ETHICAL FOUNDATIONS OF MANAGEMENT IN PUBLIC SERVICE

Dean Geuras and Charles Garofalo

Concern for ethics in public service has increased greatly since the Watergate scandal of the 1970s. Most of that concern has focused upon illegal behavior, such as perjury, bribery, and conflict-of-interest. However, there are other forms of possible ethical indiscretion that are legal and that have become regarded as acceptable practices among public servants. Some of those practices are inconsistent with the moral obligations that one incurs as a member of a public service organization.

Individuals have moral obligations extrinsic to those imposed by participation in an organization. Extrinsic obligations include those to one's own private moral codes and to possible objective, absolute moral codes. Often, extrinsic obligations may be more compelling morally than those organizationally imposed and therefore may require critical reevaluation of organizational values. However, our aim is to examine behavior that is unethical because of its inconsistency with organizationally imposed ethical obligations. Therefore we will ignore cases of moral conflict between organizationally imposed and extrinsic obligations.

To determine when organizationally imposed obligations are violated, one must first identify those obligations. We will suggest three possible sources of those obligations and, consequently, three different ways of identifying them. Without designating any as the true source, we will examine the ethical implications of each.

We refer to an organizational structure as morally discordant if it requires decision-makers to make mutually exclusive choices between self-interest and moral propriety. While no organization can totally avoid moral discord, we assume its reduction to be a proper function of an organizational structure.

We begin our examination with examples of common ethically questionable organizational practices. We then examine the relationship between those examples and theories concerning the source of moral obligation. We will close with comments concerning the link between philosophy and public affairs.

I. SPENDING "EXCESS" FUNDS

When requesting funds, a prudent manager would be careful not to underestimate his or her unit's needs. As Aaron Wildavsky has said, ". . . it is unrealistic for an administrator not to make some allowance for the inevitable cuts that others will make."[1] As a result of high estimates and other organizational complexities, managers often discover that they have unexpected discretionary funds.

There may be sound moral reasons for refusing to spend all of the budgeted money within the organizational unit. There may be greater need in other units. If no such need exists, the money might best be returned to taxpayers.

However, the manager is under pressure to spend all money under his control within his unit. If his funds are not spent, his organization may suffer in the following year. The existence of a surplus would be interpreted as evidence that the next year's budget can be cut without loss of service. In addition, the manager's decision affects people under his supervision. They could undoubtedly find some use, however frivolous, for the surplus, even if the manager himself can find none. If the manager refuses to spend the excess or to allow it to be spent within the organization his or her managerial expertise will be questioned.

While we might find the hypothetical manager's plight to be disturbing, it does not appear to dismay managers actually confronted with it. Few regard themselves as stewards of public funds. The ethos or public organizations is such that no moral issue is even acknowledged to exist; one is expected to spend the money without hint of remorse.[2]

II. UNINFORMATIVE ASSESSMENT OF PERSONNEL

In large public organizations employees are often evaluated according to a scale comprising a small number of categories. Commonly, the categories designate performance as "excellent," "good," "fair," or "poor." Frequently, however, the category system is rendered nearly meaningless when evaluators include almost all employees in one or two top categories. Fair and poor performances are routinely rated as outstanding or excellent. In such systems, ratings of "fair" or even "good" are

interpreted as highly damaging to employees' careers. A literal-minded administrator, who rates a fair performance as "fair," risks unwanted consequences to herself as well as to the person who received the rating. If she submits to the commonly accepted practice, she contributes to the administrative equivalent of grade inflation.

III. THE SELF-PROTECTIVE STRATEGIC PLAN

Strategic planning is, theoretically, an organizations' opportunity to examine itself and attempt to improve. However, the process involves risks which managers are often unwilling to take. Consequently, the planning process is seldom used properly and loses much of its effectiveness.

One of the risks occurs when units within an organization assess their strengths and weaknesses as a prerequisite for an action plan. Managers are expected to list weaknesses in their organizations, but they are reluctant to indict themselves or their subordinates. Their solution is typically a simple one: They list weaknesses for which no one within their organizational unit can be blamed. Often, managers use such alleged weaknesses as justifications for additional funding. For example, a department at a university might describe its members as approaching perfection but overworked because they are too few. The weakness thus becomes the basis of a request to hire additional instructors.

A second risk for the manager results from setting realistic goals for his or her unit. If the goals are not met, the unit will be subject to criticism. Managers use considerable creativity in avoiding this risk. They may set goals dependent upon contingencies, such as a massive infusion of new funds, which are unlikely to occur. Another option is to set easily attainable goals, such as a marginal increase in yearly productivity, but present them as nearly impossible.

IV. "INVALUABLE" PROFESSIONAL TRAVEL

Professional travel is intended to further the publicly approved aims of the organization. Sometimes, however, professionals travel to promote their own self-interest, i.e., to enhance credentials, to make professional contacts, or to enjoy a

professional meeting. Regardless of the traveler's motive, however, public trust is not betrayed if the public's interests are served sufficiently.

There is another problem, however. Professional travelers often adopt an attitude similar to that of the unit manager who spends available funds regardless of the value that they purchase. Most professionals will use funds available for travel without considering some essential questions: Could other people's travel serve the public better? Could the funds be better used for something other than travel? Is the public likely to receive its just compensation? Should the funds be returned to the unit manager, who may—unlike the managers considered earlier—refuse to spend them at all? In many cases, and perhaps in most, these questions have answers that would justify travel. What is troublesome is not one's inability to answer the questions but the infrequency with which they are asked.

The above examples are not intended to question the ethics of those who make the seemingly unethical decisions. In most cases strong pressures require those individuals to accept the behavioral standard prevalent in their organizations. Our concern is with the systems that impose such pressures. We will now examine theories concerning the moral justifications of those systems.

Theories providing ethical justifications of public organizational systems must clarify the overriding obligations of individuals within an organization. Those obligations may be to three different sources: (1) the body which created and sustains the organization; (2) the cause or value which the organization is to serve; and (3) the organization itself. Those three sources of obligation are bases upon which theories of organizational moral justification may be classified.

V. THEORIES OF OBLIGATION TO TAXPAYERS

According to one plausible classification of obligation theories, which we will call "A-theories" for brevity, the primary obligation of managers is to the people, i.e., taxpayers, who fund the organization. There are at least two evident rationales for A-theories. According to one, the manager's primary obligation is to the public interest, which is most compatible with that of taxpayers. According to the other rationale, those who fund an

organization have a proprietary interest in the organization. In a democracy that body is ultimately the class of taxpayers as they are represented by their elected officials, and managers are stewards of the funds.

If A-theories are correct, the above examples appear to illustrate unethical behavior which, if common, would constitute moral indictment of public organizations. Cavalier spending of so-called excess funds, travelling unnecessarily at public expense, etc., do not appear intended to protect the taxpayer's interest. In those cases, public officials act in a manner consistent with their self-interest but seemingly inconsistent with moral obligations to the taxpayer.

VI. THEORIES OF OBLIGATION TO A CAUSE

We refer to theories that consider the source of the manager's obligation to be the cause which the organization exists to serve as "B" theories. According to B-theories, the organization was created to serve a purpose, and the manager is to consider that purpose, rather than the interests of the funding body or any other interests, most important in his or her decisions.

The A-theory may be combined with the B-theory. One might argue that those funding the organization charge the managers to do whatever they can for the relevant cause, without considering other obligations, even to those funding sources. According to such an argument, the manager ought to behave as if the cause were an end in itself, even though the justification for that behavior lies in the manager's responsibility to the funding body. Those who adopt such an argument may be called "AB-theorists."

A-theories and AB-theories would justify some of the behavior in the aforementioned examples. Under either of those theories, when a manager has excess funds at the end of a fiscal year, she should use them in the most productive manner under her charge. If she were to return them out of concern for the funding sources, she would fail to meet her primary responsibility to the cause with which she is charged, unless no productive use existed. However, under these theories, the manager still does not have absolute moral license to spend the excess funds however she wishes; she must spend them to best promote the cause for which the organization exists.

Similarly, the public official should use travel funds, strategic planning, and assessment of personnel, to serve that cause. When the reward system or the informal expectations of the organization discourage the public official from doing so, moral discord results.

VII. THE ORGANIZATION AS END-IN-ITSELF

Moral discord can be reduced substantially under the C-theory, i.e., the theory which regards the organization, itself, to be the source of the manager's obligation. The C-theory would justify spending of excess money, travel of questionable value, self-serving strategic planning, and uninformative personnel evaluation, if those activities contributed to the health or survival of the organization. Organizations frequently behave in accordance with the C-theory, though their behavior is probably seldom explicitly justified by that theory.[3]

However, while the C-theory reduces moral discord, one might question whether the C-theory has a moral foundation. "What," it may be asked, "could justify making an organization a morally significant end-in-itself?" A possible answer might lie in a variation of the B-theory. That theory justifies activity which best serves the cause for which the organization exists. One might maintain that if the cause in question is to be adequately served, the organization must receive total loyalty from its members. B-theorists might therefore argue that managers should behave as if the organization were an end-in-itself. Such a B-theorist might better be called a "BC-theorist," because he uses B-theory as the theoretical foundation for a C-theory.

All three theories may be combined into an ABC-theory. The B-theory, which justified the above C-theory, may itself have been justified by respect for the charge of the funding body. Consequently, it is possible to construct a C-theory justified successively by A- and B-theories. The resultant theory would have the virtue of including all relevant values in one system of justification. Furthermore, the ABC-theory would render moral discord minimal within currently existing organizational structures.

However, the ABC-theory and the BC-theory remain problematic. To establish the BC-theory, one must show that the cause for which the organization exists is, indeed, best

served if the members of the organization treat it as an end-in-itself. The ABC-theorist must show, further, that the responsibility to the funding body is best served by treating the organization as such an end. Neither demonstration is evident prima facie.

Our examination of alternatives does not logically or morally justify any of the theories that we have described. However, progress would result if designers of public organizational systems examined the range of available theories and built systems on considered ethical foundations. First, it is important that attention be called to the ethical implications of organizational decisions. Secondly, when one chooses from among the possible ethical systems which we have described, he or she makes a commitment. If that commitment is to an A-theory, a B-theory, or an AB-theory, certain common behaviors lose their moral legitimacy. If one's commitment is to a C, BC, or ABC-theory, he or she must be called upon to provide moral grounds for treating the organization as an end-in-itself. Potentially productive moral debate will ensue only after the moral aspects of a problem are noticed.

Among the above theories, the A-theories appear least consistent with common practice. A-theories may therefore be characterized as unrealistic and as inimical to established public service. Without justifying A-theories, we will now dispute that characterization.

The characterization evidently depends upon the assumption that taxpayers, in funding public service organizations, are unaware of common managerial practices and therefore do not condone them. However, it is also possible that taxpayers are fully aware of those practices, expect them, and allow them so long as the desired general purposes are served. While taxpayers may not consider common practices perfect, they may find them acceptable and therefore license them.

Before concluding that a practice is inconsistent with taxpayer's expectations, one must know what they are. One must not be too hasty in assuming that the public refuses to countenance such common organizational behavior. The public may disapprove it, approve it, or have no determinate opinion. Moreover, there may be no accurate means of determining public opinion.

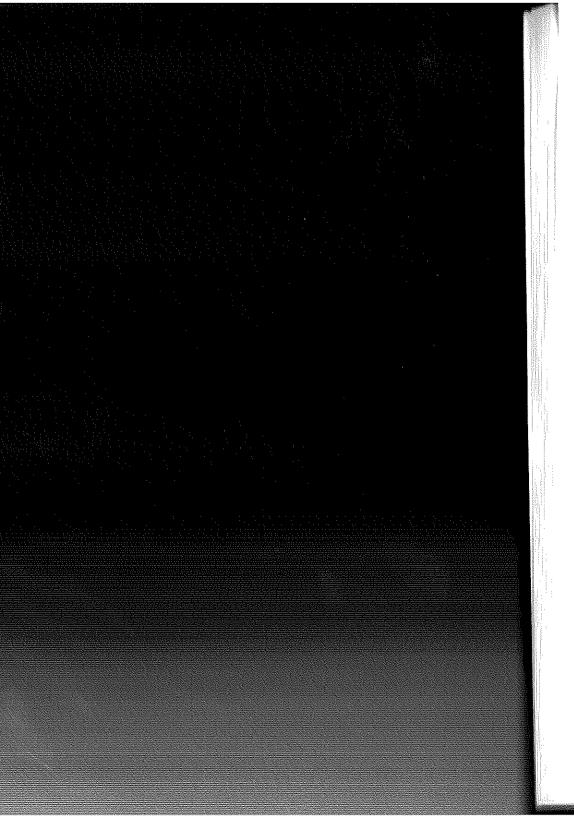The A-theory may therefore be more flexible than initially

supposed. It may appear to be inflexible because of failure to distinguish behavior which taxpayers consider ideal and behavior which they accept or at least fail to reject, in any evident manner.

The A-theory, in its newly recognized, more flexible form, introduces new questions, e.g., how can public expectations be determined? How should a manager behave when it is impossible to specify public expectations? Are there cases in which the public servant should exceed public expectations? All of the theories that we have discussed have left us with questions which would, themselves, be subjects for further inquiry but which exemplify the challenge of discovering the ethical dimensions of entrenched bureaucratic structures. The concept of stewardship, a seemingly valid component or organizational ethics and an essential element in public administration, has received insufficient attention among scholars of public administration. There is no law against the profligate, inefficient use of public resources, but it nevertheless deserves to be treated as an ethical problem. Questions also arise concerning organizational reward systems, which provide the context for treating the ethical aspects of bureaucratic processes. Mid level bureaucrats, in particular, face pressure to engage in morally questionable activities or to overlook such activities of others. These and other ethically charged situations grow out of organizational culture, values, and established practices. In any event, as Kathryn Denhardt says, public administrators must become as ethically proficient as they are technically proficient. In order to achieve that goal, "the administrator must learn the language of the philosopher, and the philosopher the language of the administrator."[4]

NOTES

[1]Aaron Wildavsky, The New Politics of the Budgetary Process, second edition (Harper Collins: New York, 1992), p. 91.

[2]Wildavsky observes that "the policy of punishing leads to a last-minute flurry of spending in the fourth quarter of the year despite the Budget Bureau appointment of quality allotments." Wildavsky, 1992, p. 95.

[3]Gerald T. Gabris, "Beyond Conventional Management Practices," Ethical Frontiers in Public Management (San Francisco: Jossey-Bass, 1991), pp. 205–224.

[4]Kathryn Denhardt, The Ethics of Public Service: Resolving Moral Dilemmas in Public Organizations (Greenwood Press: Westport, 1988), pp. 183–185.