ETHICAL REASONING AND TRANSFORMATIONAL LEADERSHIP STYLE IN THE NIGERIAN PUBLIC SECTOR

Chikelu Okey Felix¹, Abd Halim Ahmad² & Rosita Arshad³
Ghazali Shafie Graduate School of Government, Universiti Utara Malaysia, 0610, UUM Sintok, Kedah, Darul Aman, Malaysia
¹okey.chikeluf@yahoo.com
²abdhalim@uum.my
³roz@uum.edu.my

ABSTRACT

Few studies reported linkages between moral reasoning and transformational leadership style, but questioned its moral foundation based on shared values and ethics (Ciulla, 2005; Kahn, 1990). Thus, the issue of public leaders’ degree of moral judgment and transformational leadership behaviour as perceived by subordinates is explored. The Defining Issues Test (DIT2) and the Multifactor leadership questionnaire (MLQ X5) was completed by leaders and subordinates severely (Bass & Avolio, 2004; Rest, 1999). Path analysis of the structural model indicates significant statistical relationship between cognitive, moral development (CMD) and transformational leadership style (TFL) (β=0.120, t=1.286, P<0.10). Nevertheless, we indicate that the capacity to experience, discover and anticipate ethical threats encourages the use of post-conventional stage in decision making, and this result adds to our understanding of the relationship between ethical reasoning and leadership style.

Keywords: Ethical reasoning, Transformational leadership, Public Sector

1. Introduction

The public sector, especially civil service as a concept connotes a permanent body of officials responsible for the execution of programmes and policies of government who are staff of various ministries or departments under the executive arm of government (Edoh, 2012). Ethics as a concept means standards of what is right or wrong motives and its consequences, a set of values and norms that relates to human conduct as appropriate or inappropriate (Sorkaa, 2003) and in the public service achieving a private gain to the detriment of the citizenry is a good example of unethical conduct. Ethics equally is a matter of value judgment on professional and occupational beliefs and morality, which are the normative values underpinning the public sector, these are ethical values that upholds the fabric of efficiency and service delivery within the sector. Therefore, effective and efficient management of resources and accountability is a global phenomenon, especially in a developing economy like Nigeria, which is bedevilled with ethical and leadership failures.

The public sector administration in Nigeria is engulfed in a leadership crisis and ethical decline, due largely to the unethical moral reasoning and behaviour of public officials. More often than not, some ethical lapses are the outcome of poor moral judgement, blatant disregard for code of ethics and law, out-right corruption, favouritism and other evil intentions of public leaders (Kellerman, 2004), and reasons for leader’s failures are as many as the ethical lapses. Their unethical conduct, actions and porous judgement have created and nourished a leadership crisis that has adversely affected the quality of governance at all spheres and levels of the public service. A notable Nigerian writer...
and a social critic (Achebe, 1983), posited that one major problem of Nigeria is leadership failure and its attendant consequences.

The absence of good leadership and governance have been identified as the major setback in socioeconomic and political development efforts in the third-world countries (Kurtz & Schrank, 2007), and the inability of public sector leadership in Nigeria to live up to expectations has resulted in the erosion of trust and confidence by the citizenry. A better mechanism for restoring trust and confidence of the populace is through ethical reasoning and moral behaviour on the part of the leadership which will enhance the ethicality of subordinates as one of the most pronounced grey areas of concern among organizational theorists and leadership scholars is about leaders and their ethics, which has been central to our everyday life from ages.

Public leaders’ degree of moral development has attracted the attention of scholars and practitioners for decades and credible organizations encourage ethical reasoning and behaviour for efficiency and effectiveness. The increasing nature and momentum of ethical decline and leadership failure elicits academic curiosity, as both the transformational and transactional styles of leadership focus on employee relationship with leaders which constitutes complex methodological and theoretical challenges to scholars. Moreover, the impact of individual value orientation remains under explored, while leadership plays crucial role towards blending man and materials for effective organizational outcome.

In the Nigeria public sector, leadership failure and crisis are attributed to lack of ethical practices and behaviour among the leaders. Although most of the values usually linked to ethics in the public sector are always examined independently of the broader issue of leadership (Van Wart, 2003; Abrhiem, 2012), in line with this, it is believed that ethic and leadership will be an illusion, if both concepts are not blended. Despite the seemingly crucial role both plays in organizations, only few researches have been documented in the Nigerian context at this time, and in particular no study examined the influence of personal, individual value orientation, on cognitive moral development of leaders (Achebe, 1983; Dibie 2013). However, researchers on ethics points out that individuals frequently rationalize or disagrees over the most moral action to an ethical dilemma, as an action is morally right or wrong depends on the norms of the society

2. Transformational leadership

However, high ethical standards are the hallmark transformational leadership (Bass, 1998; Bass & Steidlmeier, 1999), as their vision and values are based on shared ideology. The exploits of transformational leadership in the public sector is being contested as scholars maintain that the organizational structure and size of the public sector inhibits or even out rightly makes transformational leadership unethical venture (Alvesson, 2001; Currie & Lockett, 2007), hence the rational for a moderating factor to cushion negative impediments. Though, attention has been focused on transformational leadership due largely to its positive effects, very little has been done to establish its processes. Scholars have therefore made calls for more study to examine the mechanism of transformational leadership style (Judge et al., 2006; Yukl, 2010). Research evidence that the features of the leader the followers, and situations enhances the chances for a leader to be transformational and to exhibit such behaviour (Avolio et al., 2009; Yukl, 2010). Therefore, this study seeks to investigate the influence of Cognitive Moral Development (CMD) on transformational leadership style in the Nigerian public sector.

2.1 Cognitive Moral Development and Transformational Leadership Style
Transformational leadership sometimes referred to as charismatic or visionary leadership exhibits moral maturity (Waldman & Yammarino, 1999; Conger & Kanungo, 1998; Shamir, House & Arthur,
(1993; House, 1992), and it uplifts the moral behavioural standards of followers (Burns, 1978). True transformational leaders are known to be optimistic, committed, risk takers, strong willed in character, and possesses a great inner sense of direction and judgment (House, 1977; House & Aditya, 1997; Shamir, Zakay, Breinin & Popper, 1998), equally, empirical research related transformational leadership to higher moral development (Bass & Steidlmeyer, 1999; Lichtenstein, Smith & Tobert, 1995; kuhnert & Lewis, 1987). Transformational leadership as visionary leader empowers, develops, supports, creates innovations, charismatic and leads by example (Carless et al., 2000; Richardson, 2011), it has demonstrated a positive relationship on subordinates’ attitudes and organizational outcome (Judge, Woolf, Hurst, & Livingston, 2006; Skakon, Nielsen, Borg, & Guzman, 2010).

Ethical judgement is the resultant effect or an acceptable solution to an ethical dilemma or between conflicting systems, values, beliefs which requires that a leader must make a decision to follow in achieving a set objective. (Ferrell & Fraedrich, 1991). It is important to note that each decision made by a leader is usually based on one criterion or the other, therefore ethical reasoning and ethical decisions sometimes are based on more than one ethical theory or ethical principle. For example, scholars are of the view that different ethical content will naturally invoke a different ethical reasoning approach as in cases of coercion and control; this normally will invoke the act utilitarianism ethical reasoning (Fritzsche & Becker, 1984; Premeaux, 2004). Ethics could be regarded as a road map which points out the difference between the right and wrong behaviour and this equally acts as a standard against which the behaviour and actions of the public officials and political office holders can be measured.

Kohlberg (1969) remains a reference point whenever moral judgement level is being considered, his theory of cognitive, moral development (CMD), highlights the processes of moral judgement. Individuals move from the stages to the highest which is the post conventional stage, therefore principled reasoning or ethical reasoning is based on individual capacity to develop to the highest level. However, individuals at the pre-conventional stage occupy themselves with what is right due largely to fear of punishment (stage1), or exchange in relationship a sort of give and take (stage2), while those on conventional level, does what is right based on expectation of others(stage3), By stage(4) individuals are principle minded and decides what is right due to their cherished values and standards irrespective of divergent views, at stage (5) individuals are concerned with justice, rights and faire play, while at stage (6) which is more of a theory than practicable as at now.

However, Kohlberg’s theory has been simplified into a manageable form (Rest, Narvaez, Bebeau, & Thoma, 1999) while retaining the core elements of the old theory. Those individuals with a higher level of moral reasoning are admired by subordinates as transformational leaders (Turner et al, 2002). From an individual values perspective, power and achievement will attract an observer’s attention and will likely enhance the observer’s desire to emulate the modelled individual behaviour. Empirical studies that examined cognitive moral reasoning and transformational leadership are rare (Gardner, 2003). Equally, managers high on ethical reasoning were perceived as transformational leaders (Turner, et al., 2002), leadership motivated by ethics and shared values, a social learning process (Brown & Trevino, 2006) Therefore, from empirical results and related theories, it is posited that Cognitive Moral Reasoning will positively influence transformational leadership behaviour

**Hypothesis 1:**
Public leaders’ cognitive, moral development stage is correlated to transformational leadership behaviour as perceived by the subordinates.
Leadership connotes exchange, expectation and reciprocity which is the hallmark of subordinates-leadership relationship. Thus, we argue that compromising high ethical behaviour in transformational leadership will engender such relationships, as leaders with low or high level cognitive moral development will exhibit commensurate and discriminating behavioural pattern.

3. Methodology

This study is a quantitative research conducted in a cross-sectional design to examine the effect of cognitive, moral reasoning on transformational leadership style in the Nigerian public sector. The target populations of this study are the employees of the Kebbi State public service and the population frame was obtained from the State’s Civil Service Commission Kebbi that controls the various ministries in the state. Kebbi State is in the North-Western part of Nigeria and it was primarily selected for this study because it is one of the largest, most populated geopolitical zones in the country with an estimated population of about 10 million people out of the total estimated Nigerian population of 140 million (NPC, 2006), therefore, Kebbi State represents a viable zone in Nigeria’s public sector organization.

3.1 Sample and Sampling Technique

A stratified sampling method was adopted due to the diversity of ministries mandate and the likely diversity equally in style of leadership and individual belief system. The essence is to gain more insight into the perception of employees on leadership styles (Blumberg, Cooper and Schindler 2008, Sekaran, 2009). Four ministries were randomly selected from the ten ministries that were not affected by the recent mergers and equally are the core ministries with the largest population based on statistical report (2013). The total of employees of the four ministries is 14,337. Using the simplified Sampling table by Krejcie and Morgan (1970), a total sample size of 375 is deemed adequate for the study. However, the researcher decided to even it up to 400, the reason is to enhance a large response rate as Nigeria is characterized by a poor response to survey research.

3.2 Instrumentation

A survey questionnaire was used to collect data from respondents to achieve the desired objectives. This is in respect to the nature of the formulated hypotheses in this study. For cognitive, moral development (CMD) (Rest, 1990, 1994, 1999) v the DIT-2 questionnaire, which is in two parts containing the instructions and stories of ethical, social problems, as well as questions on ethical issues raised was used, respondents were to rate and rank most important arguments that influenced their decisions (P score). The dimensions of transformational leadership style were measured using the MLQ X5 (Avolio & Bass, 2004). The instrument was divided into three sections, namely: Demographic factors, ethical reasoning, and the transformational leadership style. Respondents were required to answer questions on ethical reasoning/value orientation (CMD) using a 5 Likert-type scale adopted from a series of ethical dilemmas/value estimates and scenarios developed by eminent scholars (Schwartz, 1992; Triandis & Gelfand, 1998).

3.3 Data Analysis Method

Partial Least Square – Structural Equation Modelling PLS-SEM) software (Ringle et al., 2005) was used for the analysis of the collected data in this study. In addition, Statistical Package for Social Sciences (SPSS) was used for the descriptive analyses of the respondents. To measure the significance of linear bivariate, between the cognitive, moral development (CMD), and transformational leadership. A regression analysis was used to meet the objective of the research (Coakes, 2005). The choice of PLS-SEM in this study is based on the fact that PLS suits complexities of models, due largely to its flexibility in development and validation of models (Akter et al., 2011). Therefore, PLS was chosen to establish, construct, measurement and structural models in this study.
3.4 Measurement Model

The measurement model was evaluated by assessing the convergent validity, which is measured by loading, the average variance extracted (AVE) and the composite reliability (CR) result. The result revealed good items loading above the recommended threshold (0.5) by Hair et al., (2014). Also, the result of the average variance extracted (AVE) indicates a value of 0.580 for transformational leadership style, but no value for Cognitive Moral Development (CMD) because it was measured by a single item. Concerning the composite reliability result which measures the internal consistency the measurement instrument, the analysis found a value of 0.846 for transformational leadership style. The values of the composite reliability a greater than the threshold value of 0.7 recommended by Hair et al., (2014), which indicate a good reliable measure of the measurement instrument. In addition, the finding revealed an R-square value of 0.142, indicating that 14.2% variance in transformational leadership style was explained by the cognitive moral reasoning (CMD). The summary of the measurement model in this study is presented in Table 1 below.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Loading</th>
<th>AVE</th>
<th>CR</th>
<th>R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMD</td>
<td>P-Value</td>
<td>Single Item</td>
<td>Single Item</td>
<td>Single Item</td>
<td></td>
</tr>
<tr>
<td>TFL</td>
<td>TFL7</td>
<td>0.821</td>
<td>0.580</td>
<td>0.846</td>
<td>0.142</td>
</tr>
<tr>
<td></td>
<td>TFL3</td>
<td>0.698</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TFL4</td>
<td>0.698</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Findings

Empirical results of previous studies are inconsistent, largely due to factor optimal structure which requires further confirmatory analysis. The analysis of the demographic profile of the respondents revealed that the largest proportion representing 65% of the respondents are from the ministry of education. The major percentage, 42.7% have between 6 - 10 years working experience, 40.3% have between 1 - 5 years working experience, 14.6% has between 11 - 15 years of working experience, only 2.4%of the respondents have more than 16 years of working experience. In addition, 67.5% of the respondents are male, while 32.5% are female. More so, the majority of the respondents are Muslims 64.6%, 24.3 are Christians, while 11.2 are in the group of other religions. Concerning the age of the respondents, 38.8% are between 30 – 39 years, 29.6% are between 20 – 29 years of age, 21.4% are between 40 – 49 years of age, while 10.2% are more than 50 years of age. Furthermore, 33.3% of the respondents are senior executive officers of their respective organizations, 26.2% are chief executive officers, 20.9% are supervisors, while the remaining 19.4% are at a non-supervisory grade position. In the aspect of the respondents’ educational qualification, 52.4% of the respondents have master degree, 25.2 % have a bachelor degree, 18.4% are doctoral degree holders, while the remaining 3.9 have diploma qualifications. The result of the demographic analysis is presented in Table 2 of this study.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Education</td>
<td>134</td>
<td>65.0</td>
</tr>
<tr>
<td>Ministry of works and housing</td>
<td>43</td>
<td>20.9</td>
</tr>
<tr>
<td>Ministry of health</td>
<td>15</td>
<td>7.3</td>
</tr>
</tbody>
</table>

Table 2 Demographic background of the respondents
Construct | Frequency | Percentage
--- | --- | ---
Work Experience
Ministry of finance | 14 | 6.8
1-5 years | 83 | 40.3
6-10 years | 88 | 42.7
11-15 years | 30 | 14.6
16 and above | 5 | 2.4

Gender
Male | 139 | 67.5
Female | 67 | 32.5

Religion
Muslim | 133 | 64.6
Christian | 50 | 24.3
Others | 23 | 11.2

Age Group
20-29 years | 61 | 29.6
30-39 years | 80 | 38.8
40-49 years | 44 | 21.4
50 and above | 21 | 10.2

Position and Responsibility
Chief executive officer | 54 | 26.2
Senior executive officer | 69 | 33.5
Supervisory grade | 43 | 20.9
Non supervisory grade | 40 | 19.4

Highest Qualification
Doctoral degree | 38 | 18.4
Masters degree | 108 | 52.4
Undergraduate degree | 52 | 25.2
Diploma level | 8 | 3.9

4.1 Descriptive Analysis of the Respondents Cognitive Moral Development

This study used Defining Issues Test (DIT-2) by Rest (1999) which focuses the schema uses by individual in solving ethical issues and which determine the respondent’s stage of moral reasoning. The result shows that the major proportion, 71.8% of the respondents are at the preconventional stage of moral reasoning, 13.% are at the conventional while those the postconventional stage of moral reasoning are 14.6%. Table 3 presents the summary of the moral reasoning level of the respondents.

<table>
<thead>
<tr>
<th>Cognitive Moral Development</th>
<th>Rest Values</th>
<th>Cutoff</th>
<th>Mean</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preconventional/Personal</td>
<td>0 – 27</td>
<td>15</td>
<td>148</td>
<td>71.8</td>
<td></td>
</tr>
</tbody>
</table>
In this study, smartPLs 2.0 software from Ringle et al., (2005) was used for the model parameter estimation to enhance the maximization of the variance in transformational leadership (TFL) explained by Cognitive Moral Development (CMD). Hence, the study used a non-parametric method with 2000 bootstrapped sample to estimate the standard errors (Tenenhaus et al., 2005; Wetzel et al., 2009). The next section presents the assessment of the measurement model of the study.

4.3 Discriminant validity

The discriminant validity indicates whether the concept under investigation in a study is unique in a model (Hair et al. 2013). By using the Fornel and Lackers criterion, achieved by comparing the square root of the average variance extracted values with the correlation values of each latent variable in the model (Fornell & Larcker, 1981). The result shows that the AVE value of each construct is greater than its highest correlation with any other constructs in the model, which thereby indicates the achievement of discriminant validity (Hair et al., 2014). Table 4 presents the result of the discriminant validity.

<table>
<thead>
<tr>
<th>Table 4 Discriminant validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMD</td>
</tr>
<tr>
<td>CMD Single Item</td>
</tr>
</tbody>
</table>

4.4 Structural Model

In testing the stated research hypotheses in this study, the structural model was assessed through the PLS path analysis. Table 5 shows the result of the standard path coefficients (β), standard error, t-value, and the decision taken on the hypotheses. The result found a statistical significant relationship between cognitive, moral development (CMD) and transformational leadership style (TFL) (β = 0.120, t = 1.286, P < 0.10).

<table>
<thead>
<tr>
<th>Table 5 Hypothesis Testing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Sample (O)</td>
</tr>
<tr>
<td>CMD -&gt; TFL</td>
</tr>
</tbody>
</table>
5. Discussion
The motive behind this study was to examine the degree of public sector leaders cognitive, moral development (CMD) and its relationship with transformational leadership (TFL) behaviour as perceived by the subordinates. Our only hypothesis which states that leaders degree of cognitive, moral development is related to transformational leadership style as perceived by the subordinates was significantly supported as leaders operating at a higher stage of moral reasoning will exhibit more transformational leadership behaviour. This finding seems predictive, as transformational leaders motivate and mentor their subordinates for self and organizational benefits, and this is a direct opposite of transactional leadership which is more assertive and performance oriented.

Leaders at the low level of moral reasoning stage exhibit less transformational leadership qualities, while those in the middle (Conventional Stage), applies either pre-conventional or post-conventional reasoning and this supports earlier theorists (e.g., Bass & Steidilmeier, 1999: Kuhnert & Lewis, 1987; Turner, 2001; Kimberling, 2012). Therefore, our argument is that public leaders with higher cognitive, moral development (CMD) exhibits more transformational leadership behaviours, though transactional leadership behaviours manifests between subordinate-leaders relations in the public sector.

6. Conclusion
We gave an insight to further buttress current knowledge about cognitive, moral development and transformational leadership behaviour and advocated an agenda for further studies. Leaders exhibiting postcoventional moral reasoning are inclined to use transformational leadership behaviour and are perceived as such by the subordinates (Turner, 2002, Trevino, 1986). Ethical reasoning is not the only barometer to measure moral development as they are varieties of models (Rest, 1996; Thomas, 1997). This adds value and increased our understanding of both concepts as it will guide leadership training tailor measured to suit the realities on the ground. Therefore, further studies are advocated to investigate other intervening elements as other individual moral motivational values, and transformational leadership behaviour. An insight into these other mechanisms will spur future studies. Thus, the importance of examining cognitive, moral development in line with other individual needs and qualities cannot be over emphasized.

References


... 


Hart, D.K. (1994). Administration and ethics of virtue in all things, choose first for good character and then for technical expertise. In T.L. Cooper(ed.). Handbook of Administrative Ethics, New York, NY; Marcel Decker, Inc


In Burtt, E.A. (1939). The English philosophy from Bacon to Mill The Modern Library

Nooi, P.S. (2013) Academic writing. Lecture notes for post graduate students, (colgis) UUM,