



Ethical Behavior: The Cornerstone of the Government Financial Management Profession

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If people are the foundation and most valuable assets of the government financial management profession, then ethical behavior must be the cornerstone. Any discussion on building the profession would be well complemented by addressing the impact of ethics education, the code of ethics, and leadership on ethical behavior.

Introduction

If people are the foundation and building blocks of the government financial management profession, then surely ethical behavior is the cornerstone. Indeed, human resource practitioners and researchers agree that an organization's most valuable assets are people.¹ Moreover, professionals across multiple industries and disciplines recognize that ethical behavior is critical to each profession.

As ideas are pondered and efforts undertaken to build the government financial management profession, ethical behavior deserves just as much attention as other important issues facing practitioners, such as professional competency, management skills, and recruitment and retention. Given that the profession is tasked with the responsibility of effectively and efficiently allocating and expending financial resources, many of which are received from non-exchange transactions, addressing ethical behavior should be a key aspect

of professional development. In particular, three areas demand attention: ethics education, the code of ethics, and ethical leadership.

Ethics education

Efforts to build the government financial management profession call for renewed commitment to ethics education among current government financial management professionals. Opportunities for continuing education on professional ethics should become readily available. For example, ethics workshops and seminars could be offered during conferences and meetings, while ethics materials could be made available for self-study. In addition, college students majoring in disciplines such as public administration, accounting and finance should encounter ethics content throughout their studies. Whether that exposure comes through the use of experiential learning tools and methods, such as teaching cases and role-playing, or through guest

lectures by authorities on ethics, future financial managers need to wrestle with ethical questions on a regular basis before entering the profession. Those responsible for deciding on degree requirements must prioritize the integration of ethics content into the curricula. Clearly, a renewed commitment to ethics education is vital to developing current and future members of the profession, because "the more you know, the more you can grow."

The code of ethics

A professional code of ethics serves as an internal guide for executing one's responsibilities as well as an external statement² to stakeholders. Because it indicates the standards held by its members, the code should be reviewed and updated periodically to ensure that it clarifies the mission, principles and values of the organization while linking them to standards of professional conduct.³ A well-written, concise code of ethics aids members of the

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profession in its clarity and simplicity, especially when it is readily available and accessible. Most importantly, the code should be enforced consistently by those empowered to do so in order to uphold the profession's commitment to integrity and accountability.

Modeling ethical leadership

No discussion on building the government financial management profession would be complete without addressing the need for ethical leadership in word and deed. Practicing what is preached is essential to building the profession itself as well as placing any confidence and trust in it, because leaders set the tone for organizational culture. The ethical comportment of leaders is acknowledged as one of the most influential means of conveying attitudes, values and behaviors.⁴ Also, the influence of leaders' behavior is often greater than that of individuals who serve in non-leadership capacities.⁵ Thus, it remains true that "actions speak louder than words."

Final thoughts

As we take time in this issue of the *Journal* to address building the government financial management profession, let us not forget the essential role ethical behavior plays in maintaining the public trust. Rest assured, AGA's Professional Ethics Board, as it executes its oversight and other roles for the profession, is working diligently to elevate awareness of ethical behavior, strengthen the code of ethics and provide ethical leadership. ■

Endnotes

1. Barney, J. B. & Wright, P. M. (1998). "On Becoming a Strategic Partner: The Role of Human Resources in Gaining Competitive Advantage," *Human Resource Management*, Spring 1998, Vol. 37, No. 1, p31-46.
2. "Why Have a Code of Conduct," Retrieved from <http://www.ethics.org/resources/free-toolkit/code-of-conduct>
3. Ibid.

4. Trevino, L. K. & Brown, M. E. (2004). "The Role of Leaders in Influencing Unethical Behavior in the Workplace," In R.E. Kidwell & C. L. Martin (2004), *Managing Organizational Deviance*, p69-87, Sage Publications.
5. Ciulla, J. B. (2003). *The Ethics of Leadership*, Belmont, CA: Wadsworth/Thomson.



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