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## **Central Values of Government and Business: Differences, Similarities and Conflicts<sup>1</sup>**

### **ABSTRACT**

Over the last decades scholars have been devoting more and more attention to differences and similarities between public and private sector organizations. Relatively underrepresented, when compared to studies on organizational status and management, are comparative empirical studies on the differences and similarities between the central values of public and private sector organizations. This article presents an overview of the academic debate on differences and similarities between the morals and values of public and private sector organizations. Public and private sector values derived from Administrative Ethics and Business Ethics literature are compared, as well as values that are mentioned in public and private sector codes of conduct. In addition, intra-sector comparisons between the values derived from literature reviews and those in codes are conducted. After the distinguished values are weighted, combined and supplemented, taking into account empirical research on public and private sector values as well, a definitive ‘value panorama’ is presented as a basis for empirical comparative research. Implications and strategies for future research are presented.

## INTRODUCTION

Integrity and value-based perspectives occupy an increasingly prominent place in organizational studies, within both Public Administration and Business Administration (see e.g. Huberts & Van den Heuvel 1999; Kaptein & Wempe 2002; Paine 1994; Seeger 1997; Van Luijk & Schilder 1998). However, little comparative empirical research has been done on the prominence and content of organizational values in public and private sector organizations. In discussions about the differences between government and business, normative arguments prevail and empirical arguments are scarce. It is a debate with an ideological twist (cf. Noordegraaf & Abma 2003: 857).

This article aims to offer a starting point for more comparative empirical work on organizational values. Values mentioned in the separate bodies of Administrative Ethics and Business Ethics literature and in organizational codes of conduct are studied and compared, enabling an analysis of the differences and similarities between the values of government and business and the way in which they relate to one another. It should be noted that this is a somewhat limited perspective. After all, values mentioned in academic literature and codes are sometimes more 'should be' than 'actual' values. However, the existing empirical research on public and private sector values, which is in most cases fragmented and incomparable, will be taken into account when the definitive value panorama is constructed. The panorama can be used as a research tool that enables more systematic and grounded empirical comparative research than the empirical research that has been conducted so far.

The remainder of this article is divided into five sections. Section two examines the meaning of some of the basic research concepts that are used in this article: ethics, morals, values, norms and integrity. Section three describes two contrasting views on the differences and similarities between public and private sector values and the way they are related to each other. The fourth section presents an overview of prominent public sector values, derived from academic literature and codes of conduct. Section five gives a similar overview for the private sector. Section six discusses the differences and similarities between the values of government and business and then presents, as a first typology based upon the academic literature review, a public-private value continuum. Then an overview of existing empirical research on public and private sector values is presented. The empirical research is used to enhance the list of values derived from the literature review. The article concludes with a list of values as a survey research tool and an elaborated 'value panorama'.

## CENTRAL CONCEPTS: ETHICS, MORALS, VALUES, NORMS AND INTEGRITY

In the debate on organizational values the content of the central concepts often leads to confusion. This 'values literature confusion' (Agle & Caldwell 1999: 327-328) is a result of the constant use of different instruments and concepts, making it almost impossible to accumulate a coherent body of knowledge (Connor & Becker 1994). Moreover, it has been shown that in many studies on values a proper definition is not presented at all (Schreurs 2003; Vermeulen 2003). To prevent adding more confusion to the debate on values, attention is paid to the main concepts: 'ethics', 'morals', 'values', 'norms' and 'integrity'.

### *Ethics and Morals*

*Ethics* is often associated with ideals and principles that are far removed from the daily routine. It concerns 'right and wrong' when the choice to be made has significant impact on others. According to Rest (1986), ethics is about the norms and principles that "provide the basic guidelines for determining how conflicts in human interests are to be settled and for

optimizing mutual benefit of people living together in groups” (in: Wittmer 1994: 352). From a practical perspective, ethics are a set of principles, sometimes defined as a code that acts as a guide to conduct. The set of principles provides a framework for acting (Lawton 1998: 16). The moral nature of these principles refers to what is judged as right, just, or good.

In some definitions, ‘moral’ and ‘ethical’ are considered nearly identical. In general, however, a distinction is made between the more practical *morals*, the collection of moral norms and values which provides a framework for acting in everyday life, and the more philosophical *Ethics*, which denotes the systematic reflection on morality. In this paper the general distinction is underpinned. It must be noted, however, that within Administrative Ethics and Business Ethics research, ethics is often used in a more practical sense.

### *Values and norms*

The central research concept in this study, *value*, is often not defined at all, even in studies in which values themselves are the object of research (Brandsma 1977; Schreurs 2003; Vermeulen 2003). Inconsistencies in the definitions of value – and in the distinctions between value and related constructs such as attitude, belief and norm – appear in the literature (Wiener 1988); values are in fact ‘essentially contested concepts’ (De Graaf 2003: 22). An overview of the many definitions and synonyms of the concept value that exist in the literature is not presented here<sup>2</sup>, for reasons of conciseness. Before presenting the definition that is applied here, two often used distinctions are mentioned. A well-known distinction is Rokeach’s (1973) distinction between ‘terminal’ (or intrinsic) and ‘instrumental’ (or extrinsic) values. A terminal value is a goal or an end to be achieved; an instrumental value is a means to achieve a terminal value. Values can be both terminal and instrumental (e.g. equality as a goal or as a means to achieve more freedom). Another, related, distinction that can be found in the literature is the distinction between ‘moral’ values, values with a reference to right and wrong, such as ‘honesty’ and ‘equality’, and instrumental values, values with no such reference, such as ‘efficiency’.

At this point it seems too narrow to exclude certain types of values and specify others. It remains to be seen what values can be deduced from the literature, empirical research and codes of conduct. It is thinkable that all the types mentioned above are present among these values. The following definition is chosen: *Values* are ‘judgments of worth’, principles or standards which have a certain weight in the choice of action’ (cf. Davis 1998; Pollock 1998). *Organizational values* are ‘values that play a role in organizational decision making and action’. These values are supposed to guide organizational behavior in order to achieve certain outcomes that are in the organization’s interest. *Norms* state ‘what morally correct behavior in a certain situation is’. They are behavioral prescriptions, such as ‘do not drink and drive’ or ‘make as much profit as possible’. Values and norms guide the choice of action and provide a moral basis for justifying or evaluating what we do.

### *Integrity*

*Integrity*, meaning ‘wholeness’ in its original sense (the Latin word ‘*integritas*’), is defined here as ‘(acting or being in) accordance with the moral values, norms and rules, valid within the context in which one operates’ (cf. Huberts & Van de Heuvel 1999) Within an organizational context, it denotes ‘the quality of acting in accordance with the moral values, norms and rules accepted by the members of the organization and its stakeholders’. Integrity is a quality or characteristic of individual or organizational behavior; it may even be considered an individual and organizational virtue.<sup>3</sup> Table 1 shows the central research concepts and their definitions.

**Table 1.** Central Research Concepts

|  |
|--|
| <p><i>Integrity:</i> (acting or being in) accordance with the relevant moral values, norms and rules, valid within the context in which one operates</p> <p><i>Organizational integrity:</i> (organizational behavior is in) accordance with the moral values, norms and rules accepted by the members of the organization and its stakeholders</p> <p><i>Morals:</i> the collection of moral values and norms which provides a framework for acting in everyday life</p> <p><i>Ethics:</i> the systematic reflection on morality</p> <p><i>Values:</i> 'judgments of worth', principles or standards which should have weight in the choice of action</p> <p><i>Organizational values:</i> values that play a certain role in organizational decision making and action</p> <p><i>Norms:</i> prescriptions on morally correct behavior in a certain situation</p> |
|--|

*Levels to which values can be applied*

The concepts 'ethics', 'morals', 'values', 'norms', and 'integrity' can be applied in different contexts. Individuals and organizations possess moral qualities and standards (values) and they are supposed to act accordingly (individual and organizational integrity). The same can be said about professions and branches. Professions and branches share professional values and the professionals (e.g. lawyers, doctors and consultants) who act accordingly, show professional integrity.

In order to draw general conclusions about the prominence of values in organizations throughout the public and private sector, this article focuses on the most prominent values that are shared throughout an entire organization: *organizational* values. The distinction between individual, professional and organizational is mainly analytical and perhaps somewhat artificial, although many authors apply different levels to the concept of values. The distinction between individual, professional and organizational is mainly analytical and perhaps somewhat artificial, although many authors apply different levels to the concept of values. Distinctions are made between, for instance, organizational, professional, legal, cultural, stakeholder, bureaucratic, people and social values (Goss 2003; Kernaghan 2000, 2003; Seeger 1997; Van Deth 1984; Van Wart 1998). It is often argued, however, that organizations have their own specific set of values encoded into an organizational culture (Deal & Kennedy 1982), or even suggested that part of the enculturation process of employees involves abandoning individual morals and values as the basis of ethical judgments and replacing them with an organizationally based collective ethic (Jackall 1988). Many also argue that a corporation has rationality, intentions, goals, values and knowledge that exist independently of their constituents and that this shows that a corporation can act (e.g. French 1984; Kaptein & Wempe 2002; Pruzan 2001; Seeger 1997; Wempe 1998). These organizational value systems, which "span a continuum from weak, in which key values are not broadly and intensely shared by members, to strong, in which they are" (Wiener 1988: 535), constitute the main focus here. This organizational focus has to be distinguished from the focus on individual values and virtues. It is the aim to identify what public and private sector organizations value most.

## **PUBLIC AND PRIVATE SECTOR VALUES**

This section deals with the characteristics of public and private sector values and their differences and similarities. Firstly, two of the scarce comparative research attempts on the differences and similarities between public and private sector values are presented. Then a very concise overview is given of the fields of Administrative Ethics and Business Ethics. Second, the contradictory views on the differences and similarities between the values of government and business are presented. The views of those scholars who emphasize differences between both sector's values are summarized. The same is done for the scholars who emphasize similarities. The section concludes with a table in which the different theoretical positions in the debate.

### *Comparative research*

Many authors have tried to sum up the core values of either public or private sector organizations or functionaries (e.g. Beck Jørgensen & Bozeman 2006; Bowman 1990; Goss 2003; Haarhuis 2004; Kaptein & Wempe 2002; Kim 2001; Schreurs 2003; Van den Heuvel, Huberts & Verberk 2002; Vermeulen 2003). Empirical research that offers a reliable picture of the prominence of the values in both the public and the private sector, however, is lacking. The debate on differences and similarities is largely built upon normative assumptions and predispositions.<sup>4</sup> Administrative Ethics and Business Ethics appear to be two separate worlds: interdisciplinary and comparative research attempts are scarce (Huberts et al. 1999; Kolthoff et al. 2003). There are a few exceptions to this rule, but unfortunately these studies are based upon unclear and incomparable concepts. Posner and Schmidt (1996) compare the organizational goals, stakeholders and personal traits adapted from the England Personal Values Questionnaire (PVQ) and conclude that the differences between the public and private sector executives seem greater than the similarities. These differences, however, are slight and sometimes even marginal.<sup>5</sup>

A recent study by Steijn and Smulders (2004) tries to determine the differences and similarities between 'work values', 'work experiences' and 'job satisfaction' in the Dutch public and private sector, using an existing database of a large employee survey. The authors concentrate on four work 'values': 'free time', 'society', 'work' and 'family life'. Small differences in work values are found between public and private sector workers. Both studies are neither truly interdisciplinary nor comparative (no concepts or results from both fields are used), nor are they studies on central organizational values (the first study emphasizes individual managerial opinions; the second study does not really compare organizational values). The initial claim that interdisciplinary and comparative research attempts are scarce can thus still be upheld. There is a gap between research on values within Administrative Ethics and Business Ethics. Here a first attempt is made to fill that gap.

The development of both disciplines is not discussed extensively, yet it can be stated that an increase in the attention to ethics and values can be seen in both Public Administration (e.g. Bowman & Menzel 1998; Cooper 1998; Lawton 1998; Schreurs 2003; Van Wart 1998) and Business Administration literature (e.g. Agle & Caldwell 1999; Kaptein & Wempe 2002; Paine 2003; Van Luijk & Schilder 1998). The 'sub-disciplines' Administrative Ethics and Business Ethics have become serious academic fields of knowledge.

### *Administrative Ethics*

Waldo (1980) stated that values and ethics should be the core of Public Administration, and thus drew a sharp distinction between Public and Business Administration. Frederickson

(1996: 32) even states “that values inhabit every corner of government is given. Who studies administration studies values and who practices administration practices the allocation of values. Values are the soul of Public Administration”. Although one might argue accordingly that the ethics of administration has been of concern to scholars and practitioners for a very long time, Administrative Ethics as an “ongoing scholarly enterprise with the trappings of a subfield of academic inquiry does not predate the 1970’s” (Cooper 2001: 1). Administrative Ethics concerns the ethical dimensions of decisions made and action taken by politicians and civil servants. This action is directed toward the good of a collectivity which is seen or conceptualized as ‘the public’, which, as an entity or group is larger than immediate social groups such as family and clan (Waldo 1980). At stake is the public interest and everyone is stakeholder.

Renewed attention to the values of government and administration has been driven by the rise of the New Public Management (NPM) concept. NPM (Hood 1991) or ‘performance oriented organizational management’ (Pollit & Bouckaert 2000) constitutes the adoption of private sector management techniques and principles by government organizations, in order to become more entrepreneurial, efficient and output-driven.<sup>6</sup> Some argue that NPM not only advocates the adoption of business *techniques*, but also the adoption of business *values*, often opposed to the ones we consider traditional for the public sector (Bellone & Goerl 1992; DeLeon & Denhardt 2000).

### *Business Ethics*

Within Business Administration and Economics, the increased attention to ethics and values seems to be influenced by political and stakeholder pressures rather than by structural convictions. It is, however, somewhat unfair to accuse private sector academics and managers of applying a minimal approach to ethics and integrity. For instance, Milton Friedman’s (1970) notorious statement on the responsibility of business (“there is one and only one social responsibility of business and that is to increase its profits so long as it stays within the rules of the game”) has often been wrongly perceived as immoral or - at least - amoral (no moral elements seem to be involved in Friedman’s reasoning). The point is that Friedman is defending his principle on *moral* grounds. Corporate managers are dependent on and responsible for the capital provided by shareholders and cannot spend all this money for the good of society. They have to make a substantive profit; otherwise the capital may be withdrawn from the corporation and a lot of employees might lose their job. Nonetheless, Friedman’s reasoning seems a typical example of ‘traditional business morality’: thoughts on what’s right and wrong seem to limit themselves to the corporation and its direct environment, and profitability is always *leitmotiv*.

Over the last two decades Business Ethics has as such become a more or less mature sub-discipline, with ‘corporate governance’ and ‘corporate social responsibility’ (CSR) as central theoretical and practical concepts. The concept of CSR is opposite to Friedman’s perspective that the only corporate responsibility is to maximize stockholder profits within the ‘rules of the game’. CSR is defined here as ‘engaging in actions that appear to further some social good beyond the interests of the corporation and that which is required by law’. It means going *beyond* obeying the law and *exceeding* the moral minimum when looking at the responsibilities of a corporation (cf. McWilliams & Siegel 2001). A very influential development has been the paradigm shift from stockholder to stakeholder theory (Freeman 1984; Freeman & Reed 1983). Originating as a merely instrumental concept, it was soon realized that normative elements are inherent to the stakeholder concept. It is expressed in the description of a stakeholder as every group that has a stake in the corporation and the notion that the corporation has a moral obligation to honor the legitimate expectations of the

stakeholder (Kaptein & Wempe 2002: 213). The attention to the ethics of business, and in particular integrity management and corporate social performance, is increasingly characterized by a more structural and institutional approach (ibid.: 29-39).

### *Intermixing*

Both Corporate Social Responsibility and New Public Management developments increase the likelihood of traditional public and private sector values intermixing between both sectors. CSR emphasizes traditional public sector values like ‘sustainability’, ‘(social) responsibility’, and ‘accountability’, and specifically related to corporate integrity (Kaptein & Wempe 2002), ‘empathy’, ‘solidarity’, ‘reliability’ and ‘fairness’ (ibid.: 237-246). NPM is characterized by ‘managerialism’ (Pollit 1993: 2-3) and embraces traditional business values such as ‘efficiency’, ‘effectiveness’, ‘innovation’ and ‘profit’ (Lane 1995: 195). These developments significantly increase the relevance of this study and raise some interesting questions. Is it still possible and relevant to distinguish between two different value patterns? Are the public and private value systems getting more and more alike? And if this is the case, is this intermingling between traditionally sector specific values problematic or even undesirable? Contradictory views exist among scholars on the differences and similarities and the relationship between the values in both realms.

### *Differences*

On the one hand there are scholars who emphasize *differences* between public and private sector values. Their most prominent representative is anthropologist Jane Jacobs. In the well-known and provocative *Systems of Survival* (1992) she distinguishes between two moral syndromes: the commercial moral syndrome and the guardian moral syndrome (‘a pair of contradictions’). Jacobs (1992: xi, xii) states the following:

*[B]ecause we possess.....two radically different ways of dealing with our needs we also have two radically different systems of morals and values – both systems valid and necessary. The human race has accomplished the two moral and value systems during millennia of experience with trading and producing, on the one hand, and with organizing and managing territories, on the other hand. For one thing, many of us have taken on casts of mind so skewed toward one set of morals and values that we have little understanding of the other, and little if any appreciation of its integrity too. Behavior that (randomly) picks and chooses precepts from both syndromes creates monstrous moral hybrids; you can’t mix up such contradictory moral syndromes without opening up moral abysses and producing all kinds of functional messes.*

Jacobs identifies types of functional and moral quagmires into which organizations and institutions sink when they confuse their own appropriate moral system with the other (*inefficiency and waste in business organizations and corruption and unethical behavior in government organizations*).

Most scholars are not that pessimistic, yet some are scared by the thought of a businesslike government or a government-like business. A relationship between NPM and unethical behavior or integrity violations by public servants is often assumed by Public Administration scholars (Bovens 1996; Frederickson 1996, 2005; Lane 1994, 1995), although substantial empirical evidence for this relationship is absent (Kolthoff et al. 2006; Lawton 1998). It is argued that the public administrative framework cannot easily be replaced by the new management approach, as the former has qualities not covered by the latter: “the notion of justice looms in the public sector, but where does it fit into the internal market framework?” (Lane 1995: 200). Frederickson (2005: 178) emphasizes conflicts between crucial values such as fairness and efficiency: “the private market is designed to be efficient

but not to be fair; democratic self-government is designed to at least try to be fair, and hope to be efficient”. He fears that corruption and unethical behavior in government are on the rise because we are trying to run government organizations as if they were businesses. Although discussions on problematic aspects of intermixing deal almost exclusively with the concern that the blurring of sectoral lines implies an increased appeal to market values in the public sector, the reverse is also true (Schultz 2004: 292). “Although many would laud the move to encourage corporate social responsibility and ethical behavior, especially in light of the recent Wall Street scandals, the intermixing of public and private functions raises vexing ethical questions similar to those when governmental or nonprofit entities intermix. The result may be that no clear set of ethical rules dominates” (ibid.: 293).

### *Similarities*

On the other hand there are scholars who emphasize *similarities* between public and private sector values. Kaptein (1998: 9) states that “the same moral dimensions and criteria can be applied to all kinds of organizations”. A more normative statement is presented by Caiden (1999: 26): “we have to recognize that we want the same morals to dominate all organizations, public and private, governmental and non-governmental”. Voth (1999: 56) recognizes differences, but has a more positive view on intermixing and hybridism: “when the public and private sectors collaborate and partner, an exhilarating challenge of cultural ‘clash’ comes into play. The two sectors build bridges to meet their collaborative needs and the specific needs of their clients, both find harmony in the empathetic application of fundamental human behavioral values”. In ‘t Veld (1997), while recognizing some difficulties as well, shares this positive view on hybridism, and points at the specific intercultural function of hybrid organizations in modern society. Other scholars, who are far from pessimistic about the consequences of more interactions between the market sector and the state, are Lawton (1998, 1999) and Taylor (1999). The latter’s main point is: do not assume that the public sector is more ethically aware than the private sector. When they are together, international scholars seem to emphasize similarities rather than differences. At the 1998 International Institute for Public Ethics (IIPE) conference ‘Integrity at the Public-Private Interface’ with about 125 participants, 85% agreed with the thesis ‘private sector ethics and public sector ethics share basic values and norms (and thus are very much alike)’.

### *Is Intermixing Dangerous?*

Those who see government and business values as contradictory also stress the potential dangers of interaction and intermingling. How real is that fear? Lawton (1999: 69) states that “the evidence is thin on the ground. Integrity is linked to role, office and to concepts of trust. Apart from their personal qualities, we will trust the head teacher, the police sergeant, and the doctor because of their profession and their expertise. Their professional integrity will require them to act on behalf of the citizen. Whether we would trust them to act outside their professional competence may depend upon their personal qualities rather than their professional ones”. In other words: the integrity of public professionals will not automatically be influenced by contacts with the private sector. No studies have yet been conducted on the impact of public sector influences on private sector moral behavior.

The following 2x2 table shows the three theoretical positions in the debate on differences, similarities and conflicts between both sectors values.

**Table 2.** Theoretical positions in the debate

| <b>Public and private sector</b> | Intermingling is no problem  | Intermingling is a problem   |
|----------------------------------|--|--|
| Sector values are similar        | Caiden (1999)<br>IPE Participants (1998)<br>Kaptein (1998)         | n/a  |
| Sector values are different      | In 't Veld (1997)<br>Lawton (1999)<br>Taylor (1999)<br>Voth (1999) | Bovens (1996)<br>Frederickson (1996, 2005)<br>Jacobs (1992)<br>Lane (1994, 1995) |

### CENTRAL PUBLIC SECTOR VALUES

In this section an attempt is made to present a well-considered overview of prominent public sector values. First, the results of research on organizational values mentioned in Public Administration literature, and Administrative Ethics literature in particular, by Vermeulen (2003) are discussed. Then a well known ethical framework for public officials is presented, as well as an overview of the core values that are mentioned most often within codes of conduct of Dutch public sector organizations. This section concludes with a comparison between the most prominent values that are mentioned in the Public Administration literature and the most prominent values that are present in the public sector ethical framework and codes.

#### *Values in Public Administration Literature*

An extensive literature review on relevant public sector values, including most research that will be mentioned in this section, was conducted by Vermeulen (2003). She focused on organizational values, most relevant or crucial for public sector organizations and their employees. Vermeulen researched seven relevant books on ethics and values in the public sector (Heidenheimer, Johnston & Levine 1989; Cooper 1998, 2001; Lawton 1998; Sampford & Preston 1998; Van Wart 1998; Williams & Doig 2000), forty-six recent issues of two prominent journals (Public Integrity, 1999-2003, and Public Administration Review, 1999-2002), four government reports on ethics and values<sup>7</sup> and five public sector codes of conduct<sup>8</sup>.

Vermeulen deducted 538 values, belonging to 294 different types, from these documents. The thirty most relevant values were determined using a search protocol, a clustering system and a set of fifteen variables in order to determine the importance, relevance and characteristics of the values deducted from the literature. Of the thirty most prominent values, the top thirteen are the values that are mentioned most often, and according to Vermeulen, especially relevant for public sector organizations (2003: 91). Table 3 shows the thirteen most prominent public sector organizational values in order of importance, as well as the definition of the most prominent values that was used in the research.

**Table 3.** Relevant Public Sector Organizational Values (Vermeulen, 2003)

| <b>Relevant Public Sector Organizational Values</b>   |
|---|
| Honesty: act truthfully, fairly and keep one's promises   |
| Humaneness: act kindly, be compassionate and display solidarity, treat people with empathy and care |

|   |
|---|
| <p>Social justice: achieve equity, equality and freedom for the society according to democratic principles</p> <p>Impartiality: act unprejudiced, unbiased towards or against anyone by self-interest or specific group interests</p> <p>Transparency: act openly without secrecy. Achieve the public policy processes to be clear, easy to see through</p> <p>Integrity: adherence to moral values</p> <p>Obedience: comply with instructions and policies of the organization and its superiors</p> <p>Reliability: act dependable, be trustworthy in order to preserve public trust</p> <p>Responsibility: take ownership of actions/decisions and accept the consequences</p> <p>Expertise: act with competence, skill, knowledge, work in a professional manner</p> <p>Accountability: be answerable, be willing to justify and explain one's actions to the community</p> <p>Efficiency: act to achieve goals with the lowest waste of effort/expense</p> <p>Courage: act with determination and face risks</p> |
|---|

This set of values has some remarkable characteristics; courage, a traditional business value for instance, is present among the thirteen most prominent values, while lawfulness, an often mentioned and emphasized public sector value is absent. One may wonder if the fairly recent literature that has been studied by Vermeulen is already 'infected' by managerialism (Pollit 1993) and NPM developments. Beck, Jørgensen & Bozeman (2007) encounter similar findings in their study on public values. They state that a large proportion of the literature is very much of its time. "To be more exact, this means that some of it praises reforms such as New Public Management (NPM) and Reinventing Government and some of it - as a reaction - praises the old virtues of classic administration or, alternatively, launches new progressive models such as New Public Governance or New Public Service". Although all values present in the set can be characterized as organizational values, it can be seen that some values ('humaneness', 'social justice') are general public or social values, with an external character, while others ('expertise', 'efficiency') are specific professional and organizational values with a more internal character. The distinguished set seems to be a valid representation of prominent values in recent Administrative Ethics literature, rather than a valid representation of relevant public sector organizational values. This has to do with the overrepresentation of academic literature in the study in relation to the empirical material that was used (surveys, interviews, codes of conduct).

#### *Values in Public Sector Codes of Conduct*

A well-known ethical framework for public officials was developed in the United Kingdom by the Committee on Standards in Public Life chaired by Lord Nolan. The Nolan committee (1995) sketched 'Seven Principles of Public Life'. Holders of public office should decide because of the public interest. Private interests or obligations to outside individuals and organizations should have no influence ('selflessness' and 'integrity'). They should make choices on the basis of merit ('objectivity'), they should be accountable for their decisions and actions ('accountability') and they should be as open as possible ('openness'). Holders of public office have a duty to declare any private interests and resolve possible conflicts of interest ('honesty'). They should promote and support these principles by leadership and example ('leadership'). Many of these values have also been used in other contexts<sup>9</sup> as well as in codes of conduct, for example the United Nations *International Code of Conduct for Public Officials*. The UN Code contains a set of basic standards of integrity and performance expected from public officials, with 'wide acceptance on the basis of experience acquired in various countries'. The term 'public officials' is deemed to include all persons vested with the power and authority to make, implement, enforce, amend or revoke government decisions and

to render services to the public, with or without remuneration. The Code includes ‘general principles’: public officials shall act in the public interests, function efficiently and effectively, in accordance with the law and with integrity, and shall be attentive, fair and impartial. The code also contains rules concerning ‘conflicts of interest and disqualification’, ‘disclosure of assets, acceptance of gifts and other favors’, ‘confidential information’ and ‘political activity’ (in: Pieth & Eigen 1999: 665-666).

The values that are mentioned in research on 59 codes of conduct of Dutch government organizations (Ethicon 2003) show some similarity with the Nolan Committee principles (3 of the 7 principles appear literally in the list of prominent core values, while the other 4 principles show resemblance with some of the values mentioned). Somewhat striking is the absence of the crucial value ‘accountability’ and ‘lawfulness’ in the Dutch public sector codes, although ‘responsibility’ and ‘serviceability’ are – to some extent – related in meaning. The thirteen most often mentioned core values are presented in order of importance in Table 4 (translated from Dutch).

**Table 4.** Core Values in Dutch Public Sector Codes of Conduct (Ethicon, 2003)

| <b>Core Values in Dutch Public Sector Codes of Conduct (n=59)</b> |
|---|
| Integrity   |
| Transparency/openness   |
| Responsibility  |
| Trust/trustworthiness   |
| Carefulness   |
| Independence  |
| Reliability   |
| Professionalism   |
| Restraint   |
| Functionality   |
| Credibility   |
| Honesty   |
| Serviceability  |

Source: Ethicon 2003

([www.ovia.nl/dossiers/intoverheid/codeoverheidsinstellingenverslag.ppt](http://www.ovia.nl/dossiers/intoverheid/codeoverheidsinstellingenverslag.ppt))

*Comparison Between Values in Public Administration Literature and Values in Codes*

When the academic value set in Table 3 is compared with the Nolan principles and the core values in Dutch public sector codes of conduct (Table 4), a number of differences and similarities can be seen.<sup>10</sup> Six values are present in both the value set of Vermeulen (2003) and in a combined set of the Nolan values and the core values in Dutch public sector codes of conduct (‘honesty’, ‘transparency’, ‘integrity’, ‘reliability’, ‘responsibility’ and ‘accountability’). Other values are not literally identical but – to some extent – related in meaning (‘impartiality’ – ‘independence’, ‘objectivity’, ‘expertise’ – ‘professionalism’). Another somewhat surprising similarity constitutes the absence from ‘lawfulness’, a very crucial public sector value according to academics and practitioners, in both sets.

Interesting differences involve the presence of ‘humaneness’ and ‘social justice’, two strong social (or democratic) moral values, in the list derived from PA literature and the absence of both in the public sector codes. An explanation might be that these values are considered crucial and important in an academic context, but are too broad for an organizational context. Equally interesting are the presence of ‘obedience’ and ‘efficiency’ in

the academic set, and their absence in the codes. Lawton's (1998) research already showed that 'obedience' is an important organizational value in practice, but is not considered something to strive for, and subsequently, not a value that one would mention in a code of conduct. 'Efficiency', a value mentioned in both public sector and business literature, might be considered too instrumental to include it in a code of conduct.

## **CENTRAL PRIVATE SECTOR VALUES**

In this section an attempt is made to present a well-considered overview of prominent private sector or business values. Firstly, the results of research on organizational values mentioned in Business Ethics literature by Haarhuis (2004) are discussed. Then an overview is presented of the most often mentioned core values in the codes of conduct of the 200 largest companies in the world. This section is concluded with a comparison between the most prominent values that are mentioned in the Business Ethics literature and the most prominent values that are present in the private sector codes of conduct.

### *Values in Business Ethics Literature*

An extensive literature review on prominent private sector values, including all research that has been previously mentioned in this section was conducted by Haarhuis (2004) (cf. Vermeulen 2003). He researched eleven books (Bird 1996; Boatright, 2000; Bok 1978; Bowie 1992; Donaldson & Dunfee 1999; Gauthier 1986; Nash 1990; Kimman 1991; Montefiore & Vines 1999; Quinn & Davies 1999; Wempe & Nelis 1991) twenty-five issues of three different journals (Journal of Business Ethics, 1999-2001, Business Ethics Quarterly, 2000-2001 and Business and Society, 2001 (volume 40, issue 1)) and the research on codes of conduct by Kaptein (2004), which is shown in table 6.

Haarhuis (2004) deducted 210 values, belonging to 142 different types. After the definite set of thirteen prominent private values was deducted from the literature, using a search protocol and a clustering system, it has been looked at for control and reliability using a small survey, in which seven public sector values were added to the thirteen most prominent private sector values. The survey showed that the set of prominent private sector values was significantly marked more important by the respondents (n=58) than the added public sector values. The survey adds some validity to the desk research in determining prominent private sector values. The set of prominent private sector organizational values is shown in Table 5. Unfortunately, Haarhuis neither translated or defined the values in a specific way, nor did he construct a top thirty of values like Vermeulen (2003) did, within which the thirteen most prominent values can be considered most relevant.

This set of values again has some surprising characteristics; 'profitability', according to neoclassical economists and corporations such as Shell still the most important business value (see [www.shell.com](http://www.shell.com)), is at the 10<sup>th</sup> position, while the fashionable 'social responsibility' is 2<sup>nd</sup>. This is quite evident when one takes into account that the literature studied is Business Ethics literature; more standard economic or business literature was not studied. The distinguished set seems to be a valid representation of prominent values in recent business ethics literature, rather than a valid representation of prominent private sector organizational values. Again this has to do with the over representation of academic literature in the study in relation to the empirical material that was used (surveys, interviews, codes of conduct).

**Table 5.** Prominent Private Sector Organizational Values (Haarhuis, 2004)

| <b>Private Sector Organizational Values</b> |
|---|
| Honesty                                     |
| Social responsibility                       |
| Customer-orientation                        |
| Innovativeness                              |
| Accountability                              |
| Self-fulfillment                            |
| Expertise                                   |
| Effectiveness                               |
| Reliability                                 |
| Profitability                               |
| Collegiality                                |
| Sustainability                              |
| Entrepreneurship                            |

Source: Haarhuis 2004:40.

*Values in Private Sector Codes of Conduct*

Kaptein (2004) analyzed the business codes of the 200 largest multinationals in the world (52.5% has a code) and listed other most often mentioned core values in the business codes (the 13 most often mentioned values are shown in Table 6). The list has a somewhat fragmented character, probably due to the cultural differences between the companies studied. According to Kaptein (2004: 22) “the core values cited in the codes diverge strongly. American codes make comparatively less mention of values than do European codes. Open communication can be found in 35% of the European codes, while it amounts to 25% in American codes. European codes mention teamwork 1.5 times more often than do Japanese and American codes. ‘Humility’, ‘harmony’, ‘dedication’, ‘innovation’, ‘creativity’ and ‘team spirit’ are largely found in business codes of Asian origin. ‘Innovation’ and ‘creativity’, for example, are respectively mentioned 73% and 46% more in Asian codes than in American and European codes. By contrast, the value ‘responsibility/conscientiousness’ can be found just as often in American (30%) as in Asian (35%) and European codes (33%). Noteworthy is that the value of ‘effectiveness’ is seldom mentioned explicitly”.

**Table 6.** Core Values in Business codes 200 largest multinationals (Kaptein, 2004)

| <b>Core Values</b>                                    | <b>Mentioned in % of codes (n=105)</b> |
|---|--|
| 1. Teamwork/mutual support/cooperation/ teamspirit/   | 43%                                    |
| 2. Responsibility/conscientiousness                   | 33%                                    |
| 3. (Open) Communication                               | 29%                                    |
| Innovation, creativity                                | 29%                                    |
| 5. Customer-oriented                                  | 19%                                    |
| 6. Flexibility  | 17%                                    |
| 7. Efficiency   | 16%                                    |
| 8. Professionalism                                    | 14%                                    |
| Entrepreneurship                                      | 14%                                    |
| Pride/dignity   | 14%                                    |
| 11. Loyalty   | 13%                                    |
| 12. Motivation/enthusiasm/energy/spirit/encouragement | 12%                                    |
| 13. Participation                                     | 11%                                    |

Source: Kaptein 2004: 22.

### *Comparison Between Values in Business Ethics Literature and Values in Codes*

When the academic value set is compared with the core values of multinational corporations, a number of differences and similarities can be seen. Very surprising, however, and therefore mentioned first, is the absence of ‘integrity’ in the most often mentioned core values of large multinationals. As we have seen, ‘integrity’ - as a value or as an umbrella concept - is very often mentioned in codes as well as in the academic literature. One may only speculate on an explanation for this absence. Three values are present in the codes as well as in Haarhuis’ values set (‘customer-orientation’, ‘innovativeness’ and ‘entrepreneurship’). Other values are not literally identical but – to some extent – related in meaning (‘reliability’, ‘loyalty’ and ‘collegiality’). This goes for ‘efficiency’ and ‘effectiveness’ as well (although entire studies were conducted to explain the differences between the two). Interesting differences concern the emphasis on the customer and individual in the academic value set, as opposed to the emphasis on ‘teamwork’ and ‘cooperation’ in the business codes. The absence of ‘responsibility’ or ‘responsiveness’ in the academic set is surprising, since ‘responsibility’ is very often mentioned as a core principle or value in organizational literature. Although ‘profitability’ is often prominently present in business principles and mission statements (cf. Shell’s business principles), it is not present in the list of most often mentioned values in codes. Maybe it seems more appealing to include strong moral values than to include the most prominent, but also self-evident business value.

### **PUBLIC AND PRIVATE SECTOR CENTRAL VALUES: DIFFERENCES AND SIMILARITIES**

An overview of central public and private sector organizational values has been presented. In this concluding section the most interesting differences and similarities between the value patterns of government and business are discussed. This will be done for both the sets derived from codes and, more extensively, the value sets derived from academic literature. A ‘public-private value continuum’ based upon the literature review is presented. The section is concluded with a concise overview of existing empirical research on public and private sector values and the construction of a value set that can be used for future research.

First a comparison is made between the public and private sector core values, derived from codes of conduct (as shown in Tables 4 and 6). When comparing the values in the codes, only two identical values are mentioned in the codes of both sectors (‘responsibility’ and ‘professionalism’). ‘Communication’ (private) and ‘transparency/openness’ (public) are closely related in meaning. The same goes for ‘customer-orientation’ and ‘serviceability’, although different meanings may be attributed to these values in a private and a public context. After all, private and public sector organizations serve a very different group of customers. Real differences can be seen in the presence of ‘restraint’, ‘carefulness’, ‘independence’ and ‘credibility’ (classical public sector values) in public sector codes, and ‘innovativeness’, ‘entrepreneurship’ and ‘flexibility’ (classical private sector values) in business codes. Surprising is the absence of ‘efficiency’ (that may be considered a common organizational value) in public sector codes, and the very often mentioned ‘integrity’ in business codes. As has been mentioned, striking differences exist between the values in codes and the academic value sets. These value sets (with ‘courage’ as prominent public sector and ‘social responsibility’ and ‘sustainability’ as prominent private sector values) are derived from recent literature and are perhaps more ‘should be’ than ‘actually are’ values.

The most important comparison involves the two sets of values as distinguished by Vermeulen (2003) and Haarhuis (2004). Two small differences between the perspectives of

both authors should be noted. Both stress that they focus on *organizational* values, but where Haarhuis' definition focuses almost entirely on the corporation as an independent actor, Vermeulen's perception includes employee decision-making behavior as well. Vermeulen has a specific focus on the *moral* aspect of values. Haarhuis tends to perceive values in a more general sense. Their research method and reading protocol, however, show enough resemblance to make a comparison worthwhile. Both value sets are shown again in Table 7, in order of importance.

Beforehand, it should again be noted that different meanings are attributed to identical values in a public and private context. 'Social responsibility', for instance, probably denotes a different principle in the private sector than 'responsibility' in the public sector. The same goes for 'accountability', where a distinction can be made between 'process accountability' (public sector) and 'output accountability' (private sector) (see also Erkillä, elsewhere in this issue). That being said, a number of identical organizational values can be distinguished: 'honesty', 'accountability', 'expertise', 'reliability' and '(social) responsibility'. These five values might be considered *common core* organizational values. The other 16 values can be considered more or less private or public. By having a look at their position in the broader

**Table 7.** Public and private sector values in literature  
(Vermeulen, 2003; Haarhuis, 2004)

| Private sector values | Public sector values |
|-----------------------|----------------------|
| Honesty               | Honesty              |
| Social responsibility | Humaneness           |
| Customer-orientation  | Social Justice       |
| Innovativeness        | Impartiality         |
| Accountability        | Transparency         |
| Self-fulfillment      | Integrity            |
| Expertise             | Obedience            |
| Effectiveness         | Reliability          |
| Reliability           | Responsibility       |
| Profitability         | Expertise            |
| Collegiality          | Accountability       |
| Sustainability        | Efficiency           |
| Entrepreneurship      | Courage              |

framework of values (taking into account the thirty most relevant values as distinguished by Vermeulen (2003)), it can be determined whether they possess a 'more private' or a 'more public' character. The central private sector values 'profitability', 'collegiality', 'innovativeness', 'self-fulfillment' and 'effectiveness' are absent in the *thirteen* most prominent public sector values, but present in the *thirty* most prominent public sector values. Therefore they might be considered common core values rather than private sector core values. They are therefore conceptualized as common core values a little more to the private side of the spectrum; in the order in which they were ranked by Vermeulen (number 30 is closer to the private pole than number 28 etc.). In order to prevent confusion, it should also be noted that 'courage' is at the bottom of the public sector value set and therefore further away from the public pole than 'humaneness'; here this does not mean, however, that courage can be considered a value with somewhat more private characteristics. This line of reasoning enables us to present a first 'public-private value continuum', attributing organizational values to both sectors, with common core organizational values amidst both ends (Table 8).

*Empirical Research on Public and Private Sector Values*

As stated before, one may wonder if the lists of values mentioned in (recent) academic literature and codes of conduct represent everyday organizational behavior in public and private sectors, although some empirical research was included in the studies of Vermeulen (2003) and Haarhuis (2004). How important are the different values for the people working in organizations with often impressive mission statements and codes of conduct? Some specific empirical research on values in the public sector (Goss 2003; Lawton 1998; Van den Heuvel et al. 2002) and in the private sector (Oliver 1999; Petrick & Quinn 1997; Posner & Schmidt 1984) exists, although parts of this research concern personal values of managers rather than organizational values, and sometimes measure ‘goals’ and ‘qualities’ that closely resemble the concept of values as it is used here.<sup>11</sup> Research results are obtained through different value surveys, in which respondents are asked to rank, rate or select a number of values and/or choose between two conflicting values in an ethical dilemma. The concepts that are used in the studies mentioned above, and in the sparse comparative efforts mentioned in section 3, are often randomly chosen. Research based upon the presented continuum would therefore be an improvement over the existing empirical research, because it is embedded in relevant literature.

**Table 8.** Public-private value continuum derived from literature review

|                         |
|-------------------------|
| <b>PUBLIC</b>           |
| Humaneness              |
| Social Justice          |
| Impartiality            |
| Transparency            |
| Integrity               |
| Obedience               |
| Efficiency              |
| Courage                 |
| Honesty                 |
| Accountability          |
| Expertise               |
| Reliability             |
| (Social) Responsibility |
| Effectiveness           |
| Innovativeness          |
| Profitability           |
| Collegiality            |
| Self-fulfillment        |
| Entrepreneurship        |
| Sustainability          |
| Customer-orientation    |
| <b>PRIVATE</b>          |

Because values that are derived from empirical research can be considered at least as relevant as values derived from reviewing recent literature, the empirical research is taken

into account in the concluding section, when the values in the public-private value continuum are weighed, integrated and supplemented where needed, so that a feasible research tool is created. Values that are not present among the most often mentioned values in literature and codes, such as 'lawfulness', 'dedication' and 'responsiveness', are considered important by civil servants, politicians and managers.<sup>12</sup>

## **Discussion and future research**

The main basis for the presented continuum has been a review of the literature and existing codes of conduct. Empirical research will have to clarify how important the different values actually are for public and private sector organizations, and whether distinct public and private sector value patterns can be empirically distinguished. At the same time it is clear that the presented examples from business ethics and the ethical involvement of companies show that private companies can share a number of the ethical concerns which are discussed in public settings. Values like honesty and openness, often prominent in public sector codes of conduct, are also present in lists of business values. It is therefore hypothesized that there are similarities as well as differences and contradictions between public and private sector values, and that values such as 'efficiency', 'transparency' and 'self-fulfillment', may be considered common core organizational values.

Once the prominent values of government and business are empirically determined, interesting longitudinal research can be conducted within the same groups of organizations (for instance every 5 years) to see to what extent these values remain constant and stable. If NPM and CSR developments continue, and they probably will, one may hypothesize that the value patterns will become more and more alike: in the panorama this will result in more common core organizational values. In order to determine a possible empirical correlation between value-intermingling and problems, additional (qualitative) research has to be conducted. As stated before, a correlation between value-intermixing and moral and functional problems is often assumed by scholars, and has been looked at in single case-studies (Bovens 1996; Frederickson 1996), but substantial empirical evidence is absent (Kolthoff et al. 2006; Lawton 1998).<sup>13</sup>

In order to examine the differences and similarities in a valid manner, a mixed set of values (public, private and common core) ought to be presented to a large number of respondents working in the public and the private sector. One way to do this would be to use the set of continuum values, integrated and supplemented when necessary, so that a feasible value set arises. Constructing such a set is of course always an arbitrary exercise. Yet a well-considered attempt is made here.

First, 'integrity' will be left out, because it is not a separate value in the terminology that has been presented in section 2, but means that one is acting in accordance with all the relevant sets of values. Its content as a specific value is partly characterized by the remaining value 'impartiality' and 'honesty'. 'Incorruptibility' is added to characterize the individual dismissal of self-interest.

Second, a number of values that are strongly related in meaning can be combined. The more general social values 'humaneness', 'social justice' and 'social responsibility' refer to commitment to a just and humane society. Therefore these values are combined in 'social justice'. For the private sector 'entrepreneurship' is close to being able and willing to take risks, to innovate ('innovativeness') and to seek opportunities for profit ('profitability'). Therefore 'entrepreneurship' is left out.

Third, the value 'courage' requires reflection. Is it a value connected with individual character or can it be characterized as an organizational value? On the one hand, courage concerns the willingness to act with determination in accordance with values under more

difficult circumstances. It contrasts with opportunistic behavior and comes close to ‘reliability’. On the other hand, ‘courage’ concerns the extent to which employees and organizations are willing to take and to face risks. Perceived as such, it closely resembles ‘innovativeness’. Therefore ‘courage’ is left out as well.

Fourth, and more problematic, one may wonder whether the review of the literature might have led to the omission of certain traditional business or public values, which might be worthwhile to incorporate in future research. The value ‘lawfulness’ is strikingly absent in both the public sector codes of conduct as well as the most relevant public sector values in the literature. However, it was valued reasonably high by politicians and civil servants themselves, in the empirical work that has been mentioned in the beginning of this section (Lawton 1998; Van den Heuvel et al. 2002). The same is true for ‘dedication’, ‘responsiveness’ and ‘serviceability’.<sup>14</sup>

‘Dedication’ can be considered an important organizational value for both public and private sector employees. ‘Serviceability’ and – to a certain extent – ‘responsiveness’ can be considered the public counterparts of the private sector value ‘customer-orientation’. In order to present a more neutral value set to respondents, ‘customer-orientation’, which has a private sector connotation, is therefore replaced by ‘serviceability’ (this neutrality also invigorated the decision to omit ‘entrepreneurship’). ‘Lawfulness’, ‘dedication’, ‘responsiveness’ and ‘serviceability’ are added to the set of values. Although always arbitrary, the set of twenty values that is shown in Table 9 seems balanced enough to propose as a basis for future research. The values in Table 9 are defined in compliance with the applied definition, expressing a strong relation between the value and one taking action in a certain matter.<sup>15</sup>

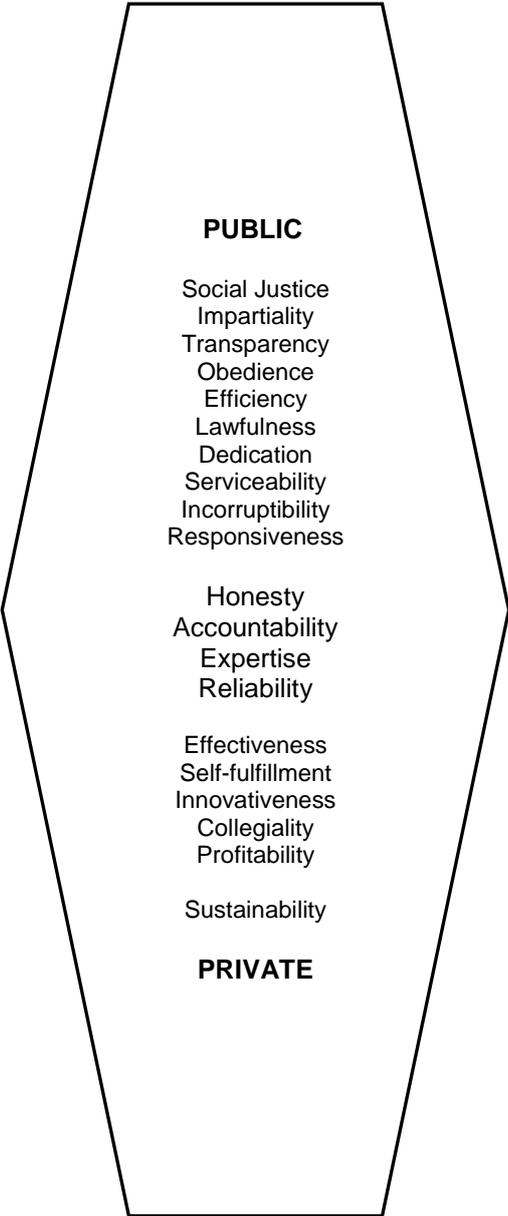
**Table 9.** Mixed set of public, private and common core organizational values as a research tool

| <b>Organizational Value Set for Future Research</b>  |
|--|
| <b>Accountability:</b> Act willingly to justify and explain actions to the relevant stakeholders             |
| <b>Collegiality:</b> Act loyally and show solidarity towards colleagues                                      |
| <b>Dedication:</b> Act with diligence, enthusiasm and perseverance   |
| <b>Effectiveness:</b> Act to achieve the desired ends  |
| <b>Efficiency:</b> Act to achieve ends with minimal means  |
| <b>Expertise:</b> Act with competence, skill and knowledge   |
| <b>Honesty:</b> Act truthfully and comply with promises  |
| <b>Impartiality:</b> Act unprejudiced, unbiased by specific group interests                                  |
| <b>Incorruptibility:</b> Act unprejudiced, unbiased by private interests                                     |
| <b>Innovativeness:</b> Act with imagination and creativity (to invent or introduce new policies or products) |
| <b>Lawfulness:</b> Act in accordance with existing laws and rules  |
| <b>Obedience:</b> Act in compliance with the instructions and policies (of superiors and the organization)   |
| <b>Profitability:</b> Act to achieve gain (financial or other)   |
| <b>Reliability:</b> Act trustworthy and consistently towards relevant stakeholders                           |
| <b>Responsiveness:</b> Act in accordance with the preferences of citizens and customers                      |
| <b>Self-fulfillment:</b> Act to stimulate the (professional) development and well-being of employees         |
| <b>Serviceability:</b> Act helpfully and offer quality towards citizens and customers                        |
| <b>Social Justice:</b> Act out of commitment with a just society   |
| <b>Sustainability:</b> Act out of commitment with nature and the environment                                 |
| <b>Transparency:</b> Act openly, visible and controllable  |

Depending on the specific character of the research that is to be undertaken, different (combinations) of values can be selected out of the list, while in other cases the entire list can be used. Such a contingent approach makes this set of values very useful as a research tool.<sup>16</sup>

Empirical research now has to show whether distinct public and private value patterns can be distinguished, or that the most important organizational values appear to be shared among government and business managers, and similarities exceed differences. It has to be examined whether a correlation exists between certain sector specific values intermixing between both sectors and certain specific moral and functional problems, especially in semi-public and hybrid organizations. This article concludes with a graphical overview of the values mentioned in Table 9, in a value panorama, shown in Figure 1.

**Figure 1.** Value panorama from public to private



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## NOTES

<sup>1</sup> Completely revised and updated version based on a paper published in Huberts, L.W.J.C.; Van den Heuvel, J.H.J., Eds.; *Integrity at the Public-Private Interface*. Shaker: Maastricht, 1999; 165-184, and presented at the IPE conference in Brisbane in 2002 and the EGPA conferences in Oeiras (2003) and Ljubljana (2004). We thank the reviewer(s) for the remarks and suggestions for improvement.

<sup>2</sup> For those types of overviews, see Vermeulen (2003) and Haarhuis (2004).

<sup>3</sup> It must be noted that integrity is often mentioned as a specific public sector value itself, especially in public sector codes of conduct. In general, four different approaches towards integrity can be distinguished: integrity as wholeness, with an emphasis on "consistency, coherence and correspondence" (Musschenga 2004); integrity as strict adherence to moral values and principles (being 'strong on values'); integrity as one specific value and integrity as '(being in) accordance with the moral values, norms and rules, valid within the context in which one operates'. The latter approach, in which integrity is perceived as an 'umbrella concept', is applied in this study. In the overview of codes and surveys in sections 4 and 5, however, integrity will be present as a specific value in some of the distinguished value sets.

<sup>4</sup> This notion does not apply to the extensive body of literature that compares public and private organizations and managers. This literature, however, deals almost exclusively with the (functional)

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differences and similarities between the formal organizational status of public and private organizations (e.g. Bozeman 1987; Perry & Rainey 1988; Scott & Falcone 1998) and the (functional) differences and similarities between public and private management (Allison 1980; Noordegraaf & Abma 2003; Noordegraaf & Stewart 2000).

<sup>5</sup> Only when it comes to the differences in how they regard the importance of various organizational goals, relevant significance can be seen (business executives place greater emphasis on morale, productivity, stability, efficiency and growth, government executives place more importance on equality, effectiveness, public service and value to community: customer service, leadership and innovativeness are rated similarly important). An interesting point of discussion that is mentioned by the authors, however, is that they do not know whether the differences and similarities are related predominantly to individual differences or organizational differences.

<sup>6</sup> Many authors argue about the 'birthday' of NPM. Pollitt & Bouckaert (2000: 10) refer to *public management* as a term not much used before the 1970's. Most of the literature on (new) public management is dated after 1980 (see Pollitt & Bouckaert 2000, and Hood 1991). Since NPM overlaps the eras of *New Public Administration* (1971-1987), *Reconstruction* (1987-1992) and *Reinvention* (1992-present), as distinguished by Cohen et. al (1998), it seems safe to date the establishment of NPM in the late 1980's (in: Kolthoff et al. 2003).

<sup>7</sup> OECD (2000). Trust in Government. Ethics Measures in OECD Countries, *Canadian Task Force on Public Service Values and Ethics* (2000). A Strong Foundation: Report of the Task Force on Public Service Values and Ethics, *Nolan Committee* (1995). Standards in Public Life, Volume 1. First Report of the committee on standards in public life, *Ministerie van BZK* (2002). Integriteit van bestuurders bij gemeenten en provincies. Een handreiking. (Guidelines Integrity of Governance Dutch Ministry of the Interior 2002).

<sup>8</sup> Code of Conduct Municipality of Amsterdam 2001, General Code European Commission 2000, Governance Agreement Municipality of Antwerp 2003, Annual Report Dutch Tax Department 2002, Code of Conduct Surinam Audit Office 1997.

<sup>9</sup> A number of the 'Nolan values' were used by the Committee of Independent Experts (1999) which reported on fraud, mismanagement and nepotism in the European Commission of the EU in 1999 and in the Queensland *Public Sector Ethics Act*. This Act includes respect for the law and system of government, respect for persons (including acting honestly and responsively), integrity (always favour public interest above personal interest), diligence (and care and attention) and economy and efficiency (Whitton 1999).

<sup>10</sup> It should be noted that this is not a valid comparison according to strict scientific norms, since the set constructed by Vermeulen is drawn from international literature, including the 'Nolan values', and the presented codes are from the U.K. and the Netherlands. The comparison is, however, interesting enough to conduct within the context of this article.

<sup>11</sup> Other bodies of research in which values play a more implicit role, such as research on organizational culture, ethical climate or research where instruments such as the integrity thermometer are used have not been studied in this context.

<sup>12</sup> 'Lawfulness' and 'dedication' are among the 10 most often mentioned values by civil servants and politicians (Van den Heuvel et al. 2002); 'responsiveness' is an important 'should be' value in Lawton's (1998) research. Lawton asked public sector managers to distinguish between 'actually are' and 'should be' important values.

<sup>13</sup> Another interesting idea for future research might be to add a third sector. It is often argued that organizations in the so called civil society, non-governmental organizations or NGO's, possess a distinct value pattern, different from public and private sector organizations. The civil society might even be considered a more or less autonomous third sector (cf. Dubbink 1999; 2003). A growing interest in NGO codes of conduct can be seen among academics and practitioners.

<sup>14</sup> Lawfulness, dedication, responsiveness and serviceability are all present among the *thirty* most relevant public sector values, as distinguished by Vermeulen (2003). Serviceability is also present among the code of conduct values that are shown in table 4.

<sup>15</sup> Both defining and explaining the content and meaning of specific values is complex and arbitrary. This has to do with what philosophers call the nominal nature of values. Values are 'linguistic

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agreements'. That means that their meaning is not derived from the essence of the concept but from its usage (cf. Karssing 2002).

<sup>16</sup> All values present in Table 9 can be characterized as organizational values. There are, however, differences between the interests, aspects, goals and stakeholders to which these values can be attributed. It seems obvious that different aspects are addressed with, for instance, collegiality (internal), social justice (external), lawfulness (legal) and self-fulfilment (individual). Each value applies to different stakeholders (one's colleagues, the general society, the law and the individual). Most stakeholders seem represented in the value set. At this point a further distinction is not made, again for reasons of conciseness and coherence.