Recent ethical scandals involving managers in government organizations have highlighted the need for more research on ethical leadership in public sector organizations. To assess the consequences of ethical leadership, 161 managers in a large state government agency and 415 of their direct reports were surveyed, and personnel records were obtained to measure absenteeism. Results indicate that after controlling for the effects of employee characteristics, perceptions of procedural fairness, and supportive leader behavior, ethical leadership reduced absenteeism and had a positive influence on organizational commitment and willingness to report ethical problems. Implications of the findings and suggestions for future research are presented.

Public administration scholars have long discussed the importance of managerial ethics from a normative perspective by specifying what public managers should do or how they ought to behave (Cooper 1982; Hart 1974, 1984; Rohr 1989). Hart (1984), for example, proposed that public managers should be prudent, trustworthy, and considerate, and their actions should be consistent with public values and interests. Given this emphasis on the moral person, it is not surprising that so many public sector organizations rely on their senior leadership to establish and support an ethical climate (Berman, West, and Cava 1994; Bruce 1994; West and Berman 2004). Empirical evidence also supports the importance of ethics for good governance and democracy (Cowell, Downe, and Morgan 2014) because it predicts satisfaction with government services, trust in government, and the amount of citizen participation (Vigoda-Gadot 2007; Villoria, Van Ryzin, and Lavena 2013).

In the United States, recent ethical scandals involving the targeting of conservative political groups for scrutiny, violations of the privacy of journalists and world leaders, and sexual harassment and assault in the military reveal not only the importance of ethical behavior but also the difficulty of ensuring it (Alexander and Stewart 2013; Dinan 2013; Horwitz 2013; Shane 2013). In a 2007 national survey of 744 randomly selected government employees in the United States (Ethics Resource Center 2008), 57 percent of government employees reported that they had witnessed a violation of ethical standards, policies, or law in their workplace during the previous 12-month period. While ethical violations can take many different forms, commonly cited examples include misreporting hours worked, employment discrimination, sexual harassment, and violations of privacy (Ethics Resource Center 2008; Kaptein et al. 2005). Of those who reported witnessing ethical violations, nearly one-third (30 percent) of government employees in the United States did not report the violation (Ethics Resource Center 2008). Just as troubling is the opportunity and pressure for misconduct. Nearly half (48 percent) of the government employees surveyed reported experiencing situations that they felt invited misconduct, while 14 percent reported that they had been pressured to compromise ethical standards in the course of performing their jobs. Existing evidence also suggests that the leadership in public organizations often fails to achieve the desired ethical standards. For example, the 2012 Federal Employee Viewpoint Survey found that nearly half (45 percent) of federal employees do not believe the leaders in their organization maintain high standards of honesty and integrity, while well over one-third (38.5 percent) do not feel that they can disclose a suspected violation of laws or regulations without fear of reprisal (OPM 2012).

Given the importance and complexity of the topic, there have been surprisingly few empirical studies assessing the effects of ethical leadership in government organizations (Beeri et al. 2013; Hassan et al. 2013; Huberts, Kaptein, and Lasthuizen 2007; Alexander and Stewart 2013; Dinan 2013; Horwitz 2013; Shane 2013). In a 2007 national survey of 744 randomly selected government employees in the United States (Ethics Resource Center 2008), 57 percent of government employees reported that they had witnessed a violation of ethical standards, policies, or law in their workplace during the previous 12-month period. While ethical violations can take many different forms, commonly cited examples include misreporting hours worked, employment discrimination, sexual harassment, and violations of privacy (Ethics Resource Center 2008; Kaptein et al. 2005). Of those who reported witnessing ethical violations, nearly one-third (30 percent) of government employees in the United States did not report the violation (Ethics Resource Center 2008). Just as troubling is the opportunity and pressure for misconduct. Nearly half (48 percent) of the government employees surveyed reported experiencing situations that they felt invited misconduct, while 14 percent reported that they had been pressured to compromise ethical standards in the course of performing their jobs. Existing evidence also suggests that the leadership in public organizations often fails to achieve the desired ethical standards. For example, the 2012 Federal Employee Viewpoint Survey found that nearly half (45 percent) of federal employees do not believe the leaders in their organization maintain high standards of honesty and integrity, while well over one-third (38.5 percent) do not feel that they can disclose a suspected violation of laws or regulations without fear of reprisal (OPM 2012).

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Kolthoff, Erakovitch, and Lasthuizen 2010). More research is needed to understand the potential effectiveness and importance of leadership in facilitating ethical behavior and preventing unethical conduct in government organizations. In this article, we aim to extend the public administration literature by examining how ethical leadership can facilitate positive outcomes in government organizations. More specifically, we examine the relationships between ethical leadership and the organizational commitment of public sector employees, their absenteeism, and their willingness to report ethical problems. After a brief overview of ethical leadership theories and research findings, we develop a set of testable hypotheses based on prior research and theory. Then we describe the research methods used in this article and present the findings. We conclude by discussing the theoretical and practical implications of our research findings and avenues for future research on ethical leadership in government organizations.

Literature Review and Hypotheses

Ethical Leadership

Integrity and honesty have long been considered important determinants of leadership effectiveness (Kirkpatrick and Locke 1991; Kouzes and Posner 1992; Posner and Schmidt 1992), with Barnard noting as early as 1938 that one function of the executive is to create a moral framework for the organization. Even so, organizational scholars have only recently begun to adopt a systematic approach to describe what ethical leadership means and to examine the antecedents and consequences of ethical leadership in organizations (Brown and Treviño 2006; Brown, Treviño, and Harrison 2005; Treviño, Brown, and Hartman 2003).

Ethical leadership has been described in many ways. Kanungo (2001) noted that ethical leaders engage in behaviors that benefit others and, at the same time, refrain from behaviors that can cause harm to others. Khuntia and Suar (2004) suggested that ethical leaders incorporate moral principles into their values, beliefs, and actions. Brown, Treviño, and Harrison provided a more comprehensive definition conceptualizing ethical leadership as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct through two-way communication, reinforcement and decision-making” (2005, 120).

According to these perspectives, three essential attributes or components of ethical leadership are (1) being an ethical role model to others, (2) treating people fairly, and (3) actively managing ethics in the organization (Brown and Treviño 2006; Brown, Treviño, and Harrison 2005; Treviño, Brown, and Hartman 2003). The first two attributes capture the moral person aspect of ethical leadership.

Ethical leaders demonstrate ethical values such as honesty, integrity, and altruism (e.g., sacrificing personal gains for the benefit of others), and they conduct themselves in an ethical manner even in the midst of adversity, risks, or pressure (Brown and Treviño 2006; Brown, Treviño, and Harrison 2005; Treviño, Brown, and Hartman 2003). Ethical leaders also serve as ethical role models for others. These leaders establish themselves as credible and legitimate role models by demonstrating normatively appropriate behaviors and treating others with consideration and respect (Brown and Treviño 2006; Brown, Treviño, and Harrison 2005). While making important decisions that may affect the well-being of others, ethical leaders take into account the moral implications of their choices.

The last attribute captures the moral manager aspect of ethical leadership. That is, ethical leaders are not only honest, trustworthy, and principled decision makers, they also actively promote ethical behavior among their followers by clearly communicating ethical standards and expectations, providing ethical guidance, and holding followers accountable for ethical and unethical conduct (Brown and Treviño 2006; Treviño, Brown, and Hartman 2003).

Influence of Ethical Leadership on Employee Attitudes and Behaviors

Leadership has long been considered important in discussions on managerial ethics (Barnard 1938). However, ethical leadership as a construct or distinct form of leadership has been proposed only in the last decade (Brown, Treviño, and Harrison 2005), and more needs to be learned about the effects on employee attitudes and behaviors that can influence organizational performance and integrity. Some recent research provides evidence that ethical leadership can influence the attitudes and behavior of subordinates. Managers who exhibit higher levels of ethical leadership not only decrease unethical behaviors and increase citizenship behaviors but also influence subordinate attitudes about such behaviors (Mayer et al. 2012; Resick et al. 2013; Walumbwa et al. 2011; Walumbwa and Schaubroeck 2009). Ethical leadership can increase follower satisfaction with the leader, the perception of leader effectiveness, the quality of the leader-member exchange relationship, organizational commitment, and prosocial behavior, as well as reduce deviant employee behavior (Hassan et al. 2013; Kalshoven, Den Hartog, and De Hoogh 2011; Mayer et al. 2012; Mayer et al. 2009; Resick et al. 2013; Walumbwa et al. 2011; Walumbwa and Schaubroeck 2009; Yukl et al. 2013).

The number of relevant studies, however, is still relatively small and conducted primarily in business organizations. While research on the consequences of ethical leadership in public organizations is limited, the studies that do exist suggest that this can be a productive area of research. Miceli and Near (1984, 1985, 1988), for example, found that personal and organizational factors influence employee reports of unethical conduct in federal agencies. Consistent with public service motivation theory, Brewer and Selden (1998) showed that public employees with a higher regard for the public interest are more likely to report illegal or wasteful activity in their agencies. Moreover, several studies examined the prevalence of different leadership practices and ethic codes and their effects on employee ethical behavior in public organizations (Berman, West, and Cava 1994; Bruce 1994; Cowell, Downe, and Morgan 2014; West and Berman 2004). More recently, public sector studies have begun to find a connection between ethical leadership and integrity violations (Kaptein et. al 2007; Kolthoff, Erakovitch, and Lasthuizen 2010), quality of work life (Beeri et al. 2013), and affective commitment (Hassan et al. 2013). In this article, we aim to contribute to research in public administration by examining how ethical leadership is related to employee willingness to report ethical problems, organizational commitment, and frequency of absences from work.

Ethical leadership and willingness to report ethical problems. As noted earlier, recent national surveys suggest that many government employees who observe workplace misconduct fail to report it (Ethics Resource Center 2008; OPM 2012). When explaining their
Ethical leadership and organizational commitment. Brown and Treviño (2006) noted that commitment to their work group and organization (Meyer and Allen 1991) reflects agreement with organizational values and goals as well as feelings of personal satisfaction derived from involvement in the organization (Meyer and Allen 1991). Organizational commitment has important implications in terms of decreasing turnover and voluntary absences (Hacket 1989; Tharenou 1993; Viswesvaran 2002). While there is evidence that absenteeism may be higher in the public sector than in private sector organizations (Dibben, James, and Cunningham 2001; Klein 1986; Vandenheuvel 1994), few studies in public administration have investigated how to reduce absenteeism in government organizations (Dalton and Perry 1981; Garcia 1987; Perry and Angle 1980; Perry and Long 1984; Vigoda-Gadot and Meisler 2010; Wright and Pandey 2011).

March and Simon (1958) distinguished two categories of absences: voluntary absences over which employees have some control (e.g., uncertified sickness and vacation) and involuntary absences (e.g., certified sickness and family emergencies). Unfortunately, it is very difficult to determine whether an absence is voluntary or involuntary (Darr and Johns 2008). While both types of absence can be costly to the organization, organizations in the United States put most of their attention on identifying and reducing the costs associated with voluntary or unnecessary absences, especially given the employment protections (e.g., the Americans with Disabilities Act and the Family and Medical Leave Act) that afford employees many sources of involuntary absenteeism.

Social exchange theory (Blau 1964; Gouldner 1960) provides insight into how ethical leadership may influence followers’ commitment to their work group and organization. Brown and Treviño (2006) noted that with their followers; this, in turn, is likely to influence followers to reciprocate by showing loyalty to the leader and commitment to the work group and organization that they represent. Consistent with these expectations, a recent study by Ko and Hur (2014) showed a positive correlation between manager trustworthiness and the intention of public employees to stay in their organization. A few recent studies also found a positive connection between ethical leadership and subordinate organizational commitment (Beeri et al. 2013; Hassan et al. 2013), but these studies relied on self-reported measures of organizational commitment. To further corroborate the relationship, we assessed manager perception of subordinate commitment as well as subordinate self-reported affective commitment to test the following hypothesis:

Hypothesis 2: Ethical leadership increases the organizational commitment of public sector employees.

Ethical leadership and absenteeism. Absenteeism is a costly personnel problem for organizations. In addition to its direct financial costs (e.g., statutory sick pay, replacement costs, and overtime costs), absenteeism can lower individual productivity and group performance (Hacket 1989; Tharenou 1993; Viswesvaran 2002). March and Simon (1958) distinguished two categories of absences: voluntary absences over which employees have some control (e.g., uncertified sickness and vacation) and involuntary absences (e.g., certified sickness and family emergencies). Unfortunately, it is very difficult to determine whether an absence is voluntary or involuntary (Darr and Johns 2008). While both types of absence can be costly to the organization, organizations in the United States put most of their attention on identifying and reducing the costs associated with voluntary or unnecessary absences, especially given the employment protections (e.g., the Americans with Disabilities Act and the Family and Medical Leave Act) that afford employees many sources of involuntary absenteeism.

Ethical leadership may have an influence on both voluntary and involuntary absences. Ethical leadership may have an influence on both voluntary and involuntary absences in a number of ways. Unscheduled, voluntary absences from work are often caused by illness or family emergencies, but these absences may also be caused by mistreatment at work.
low morale, stress, and a sense of entitlement (CCH 2006; Lach 1999). Ethical leaders exhibit normatively appropriate conduct in their interpersonal relationships as well as their concern for others (Brown, Treviño, and Harrison 2005). Consistent with social learning principles, the positive and supportive behaviors exhibited by ethical leaders encourage subordinates to behave similarly toward their coworkers (Mayer et al. 2009). As a result, they should be more satisfied at work and experience less stress and conflict. Given that work-related stress can increase stress-induced illness (Nixon et al. 2011) and, to a lesser extent, the avoidance of work (Darr and Johns 2008), ethical leadership may decrease both voluntary and involuntary absenteeism.

Absenteeism and other work withdrawal behaviors (e.g., lateness) can reflect a lack of job satisfaction and commitment to the organization (Hanisch and Hulin 1991). Sagie (1998) noted that being voluntarily absent from work is consciously or unconsciously showing negative emotional attachment to the workgroup and organization. The notion of reciprocity in social exchange theory (Blau 1964; Gouldner 1960) explains how ethical leadership can influence subordinate absences. Just as positive interactions often lead to positive reciprocity, negative interactions can result in norms of negative reciprocity (Gouldner 1960). Unethical leader behavior such as manipulation, abusive treatment, breach of trust, and unfair treatment of subordinates may encourage counterproductive behavior such as lateness, absenteeism, and even turnover. In contrast, ethical leadership is likely to lower such behavior by creating a sense of fairness and positive reciprocity. Two recent studies provide empirical support for these claims, finding a significant negative connection between ethical leadership and deviant or unethical behavior in work groups (Mayer et al. 2012; Mayer et al. 2009).

The study used data collected from personnel records and from two separate surveys conducted in a large agency in state government in the Midwestern United States. The agency was responsible for providing procurement, human resources, information technology, and other administrative services to other agencies, commissions, and boards in the state government as well as to local government organizations. The subordinate survey and the supervisor survey were conducted in the summer of 2012 as part of a long-term project undertaken by the agency for leadership training and development. The questionnaires for both surveys were distributed and collected electronically. The subordinate and supervisor data were matched using a four-digit unique identifier. During the data collection procedure, the participants were assured repeatedly that no identifying information would be shared by the researchers with anyone inside or outside the agency. Only aggregate results at the division level were included in the final report shared with the agency head and division managers.

Ethical leadership can also reduce the improper use of sick leave (Rosenblatt, Shapira-Lishchinsky, and Shirom 2010). To the extent that the absence represents work avoidance or shirking behavior, it is likely to violate shared organizational or societal norms and standards of conduct. Taking time off from work unnecessarily represents a cost to the organization when it delays important projects, disrupts the work of colleagues, and reduces the quality of customer service. Furthermore, employees who use their sick leave to avoid work or extend their vacations often engage in acts of deceit or dishonesty to request or explain their absence. While not all absenteeism represents dishonest or selfish behavior, national surveys find that 31 percent of employees admit that they have used sick leave when they were not sick (Lach 1999) and that personal illness may only account for 35 percent of unscheduled absences (CCH 2006). To the extent that absenteeism represents misconduct, ethical leaders can reduce subordinate absenteeism by clearly communicating and modeling ethical standards and by using the organization’s reward system to reinforce those standards.

The effect of ethical leadership on subordinate absenteeism has not been examined, but indirect support for a relationship is provided by two studies. In a national workforce survey, Prottas (2013) found that employee perception regarding the behavioral integrity
The Leadership Questionnaire (ELQ) developed by Yukl et al. (2013) measured ethical leadership with nine items from the Ethical Measures (4) “Keeps actions consistent with stated values (‘walks the talk’).” (2) “Communicates clear ethical standards for members”; (3) “Can members accountable for using ethical practices in their work”; (2) m = strongly agree). Sample items include the following: (1) “Holds a six-point Likert-style response format (1 = strongly disagree, 6 = strongly agree). As in previous studies, we measured only the respondent’s intention to report (as opposed to actual reporting behavior) and did not provide specific examples of ethical problems. Earlier studies (Brown, Treviño, and Harrison 2005; Caillier 2012) asked employees only about failures to report ethical problems out of fear of retaliation. However, because there are other possible reasons for failing to report ethical problems (e.g., do not think the problem is important, do not know how to report the problem, do not believe that management can or will do anything to resolve the problem), we did not specify a reason.

For supervisors who had more than five direct reports, the research team randomly selected five subordinates for the supervisor to rate. This limitation resulted in a small reduction in the sample size from 477 to 443 respondents, a retention rate of approximately 93 percent. The supervisors were provided two weeks to complete the surveys, and they had the option to complete the surveys at different times for different subordinates. Similar to the subordinate survey, up to three individualized e-mail reminders were sent to the supervisors to boost the response rate. In all, 161 of the 176 supervisors (91 percent) returned completed surveys for their subordinates. Overall, we received both subordinate and supervisor data for a total of 415 out of 443 possible pairings. Absenteeism data were obtained from agency records for the nine-month period after the subordinate survey.

An overview of the demographic data for the sample is provided in Table 1. A large majority of the sample (78 percent) identified themselves as Caucasian, and nearly half of the respondents (45 percent) were women. A majority of the responding subordinates were technical/professional employees (56 percent), and the remainder included clerical/support employees (15 percent) and managers/supervisors (29 percent). As shown in Table 1, the average age of the subordinates was between 41 and 50 years. Tenure in current position ranged from 1 year to 35 years, with a mean of 6 years. Tenure in agency ranged from 1 year to 38 years, with a mean of 11 years.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>Ethnicity</td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td>2.4%</td>
</tr>
<tr>
<td>African American</td>
<td>16.4%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>1.0%</td>
</tr>
<tr>
<td>Native American</td>
<td>0.4%</td>
</tr>
<tr>
<td>Caucasian/White</td>
<td>78.0%</td>
</tr>
<tr>
<td>Other</td>
<td>1.8%</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>45.2%</td>
</tr>
<tr>
<td>Male</td>
<td>54.8%</td>
</tr>
<tr>
<td>Nature of Position</td>
<td></td>
</tr>
<tr>
<td>Clerical/Support</td>
<td>15.0%</td>
</tr>
<tr>
<td>Professional/technical</td>
<td>55.7%</td>
</tr>
<tr>
<td>Managerial</td>
<td>29.4%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>&lt; 20 years</td>
<td>0.2%</td>
</tr>
<tr>
<td>21–30 years</td>
<td>5.2%</td>
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<tr>
<td>31–40 years</td>
<td>11.9%</td>
</tr>
<tr>
<td>41–50 years</td>
<td>37.3%</td>
</tr>
<tr>
<td>51–60 years</td>
<td>32.1%</td>
</tr>
<tr>
<td>&gt; 60 years</td>
<td>9.2%</td>
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</tbody>
</table>

Willingness to report ethical problems was measured with a single item in the subordinate survey: “I feel comfortable reporting ethical problems to upper management.” The item had a six-point Likert-type response format (1 = strongly disagree, 6 = strongly agree). As in previous studies, we measured only the respondent’s intention to report (as opposed to actual reporting behavior) and did not provide specific examples of ethical problems. Earlier studies (Brown, Treviño, and Harrison 2005; Caillier 2012) asked employees only about failures to report ethical problems out of fear of retaliation. However, because there are other possible reasons for failing to report ethical problems (e.g., do not think the problem is important, do not know how to report the problem, do not believe that management can or will do anything to resolve the problem), we did not specify a reason.

Affectional commitment was measured with four items adapted from the Organizational Commitment Scale developed by Meyer and Allen (1991). These four items measure an employee’s emotional attachment to the work unit, and each item has a six-point Likert-type response format (1 = not at all committed, 5 = committed to a large extent). The three items were as follows: (1) “How would you rate this subordinate’s overall commitment toward his/her job?”; (2) “How much is this subordinate willing to contribute toward the success of the unit?”; and (3) “How much is this subordinate willing to contribute toward the success of the agency?” Cronbach’s alpha for this measure was 0.95.

Overall employee commitment was measured with three items that asked supervisors to rate an employee’s overall commitment to the job, unit, and organization. These three items were developed by the research team for the purpose of this study. Each item had a five-point response format (1 = not at all committed, 5 = committed to a large extent). The three items were as follows: (1) “How would you rate this subordinate’s overall commitment toward his/her job?”, (2) “How much is this subordinate willing to contribute toward the success of the unit?”, and (3) “How much is this subordinate willing to contribute toward the success of the agency?” Cronbach’s alpha for this measure was 0.95.

To measure each employee’s absenteeism during the past nine months, data were obtained from personnel records of the state agency. The human resource department of the agency provided disaggregated absenteeism records (number of absence hours as well as the reason for those absences). These records did not include employee vacation hours during the nine-month period. The absenteeism records were matched with subordinate and supervisor survey responses with a four-digit identifier. In calculating total absences, we excluded the number of work hours that employees were absent because of a hospital stay, disability, workers’ compensation, and wellness visits. We also excluded sick hours that were donated by employees. Our measure only included subordinate absences that were not attributable to unavoidable personal and family issues; it is comparable to the measure used by Vigoda-Gadot and Meisler (2010).

We measured supportive behavior by the leader and procedural fairness in order to control for their effects on the dependent variables. Research has found that employee willingness to report ethical problems is influenced by perceptions of procedural fairness (cf. Victor, Treviño, and Shapiro 1993) and supervisor support (Caillier 2012).
Employee organizational commitment is also influenced by procedural fairness and supervisor support (cf. Hassan 2013; Hassan and Rohrbaugh 2011; Meyer et al. 2002). As noted earlier, ethical leaders are likely to develop open and trusting relationships with their employees as a result of their honesty and normatively appropriate behavior. Ethical leaders are likely to be seen as supportive and fair (Kalshoven, Den Hartog, and De Hoogh 2011; Yukl et al. 2013), and procedural fairness also involves organizational policies. We wanted to avoid conflating ethical leadership with these other determinants of our dependent variables.

To measure procedural fairness, the subordinate survey included a four-item measure adapted from a Procedural Justice Scale developed and validated by Colquitt (2001). These items asked respondents to indicate their perception of the formal organizational procedures used in making job-related decisions, such as whether they are free of bias or favoritism or allow employees to express their views and concerns. The Cronbach’s alpha for this measure was 0.93. Supportive leader behavior was measured using five items in the subordinate survey from the Managerial Practices Survey developed by Yukl and colleagues (Kim and Yukl 1995; Yukl, Gordon, and Taber 2002). These items asked the subordinate to assess how much their supervisor “is sympathetic and supportive when you are worried or upset” or “provides encouragement and support when there is a difficult and stressful task.” Cronbach’s alpha for the measure was 0.92. Responses for items of both measures were collected using a five-point response format, with an anchor for each choice indicating how much the behavior described by the item is used by the focal manager (1 = not at all, 5 = to a great extent).

We also controlled for the effects of individual employee characteristics, including age, gender, organization tenure, and managerial status in the analysis. Previous research has shown that such factors can influence absenteeism behavior (Hacket 1989; Sagie 1998; Porter and Steers 1973). Age was measured with a single item (“What is your current age?”) from the employee survey; the five response choices were 1 = 21 to 30 years, 2 = 31 to 40 years, 3 = 41 to 50 years, 4 = 51 to 60 years, and 5 = over 60 years. We created separate dummy variables (1 = yes, 0 = no) to assess the unique effect of each age group. The base/reference category in the regression analyses was 41 to 50 years. Manager status and gender (i.e., female) was measured each with a dummy variable (1 = yes, 0 = no). Organization tenure was measured with a single item from the employee survey (“How long in number of years have you worked in your current agency?”).

**Table 2** Standardized Factor Loadings (λ) from CFA

<table>
<thead>
<tr>
<th>Items</th>
<th>Ethical Leadership</th>
<th>Supportive Behavior</th>
<th>Procedural Fairness</th>
<th>Affective Commitment</th>
<th>Overall Commitment</th>
<th>Willingness to Report Ethical Problems</th>
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<tr>
<td>1</td>
<td>0.83</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2</td>
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<td>3</td>
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<td>9</td>
<td>0.93</td>
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<td>13</td>
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<td>0.65</td>
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The CFA results indicated that the measurement model had a satisfactory fit to the data ($\chi^2 [285] = 835.80$, IFI = 0.95, CFI = 0.95, RMSEA = 0.06). All scale items had statistically significant factor loadings ($p < .01$) for their respective latent constructs. Standardized factor loadings ($\lambda$s), as shown in table 2, ranged from 0.59 to 0.99, and only four out of the 26 items had a loading below 0.70. Given the strong bivariate relationships between our measures of ethical leadership, supervisor support, and procedural fairness, we also tested whether these measures captured the same variation and thus should be combined. We examined whether the proposed six-factor measurement model provided a better fit to the data than an alternative five-factor model in which the correlation between ethical leadership and supportive leader behavior was set to 1 ($\Delta \chi^2 = 638.3$, IFI = 0.89, CFI = 0.89, RMSEA = 0.09) and another model in which the correlation between ethical leadership and procedural fairness was set to 1 ($\Delta \chi^2 = 866.2$, IFI = 0.87, CFI = 0.86, RMSEA = 0.10). The CFA results indicated that the proposed six-factor model fit the data better than the alternative five-factor models, which indicated that employee perceptions of ethical leadership were empirically distinct from perceptions of supervisor support and procedural fairness (Williams and Anderson 1994).

**Descriptive Statistics and Correlations among Variables**

Table 3 presents means, standard deviations, and correlation coefficients of all the study measures. Although composite scale scores for

**Results**

**Psychometric Properties of the Measures**

Prior to testing the hypotheses, we conducted confirmatory factor analysis (CFA) to assess validity for the measures. Because willingness to report ethical problems was assessed using a single indicator, the square root of the reliability estimate of the indicator (estimated at .90) was used to fix the measurement parameter (Williams and Hazer 1986). The error variance was consequently fixed to 1 minus the reliability multiplied by the item variance. This procedure is common in covariance structure analysis (cf. Farkas and Tetrick 1989; Frone, Russell, and Cooper 1992; Williams and Hazer 1986), and resulting parameter estimates are accurate and unbiased (Netemeyer, Johnston, and Burton 1990). Following recommendations provided by Hu and Bentler (1999), we examined multiple indices to assess the fit of the measurement model. According to Hu and Bentler (1999), a satisfactory model fit can be inferred when the values for the comparative fit index (CFI) and incremental fit index (IFI) are 0.95 or higher and the value for the root mean square error of approximation (RMSEA) is 0.06 or lower.

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for further analysis. Ethical leadership, as anticipated, was found to have significant positive correlations with employee willingness to report ethical problems (r = 0.54, p < .01), self-reported affective commitment (r = 0.49, p < .01), and supervisor-rated subordinate commitment (r = 0.37, p < .01) and a significant negative correlation with absences (r = –0.13, p < .01). These results showed preliminary support for the three research hypotheses.

**Tests of Hypotheses**

We tested the three hypotheses with a series of regression analyses; the results are reported in tables 4, 5, and 6. Because willingness to report ethical problems was measured with a single survey item, we conducted both ordered probit and ordinary least square (OLS) regression analyses to test hypothesis 1. The results, shown in table 4, were very similar. The regression results reported in tables 4, 5, and 6 are based on composite scale scores that were standardized before conducting regression analyses. The estimated variance inflation factor scores were much lower than the typical threshold value of 5, and 6 are based on composite scale scores that were standardized before conducting regression analyses. The estimated variance inflation factor scores were much lower than the typical threshold value of 5, indicating that multicollinearity did not adversely influence the regression results.

Hypothesis 1 proposed a positive relationship between ethical leadership and willingness to report ethical problems to management. As indicated in table 4, after controlling for subordinate characteristics, procedural fairness, and supportive leader behavior, ethical leadership was positively related to subordinate willingness to report ethical problems. A positive change in ethical leadership by one standard deviation indicated in table 4, after controlling for subordinate characteristics, procedural fairness, and supportive leader behavior, ethical leadership was positively related to subordinate willingness to report ethical problems. A positive change in ethical leadership by one standard deviation
deviation from the mean ($\beta = 0.43, p < .01$). The results also indicated that procedural fairness had a positive influence on the likelihood of reporting ethical problems ($\beta = 0.21, p < .01$), subordinate managers were more likely to report ethical problems than nonmanagerial subordinates ($\beta = 0.13, p < .01$), and female subordinates were less likely to report problems than male subordinates ($\beta = -0.09, p < .05$). Moreover, subordinates between 51 and 60 years old were less inclined to report ethical problems than subordinates between 41 and 50 years old ($\beta = -0.15, p < .01$). Altogether, these five factors explained 38 percent of the total variance in willingness to report ethical problems.

Hypothesis 2 proposed a positive relationship between ethical leadership and subordinate commitment, and the results support this hypothesis for both measures of commitment. As shown in table 5, ethical leadership had a significant positive effect on both subordinate self-reports of affective commitment ($\beta = 0.16, p < .01$) and supervisor ratings of subordinate commitment ($\beta = 0.20, p < .01$). Supportive leader behavior also had a significant positive influence on self-reported and supervisor-rated subordinate commitment ($\beta = 0.24$ and $0.33, p < .01$, respectively). Perceptions of procedural fairness had a positive influence on self-reported affective commitment ($\beta = 0.26, p < .01$), but the results were not significant for supervisor ratings of subordinate commitment. Subordinates who were managers had significantly more self-rated commitment than nonmanagerial subordinates ($\beta = 0.18, p < .01$) and significantly higher boss ratings of subordinate commitment ($\beta = 0.12, p < .05$). The older subgroup of subordinates received a slightly lower commitment ratings from their supervisors ($\beta = -0.15, p < .01$). Taken together, these factors explained 39 percent and 20 percent of the total variance in self-reported and supervisor-rated subordinate commitment, respectively.

Hypothesis 3 proposed that ethical leadership reduces subordinate absences, and this hypothesis was also supported. As shown in table 6, ethical leadership had a significant and sizeable negative influence on employee absences ($\beta = -0.20, p < .05$). Specifically, a positive change in ethical leadership by one standard deviation resulted in a decrease in absenteeism by almost seven hours. Moreover, several employee characteristics were found to have an influence on absenteeism. The results indicated that female employees had more absences than their male counterparts ($\beta = 0.17, p < .01$) and subordinate managers had fewer hours of absences than nonmanagerial subordinates ($\beta = -0.11, p < .05$). Age had no influence on absences, but employees with longer tenure had more absences ($\beta = 0.12, p < .05$). Altogether, 6 percent of the total variance in absenteeism was explained by the four factors.

**Discussion**

**Summary and Contributions**

In recent years, there has been growing interest in studying the determinants and consequences of ethical leadership, but there has not been much research on ethical leadership in public sector organizations. Our study was conducted to learn more about the potential benefits from ethical leadership in public sector agencies. Previous studies have highlighted the important role that leaders are expected to play in managing the ethical behavior of public sector employees (Bruce 1994; Berman, West, and Cava 1994; West and Berman 2004) and the potential impact of that behavior on democratic institutions (Vigoda-Gadot 2008), but few studies have directly investigated how ethical leaders can influence the attitudes and behavior of public sector employees (Beeri et al. 2013; Hassan et al. 2013).

Our findings showed that ethical leadership is likely to increase subordinate willingness to report ethical problems. Employee willingness to report ethical concerns is a critical element in establishing an ethical climate in public sector organizations (Miceli and Near 1985). Not only will such reporting discourage misconduct, but it also reflects employee confidence that the organization’s leadership will take appropriate and corrective action.

Our finding that ethical leader behavior can increase organizational commitment is important because commitment can help reduce turnover, improve job performance, and increase citizenship behavior (Cooper-Hakim and Viswesvaran 2005; Mathieu and Zajac 1990; Meyer et al. 2002). Our results for organizational commitment replicate findings in recent studies of public sector agencies in the United States (Hassan et al. 2013) and Israel (Beeri et al. 2013), and we extended these earlier findings by showing that the relationship is significant for supervisor ratings of subordinate commitment as well as for subordinate self-reports of commitment. Finally, our study is the first to show that ethical leadership can reduce absenteeism. Because absences often represent a misuse or abuse of sick leave policies, this finding also provides some evidence that ethical leadership can reduce the unethical behavior of subordinates.

Our study has some advantages not found in the majority of the earlier studies on effects of ethical leadership. We avoided the problem of conflating ethical leadership behavior with other likely determinants of subordinate attitudes and behavior such as supportive leadership and procedural justice. We used different sources of information about leadership behavior and two of the outcome variables. We controlled for the influence of respondent characteristics that are likely to influence the dependent variables, such as job type (manager versus nonmanager) and respondent age, gender, and organization tenure. While assessing the effects of these respondent attributes was not a research objective, we found several significant results that provide additional evidence for accurate measurement of the dependent variables. For example, the level of organizational commitment and willingness to report ethical problems was greater for managers than for nonmanagers. Additionally, the frequency of absences, as anticipated, was higher for women than for men because of their family obligations.

**Study Limitations**

Like most studies, this one has some limitations, and additional research would be useful to verify our findings. One limitation is that only a single agency provided all of the data for the study, and the extent to which the results can be generalized to other types of public sector organizations is not clear. Another limitation is that the data for ethical leadership and subordinate willingness to report ethical problems were collected from the same source at the same time, and the results may be inflated somewhat by same-source
variance. However, we did not find evidence of a strong common source bias, and controlling for effects of supportive leadership probably eliminated any bias that was present.

Another concern is that only a single item from the subordinate survey was used to measure willingness to report ethical problems. Although single-item scales do not necessarily lack reliability and validity (Wanous, Rechers, and Hudy 1997), it is desirable to verify our findings in a study with a multi-item measure of willingness to report different types of unethical behavior. It would also be useful to measure the actual reporting of unethical incidents by subordinates.

Even though we used data that were collected from multiple sources and at different times to assess the effects of ethical leadership on subordinate commitment and absenteeism, it is not possible to demonstrate causal effects among variables with a survey study. However, it seems unlikely that ethical leadership behavior is affected by the independent measure of outcomes such as absences and supervisor rating of subordinate commitment. To verify causal effects of ethical leadership behavior, it would be necessary to manipulate the behavior in a laboratory or field experiment. This type of study is very difficult to conduct, especially for a subject such as ethical behavior.

Implications for Practice
Taken together, our findings highlight the importance of ethical leadership and suggest number of steps that managers can take to promote ethical behavior and reduce unethical behavior in public organizations. Specifically, managers can make ethical behavior more salient by setting clear ethical standards and guidelines and providing opportunities for subordinates to get advice on how to deal with ethical issues (Yukl 2013). Managers can encourage open and honest communication of ethical problems and take action to deal with any problems and protect the messenger from negative repercussions (Yukl 2013). Additionally, managers can model ethical behavior, recognize good examples of ethical conduct, and hold people accountable for unethical actions (Brown, Treviño, and Harrison 2006; Dineen, Lewicki, and Tomlinson 2006).

Ethical leadership may also indirectly enhance the effectiveness of other strategies for improving ethical practices in public sector organizations. For example, one national study found that the moral leadership of senior managers in city government is a good predictor of the emphasis placed on monitoring adherence to a code of ethics, providing ethics training to employees, and using ethics as a criterion in hiring and promotion decisions (West and Berman 2004). Given the importance of ethical leadership for encouraging beneficial employee attitudes and behavior, public sector organizations should do more to select and develop ethical leadership capabilities by integrating ethical leadership into their leadership assessment and development practices. A few of the subjects that should be included in leadership development programs are ethical awareness, role modeling of ethical behavior, and the importance of trusting relationships for influencing employee attitudes and behavior.

Other promising applications can be identified with additional research on ways to facilitate or support ethical leadership in public sector organizations. Important questions that deserve more attention include the influence of specific leadership behaviors on ethical behavior by subordinates, the effects of formal management programs to enhance ethical behavior, the influence of a strong ethical culture on leaders and subordinates, how ethical and unethical practices are reported for elected officials, the consequences of ethical scandals for different types of public sector organizations, and effects of cultural differences on the definition of ethical and unethical behavior.

References


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