forced layoffs and other citywide cuts
- Standard layoff protocol dictated by MOUs were followed

Ethical Dilemma
Whether to confront consultant and superior on proposed unethical practices versus accept consultant's business practices

Future Decisions or Emergent Patterns
Potential emergent pattern had evolved with hiring external consultants in greater numbers

Resolution
Gloria held to professional principles and did not participate in unacceptable practices consultant had proposed despite potential career consequences

Decision Factors
Does Gloria silently accept the unethical business practices of consultant?
OR
Does Gloria risk personal career consequences and confront her superior and consultant?

Complex Responsive Processes
Emotional reactions: Felt physically uncomfortable with decisions made by superior and consultant

Situational Moderators
Organizational pressure was to protect city's reputation and procedures

Individual Moderators
- Comfortable standing up for personal values and beliefs
- Followed professional code of ethics

Figure 10. Vignette 3- Gloria (Moreno's Hybrid Model)

In reading the figure – start at upper right hand corner

Personal History
- Cognitive moral development: conventional
- Personal and professional values: Straightforward; open dialogue; modeled behavior for staff; open, honest and fair

Individual Moderator Variables
- Ego strength: fight your own battles; speak up on your own behalf
- Decision making style: engaged staff to speak up and contribute ideas for final decision; never compromised her role and responsibilities as a manager

Assimilation
- Leader joined the organization
- Leader assimilated into organizational culture and job assignment; also reinforced with employees' core purpose and core values, policies and practices

Situational Moderators
- Organizational norms: served the public; very customer focused
- Needed to follow policies and procedures
- MOUs dictated policy and procedures

Complex Responsive Processes
When interacting with peers encouraged them to stand up for their own behalf, versus having Michelle represent the group

Organization

Michelle's Definition of Ethical Dilemma
Sharing of proprietary information that would be valuable to an employee

Employee approached Michelle and asked whether she was going to be laid off

Emergent Patterns
- 8% budget reduction had forced layoffs and other cuts
- Donors demanded additional privileges that put pressure on staff with reduced budget

Ethical Dilemma
Whether to disclose secret information to employee versus follow accepted management protocol regarding layoffs and whether to challenge the superior on his breach of confidentiality regarding staff layoffs

Situational Moderators
- Organizational pressure of role responsibility
- Challenge superior on breach of confidentiality

Future Decisions or Emergent Patterns
Current environment continued

Resolution
Michelle followed management protocol and did not disclose employee's employment status

Decision Factors
Does Michelle follow managerial protocol and not disclose to employee that she is being laid off?
OR
Does Michelle stay true to her personal values of being open and straightforward and disclose to employee that she may be laid off?

Complex Responsive Processes
Internal monologue: "What can I tell the employee? Then I step back and put myself in employee's shoes and think like them"

Individual Moderators
- Followed her personal values of being straightforward with staff
- Spoke up against superior

Figure 11. Vignette 4- Michelle (Moreno's Hybrid Model)

In reading the figure – start at upper right hand corner

Personal History
- Cognitive moral development: conventional
- Personal and professional values: was role model for the rest of the organization; didn't compromise personal standards

Individual Moderator Variables
- Ego strength: didn't do things against his better judgment
- Decision making style: balance of risk and reward; considered all the possibilities and then made decision based on best information

Assimilation
- Leader joined the organization
- Leader assimilated into organizational culture and job assignment; also reinforced with employees' core purpose and core values, policies and practices

Situational Moderators
- Organizational norms: city was highly regulated and needed to ensure city was in compliance and operated smoothly
- MOUs dictated policy and procedures

Complex Responsive Processes
- Interacted with all departments throughout the city
- Interacted with colleagues in other cities in the region

Organization

Emergent Patterns
- 8% budget reduction had forced layoffs and other cuts
- Each department was held accountable for accuracy in department reporting

Peter's Definition of Ethical Dilemma
Being asked to do something illegal; out of compliance

Peer was criticized by the city manager and council for inaccurate reporting and suggested that Peter's department take on the responsibilities for department

Ethical Dilemma
Whether to accept or reject additional work due to competency issues with a peer which might result in inaccurate financial reporting at citywide level for which he is responsible

Situational Moderators
Organizational pressure to protect city's reputation and ensure accurate reporting

Future Decisions or Emergent Patterns
Had the additional work been absorbed by his department it could have created a precedent of agreeing to take on additional work for all departments

Resolution
Peter held to personal principles and refused to take on additional work

Decision Factors
Does Peter accept the additional work of peer due to competency issue to ensure accurate reporting which is critical?
OR
Does Peter confront peer and possibly risk personal career consequences for inaccurate reporting in city and burden staff with additional work?

Complex Responsive Processes
- Emotional reactions: "I really bristled at that suggestion."
- He went to superior for guidance

Individual Moderators
Comfortable in pushing back on request due to impact to staff and lack of accountability on behalf of department head who was a peer

Figure 12. Vignette 5 - Peter (Moreno's Hybrid Model)

In reading the figure – start at upper right hand corner

Personal History
- Cognitive moral development: conventional
- Personal and professional values: important to be a good steward; professional; community service focused and responsive to public requests; loyalty to staff and protective of staff

Individual Moderator Variables
- Ego strength: would not confront superior over policy choice decisions
- Decision making style: took a pragmatic approach to decision making if it is not illegal, unethical, or create severe harm to the organization – it's policy choice

Assimilation
- Leader joined the organization
- Leader assimilated into organizational culture and job assignment; also reinforced with employees' core purpose and core values, policies and practices

Situational Moderators
- Organizational norms: command and control environment in terms of hierarchy and expected to follow superior's decisions
- Needed to follow policies and procedures – especially MOUs

Complex Responsive Processes
- Expectations had been set by superior for loyalty to him on department decisions
- Needed to be accessible to community to show support

Emergent Patterns
- 8% budget reduction had forced layoffs and other cuts
- Standard layoff protocol dictated by MOUs were followed

Organization

Henry's Definition of Ethical Dilemma.
Self interests over the organizations.

City council asked Henry for his opinion on plan presented by his superior

Ethical Dilemma
Whether to support superior's plan which he did not agree with versus express his personal opinion which differed from superior's

Future Decisions or Emergent Patterns
Collaborated with peers regarding policy issues and came to agreement prior to presentation to superior – Henry was often asked to present his peers perspective

Resolution
Henry did not speak up and offer alternative plan to City Council; he didn't want to be disloyal to his superior

Decision Factors
- Does Henry support his superior and his plan?

OR

- Does Henry risk career consequences and speak up and recommend his alternative plan to the city council?

Complex Responsive Processes
Emotional reactions: felt physically uncomfortable with the conflict

Situational Moderators
Organizational pressure to support superior

Individual Moderators
Ego strength: not comfortable in challenging his superior in front of the city council; changed in that he used to be less apt to go along with superior's recommendations

Figure 13. Vignette 6 - Henry (Moreno's Hybrid Model)

In reading the figure – start at upper right hand corner

Personal History
- Cognitive moral development: conventional
- Personal and professional values: was important to be a good steward; professional; community service focused and responsive to public requests; loyal to staff and protective of staff

Individual Moderator Variables
- Ego strength: would not confront superior over policy choice decisions
- Decision making style: took a pragmatic approach to decision making if it is not illegal, unethical, or create severe harm to the organization, it's a policy choice

Assimilation
- Leader joined the organization
- Leader assimilated into organizational culture and job assignment; also reinforced with employees' core purpose and core values, policies and practices

Situational Moderators
- Organizational norms: command and control environment in terms of hierarchy and expected to follow superior's decisions
- Needed to follow policies and procedures – especially MOUs

Complex Responsive Processes
- Expectations had been set by superior for loyalty to him on department decisions
- Needed to be accessible to community to show support

Organization

Henry's Definition of Ethical Dilemma
Self interests over the organizations

Superior presented plan to department leaders that Henry could not support

Emergent Patterns
- 8% budget reduction had forced layoffs and other cuts
- Standard layoff protocol dictated by MOUs were followed

Ethical Dilemma
Whether to accept superior's department plan on overtime that would bankrupt the budget versus support subordinates and reject plan

Future Decisions or Emergent Patterns
Collaborated with peers regarding policy issues – Henry was perceived as "the one who carried the flag"

Resolution
Henry risked personal career consequences and confronted superior on plan; ultimately plan did not go through

Decision Factors
Does Henry support his superior and his plan?
OR
Does Henry risk career consequences and challenge superior on plan?

Complex Responsive Processes
Internal monologue: it was an ill thought out plan that would wear people out and potentially bankrupt city budget.

Situational Moderators
Organizational pressure to support superior

Individual Moderators
- Ego strength: did not challenge his superior over policy decisions
- Field dependence: looked to peers for guidance and agreement on decisions

Figure 14. Vignette 7 - Henry (Moreno's Hybrid Model)

In reading the figure – start at upper right hand corner

Personal History
- Cognitive moral development: conventional
- Personal and professional values: straightforward, candid and respectful; always tried to do the right thing

Individual Moderator Variables
- Ego strength: not a "yes man," would always speak the truth even if it had career consequences
- Decision making style: Modified approach and tried to stay out of battles that weren't his

Assimilation
- Leader joined the organization
- Leader assimilated into organizational culture and job assignment; also reinforced with employees' core purpose and core values, policies and practices

Situational Moderators
- Organizational norms: as president of union needed to balance support for both city and employees' needs
- Needed to follow policies and procedures
- MOUs dictated policy and procedures

Complex Responsive Processes
- Superior expected loyalty and support for department decisions
- Balanced community, department and city needs

Organization

Steve's Definition of Ethical Dilemma
Noticing something that is not quite right; it may be politically correct

Vote was put before City Council for a salary freeze for city employees in his department

Emergent Patterns
- 8% budget reduction had forced layoffs and other citywide cuts
- Standard layoff protocol dictated by MOUs were followed

Ethical Dilemma
Whether to support the city's plan of salary freeze for a third time in five years or support peers financial interests

Future Decisions or Emergent Patterns
Outcome of the vote to increase salaries which had a bearing on the city's reduced budget

Resolution
Steve voted with peers to support pay increase for himself and peers

Decision Factors
Does Steve vote with peers to support pay increase?

OR

Does Steve vote with City Council to accept a third salary freeze in five years?

Complex Responsive Processes
Emotional reactions: avoided battles that were not his anymore - if was upset waited at least 24 to 72 hours before reacting

Individual Moderators
- Comfortable standing up for personal values and beliefs
- Pressured to support peers

Situational Moderators
Organizational pressure to protect city's reputation and procedures

Figure 15. Vignette 8 - Steve (Moreno's Hybrid Model)

In reading the figure – start at upper right hand corner

Personal History
- Cognitive moral development: conventional
- Personal and professional values: being truthful about the process; saying what needs to be said

Individual Moderator Variables
- Ego strength: behavior changed as a result of community reaction to plan (became withdrawn, less social, embarrassed)
- Decision making style: modified decision making approach based on the outcome of this ethical dilemma

Assimilation
- Leader joined the organization
- Leader assimilated into organizational culture and job assignment; also reinforced with employees' core purpose and core values, policies and practices

Situational Moderators
- Organizational norms: needed to serve the community; represented all members of the community; used values as tool for behavior at work
- MOUs dictated policy and procedures

Complex Responsive Processes
- Worked with consultants and peers to develop plan
- City manager assured her he had completed due diligence on reviewing plan with city council members

Organization

Ellen's Definition of Ethical Dilemma
It appears to be a gray area; dancing on the line and struggling to determine the right action

Ellen was asked to present a plan to the city council that she thought had been reviewed and approved by council members prior to the meeting

Ethical Dilemma
Whether to support the "under –represented" versus present a plan that superior and city council would support

Emergent Patterns
- 8% budget reduction had forced layoffs and other cuts
- Standard layoff protocol dictated by MOUs were followed

Future Decisions or Emergent Patterns
- Ellen experienced political fallout from the situation
- City manager was more careful with future rollouts

Resolution
Ellen held to personal and professional principles – recommended entire plan to city council – which resulted in personal career consequences

Decision Factors
Does Ellen support the "under-represented" and present full plan to city?

OR

Does Ellen present a more conservative plan that the city council would support but wouldn't serve "under-represented"?

Complex Responsive Processes
- Emotional reactions: felt personally embarrassed; withdrew from city social events
- Both Ellen and city manager suffered political fallout from the situation

Situational Moderators
Organizational pressure to protect city's reputation and procedures

Individual Moderators
- Comfortable standing up for personal values and beliefs – she was serving the community's interest
- Followed professional code of ethics of serving "under-represented"

Figure 16. Vignette 9 - Ellen (Moreno's Hybrid Model)

In reading the figure – start at upper right hand corner

Personal History

- Cognitive moral development: conventional
- Personal and professional values: being truthful about the process; saying what needs to be said

Individual Moderator Variables

- Ego strength: sought input from a variety of sources; active in community
- Decision making style: generally quick decision maker; sought input from others

Assimilation

- Leader joined the organization
- Leader assimilated into organizational culture and job assignment; also reinforced with employees' core purpose and core values, policies and practices

Situational Moderators

- Organizational norms: needed to serve the community and represent all members of the community
- Used values as tool to dictate behavior at work
- MOUs dictated policy and procedures

Complex Responsive Processes

- Some community members didn't support full plan
- Recognized the revenue that the city would expect to receive as a result of the plan being accepted

Organization

Emergent Patterns

- The plan could generate revenue stream for city
- The plan could set precedent for other large projects

Ellen's Definition of Ethical Dilemma

It appears to be a gray area; dancing on the line and struggling to determine the right action

Ellen was asked to present a plan to the city council that was considered a large, tax-generating plan

Ethical Dilemma

Whether to present to city council full disclosure on a tax-generating city plan that had issues versus remain silent on the issues that could alter the project approval outcome

Future Decisions or Emergent Patterns

Plan was approved and went forward with challenges

Resolution

Ellen only presented partial recommendation – did not risk personal reputation

Decision Factors

Does Ellen present balanced proposal on tax generating plan?

OR

Does Ellen remain silent and withhold professional opinion and let the city council decide independently?

Complex Responsive Processes

Felt she did not have support from her superior and upper management in presenting alternative point of view

Situational Moderators

Organizational pressure by multiple constituents to support the tax-generating plan that would support city development and revenue

Individual Moderators

- Not confident in challenging city council and presenting alternative point of view
- Followed professional code of ethics

Figure 17. Vignette 10 - Ellen (Moreno's Hybrid Model)

Recommendations

Organizations and Leaders

Organizations often focus on identifying leaders who demonstrate strategic leadership or operational excellence, while little attention was given to leaders who demonstrate ethical leadership. Organizations can alter that landscape by focusing on ethical leadership as a core competence in the organization, thereby establishing a foundation for an ethical culture. It should be noted that this recommendation applies to all organizational constructs, including businesses, educational institutions, and nongovernmental organizations, as well as government agencies, which was the milieu chosen for this study. There are four key channels within organizations that can assist in creating an ethical culture: (a) revised incentive plans based on performance that are both goals- and values-based; (b) rigorous reinforcement of punishing ethics violators; (c) education and continued development in ethics decision models and frameworks; and (d) the establishment of a common definition and usage for ethics within the organization.

To address the first channel, the organization can use compensation market surveys to benchmark the company's compensation plan and either strengthen compensation to reinforce positive behavior where appropriate or build in appropriate constraints to deter unethical behavior. These benchmark surveys can serve as the basis for adjusting how employees are rewarded and incentivized for achieving sales revenue targets and business goals. While organizations should certainly continue to evaluate employees based on their performance, it would be beneficial if those reviews not only focused on "what was done" but also "how the work was done." The traditional focus on "what was done" is generally targeted at specific measurable business outcomes; that is,

meeting a set goal, with timely delivery, staying within the budget, and delivering quality results. The additional component of "how the work was done" would focus on the methods used and the integrity with which the employee achieved those results. For instance, did the employee follow the company guidelines for acceptable behavior while still achieving the expected results, and was the employee's behavior in accordance with the prescribed ethical guidelines? Employees who can both achieve business goals and do so in accordance with the values of the company should be considered exemplar employees.

The second channel was to develop an effective means for reprimanding employees who violate ethical standards, and the third channel was to educate employees on ethical decision-making tools and techniques to develop a principled level of reasoning. To this end, human resource departments may wish to educate employees by offering tools and frameworks to assist in ethical decision making. In the final channel, a common definition of ethics could be accomplished via focus groups within the organization, establishing an agreed-upon definition of ethics, a common model for ethical decision making, and guidelines for resolving ethical issues.

While municipal governments share many similarities with other organizations in addressing ethical issues, there was evidence to suggest that overall, they lag behind other organizations with respect to fundamental tools and programs. Municipal governments might consider the following steps to increase the ethical competence of their leaders and managers: (a) develop common definitions of ethics and frameworks to use as a common language in the organization; (b) create a code of conduct that all employees, including management, need to comply with; and (c) provide additional tools and systems, such as

a hot line or ombudsman, that would allow employees to report misconduct safely and anonymously.

Education

Studies have shown that ethical conduct was a concern on college campuses. In 2009, Broughton stated, "Given the present chaos, shouldn't we be asking if business education was not just a waste of time but actually damaging to our economic health?" (Rethinking Business Education, 2009). While the headlines targeted the lack of adequate ethics training in business schools, upon closer examination, evidence suggests that there was a lack of ethical development in the overall curriculum. Based on the findings of this study, there are three major channels that colleges and universities may wish to consider: (a) include ethics education in the core curriculum; (b) instate an oath of conduct to be signed by all students entering colleges or universities; and (c) prepare educators to teach ethics as a part of their role in the institution.

While ethicists believe that one's character and values are developed early in one's life—prior to enrolling in college (Cragg, 1997; Kohlberg, 1981)—others believe that individuals develop better methods of ethical reasoning as they mature. Several empirical studies and articles have been published in recent years regarding the lack of ethics training in business curricula for MBA students and the deterioration of the curricula at most universities (Nicholson & De Moss, 2009). It was not just business students who encounter ethical issues; employees in organizations, regardless of their educational focus, confront ethical dilemmas. Therefore, the focus may need to shift beyond just business education to broadening the scope of the ethics training to all students entering college and universities. To begin, colleges and universities might

consider introducing an agreed-upon model and language for ethical decision making that was expected of all faculty, students, and employees. Colleges and universities then may wish to build a course on ethics into their core curriculum for all freshmen students. Perhaps ethics should not be limited to a single course; colleges and universities might wish to consider using the models and language throughout all coursework for discussing decision making that was ethical in nature. Additionally, instructors may wish to educate students on actual examples of ethical situations that might occur in the work environment, as opposed to focusing on the ethical issues in headline stories or the unethical behavior of some companies.

Colleges and universities might wish to consider having their entering students sign an oath of good faith, serving the greater good in their careers. This is an opportunity to reinforce the education that occurs in the classroom and continue to develop the students' ethical decision-making capabilities after they graduate.

Sometimes, ethics are not reinforced in the classroom because the teachers are not prepared to teach ethics—they have limited knowledge of this subject area (Nicholson & De Moss, 2009). Colleges and universities may therefore wish to consider enhancing the teachers' offerings to include ethics education that was focused on stages of ethical decision making, models for ethical decision making, and the ability to recognize potential ethical issues that may occur in the classroom.

Recommendations for Future Study

There are several opportunities for further research based on the findings contained within this study. Most of the research studies have focused on student populations using quantitative studies with isolated and specific individual behaviors in hypothetical

situations. Additionally, the empirical literature on this topic was relatively new, given that behavioral and descriptive ethics was a relatively new branch of ethics.

One of the significant limitations in this field was the lack of a consistent or standardized definition of ethics, which has been noted by several researchers (Tenbrunsel & Smith-Crowe, 2008). Not having a standardized definition has made it difficult to empirically study the field, given that each researcher relies upon his or her own definition and framework. A universally validated model or definition would provide a common platform for all studies in the field. This was evidenced in this study in that the organization itself within which all of the participants worked did not have a common definition and framework for making ethical decisions. To help ethical issues come into focus, the participants created their own definitions of ethics and ethical dilemmas based on their values and experiences. The participants' ethical dilemmas, while unique to each situation, were still viewed in the same way: through their individual values and experiences. While participants may continue to ultimately look at ethical decision making through their own values, a common definition would allow less ambiguity with employees and at least provide a common framework to benchmark their beliefs and actions against. This phenomenon may allow for a qualitative measure of consistency similar to intra-rater reliability. I would recommend that further studies prioritize reaching consensus on a definition and framework for understanding ethical issues at a macro-level, while recognizing, at the micro-level, that people use their own lens to make ethical decisions.

This was one of the few qualitative studies that had focused on understanding ethical dilemmas from the participants' perspectives based on actual experiences. Most

studies have focused on hypothetical situations, using quantitative surveys or case studies. Further studies should continue to recruit business professionals who confront real-life ethical dilemmas in the work environment and follow them through the entire ethical decision-making process (i.e., awareness, judgment, intent, and behavior).

The participants of this study were midlevel leaders in a municipality. Further studies should include additional levels of employees at the executive and nonmanagement level. Additionally, further studies should expand beyond one location and study multiple locations for similarities in experiences regarding ethical dilemmas to determine what broader implications may exist across a geographical area. This would also include expanding into other job levels, other locations, larger and varied populations, and the use and development of other ethical decision-making models. These expanded variables would also apply to government municipalities at other levels of government to better understand the types of ethical dilemmas that these different groups encounter and how they compare and contrast to this study's findings.

It should be kept in mind that the competing pressures that created these ethical dilemmas are not unique to governmental agencies. The ethical dilemmas that confronted these participants are essentially generic in nature and could also occur in private businesses, nongovernmental organizations, and educational institutions. As such, a further recommendation is to expand this study into other organization areas.

While time pressure was not a focus of this study, evidence suggests that the urgency of a situation influences the extent to which individuals are able to make rational and ethically sound decisions (Wildermuth & Wildermuth, 2006). Additionally, Jones (1991) suggested that temporal immediacy—the length of time between the present

resolution and the consequences—also impact a leader's ethicality. Tsalikis, Seaton, and Shepherd (2008) recently conducted a quantitative, scenario-based study using Jones's issue-based contingent model (1991). The results of this study showed that temporal immediacy proved more significant than had been found in earlier studies. Therefore, further studies might explore real-life situations in which leaders have made time-sensitive ethical decisions with immediate consequences and compare those decisions to decisions that were temporal in nature.

In a few of the ethical dilemmas presented in this study, work that was initially considered routine and ordinary evolved into an ethical dilemma when situational moderators, such as peer relationships and time pressures, were introduced. Further studies might explore the point at which the "ordinary" becomes "extraordinary" and creates an ethical dilemma, with a focus on what changed and when it changed.

This study focused on the individual in the work environment who considered both individual and situational factors when making an ethical decision. While this study found that organizational factors were predominant in the participants' ethical decision making, the data also revealed that individual factors also played a role in their ethical decision making; specifically, emotions were a key theme in the participants' response to ethical dilemmas. Some participants complained of physical reactions, while others complained of stress or emotional reactions. Trevino and Weaver (2003) identified the lack of empirical research on the role of emotions as a limitation in the field, and they recommended further studies that would include the organizational context as the foundation for the study. Further studies need to explore further, from a qualitative perspective, the emotions that are experienced at each point in the decision-making

process. This could be accomplished by conducting research with participants focusing on the emotions they were experiencing at the time, as well as possibly including other people in the study who may have witnessed the situation and could describe their observations of the participants at the time.

As mentioned previously, organizational factors were predominant in the participants' ethical decision-making process. In particular, the superior's involvement in the majority of the ethical dilemmas reveals that obedience to authority may be a significant factor in situations that create ethical dilemmas, and there was limited research on this perspective of superiors being the source of the ethical dilemma. Further studies should explore the role of the superior as a central figure in leaders' ethical dilemmas.

Transparency is one of the terms that surfaced in this study, which the participants used to describe being open and honest with the citizenry about both the decisions that they make and the process and considerations involved in making those decisions. Further research might focus on how achieving transparency within a government agency might have a bearing on ethical decision making among its leaders.

This study focused solely on the individual and did not consider the influence of the organization's culture. Further research might focus on the connection between the individual's ethical decision-making model, the organization's espoused culture and values, and the culture that was experienced.

Personal Reflections

I chose this line of research because, as a midlevel leader in an organization, I had personally experienced ethical situations that conflicted with my values. These situations

were not major, nor did they involve any illegality; rather, they involved relatively commonplace situations that left me feeling conflicted about my choices. Throughout my career as an organization and leadership development practitioner, I encountered others in similar situations, whether it was dealing with a manager, confronting a staff issue, or addressing a client's demand. The purpose of my quest was twofold: to better understand why these conflictual dilemmas occur and convey these situations so that others might be cognizant of them in their own day-to-day work.

To understand the *why,* I found four key components from my research. The first was that making an ethical decision involved an individual's personal background and character as well as organizational factors, as cited in Trevino's model (1986). Second, ethical decision making was both an emotional and physical process, as illustrated in Stacey's complex responsive processes (2001), and not just a cognitive process. Third, the core vision and values of a company was not the guidepost that employees turn to when making an ethical decision, but rather, their own values. This is especially true when the vision and values are not employed by superiors to guide their business ethical decisions. Finally, an ostensibly solitary ethical decision may have far wider implications than initially realized, and this decision could become the new accepted standard in an organization, as illustrated in the concept of emergence (Bella, 2003).

On a personal level, this dissertation was a learning experience for me from which I took three key lessons. The first is that qualitative research is an iterative process that requires the student to not only immerse him- or herself into the research for findings and common themes, it also requires the researcher to continuously ask the question *why* and dig deeper internally for answers. A second lesson was that the phenomenological

approach did not lend itself to isolated discrete answers; on the contrary, in my

interviews, the participants' narratives evolved spontaneously from the research questions

and formed into stories about their experiences. Finally, much to my surprise, the

participants were extraordinarily receptive to this study and were all open and eager to

share their experiences and personal struggles with me. They willingly gave of their time

and expressed interest in guidance on making future decisions.

In closing, I hope that my research has contributed to the study of effective

leadership and the competing pressures of the ethical decisions they confront on a regular

basis. Leaders must be given the tools, guidance, and support in "walking the talk" if

ethically based cultures are to continue to exist.

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APPENDIXES

Appendix A

Potential Participants Telephone Script

Hi _____

I am calling you because your name was obtained from _____. My name is

Marion Moreno and I am working on my doctorate at the University of San Francisco

where I am doing research to explore the factors that influence a leader's ethical decision

making. I am looking for participants who have at least five years of management

experience, who are responsible for a functional business unit or line of business in the

organization, and supervise a staff of two or more people.

If you fit the study profile, I would ask to interview you once and have a follow-

up discussion to ensure accuracy at a later date for a total time of two hours. The

interview would be approximately 60 minutes. After the interview I would schedule a

follow-up discussion with you to confirm the accuracy of my interview summary and to

ensure my understanding of the key themes. The follow-up should take no more than 30

minutes. Do you think you would be interested? Thank you. I will need to ask you a few

qualifying questions to see if you do fit the profile. All the information I collect now and

at all times in the study will be kept confidential. Do you have ten minutes now to see if

you qualify?

Notes to Researcher:

1. If the participant seems interested ask questions in Appendix B
2. If the participant qualifies, let them know they are considered part of the research study and tentatively schedule the interview.
3. Gather the participants additional contact information and let the participant know that you will be contacting them again to confirm the interview date, time, and location.
4. If the participant does not seem interested, thank them for his or her time.

Appendix B
Qualifying Questionnaire

Date:	[insert date]
Location:	[insert location]
Subject:	Qualifying Questionnaire

Script

I would like to ask you a couple of questions to see if you meet the selection guidelines to participate for this study and are willing to participate in the research project. As I mentioned earlier, all the information I collect now and at all times in the study will be kept confidential.

Questions:

The following questions will be asked to qualify a potential participant to participate in this study:

Section 1 – Demographic Questions

Name: (I will fill in the name of the potential participant)
_____

Gender: Man: Woman:
_____

Work Title:
_____

Work Tenure:
_____

Number of Direct
Reports:
_____

Qualifying Questionnaire (continued)
(Appendix B)

Section 2 –Experience

Have you had experiences in dealing with an ethical dilemma at work?

Yes: No:

Section 3 – Participate in the Study?

Are you willing to participate in this study?

YES_____   NO_____

Appendix C
IRBPHS Approval Form

From:	USF IRBPHS
Date:	Friday, June 25, 2010 9:05 AM
To:	
Cc:	
Subject:	IRB Application #10-059 - Approved

June 25, 2010

Dear Marion Moreno:

The Institutional Review Board for the Protection of Human Subjects =IRBPHS)
at the University of San Francisco (USF) has reviewed your request for =uman
subjects approval regarding your study.

Your application has been approved by the committee (IRBPHS #10-059).
Please note the following:

1. Approval expires twelve (12) months from the dated noted above. At =hat
time, if you are still in collecting data from human subjects, you must =ile
a renewal application.

2. Any modifications to the research protocol or changes in =nstrumentation
(including wording of items) must be communicated to the IRBPHS.
Re-submission of an application may be required at that time.

3. Any adverse reactions or complications on the part of participants =ust
be reported (in writing) to the IRBPHS within ten (10) working days.

If you have any questions, please contact the IRBPHS at (415) 422-6091.

On behalf of the IRBPHS committee, I wish you much success in your =esearch.

Sincerely,

Terence Patterson, EdD, ABPP
Chair, Institutional Review Board for the Protection of Human Subjects
----
IRBPHS - University of San Francisco
Counseling Psychology Department
Education Building - Room 017
2130 Fulton Street
San Francisco, CA 94117-1080
(415) 422-6091 (Message)
(415) 422-5528 (Fax)
irbphs@usfca.edu
----
http://www.usfca.edu/soe/students/irbphs/

Appendix D
Site Permission Letter

April 12, 2010

██████████
████████████
████

Dear ██████,

My name is Marion Moreno and I am a doctoral graduate student in the School of Education at the University of San Francisco. I am doing a study to explore the individual and organizational factors that influence a leader's ethical decision making under the supervision of Dr. Bloch, a professor of Organization and Leadership in the School of Education at the University of San Francisco, California.

I am asking for your permission to conduct a study at your site. The study's methodology is to interview five leaders working at a common site to better understand the pressures leaders encounter in making ethical decisions. The total amount of time involved per participant will not exceed more than two and a half hours over a span of no more than 12 weeks in the spring and summer of 2010. All interviews will take place at the convenience of the participant. The only assistance needed from the site is permission and a list of potential participants for the study. You will not be asked to supply any other leadership, logistical, or financial support for this study.

If you agree to have your location participate in this study I will contact five to ten leaders identified by you. The potential participants will be contacted to take part in a qualifying interview. If the participant is accepted into the study, the participant will then take part in one recorded interview to elicit their perceptions of their own ethical decisions and then reflect upon those experiences. The participant will also participate in a follow-up discussion to confirm my summarization of their comments. Participants selected for this study are free to decline to answer any questions they do not wish to answer, or to stop their participation in the study at any time. Any participant interviewed as a part of the qualifying interview and not selected will be excused via email and thanked for their time.

Given my extensive career in the corporate world I understand the dynamics of leadership and therefore have designed this study to protect the integrity of your organization's culture and minimize the potential for conflicts. The information obtained in the interviews will be kept confidential. Neither the location nor the individual identities will be used in any reports or publications resulting from the study. Study information will be coded and kept in locked files at all times. Only I, as the researcher will have access to the files and know that your location participated in the research

project. To minimize any potential risk, individual results will not be shared with any city employees or people known to them, nor will ▮▮▮▮▮▮▮▮ be identified. Anonymous aggregate data will only appear in the dissertation itself tentatively scheduled for publication in the spring of 2011. Therefore participants will potentially have access to aggregate data at that time.

While there will be no direct benefit to you from participating in this study, the anticipated benefit of this study is a better understanding of the effect of the competing pressures that leaders face in making ethical decisions. You will receive a copy of the final results of the study for your own understanding and use. There will be no cost to you as a result of taking part in this study, nor will you be reimbursed for employees' participation in this study.

If you have questions about the research, you may contact me at ▮▮▮▮▮▮▮▮ If you have further questions about the study, you may contact the IRBPHS at the University of San Francisco, which is concerned with protection of volunteers in research projects. You may reach the IRBPHS office by calling 415.422.6091 and leaving a voicemail message, by e-mailing IRBPHS@usfca.edu, or by writing to the IRBPHS, Department of Psychology, University of San Francisco, 2130 Fulton Street, San Francisco, CA 94117-1080

Sincerely,

Marion C. Moreno
▮▮▮▮▮▮▮▮▮▮▮▮

Appendix E
Site Consent Acceptance Letter

█████████████

█████████████

Dear Ms. Moreno

On behalf of the ████████████████ I am writing to formally indicate our awareness of your research proposal as a graduate student at the University of San Francisco. We are aware that you intend to conduct your research by interviewing our employees. We grant you permission to conduct the research at our location with our employees during the spring and summer of 2010.

If you have any questions or concerns, please feel free to contact my office at ███████████████

█████████████

Appendix F
Participant Consent Letter

[Today's date]

Mr. John Smith
123 Enron Street
Anywhere, CA 90000

Dear Mr. Smith,

My name is Marion Moreno and I am a doctoral candidate in the School of Education at the University of San Francisco. I am doing a study to explore ethical decision making of leaders. Your management team has given approval to me to conduct this research.

You are being asked to participate in this research study because you are a leader within your organization. If you agree to participate in this study, you will participate in one 60-minute recorded interview. Additionally, you will be asked to participate in a follow-up discussion to confirm the accuracy of my interview summary and ensure my understanding. The follow-up discussion should take no more than 30 minutes.

It is possible that some of the questions on the survey may make you feel uncomfortable, but you are free to decline to answer any questions you do not wish to answer, or to stop participation at any time. Study records will be kept as confidential as is possible. No individual identities will be disclosed in any reports or publications resulting from the study. Study information will be coded and kept in locked files at all times. Only I, as the researcher, will have access to the files and know that you were asked to participate in the research project. Individual results will not be shared with personnel of your company, nor will your name be identified as someone who participated in the study.

While there will be no direct benefit to you from participating in this study, the anticipated benefit of this study is a better understanding of the effect of the competing pressures that leaders face in making ethical decisions.

There will be no costs to you as a result of taking part in this study, nor will you be reimbursed for your participation in this study.

If you have questions about the research you may contact me at ▮▮▮▮▮▮▮▮. If you have further questions about the study, you may contact the IRBPHS at the University of San Francisco, which is concerned with protection of volunteers in research projects. You may reach the IRBPHS office by calling 415 422.6091 and leaving a voicemail message, by e-mailing IRBPHS@usfca.edu, or by writing to the IRBPHS, Department of Psychology, University of San Francisco, 2130 Fulton Street, San Francisco, CA 94117-1080.

Participant Consent Letter (continued)

PARTICIPATION IN RESEARCH IS VOLUNTARY. You are free to decline to be in this study, or to withdraw from it at any point.

Thank you for your attention. If you agree to participate, please complete the attached Informed Consent form and return it to me in the enclosed pre-addressed, pre-stamped envelope by [insert date of return].

Sincerely,

Marion C. Moreno
Doctoral Candidate
University of San Francisco

Appendix G
Voluntary Informed Consent Form
University Of San Francisco

Purpose and Background

Ms. Marion Moreno, a doctoral candidate in the School of Education at the University of San Francisco, is doing a study to explore the individual and organizational factors that influence a leader's ethical decision making.

I am being asked to participate because I am a leader who is responsible for a functional business unit or line of business in the organization, I supervise a staff of two or more employees, and I have at least five years of management experience.

Procedures

If I agree to be a participant in this study, the following will happen:

1. I will participate in one in-person interview with the researcher for the project during which I will be asked about ethical decision making: The interview should take approximately 60 minutes

2. I will be available to participate in a follow-up discussion to confirm the accuracy of my interview summary. The follow-up meeting should take no more than 30 minutes.

Risks and/or Discomforts

1. It is possible that some of the interview questions may make me feel uncomfortable, but I am free to decline to answer any questions I do not wish to answer or to stop participation at any time.

2. Participation in research may mean a loss of confidentiality. Study records will be kept as confidential as is possible. No individual identities will be used in any reports or publications resulting from the study. Study information will be coded and kept in locked files at all times. Only the researcher will have access to the files.

3. Because the time required for my participation may be up to 2 hours, I may become tired or bored.

Voluntary Informed Consent Form (continued)

University Of San Francisco

Benefits

There will be no direct benefit to me from participating in this study. The anticipated benefit of this study is a better understanding of the competing pressures that leaders face in making ethical decisions.

Costs/Financial Considerations

There will be no financial costs to me as a result of taking part in this study.

Payment/Reimbursement

There will be no reimbursement for my participation in this study.

Questions

I have talked to Ms. Marion Moreno about this study and have had my questions answered. If I have further questions about the study, I may call her at ██████████ .

If I have any questions or comments about participation in this study, I should first talk with the researcher. If for some reason I do not wish to do this, I may contact the IRBPHS, which is concerned with protection of volunteers in research projects. I may reach the IRBPHS office by calling 415. 422.6091 And leaving a voicemail message, by e-mailing IRBPHS@usfca.edu, or by writing to the IRBPHS, Department of Psychology, University of San Francisco, 2130 Fulton Street, San Francisco, CA 94117-1080.

Consent

I have been given a copy of the "Research Subject's Bill of Rights" and I have been given a copy of this consent form to keep.

PARTICIPATION IN RESEARCH IS VOLUNTARY. I am free to decline to be in this study, or to withdraw from it at any point. My decision as to whether or not to participate in this study will have no influence on my present or future status as an employee of the organization.

My signature below indicates that I agree to participate in this study.

Participant's Signature   Date of Signature

Signature of Person Obtaining Consent   Date of Signature

Research Subjects
Bill of Rights

Research subjects can expect:

- To be told the extent to which confidentiality of records identifying the subject will be maintained and of the possibility that specified individuals, internal and external regulatory agencies, or study sponsors may inspect information in the medical record specifically related to participation in the clinical trial.

- To be told of any benefits that may reasonably be expected from the research.

- To be told of any reasonably foreseeable discomforts or risks.

- To be told of appropriate alternative procedures or courses of treatment that might be of benefit to the subject.

- To be told of the procedures to be followed during the course of participation, especially those that are experimental in nature.

- To be told that they may refuse to participate (participation is voluntary), and that declining to participate will not compromise access to services and will not result in penalty or loss of benefits to which the subject is otherwise entitled.

- To be told about compensation and medical treatment if research related injury occurs and where further information may be obtained when participating in research involving more than minimal risk.

- To be told whom to contact for answers to pertinent questions about the research, about the research subjects' rights and whom to contact in the event of a research-related injury to the subject.

- To be told of anticipated circumstances under which the investigator without regard to the subject's consent may terminate the subject's participation.

- To be told of any additional costs to the subject that may result from participation in the research.

- To be told of the consequences of a subjects' decision to withdraw from the research and procedures for orderly termination of participation by the subject.

- To be told that significant new findings developed during the course of the research that may relate to the subject's willingness to continue participation will be provided to the subject.

Research Subjects (continued)
Bill of Rights

- To be told the approximate number of subjects involved in the study.

- To be told what the study is trying to find out;

- To be told what will happen to me and whether any of the procedures, drugs, or devices are different from what would be used in standard practice;

- To be told about the frequent and/or important risks, side effects, or discomforts of the things that will happen to me for research purposes;

- To be told if I can expect any benefit from participating, and, if so, what the benefit might be;

- To be told of the other choices I have and how they may be better or worse than being in the study; To be allowed to ask any questions concerning the study both before agreeing to be involved and during the course of the study;

- To be told what sort of medical or psychological treatment is available if any complications arise;

- To refuse to participate at all or to change my mind about participation after the study is started; if I were to make such a decision, it will not affect my right to receive the care or privileges I would receive if I were not in the study;

- To receive a copy of the signed and dated consent form; and

- To be free of pressure when considering whether I wish to agree to be in the study. If I have other questions, I should ask the researcher or the research assistant. In addition, I may contact the Institutional Review Board for the Protection of Human Subjects (IRBPHS), which is concerned with protection of volunteers in research projects. I may reach the IRBPHS by calling 415.422.6091, by electronic mail at IRBPHS@usfca.edu, or by writing to USF IRBPHS, Department of Counseling Psychology, Education Building, 2130 Fulton Street, San Francisco, CA 94117-1080.

References: JCAHO and Research Regulatory Bodies

(1) To be told what the study is trying to find out;
(2) To be told what will happen to me and whether any of the procedures, drugs, or devices are different from what would be used in standard practice;

Research Subjects (continued)
Bill of Rights

(3) To be told about the frequent and/or important risks, side effects, or discomforts of the things that will happen to me for research purposes;

(4) To be told if I can expect any benefit from participating, and, if so, what the benefit might be;

(5) To be told of the other choices I have and how they may be better or worse than being in the study;

(6) To be allowed to ask any questions concerning the study both before agreeing to be involved and during the course of the study;

(7) To be told what sort of medical or psychological treatment is available if any complications arise;

(8) To refuse to participate at all or to change my mind about participation after the study is started; if I were to make such a decision, it will not affect my right to receive the care or privileges I would receive if I were not in the study;

(9) To receive a copy of the signed and dated consent form; and

(10) To be free of pressure when considering whether I wish to agree to be in the study. If I have other questions, I should ask the researcher or the research assistant. In addition, I may contact the Institutional Review Board for the Protection of Human Subjects (IRBPHS), which is concerned with protection of volunteers in research projects. I may reach the IRBPHS by calling 415.422.6091, by electronic mail at IRBPHS@usfca.edu or by writing to USF IRBPHS, Department of Counseling Psychology, Education Building, 2130 Fulton Street, San Francisco, CA 94117-1080.

Appendix H
Participant Interview Questionnaire

Date:	[insert date]
Who's Involved:	[insert name]
Location:	[insert location]
Time:	[insert time]
Subject:	Interview: Personal ethical dilemma and experiences related to ethics

Script

Thank you for your participation in the study. Today's discussion should take approximately 60 minutes. In our interview we're going to discuss ethics in the workplace and your experiences related to ethics. I will be tape recording and taking notes of our conversation. Before we begin do you have any questions?

At the conclusion of the interview

- I want to thank you for your time and discussion throughout the interview. Will you be available to participate in a follow-up discussion to confirm the accuracy and intent of the interview summary and my notes? The follow-up meeting should take no more than 30 minutes.

Do you have any questions?

Questions:

The questions on the following page will be asked during the interview. Probes for each of the sections will be used as time and answers allow.

Appendix H
Participant Interview Questionnaire (continued)

Interview Questions

<u>Section (a)</u> – Personal ethical dilemma

1. To get started please share your thoughts on the meaning of the words "ethical dilemma".

2. Have you personally experienced an ethical dilemma?

3. Think of a time when you faced an ethical dilemma.

   a. What were some of the issues involved?
   b. Were other people aware of what was going on?
   c. How did you decide what you were going to do?

<u>Section (b)</u> – Organizational variables

1. Can you tell a little information about the mission and values of your organization?

2. How does the mission and values affect your decision making?

3. Were there any changes to policies or the practices of the organization? When did those changes occur?

1. What type of impact has this decision had on others who were involved in the decision?

<u>Section (c)</u> – Leaders perceptions past ethical dilemmas in terms of:
- Influencing their future decisions
  - Other's decisions
  - Organization's policies or practices

1. How has this affected other decisions you have made recently?

2. Were there other people outside the organization you talked with at the time?

<u>Section (d)</u> – Patterns that emerged in the organization as a result of the ethical decision

1. Once you made the decision and took action, can you think of ways it affected the organization?

Appendix I
Participant Follow-up Meeting Discussion Questionnaire

Date:	
Who's Involved:	
Location:	
Subject:	Follow-up meeting discussion

<u>Script</u>

Thank you for taking the time to review my interview summary. Today's meeting should

take approximately 30 minutes and will be our last opportunity to capture your thoughts.

Before we begin do you have any questions?

<u>At the conclusion of the interview</u>

- I want to thank you again, for your time and participation throughout this study.

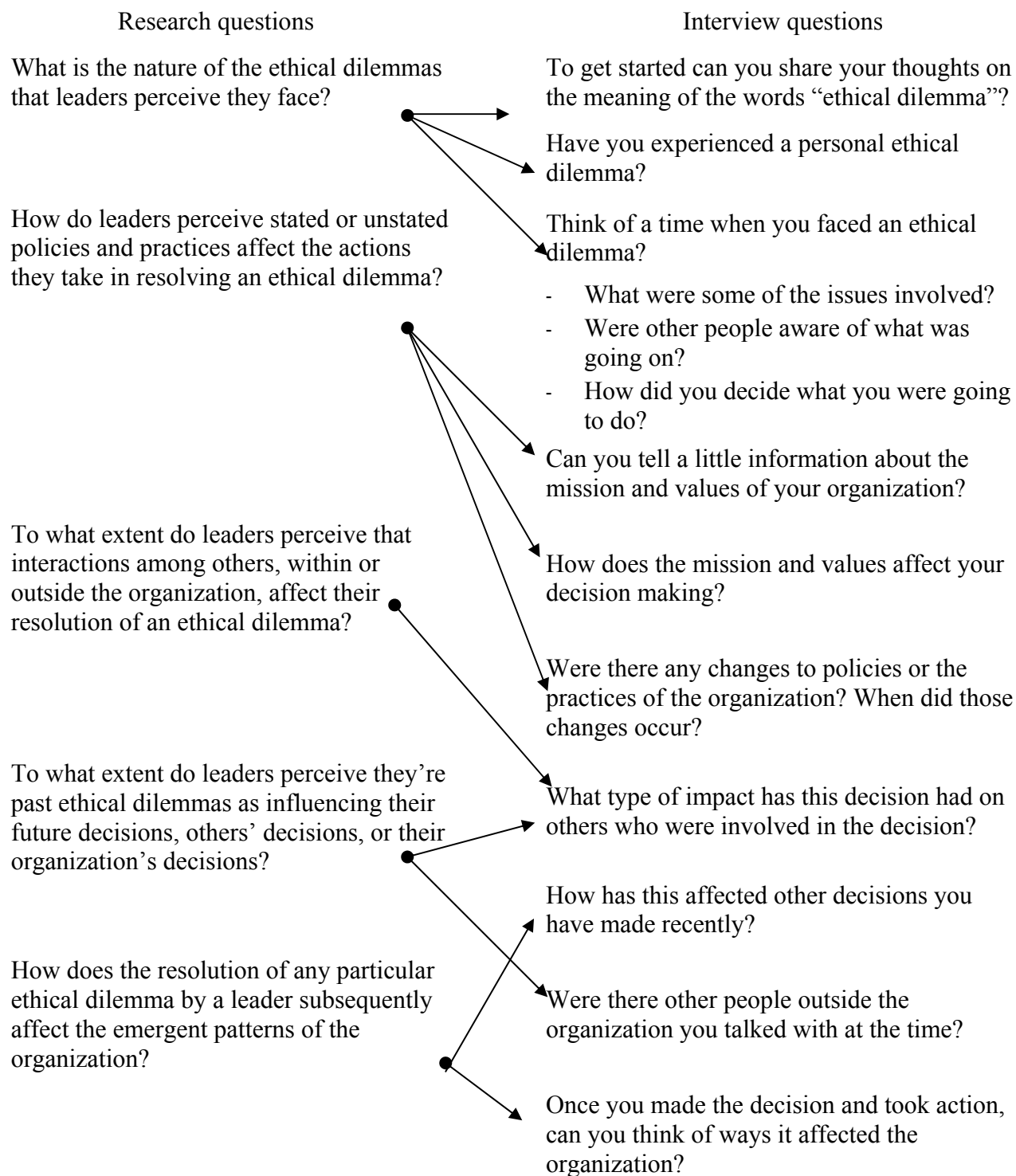 Before we conclude this meeting, do you have any final questions?

<u>Questions:</u>

The following are a sample of questions that may be asked of the participant during

the discussion. The actual questions will depend upon the results of the interview

and my notes.

1. Is there anything in the summary that is not accurate?

2. Are any key points missing?

3. Is there anything in the summary that you have questions about?

Appendix J
Research Questions Mapped to Interview Questions

Research questions

Interview questions

What is the nature of the ethical dilemmas that leaders perceive they face?

To get started can you share your thoughts on the meaning of the words "ethical dilemma"?

Have you experienced a personal ethical dilemma?

How do leaders perceive stated or unstated policies and practices affect the actions they take in resolving an ethical dilemma?

Think of a time when you faced an ethical dilemma?

- What were some of the issues involved?
- Were other people aware of what was going on?
- How did you decide what you were going to do?

Can you tell a little information about the mission and values of your organization?

To what extent do leaders perceive that interactions among others, within or outside the organization, affect their resolution of an ethical dilemma?

How does the mission and values affect your decision making?

Were there any changes to policies or the practices of the organization? When did those changes occur?

To what extent do leaders perceive they're past ethical dilemmas as influencing their future decisions, others' decisions, or their organization's decisions?

What type of impact has this decision had on others who were involved in the decision?

How has this affected other decisions you have made recently?

How does the resolution of any particular ethical dilemma by a leader subsequently affect the emergent patterns of the organization?

Were there other people outside the organization you talked with at the time?

Once you made the decision and took action, can you think of ways it affected the organization?

Appendix K
Participant Follow-Up E-mail

[Insert date]
E-mail Address: John.Smith@aol.com
Subject: Follow-up to Research Study Interview
Attachment: Interview Summary Review Instructions

Dear Mr. Smith

Thank you for participating in my research and for your time in our interview. As we discussed, I am sending you a summary of our interview that includes highlights, themes, and key quotes.

As a next step in the process, please use the attached guidelines to review the summary in preparation for our next meeting. I will be contacting you soon to schedule a 30-minute meeting to capture your review feedback in person or by phone, whichever works best for you.

If you have any questions regarding this review, please don't hesitate to contact me. I can be reached at ███████.

Sincerely,

Marion C. Moreno
Doctoral Candidate

Appendix L
Guidelines for Interview Summary Review

Please read through each section of the interview summary keeping the three guidelines listed below in mind. For convenience, use the template below to note your comments.

(a) Check the summary for overall accuracy.

(b) Determine if any key points are missing.

(c) Determine if edits are necessary within each section of the summary.

Page Number	Comment(s)

Appendix M
Ethical Dilemma Vignettes

Mary

Vignette 1: The Package

Given budget cuts of 8%, the city had to make some staff reductions.   In Mary's role as an administrative manager, she was responsible for relaying information regarding the Exit Incentive Program to the affected employees. The organization expected her to provide detailed information on the packages, and in some cases, encourage the employee to take the package.   In line with her personal beliefs, Mary wanted to help employees make the best possible decision for their future. Mary's ethical dilemma was that she had access to information she was not authorized to share with employees. She did not know whether she should "sell" the packages to those who were hesitant to accept them, knowing there was a high likelihood they would get laid off anyway or continue in her role explaining the packages without showing partiality or trying to persuade. Mary resolved this ethical dilemma by continuing to follow protocol as instructed.

Vignette 2: Personal Friendships

In this scenario, the ethical dilemma arose when a fellow coworker and friend was pushing the bounds of their relationship by asking Mary for additional incentives in order to take the exit incentive package. In so doing and providing her friend with special benefits, Mary would, in fact, be changing policy. Mary's dilemma was how far she should go to accommodate her friend. Specifically, does she push for a policy change that sets a precedent and keep the friendship? Or, does she refuse and potentially lose the friendship? In this situation, Mary fought for her friend and ultimately changed city policy regarding the packages.

Gloria

Vignette 3: The Consultant

The city had hired a public relations firm to mount a campaign against a major infrastructure project within the city limits that was perceived by the city manager as a very political topic. To support the campaign, the city manager hired an external consultant, who was also a friend, to lead the project. In Gloria's view, hiring the consultant was outside the guidelines, and it was not made public. Once the work had begun, Gloria challenged the city manager regarding the approach, substance, and documentation of the meetings as the city manager and the consultant had suggested disposing with documents at the end of the meeting. Gloria refused to participate in the document disposal, and consequently, Gloria was excluded from all subsequent meetings that had this project on the agenda.

At a later point in the same project, Gloria was asked to step in while the city manager was on vacation. However, when Gloria rejoined the meetings and started making the decisions she thought were right for the project, the consultant disagreed with her decisions and subsequently cancelled the meetings. The consultant then made the determination to postpone further meetings and decisions until her superior had returned. The handling of this project, which involved secrecy, mishandling of the documents, and retracted decisions challenged Gloria's professional principles and personal ethics. Gloria's ethical dilemma was whether or not to confront the consultant and challenge the decision making process, thereby risking her own career, or remain silent and potentially ruin the city's reputation. Ultimately, Gloria did make the decision to confront the consultant regarding his process and role in the project.

Michelle

Vignette 4: The Layoff Discussion

A staff member in the department approached Michelle about the possibility of

being laid off due to the 8% budget reductions. Organization protocol prohibited a

manager from divulging confidential information about personnel until the final decision

had been made. However, Michelle valued this employee's contributions and realized

that the employee's request was due to her not understanding that her position would

likely be eliminated. Michelle's personal conflict was based on the organization

entrusting with her confidential information that could not be shared with staff. This was

in contrast to her personal beliefs of being open and honest with staff. Michelle would

have preferred to be candid with the employee about the job prospects as well as the high

likelihood that she would be laid off with no package. The ethical dilemma for Michelle

was what she could advise this employee without explicitly telling her that her job would

likely be terminated (which was proprietary information). Michelle resolved this dilemma

by laying out the facts for the employee and letting the employee draw her own

conclusions.

Peter

Vignette 5: The Bottom Line

A department head in Peter's organization presented incorrect staff reports,

revealing an issue of staff labor equitability. The city council chastised the city manager

for the incorrect report, which the city manager then brought up with the department head

responsible for the report. The department head, in turn, suggested that, in the future,

Peter's administrative department should check all reports before they are sent to city

council to avoid any future embarrassment. As a director and leader in the organization—

and in accord with his personal beliefs—Peter needed to ensure that reporting and

accounting were accurate. He also needed to protect his staff from doing another

department head's work. Additionally, he realized that if he accepted this work, he could

be setting a precedent for the rest of the organization, which might eventually result in his

department being responsible for correcting and ensuring the accuracy of every

department's work. The ethical dilemma for Peter was how to ensure accurate reporting,

prevent his staff from being overburdened, and still maintain a working relationship with

his peer should he refuse to take on the work. He resolved the dilemma by taking the

issue directly to the city manager, and he clearly stating to the city manager that he would

not be willing to ask his staff to take on additional work or work that was the

responsibility of other departments.

Henry

Vignette 6: Loyalty to the Boss

During a previous budget exercise, Henry and his counterparts had been asked to

provide options to their superior for reducing department expenses. Henry presented

options based on a consensus among his peers that would be preferable and yet still

reduce the budget. However, Henry's superior chose what Henry considered less

favorable options, which in turn, resulted in some difficult policy choices. Henry was

asked by his superior to present this budget to the city council. City council then

challenged some of the decisions his superior had made and asked Henry for his opinion.

Henry's personal beliefs did not give him a clear direction as he both valued being

loyal to his superior, and yet, his beliefs also indicated that he should speak up and

articulate his disagreement with his superior's recommendations and provide his own alternatives to the council. In so doing, however, Henry was aware that he might tarnish his image with the city council since they were looking for alternative recommendations at that time. At the same time, if he presented his own recommendations and did not defend his superior, he risked incurring negative personal career consequences. The ethical dilemma for Henry was whether he should support his superior's interests or his own interests. Henry ultimately chose to support his superior's plan, deciding that the most important principle was to remain loyal to this superior.

Vignette 7: Overtime Budget

Henry's superior wished to implement a plan that would eliminate key employees handling public safety issues and reassign the peers to other areas that were deemed less critical. Some of the employees were out on work-related injuries, and there was no coverage available without overtime pay. The result of the employee reassignment would have bankrupted the department's budgets for overtime, overworked the remaining employees, and significantly lowered morale with the extra hours. As stated above, loyalty was a key component of Henry's personal beliefs; yet, in this situation, he had to decide whether to show his loyalty to his subordinates and reject his superior's plan or remain loyal to his superior. Henry decided to challenge his superior on the idea, and as a result, the plan was never implemented.

Steve

Vignette 8: Group Vote

As president of his association, Steve was conflicted over whether to support budget cuts in his department, which would address the reduction in the city's budget, or whether to support salary increases for his fellow employees. Steve had previously encouraged his peers to accept a salary freeze and went along with the city's budget reductions, while the economy was in a recession over the past few years. This particular year, however, was the last year of the contract, and for those employees who would be retiring that year, it meant that their retirement packages would also be negatively effected. The personal conflict for Steve was balancing the competing pressures of the significant budget constraints while protecting those 10 employees' retirement income. The ethical dilemma for Steve was whether to honor organizational interests over loyalty to his peers, whom he had worked with and depended upon for over 15 years. Steve ultimately decided to vote with his peers.

Ellen

Vignette 9: The Plan

Ellen described an experience whereby she had made a recommendation on a project that would affect the city. Ellen made this recommendation supposedly with the support of management, professional consultants, and information she had at the time. Ellen also believed that her superior had vetted this recommendation to policymakers and that they were supportive as well. Ellen's personal conflict was between balancing her wish to be successful in her current role and yet also remaining true to her professional code of ethics to represent the "underrepresented" community. Her dilemma was

whether to be true to her profession and present the entire recommendation or to sit on the decision because of the impact politically to her career should the city council choose to retaliate. Ellen chose to move forward with the recommendation as planned, which resulted in a significant backlash from the city council, and at the time of this study, some members still refused to work with her on city projects and were calling for her resignation.

Vignette 10: Competing Values

Ellen described a prior situation that illustrated a time when she had been faced with competing values regarding whether or not to put her full professional recommendation behind the project. The project was considered tax generating and would provide revenue for the city; however, the project would also have some negative repercussions on the communities that surrounded it, which were not fully disclosed. Ellen's conflict was between, on the one hand, balancing the needs of the city for revenue generation, and on the other hand, refusing to support a project that she did not feel was viable and that would create problems for the underrepresented communities. Additionally, she knew that a large influential developer in the city was leading this project. The dilemma was whether or not to offer her support for the entire project. Ellen elected to present the project and the options for the project without a recommendation. The end result was that Ellen remained silent on the controversial issues and did not risk her reputation in the community.