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# Leadership Involvement in Preventing the Misuse of the Government Travel Charge Card

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LEADERSHIP INVOLVEMENT IN PREVENTING THE MISUSE  
OF THE GOVERNMENT TRAVEL CHARGE CARD

A Master Thesis

Submitted to the Faculty

of

American Public University

by

Donald Richard Kaipo Bal Jr.

In Partial Fulfillment of the

Requirements for the Degree

of

Masters of Arts

June 2015

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Charles Town, WV

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DEDICATION

I dedicate this thesis to my wife Diane. Without her patience, understanding, and support, the completion of this work and the entire program would not have been possible.

## ACKNOWLEDGMENTS

I wish to thank American Public University for the opportunity and flexibility to complete my degree programs both while serving as an active duty service member and as a federal civil service employee. I would also like to thank Dr. Christi Bartman for guiding and encouraging me to attain my academic goals and especially in completing my Master's Thesis.

I have found my course work throughout the public administration program to be beneficial to my continued service to our country. The concepts learned will facilitate a thorough understanding of managing resources and being a good steward of taxpayer dollars.

## ABSTRACT OF THE THESIS

## LEADERSHIP INVOLVEMENT IN PREVENTING THE MISUSE

## OF THE GOVERNMENT TRAVEL CHARGE CARD

by

Donald Richard Kaipo Bal Jr.

American Public University System, June 28, 2015

Charles Town, West Virginia

Professor Christi Bartman, Thesis Professor

The research paper examines the misuse of the Government Travel Charge Card (GTCC) Program in the military and the lack of leadership involvement in the GTCC process. One area of concern is that military leaders are not taking proactive steps to mitigate the problem. Research of multiple Inspector General Reports from various government agencies were used to determine if leadership involvement was evident. Leadership culpability was analyzed under the context of both leadership and ethical theories. More specifically, the research focused on transformational and transactional leadership theories in addition to utilitarian and deontological theories, which drew a more comprehensive picture of why leaders are not involved in the process and how they could employ these theories to become more proactive leaders in managing the process. The results indicated that proactive leadership would aid in mitigating the issue and that the combination of both leadership theories will enhance the leader's ability to combat GTCC misuse in addition to fostering good ethical conduct within their organizations.

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### **Introduction**

The federal government has implemented various Programs to effectively and efficiently govern its spending processes and management of resources. Among two of the more prominent programs for spending are the Government Purchase Card (GPC) Program and the Government Travel Charge Card (GTCC) Program. Both charge card programs are an integral part of the U.S. Government Services Administration (GSA) SmartPay Program. SmartPay relieves the paperwork and time consuming efforts of all government employees facilitating the means to make small purchases (typically under \$3,000) to support the organization's mission and to pay for travel expenses while traveling on official duty (GSA, 2015). The GPC Program is used to purchase goods, services, and training to ensure the operational effectiveness of government organizations whereas the GTCC Program facilitates the purchasing of air, rental car, lodging, and incidentals while on official travel. Although the GPC has had its procedural issues regarding fraud or misuse, the program has since implemented several layers of security measures to immediately detect its fraudulent use prior to, during, and after the purchase has been made.

Among some of these GPC measures is the stringent request for procurement process, which calls for continuous interaction between the requestor, authorizing official, purchaser, budget management analyst, and the regional contracting office. In direct contrast, the prevention of GTCC misuse continues to create time-consuming auditing processes and an increased need for effective internal procedures to prevent such misuse. Unlike the GPC Program, the detection of GTCC misuse is often addressed after the traveler has returned from an official travel assignment creating a prolonged investigation process if the alleged fraud or misuse has been found to be credible. For the purpose of this research, the term "traveler" is

defined as “any DoD civilian or military member who uses the Defense Travel System (DTS) to create authorizations (orders), vouchers, and/or local vouchers” for official travel (Defense Travel Management Office, 2015b).

Since the inception of the GTCC Program via the Travel and Transportation Reform Act of 1998, advanced information systems and technology have enabled the government to detect the misuse of the GTCC by individual cardholders when traveling on official duty. The detection of GTCC misuse is typically found during Agency Inspector General inspections as mandated by the aforementioned statute or when the traveler returns from official travel and processes travel documents for payment of the individual’s GTCC. However, according to the Treasury Inspector General for Tax Administration (2013), a lenient disciplinary process and insufficient screening procedures for ensuring the responsible use of the GTCC were still evident in organizations today. Additionally, the report found that although policies and control procedures to prevent the misuse of the GTCC were implemented, the administration of control processes was oftentimes neglected by organizational leaders. This finding leads the author to question why leaders are not taking a more proactive approach to preventing GTCC misuse. For the purpose of this research, the term “leader” is defined as a military service member’s first-line supervisor. One of the profound reasons why the problem continues is because the first-line supervisor is not always included in the GTCC Process.

It is important to note that after reviewing multiple IG reports, it appears that the fraudulent use of the GTCC is not exclusively at the lower echelon levels of the military. According to at least four reports published by the DOD IG (2012a, 2012b, 2012c 2013), Senior Executive Service officials and Admiral/General officers have also been found guilty of misusing the GTCC. This data leads the author to believe that if higher level executives are

committing fraud, so will more junior members of the military. However, the audience for this research will be broadly directed toward all levels of the military, as leadership is a common virtue indicative of the military. Hence, the research will show that leaders are culpable for any misuse of the GTCC by their subordinates and at all levels of the military hierarchy but are not directly involved because of the way the GTCC process is framed and because of a lack of proactive leadership. Merriam-Webster (2015) defines the word *culpable* as “deserving blame” or guilty of doing something wrong”(para. 1). If leaders are guilty of anything, they are culpable of doing nothing to prevent GTCC misuse.

This phenomenon brings into question if leaders are taking proactive steps (e.g., training, counseling, mentoring, audits) to ensure the prevention of GTCC fraud by their subordinates, or are they simply relying on regulations, policies, and travel administrators to take care of the problem if one should arise. Further, since the burden of leadership is a vital component of the military, which leadership theory is better suited to assist leaders in influencing the ethical use of the GTCC Program? With over 22 years of leadership experience as a Marine Corps unit leader and manager of various military organizations, the author has observed two different leadership theories typically utilized to influence others in attaining organizational objectives: Transactional Leadership Theory and Transformational Leadership Theory. Upon determining the culpability of leaders in preventing the misuse of the GTCC Program, the author will seek to determine which leadership theory would best assist leaders to more proactively engage in the program and ensure the ethical development of their subordinates.

The research will investigate the culpability of military leaders and civil service supervisors within the military when addressing the misuse of the government travel charge card. Additionally, the paper will seek to substantiate a more proactive leadership approach by

immediate supervisors and unit commanders in preventing the fraudulent use of the GTCC. Although GTCC Agency Program Coordinators (APC) are appointed to manage the GTCC Program within a specific organization, those in leadership positions must take a more proactive approach in reducing GTCC misuse by simply being involved with their subordinates' use of the program and understanding what the process entails.

While federal legislation (e.g., Government Charge Card Abuse Prevention Act of 2012), Department of Defense (DOD) regulations, and policies throughout its subordinate service departments (e.g., Army, Air Force, Navy, Marine Corps) have created a foundation that directs the proper administration and use of the GTCC Program, there are still incidents of misuse as depicted in multiple reports initiated by various department Inspector General (IG) offices throughout the DOD and the federal government. After conducting preliminary research, results indicate that there is a lack of literature regarding the leader's role in preventing the misuse of the GTCC or involvement in the process. Hence, this research will concurrently investigate how leaders can take a proactive approach to preventing fraud and unethical behavior. At a minimum, the research will seek to make the reader aware of the importance of a leader's role in preventing the misuse of government and taxpayer funds. Furthermore, the research will enable the reader to conceptualize the need for proactive leadership not only to prevent GTCC fraud but also to encourage good ethical behavior in the workplace. Finally, the research will seek to prove that proactive leadership will help prevent the misuse of the GTCC Program.

The research questions that will guide this research include the following:

(1) Are leaders taking proactive steps (e.g., training, counseling, mentoring, audits) to ensure the prevention of the fraudulent use of the Government Travel Charge Card (GTCC) by their subordinates or are they simply relying on regulations and policies to address the issue?

(2) Which leadership theory is better suited to assist leaders in influencing the ethical use of the GTCC Program? Transactional or Transformational?

### **Misuse of the GTCC Program**

The misuse of the GTCC Program derives in two forms. First, the obvious notion is that the cardholder is not utilizing the program as drawn out by federal mandates and internal policies. Instead of using the GTCC only for the purchase of travel expenses associated exclusively for the purpose of official travel, some cardholders are found to have been using the card as one would a personal charge card by purchasing items or services such as alcoholic beverages at bars or social clubs or purchasing personal high value articles such as jewelry. Before addressing the emphasis of this research, it is important to articulate what the GTCC Program is and how the process of utilizing the program works.

### **Background of the GTCC Program**

In 1998, Congress approved the Travel and Transportation Reform Act mandating all federal employees to utilize the Government Travel Charge Card (GTCC) for all expenses incurred during their official travel (U.S. Congress, 1998). The statute enabled government agencies to efficiently and effectively monitor the spending of each individual through individual billed accounts (new billing method, GTCC) thus reducing issues regarding the use and tracking of centrally billed accounts (old billing method still utilized by some organizations but more costly). The implementation of the GTCC Program also facilitated better personnel and financial management methodologies that provided transparency of an organization's spending trends and accountability of government fund usage (Palmer, Gupta, & Dawson, 2010).

However, although the GTCC Program facilitated efficiency of travel payments for federal employees and organizations, the misuse of the GTCC by individual cardholders became

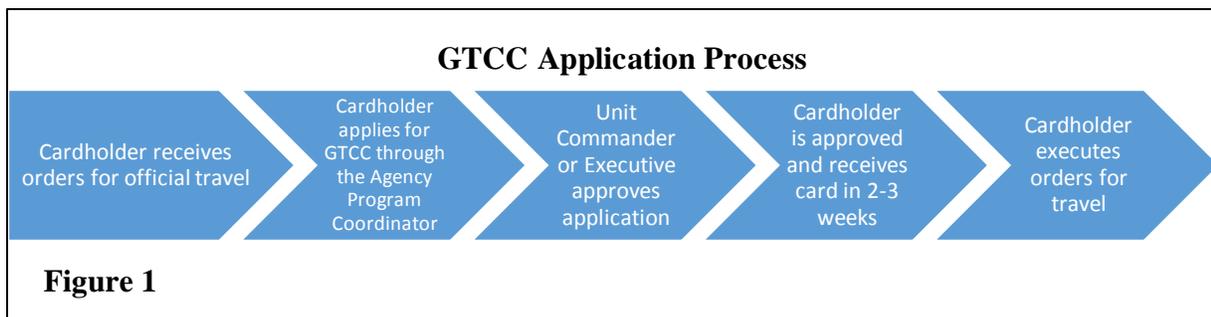
a widespread problem throughout the federal government. This may have been due to a lack of strong internal policies and oversight by program officials. Some examples of fraudulent use include utilizing the GTCC for payments other than for the official travel (travel upgrades, allowing another person to use the card, purchasing items not required for the travel assignment, etc.).

The overwhelming misuse of the GTCC Program promulgated the need for government action. Hence, the Government Charge Card Abuse Prevention Act of 2012 required all government agencies to implement internal policies and procedures to aid in combating GTCC misuse (U.S. Congress, 2012). Yet although organizational policies and internal procedures enabled transparency of the program, it did not prevent individuals from continuing to misuse the GTCC Program. The author contends that the lack of leadership involvement in the military is a major cause for the continued misuse of government travel charge cards and that proactive leadership will help prevent the misuse of the GTCC.

### **How the GTCC Program Works**

It is important to explain how the GTCC Program works and by what means travelers are required to utilize the travel charge card program. In order to pay for travel expenses such as air, car rental, lodging, meals and incidentals, the traveler must also utilize the Defense Travel System (DTS) to coordinate his or her travel. According to the Defense Travel Management Office (2015a), the system “is a fully integrated, automated, end-to-end travel management system” that connects the traveler, commercial travel/lodging/car rental agencies, and the GTCC vendor. Although the internet based travel system was created to assist travelers in planning their official travel, the system requires a subject matter expert to assist travelers in submitting their travel requests for air, car rental, lodging, etc.

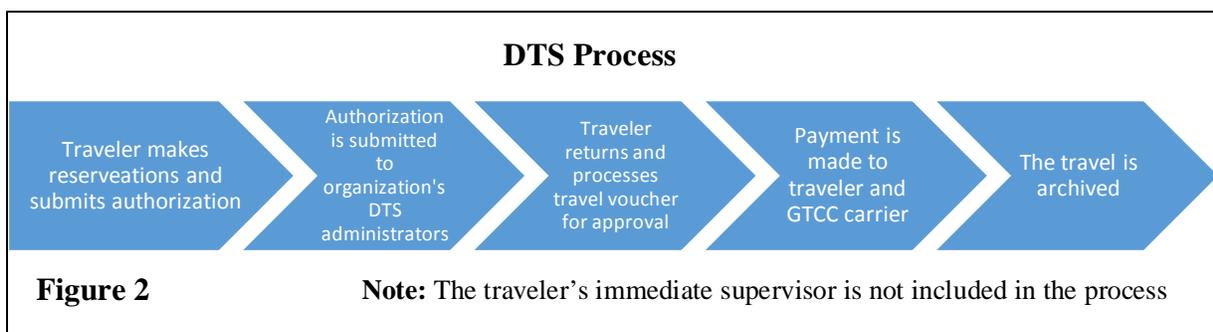
The issuance and approval of the Government Travel Charge Card by individuals is the sole responsibility of the traveler's command appointed manager. This person is typically not the traveler's immediate supervisor but can be easily contacted by the traveler at any time. Once the traveler is authorized to apply for the GTCC, the traveler is then required to enroll in and complete the online Travel Card Program and DTS training. The traveler can then apply for the travel card through the organization's GTCC Agency Program Coordinator (APC), which is often a collateral duty of the organization's finance manager. Figure 1 illustrates the GTCC application process. Take note that the process does not include the cardholder's immediate supervisor.



One key protective measure is that not all travelers are able to obtain a standard GTCC that offers a \$7,500 monthly spending limit. Like with any other commercial credit card application, the applicant is subject to a credit check prior to approval. Those holding a credit score of 660 or above will be able to obtain a standard card. Conversely, applicants with a credit score of 500-659 will receive a restricted card, which can be activated and deactivated by the organization's GTCC APC at any time even while the traveler is on official assignment. This measure enables organizations to better monitor and control the use of the card especially when official travel is not imminent or if fraud is detected.

As previously mentioned, the GTCC is used only for official travel and can be used to purchase airline tickets, rental car, lodging, meals and incidentals. In addition, travel is coordinated through the Defense Travel System (DTS), which is managed by the Department of Defense's Defense Travel Management Office. The travel system enables travelers to coordinate their travel arrangements through an "authorization" process and upon return from the official travel; the traveler is to complete the "voucher" process to finalize payment of the GTCC. Both processes consist of multiple administrators to include an authorizing official (normally the traveler's mid-level supervisor), finance administrator, routing official, and the organization's travel administrator. In effect, the multiple layers of travel system measures enhance an organization's ability to manage its spending and travel practices. One would assume that with so many administrators working within the process, someone would take note if the GTCC is being misused. Still, this is not always the case as the sheer volume of travelers that are utilizing the program can often overwhelm the entire process.

However, the system does little to detect any form of GTCC misuse. If the misuse is detected, it is often after the travel has been completed and the traveler begins the "voucher" process. The "voucher" process is where the travel administrator, finance administrator, and authorizing official would be able to view what was spent on the traveler's GTCC. As a current DTS routing official, the author contends that since the process is safeguarded by the access of other people, leaders often take a laissez-faire approach to a possible issue with his or her subordinate's usage of the GTCC. Figure 2 illustrates the DTS process as explained above.



Though this paper is focused on the culpability of the leader, it is equally important that the author mentions about the responsibility of the cardholder to utilize the GTCC Program appropriately. The responsibility for paying the GTCC is ultimately owned by the traveler. Hence, the traveler must ensure that the DTS voucher is created within five working days after the travel and that the process is continuously monitored to avoid being delinquent on the payment of the card to the commercial card carrier (e.g., Citibank, U.S. Bank, etc.).

### **Literature Review**

#### **Leadership Involvement**

Although there is evidence of literature on GTCC misuse by various inspector general reports, news media, and the organization responsible for administering the GTCC Program, there is no evidential literature that correlates leadership involvement with the prevention of GTCC misuse. Military leaders (including those in the civil service) are culpable of everything their subordinates do or fail to do. Conversely, leaders have the ability to influence sound ethical behavior when utilizing the GTCC. According to Vance and Harris (2011), organizational leaders have the ability to create a culture of positive ethical conduct. Yet the exchange between leaders and subordinates in ensuring compliance of GTCC internal measures served more as a warning than a tool for good behavior and guide for compliance. However, since the military culture is built on obedience of orders, policies, and regulations, it is important to include military leaders in the GTCC Program process to ensure subordinates are complying with applicable policies and procedures. Hence, leaders must be continuously engaged with employees to ensure compliance and to deter employees from GTCC misuse.

Leadership involvement also includes the leader's ability to engage employees in a way that will stimulate and improve work processes and results (Serrano & Reichard, 2011). Leading

by one's example is a common methodology used by military leaders since they (the leaders) are continuously under observation by subordinates and superiors alike. Another effective way to engage employees is through mentorship and counseling which is critical to enhancing the performance of subordinates and the organization. However, leadership must often utilize certain philosophies of leadership that will not only improve the organization's performance levels but also enable its employees to make sound decisions during good and bad times. As mentioned in the author's thesis proposal, there are two leadership theories that closely correlate to those typically utilized in the military: Transactional and Transformational.

### **Transactional and Transformational Leadership**

In reference to the GTCC problem, transactional leadership appears to have been more prevalent in the military as the implementation of legislation, policies, and procedures deterring the misuse of the GTCC were realized. However, as with any large-scale organizational change, transformational leadership is typically utilized to encourage favorable behavior in the implementation phase or during times of organizational hardship. However, in various situations, one leadership style will typically prevail over the other. This endeavor is normally determined by the person placed in the leadership position. In this particular case, which leadership theory is better suited to assist leaders in influencing the ethical use of the GTCC Program? Transactional or Transformational?

One of the leading contributors of literature regarding transactional and transformational leadership is Bernard Bass. Each subsequent literature encapsulates the work of Bernard Bass as he reveals the dynamic interconnected relationship between leaders and employee or follower behavior. In Bass's (1990) literature, he describes distinct differences in both leadership theories. In transactional leadership, Bass (1990) contends that the leader relies on the exchange

of rewards for good behavior and takes a management role while intervening only if the status quo is not being met. In contrast, Bass (1990) describes the transformational leader as one who inspires through effective (positive) communication, promotes innovation, and mentors subordinates. In his 1997 literature, Bass elevates the transactional-transformational leadership paradigm by informing the reader about the destructive use of transactional leadership and its negative connotations regarding its effects on employee behavior. The author asserts that if a transactional style of leadership is the primary or constant means of leadership, the employee's actions will be consistently less than mediocre (Bass, 1997). This paradigm may be one reason why employees make irrational decisions such as misusing the GTCC Program. On the contrary, the use or co-use of the transformational leadership method will enable the employee to set aside self-interests to attain organizational objectives (Bass, 1997).

Bass, Avolio, Jung, and Berson (2003) add significant data to this research as they hypothesize the effectiveness of both transactional and transformational forms of leadership found between a military platoon sergeant (enlisted) and platoon commander (officer) and how their use of one or both forms of leadership would impact the performance and cohesion of their platoon. The research showed that both transactional and transformational forms of leadership did have positive effects on the cohesion and performance of the platoon. Additionally, the research indicated a correlation between the employment of transformational leadership with a cohesively stronger and higher performing unit. Conversely, passive-avoidant leadership (a dimension of transactional leadership regarding avoidance of action until something negative happens) was found to have a strong negative effect on unit cohesion (Bass, et al., 2003).

Judge and Piccolo (2004) analyze the validity of transactional and transformational leadership theories by means of comparing previous contributions made by other leadership

scholars (e.g., Burns 1978, Bass 1985). The authors assert that both leadership theories were found to be the most relevant and utilized forms of leadership in the public, private, and academic communities (Judge and Piccolo, 2004). Furthermore, Judge and Piccolo (2004) did associate the effectiveness of transactional leadership (or contingent reward) with organizations that had greater access to reward based resources.

In reference to the military and this research, the resources to reward cardholders for good behavior are available but not transparently utilized because of the organizational norm that each person is expected to abide by policies and regulations. However, another military norm implies that if you do comply with applicable policies and regulations, your probability of being promoted to the next higher position or rank is higher. These examples will be explored further in the research as the comparison of both leadership theories does have its implications for use in the military.

Groves and Larocca (2011) debate the effectiveness of transactional and transformational leadership on follower behavior. More specifically, the authors attempted to link the ethical value of the leader to the behavior of subordinates. The literature demonstrates an equal attention to the perception of the leader when employing transformational and transactional leadership methods to influence subordinates. This is especially revealing, as a leader's successes and failures are oftentimes indicative of his or her subordinates' ability to follow orders especially in the military. Graham, Ziegert, and Capitano (2015) highlight transformational and transactional leadership in the context of framing messages and ethically influencing employees' behavior. Their study is guided by Levin, Schneider, and Gaeth's (1998) literature on the influence of goal framing and its positive and negative effects from the message being conveyed. According to Graham et al. (2015), when organizations are faced with loss

conditions (e.g., loss of capital or customers) employees are typically drawn toward transformational leadership for guidance and support. Conversely, when faced with gain conditions (anything positive), both transactional and transformational leadership followers had no significant difference in behavior (Graham et al., 2015).

The author's military experience has led to the assumption that the latter condition is typically the norm, which the author considers to be one reason why complacency can be a contributing factor in loose or relaxed standards. This paradigm often leads to issues such as GTCC misuse and other unethical behavior. Further, Serrano and Reichard (2011) assert that leaders can enable employees to be more engaged and attentive by coaching and providing them with feedback on both accomplishments and areas needing improvement. This interaction process is often an opportune time to ensure a common understanding of job expectations and responsibilities (as found in transactional leadership theory: contingent reward) important to the well-being of the organization.

In correlation to the misuse of the GTCC, the author will utilize the previously reviewed literature and additional literature and reports to substantiate the effects of ethical behavior when cardholders are exposed to both transactional (management type) leaders and transformational (charismatic) leaders in various situations. This in effect will determine if one leadership theory is better suited for the prevention of GTCC misuse than the other, or if a combination of both are effective.

It is important to note that the author continues his research on answering the first research question (if leaders are taking proactive steps to prevent GTCC misuse). In referring to current GTCC misuse data, it appears that the answer to the question is obvious. However, it is

important to the research that the question be analyzed in order to substantiate that proactive leadership is vital to mitigating GTCC misuse and unethical conduct.

### **Ethics and Moral Dilemmas**

The misuse of the GTCC has two distinct variables that are notably integral to this research: Ethics and Morals. The military is bounded by rules and regulations to ensure the ethical use of resources paid by taxpayers and other government funding initiatives. However, the rules and regulations that are implemented to prevent misconduct have often overshadowed the need for moral awareness (e.g., education, training, practice) in the workplace (Sekerka, Bagozzi, and Charnigo, 2009). Sekerka, et al. (2009) assert that the daily practice of moral courage by managers in the workplace is vital to cultivating an organization that can appropriately address ethical challenges. Ethical challenges are prevalent in any workplace. In addition to leading subordinates in attaining organizational objectives, leaders in the military are also responsible for ensuring that they exude the persona of a leader of high moral and ethical values. Additionally, the practice of sound ethical and moral values by leaders and participation of employees to combat unethical conduct can lead to an organization that fosters good ethical decisions (Bradley, 2014).

Hannah, Avolio, and Walumbwa (2011) add that the ethical behavior, which is influenced by a leader's moral courage, will incrementally enable others to make sound ethical decisions. In the case of preventing GTCC misuse, the author contends that leaders who practice moral courage and abide by the rules of ethics on a continuous basis will be more effective in taking more proactive steps in the prevention process both intentionally and by their example.

The correlation between leadership and ethical theories is essential to this research. In Turner, Barling, Epitropaki, Butcher, and Milner's (2002) literature, they attempt to connect a

leader's moral reasoning with both transactional and transformational leadership styles. In their research, the authors found that leaders with higher levels of moral reasoning had a stronger connection to transformational leadership behaviors. This and the previously discussed literature on ethics and morals (Sekerka, et al., 2009, Hannah, et al., 2011) appear to make a strong case for further research into questioning why leaders are not taking proactive measures (outside of current policies and procedures) to mitigate GTCC misuse. One answer might conclude that not all leaders, or at least people placed in positions of influence, are intrinsically moral or ethical. Furthermore, according to Levine and Boaks (2014), a good leader may appear morally or ethically competent by followers but appears to be effective because of the leader's desire to fulfill his or her own needs. In effect, the leader may be "playing the game" of a good ethical leader when it suits him or her in a particular situation.

### **Utilitarianism and Deontological Theories of Ethics**

Since ethical theory appears to be at the forefront of GTCC misuse and in line with the lack of leadership involvement, the research requires a review of the two most commonly correlated theories with leadership: Utilitarianism and Deontology. Conway and Gawronski (2013) define utilitarianism as the moral action made for the "well-being of a greater number of people" and deontology as "the morality of an action" based on the "intrinsic nature of the action" (p. 216). In an all-volunteer military force, the U.S. military is a prime example of a small group that acts for the greater good of an entire nation and does very well at carrying that burden. Within the military (and private sector), each individual is challenged to ethically and morally make decisions for the greater good of its organization. Within the context of deontology, a decision such as utilizing the GTCC in an unethical manner is wrong regardless of the situation. The author finds this paradigm fitting for this research as leaders take a more

pronounced role in ensuring utilitarian and deontological views are realized by their subordinates and throughout their organizations.

Ladkin (2006) connects leadership and the decision-making process with both utilitarianism and deontological views. The literature reveals a philosophical view in determining the best course of action when faced with problems regarding ethical conduct or moral dilemmas. Therefore, although the literature does not focus on the wrongdoings of the subordinate, it facilitates a better understanding of how to rationalize the situation from the purview of both ethical theories to determine the best course of action.

### **Theoretical Framework, Design, and Methodology**

#### **Theoretical Framework**

Literature on the history of the GTCC Program and the evolution of its fraud detection processes is evident. For example, Gupta and Palmer (2008) present an informative depiction of the failures and successes of the GTCC and other charge card purchasing programs (e.g., Government Purchase Card) since the initiative began. The Defense Travel Management Office (DTMO) is the primary agency responsible for the development of policies and distribution of the GTCC. The DTMO also provides valuable information in identifying misuse trends and other pertinent data to be analyzed.

As mentioned in the introduction, there is little evidence on literature regarding the culpability of military leaders in preventing the misuse of the Government Travel Charge Card. The absence of literature connecting GTCC misuse and engaged leadership will facilitate a conceptual framework, which will include leadership and ethics variables that could prove that leaders must be involved in the GTCC process to help reduce its misuse. Some of the variables such as leadership perception or personal endeavors can potentially lead the research astray

hence the decision to focus on the two most prominent leadership theories previously mentioned. Ethics is another gap that will be explored as it is closely correlated with leadership in various literature (Hannah, Avolio, & Walumbwa, 2011; Jennings, & Hannah, 2011; Ladkin, 2006).

The author will rely on a multidisciplinary literature review of leadership theories (transactional and transformational) and ethical theories (utilitarianism and deontological) to help ascertain the culpability of military and civil service leaders in the GTCC process and how leaders can go about leading subordinates into making ethical decisions. The multidisciplinary literature review will enable the author to methodically address the hypotheses of this research and answer research questions.

### **Assumptions**

In this research, there are several assumptions about the importance of leadership that will prevent the misuse of individual GTCC purchases. The first assumption is that the “leader” utilizes either a transactional or transformational as a primary leadership style to lead subordinates and attain organizational objectives. Graham, Ziegert, and Capitano (2015) provide insight into the validity of both transactional and transformational leadership theories in preventing unethical behavior, and will assist in validating leadership and ethical theories in relation to the research problem.

The second assumption is that there is very little (if any) literature that connects the leader’s role in preventing GTCC misuse, as the auditing process does not include the cardholder’s leader. Therefore, after determining the leadership’s culpability in the GTCC process, the research will need to substantiate the importance of a leader’s role from the cardholder’s application process through the final stages of the travel and auditing process. As mentioned previously, advanced technology has provided regulators with the ability to

electronically detect the misuse of the GTCC through the process of data mining for example. The online training required to apply for the GTCC provides the cardholder with the “do’s and don’ts” of the GTCC Program however, there is no requirement for the cardholder’s leadership to counsel or ensure the cardholder is utilizing the GTCC in accordance with applicable regulations and policies. Therefore, the author will seek to determine the most effective leadership method to assist the leader in being more proactive in the process and ensure compliance of the GTCC Program. The following hypotheses will be used to lead the length of this research:

**Hypothesis 1:** The lack of leadership involvement in the military is a major cause for the continued unethical use of the government travel charge card.

The culpability of military leaders is tested daily, whether conducting combat operations or leading subordinates aboard their home base. The Government Travel Charge Card Program has evolved, facilitating efficiency in the payment of official travel for federal and military employees. Yet although policies and procedures are implemented, the misuse of the GTCC is still prevalent. The author argues that the major cause of the continued unethical use of the GTCC is the lack of leadership involvement in the process.

**Hypothesis 2:** Proactive leadership will help prevent GTCC misuse.

In order to ensure compliance of regulations, policies, and procedures in the military, leaders must be involved in every aspect of their subordinate’s ethical decision-making process and moral compass. To accomplish this responsibility, leaders must take a proactive approach to influence ethical behavior and assist in preventing GTCC misuse.

### **Design and Methodology**

The research will utilize the qualitative research methodology to answer all research questions. Since there is sufficient information and literature to answer research questions and meet the goal of the research, the author has determined that there is no requirement for questionnaires or interviews. The project will therefore rely on data collected through federal agency IG reports and reports generated by the General Services Administration (GSA) and Government Accountability Office (GAO) to determine the culpability of leaders in preventing the misuse of the GTCC.

Additionally, literature validating leadership and ethical theories will seek to define a correlation between the GTCC misuse phenomenon and the leader's role in preventing unethical behavior. An analysis of both transactional leadership and transformational leadership will be conducted to provide the most viable theory to assist leaders in enabling the ethical use of the GTCC. The study will also be supplemented with leadership correlation to both utilitarian and deontological theories of ethics. Although the leader-member exchange theory will be mentioned in the study, it is only used as an illustration to reinforce the leader's role in the GTCC process and the interaction between the leader and subordinate. Therefore it is not a fundamental factor within the conceptual framework of the research but is important to the context of the study.

A literature review will also be conducted on the problems associated with ethical and moral decision-making processes. The author will seek to determine patterns in the research that will validate the hypotheses and ultimately answer the research questions. Figure 3 on the following page depicts an illustration of how the research will be conceptualized, and will be used a guide for the research.

### **Limitations and Biases**

Due to the methodology utilized to collect and analyze data, the research will be somewhat limited to searching for a better understanding of the culpability of leadership in the context of GTCC misuse. However, by researching the correlation of ethical theories in the context of GTCC misuse, the author will gain a better insight into why leaders are not taking a more proactive approach to preventing GTCC misuse. Is it because the leader is not a part of the GTCC or DTS process or that the leader lacks the initiative to investigate how his or her subordinate is utilizing this important resource?

Another limitation is the lack of literature connecting leadership involvement and GTCC misuse. The data collected through various Inspector General Reports are limited to the actions of the cardholder and actions taken by the government. Therefore, this implication will at least make the reader aware of the need for leadership involvement in the GTCC process.

As mentioned previously, the author has more than two decades of leadership experience and has instructed junior level Marines on leadership and mentoring in the military. Therefore, the author's bias toward one leadership theory over another may prevent a more objective analysis of what type of leadership is more effective with regard to the research problem. However, as the research continues, the author will remain open-minded and focused on the research goals while informing the respective audience. At the end of the research, the author seeks to add-on or initiate further research on leadership and its impact on unethical behavior.

### Conceptual Framework and Design



**Figure 3**

### Descriptive Study

#### Determining the Culpability of Leaders in the GTCC Process

In the military, leaders are culpable for an insurmountable volume of responsibilities regarding their subordinates and the organization's operational processes. In addition, military leaders are charged with ensuring regulations and policies are upheld with the highest degree of professionalism. The burden of responsibilities as a leader therefore includes fostering an environment that does not tolerate unethical conduct or noncompliance of regulations and

policies. This behavior is counterproductive and deters the leader from ensuring both employees and the organization remain militarily expeditionary (worldwide deployable) and technically competent to safeguard national interests both domestically and internationally. Dunnaback (2014) powerfully illustrates how the burden of command and the authority that comes with the responsibility of the welfare and lives of other service members can be an immense and overwhelming endeavor. Hence, leaders are culpable of all manner of things within their scope of responsibilities no matter how minute. This includes safeguarding taxpayer dollars.

Much like the responsibility of government regulators that ensures compliance of national level policies, military leaders must also regulate the use of regulated resources within their organizations. These actions include being good stewards of taxpayer dollars by educating, training, and supervising how the organization utilizes government resources and programs. Yet leading one into making rational and ethical decisions regarding the use of the GTCC for official travel can often become an added task thus forcing the leader to cast aside this responsibility (GTCC process) especially when it is known that the leader is not administratively linked to the GTCC process. This supposition is a fallacy because inevitably when a subordinate is found to have allegedly misused the GTCC, the leader will ultimately be required to investigate the situation and answer to his or her subordinate's mistake.

However, as previously mentioned, it is often at the end of the official travel that GTCC misuse issues arise. This situation then removes the leader from his or her operational duties to investigate why and how the subordinate consummated the alleged fraud. The author contends that with proper involvement and supervision, the leader can prevent this added burden from occurring. This process of reactive leadership is often time consuming and deters the leader

from focusing on the effectiveness and efficiency of the organization and the development of other service members.

Military leaders are responsible for their subordinates both on and off duty, regardless of the circumstances (Dunnaback, 2014). This burden of leadership enables leaders to maintain command and control, and ensure that if things go wrong (within the organization); answers to higher authorities are received swiftly and accurately. Therefore, the accountability of leaders to proactively become a part of the GTCC process is vital to preventing its misuse.

Much of the military culture is nurtured by shared beliefs and understanding of social norms within the context of the military system and more specifically, within each individual service department (Army, Navy, Air Force, Marines). By understanding the cultural norms of the military, one can comprehend the culpability of the leader in steering subordinates into making ethical decisions. Yet although each military service may have its subtle differences in how its culture guides its member's actions (both military and civil service), the leader is always the guiding force in those decisions. Culpability therefore is necessary to ensure "cultural attributes are transmitted from one individual to another" to maintain the effectiveness and efficiency of the organization (Terriff, 2006, p. 218).

As we explore the leader's culpability in preventing GTCC misuse, we must not repudiate the need to discuss the leader's responsibility to foster ethical behavior in the workplace. Since the wars in Iraq and Afghanistan, service leaders (e.g., top General Officers, Admirals, Service Secretaries) have encouraged unit leaders to standardize ethics training to ensure the entire military force and its international counterparts are operating in a manner that "an ordinary civilian might consider morally good" (Robinson, 2007, p. 24). However, one common implication in dealing with ethics and one's moral obligations in a combat environment

is that leaders are often dissuaded by variables such as the “fog of war” in addition to the intensity and life altering circumstances that war inflicts on the service members. This reality is especially evident during pre-deployment preparation where traveling to various training venues is necessary for the overall development of the service member prior to combat. Hence, the use of the GTCC Program during this phase of the service member’s training is constant and must be monitored to prevent any delays in preparation for the combat deployment.

Yet even while serving in a garrison environment away from the burdens of war, some leaders struggle to address the most simple of administrative responsibilities. To address the ethical use of programs (such as the GTCC Program) leaders must encourage the ethics dialogue throughout the organization and on a continuous basis. Much like the need for service members to be physically fit to tackle the burdens of combat, so must they be mentally equipped to address the rules of ethics.

### **The Utilitarian and Deontological Connection**

The military culture defines itself and its successes through the actions of teamwork. Consequently, there is no room for egoism since each action the individual service member creates as a cultural norm and as an individual person is for the benefit of the entire unit. The utilitarian theory holds that the decision made by an individual or group is one that favors the entire population or majority of the population (Ünal, Warren, & Chen, 2012). In reference to the GTCC Program, when the individual cardholder commits to the misuse of the GTCC, he or she is staining the reputation of the organization and of themselves. Leaders are therefore culpable if their subordinates decide to take this path. The actions that are contrary to good order and discipline can often set back the progress that the organization has accomplished especially

when preparing for operations abroad. This action is equivocally counter to the utilitarian theory in that there is no greater good nor does it provide the greater population with any benefit.

Conversely, the deontological theory focuses on the action that a person takes in a given situation. In regard to the misuse of the GTCC Program, the cardholder misusing the GTCC could be scrutinized for his or her actions. However, what about the inaction of the leader in preventing GTCC misuse? Could the leader's inability or not wanting to be a part of the process be found or thought of as morally or ethically unacceptable? Could this action be construed as turning a blind eye towards one's leadership responsibilities?

According to Aronson (2001), effective leaders are viewed as those who are both competent and ethical. They are competent because "one of many" have separated themselves by being technically proficient in their fields in addition to their ability to lead others in attaining organizational objectives. Yet ethically, the leader should be one that encourages and practices both utilitarianism and deontological views for the betterment of the entire organization and in leading others into making sound decisions. Hence, the code of ethics (more profoundly associated with deontology) obligates the leader to do the right thing, that is, accept the culpability of his or her position as a leader and as a professional (Constantin, 2014).

### **Preventing GTCC Misuse**

As mentioned earlier, GTCC misuse is a widespread issue that is acted upon by both senior and junior members of the Department of Defense. Examples were provided illustrating how high level executives (e.g., General Officers, Senior Executive Service employees) were utilizing the GTCC cards for purchases outside the limits of what the card was intended. However, an even larger issue stems from the misuse at the lower ranks due to the larger

population. These issues often go unnoticed as each organization implements its own internal policies to manage their respective programs and take care of their own personnel issues.

According to a publically released report by the Government Accountability Office (2003), the bulk population of fraud against the GTCC in the Navy (which includes the Marine Corps) was “lower-paid, low to midlevel military personnel (p. 2). The GAO report found that among some examples of GTCC misuse include purchasing of jewelry, gambling, concert and sporting event tickets, and purchases made at Gentlemen’s Clubs and brothels (GAO, 2003). In addition to fraud cases within the Navy (which includes the Marine Corps), the Army and Air Force had similar issues regarding its vulnerabilities of internal procedures to prevent GTCC misuse.

Even as the watchdog for the U.S. Congress, the GAO has also found the need to strengthen its own procedures for detecting and preventing GTCC misuse and delinquency of payments. According to its own investigation, the GAO found that among some of the changes to deter GTCC misuse and delinquencies were changes to spending limits and ATM cash advances, developing policies and procedures to address delinquencies of payment, and implementation of “additional controls and best practices to help reduce travel card risk” to assist in managing the control of the GTCC Program (GAO, 2010, p. 2). Although reports suggest that the problem of dealing with GTCC misuse can be minimized by implementing sound policies and procedures or internal controls, the process cannot be truly effective without the involvement of organizational leaders.

### **Accepting A Leader’s Culpability**

When a service member is promoted to the next higher rank and billet the supposed leader, by virtue of increased rank and billet, also accepts the culpability of their subordinates

and the inefficiency of the organization he or she represents. As in any organization whether in the private or public sector, there are good and bad leaders. According to Allio (2007), the good leader will find ways to improve their organizations and inspire their followers in doing the right things. This assertion includes taking responsibility for things done incorrectly or unethically by their followers and especially actions to correct their own deficiencies.

Over prolonged periods of time, leaders can also become so complacent that little things such as knowing how their subordinates are utilizing government resources (e.g., GTCC, Govt. Purchase Card) or managing their financial responsibilities can often be unnoticed until an issue has arisen. Official travel is an activity that is constant in the military. Hence, leaders should accept that if someone has shown not to be responsible while within the scope of the leader's immediate supervision, they will most likely expose the same behaviors while on official duty away from one's leadership. For this reason it is even more important that leaders take a more proactive role in encouraging ethical behavior by supervising every aspect of their subordinate's travel activities.

According to Derr (2012), ethical leadership is important to an organization and especially the leader because it guides employees' behavior and encourages their actions. In addition, ethical leadership requires the leader to lead by his or her example. Hence, if a leader commits any action that could be perceived by the follower as being unethical, the follower will then be more susceptible to committing unethical acts such as misusing the GTCC Program.

Acceptance of leadership culpability is therefore integral to the prevention of GTCC misuse. This is not to say that some leaders are not making themselves liable for the actions of their subordinates or conscious of their own actions or deficiencies as a leader. As mentioned earlier in the paper, military leaders will often utilize either a transactional or transformational

form of leadership as a prescriptive norm in most military subcultures. Transactional leadership is most commonly observed and appears fitting for the military. This is because of the stringent nature of what the military is responsible for, that is, supporting and defending the constitution of the United States against all enemies, foreign and domestic. However, the use of transformational leadership especially when implementing change management strategies or particularly when leading service members into combat operations is helpful in inspiring others to put the organization's purpose ahead of one's own needs.

### **Finding the Best Suited Leadership Theory in Preventing GTCC Misuse**

#### **Transactional Leadership**

One assumption as to why some leaders are not proactively engaged in the GTCC process is because of the type of leadership method that the leader employs and how they utilize either the transactional or transformational theories to accomplish personal, professional, and organizational needs. The use of transactional leadership is prevalent in the military as the relationship between the leader and the led are contingent on the exchange of agreed upon employment transactions (Judge & Piccolo, 2004). The three dimensions of transactional leadership (contingent reward, management by exception-active, management by exception-passive) is a fundamental aspect of how leaders determine the usage of transactional leadership and how far they will accept their responsibilities when utilizing this form of leadership.

As mentioned earlier in the paper, service members are expected to comply with regulations and policies and are also held accountable by the Uniform Code of Military Justice (UCMJ). That being said, the contingent reward dimension is not necessarily impactful on subordinates because they are expected to abide by the regulations and policies governing the GTCC Program. The reward given to the subordinate is not necessarily a monetary or award

citation but more of an increase in responsibility and autonomy. For those that perform above that of their peers, they are normally recognized through the receipt of a military award.

As a condition of negative impacts on the subordinate, military leaders are often quick to reprimand a subordinate when it is found that he or she has broken a regulation, policy, or any predetermined agreement. This side of the contingent leadership continuum can often create turmoil between the leader and subordinate if the leader is passive in his or her management style of leadership. The subsequent dimensions can roughly explain some of the reasons why (some) leaders often have no interest in being involved with the GTCC process.

According to Howell and Avolio (1993), *management by exception* is a transactional dimension that leaders determine when (or if) they will intervene with the actions (or inactions) of their subordinates. When enacting the active form of *management by exception* the leader takes a more proactive approach into the actions of the follower (Howell & Avolio, 1993). That is, the leader analyzes any potential (future) problems regarding his or her subordinate before an issue reveals itself. In essence, this would be the more practical and favorable form of leading subordinates when employing the transactional form of leadership because it proves that the leader is engaged and in touch with how subordinates are performing and enables the leader to identify gaps in the overall performance of his or her organization. Bass et al., (2003) further this assertion by adding that when actively employed, transactional leadership positively influenced the cohesion of the group being led just as favorably as a transformational leader. This notion is based on the follower's acceptance and trust of the leader's actions and example.

In the military, if an issue arises and the leader has no answer as to why or how the issue (regarding their subordinate) took place, it is often implied that the leader did not properly mentor, counsel, or supervise the subordinate into making an otherwise better decision. It is also

an indicator that the leader is passively waiting for something bad to happen before taking action. This example appears fitting within the parameters of a passive form of *management by exception*.

According to Judge and Piccolo (2004), passive leaders often wait until after the subordinate has already created a problem before taking the appropriate course of action. This form of reactive leadership appears to be a significant problem as to why the GTCC misuse issue continues. In fact, this type of leadership could almost be mistaken as *laissez-faire leadership* with the only difference being that in the passive form of *management by exception*; there is actually evidence of some form of action taken place (Skogstad, Einarsen, Torsheim, Aasland, & Hetland, 2007). This is not to say that transactional leadership in a passive form must be dissuaded. In certain situations where the leader has no immediate control over the follower, it is oftentimes the only course of action for the given situation.

Transactional leadership theory suggests that both the leader and follower mutually agree upon the parameters of their working relationship and is weighted heavily on mutual trust. In Bass, et al. (2003), their research substantiated that both transformational and transactional forms of leadership were effective in enabling group cohesion and enhanced performance under various conditions. The transactional agreement is commonly contingent upon the expected performance of the subordinate and his or her ability to abide by rules and regulations in addition to accomplishing daily tasks in addition to performing the rigors of military life. More importantly, the leader is also obligated to the subordinate in ensuring that the agreed upon parameters of their working relationship is obliged when the subordinate meets the expected standards. However, the reward for meeting the standard of work if one has accomplished what the expected norm required does not necessarily provide the subordinate with an actual reward per se, but does

provide an increased level of autonomy and wiggle room should a minor issue does occur. In any working relationship, there will always be a certain level of compromise that both parties will be obligated to especially when it comes to ensuring the success of the organization. In the context of preventing GTCC misuse, both the leader and the led must be able to interact throughout the process to ensure there is an ethically common understanding of the proper usage of the GTCC Program. Moreover, the leader can use this opportunity to discuss the GTCC and DTS processes to include negative implications regarding fraud or misuse. Therefore, if the transactional form of leadership is employed when the leader is actively engaged in the process, the passive form of management by exception should be avoided.

### **Transformational Leadership**

All military leaders are selected to positions of organizational influence because of the trust and confidence that the commander or executive has in the selected person to carry out the applicable leadership and management duties. Transformational leaders are especially effective during times of hardship and specifically when managing change within or throughout the organization. The military is certainly an entity riddled with organizational, technological, and technical changes as the federal government faces new challenges worldwide.

For example, since the beginning of combat operations in Iraq, Afghanistan, and contingencies around the world post-9/11, unit leaders have been increasingly aware of the need to inspire others to place their lives in harm's way for a cause greater than themselves. The sacrifices that the men and women of the armed forces (and their families) have made and the successes that they have displayed could not have happened without the work of transformational leaders. According to Tonkin (2013), transformational leaders are often seen as those who inspire and influence others in making ethical and moral decisions when the leader is

authentic in the message that he or she is conveying. If the leader has an agenda other than inspiring others to improve themselves and the organization, transformational leadership will not be as impactful. However, when the leader authentically empowers and encourages the follower to make sound and ethical decisions, issues such as GTCC misuse can be mitigated. According to Eagly, Johannesen-Schmidt, and van Engen (2003), actions such as these will also enable employees “to contribute more capably to their organization” thus minimizing unethical behavior and improving the cohesion of the group.

### **Enhancing Proactive Leadership**

Since immediate supervisors are repeatedly left out of the GTCC process, they are often cut out of the communication chain unless there is an alleged act of fraud detected or found regarding the supervisor’s subordinate. As mentioned previously, this form of leadership is often reactive and contrary to what the military culture expects. This paper previously mentioned another form of leadership, (*laissez-faire* leadership) that is counter-intuitive to the mission of the military. However, if no action is taken in pursuit of preventing GTCC misuse, one could perceive that currently, most military leaders are accepting the most passive form of leadership.

People in positions of influence are often diverged by either a task-oriented or people-oriented category of leadership (Schminke, Wells, Peyrefitte, & Sehora, 2002). Military leaders must be able to converge both leadership categories to ensure operational success since their task or mission cannot be successful without the full involvement of the organization’s people. Hence, the proactive leader in any sense of the term will be able to orient his or her focus of effort on both entities. The GTCC process is not complicated nor is it a process that is utilized on a continuous basis by most service members. As a matter of fact, those in more senior positions have been found to utilize the GTCC more often as their jobs require them to travel

more in order to accomplish their higher-level responsibilities as seen with business consultants or senior advisors. However, as this paper has already articulated, even senior executives have been accused of misusing the GTCC Program.

One important factor in enhancing proactive leadership is the development of current and future leaders. The military has gone through great lengths to educate and train its service members to become future leaders within their field of expertise and in leading others as they move up the military ranks. This includes training leaders to adapt to the uncertainties of future dilemmas especially regarding the ethical and moral conduct of themselves and of their subordinates (Bass, et al., 2003). For example senior enlisted leaders have created specific academies to develop the leadership competences of its military personnel. Although the focus of leadership revolves around the rigors of leading others in a combat environment, curriculum developers have recently implemented a training segment specifically focused on ethical and moral values. These teachings have also been implemented at the lower ranks as senior military leaders are finding that there is an urgent need to discuss ethics and moral values especially in combating societal issues such as sexual assault, suicide, and substance abuse.

The ethical development of the service member is helpful in that it also facilitates dialogue regarding the ethical use of government resources. Prior to this new educational development, antecedent understanding of ethics and moral values were absent from any form of interaction between the leader and the led. This antecedent behavior is one key cause for the decision for some to misuse the GTCC Program. However, as future leaders are increasingly being made aware that understanding the impact of ethics is integral to the success of their professional development and for the success of their organizations, they will be better prepared to take proactive measures to promote good ethical behavior.

Leadership is a common virtue in the military. For the Marine Corps, it is the staple of good order and discipline. Everyone is a leader in some way, shape or form and all are measured by their potential to lead others as their military careers enhance. Hence, their ability to influence others in making sound ethical decisions is vital to ensuring that the use of government resources are properly monitored. In Schminke, et al's. (2002) literature, they test the hypothesis that active leaders create group cohesion and also encourage ethical conformity in groups. This supposition is encouraging because it proves that proactive leaders, especially those involved with the GTCC process, will inevitably be more impactful in encouraging good ethical decision making in the military. The cohesive group that encourages good ethical conduct should also inspire proactive leadership from discouraging other counteractive leadership methods such as passive-management by exception and laissez-faire leadership.

In helping mitigate the misuse of the GTCC Program, proactive leadership must ensure that proper educational and training measures (to include mentoring and counseling subordinates) in the appropriate use of government resources are realized. By communicating this important subject, leaders will add to the broader spectrum of why the military is pushing for education in ethics and moral conduct (e.g., prevention of sexual assault and substance abuse). As the ethics discussion becomes the norm, this will increasingly trigger a positive response when a traveler is contemplating the misuse of the GTCC.

### **Importance of the Leader's Role**

Military leaders take on various roles in their responsibilities within their respective organizations. In fact, military leaders are not only responsible for ensuring that each member in their organization or unit is technically competent in their duties but leaders are also responsible for the overall welfare of each person and their families. The cohesiveness of a military unit is

therefore structured like a family where the family leader (or parent) is ultimately culpable for everything concerning its members. However, balancing the leader's role can often become overwhelming if the leader is not effectively prepared to harness those responsibilities.

Both transformational and transactional leaders are susceptible to the burden of balancing their leadership roles. The transformational leader will seek to help others visualize and plan for the successes of the organization through their personal example, mentorship, and inspiration. Transactional leaders, on the other hand, will rely on the agreed upon exchange with the subordinate if the subordinate's performance is applicable with the agreement. Both leadership methods are applicable to the research problem. The proactive leader that is able to effectively employ either theory to mitigate the misuse of the GTCC Program will predictably improve the GTCC process and the overall ethical condition of the organization.

However, as Shivers-Blackwell (2004) assert, based on the context of the organization and in concert with role theory, leaders will experience a variation of the expectations and pressures of their roles enabling them to decide what leadership theory will better suit their situation. Additionally, the role of the leader's immediate supervisor will also have an impact on what leadership method will be employed in any given situation. Shivers-Blackwell (2004) adds that if the leader's immediate supervisor competently utilizes transformational leadership to lead the organization, the subordinate leader will most likely rely on the same leadership method to address certain role pressures at his or her level. Conversely, the same situational factors will directly affect users of transactional leadership.

Perhaps one important factor that should be considered regarding the leader's role in the GTCC process and preventing GTCC misuse is the leader-member exchange theory. The theory holds that leaders have different relationships with members of their organization. The

relationship is often based on the leader's relationship with the in-group and the out-group (Greenberg, 2013). According to Greenberg, the in-group is the relationship with people more closely to the leader and the out-group are those more disconnected from the leader. Yukl, O'Donnell, and Taber (2009) contend that leaders should strive to achieve the highest level of leader-member exchange and with the most amount of people in order to maximize followership. Yukl, et al., (2009) add that although leader-member exchange theory was closely correlated with transformational leadership, the exchange was influenced by relations-oriented behaviors and not by inspiration or charisma.

The successful leader will influence a higher level of trust as interaction time and various experiences are shared with the followers (Mahsud, Yukl, & Prussia, 2010). The role of the leader in the GTCC process will assist organizational leaders and managers of both the GTCC and DTS Programs to better protect the use of these resources more transparently. For example, if the leader knows that a subordinate is not financially responsible and has difficulty in working without proper supervision, the leader could inform GTCC administrators and the appropriate action can be implemented. The question if leaders should be involved in the process is apparent.

Military leaders are involved in every other aspect of their subordinates' personal and professional lives. Therefore, the role of the leader should extend to the responsibilities of monitoring their subordinates' involvement with the GTCC process. This is not to say that cardholders should be constantly monitored to ensure compliance. According to Bradley (2014), monitoring of employees can often lead to mistrust and enabling of opposing behavior to the organization and its leaders. However, if the leader is authentic in his or her communication with the follower while discussing the importance of utilizing government resources in an ethical

manner, the role of the leader in the GTCC process has been satisfied. The next step is to include the involvement of the cardholder's immediate supervisor into the organizations internal GTCC policies and procedures.

### **Discussion**

This study was conducted to explore the possibility of including the military unit leader in the Government Travel Charge Card process in the hopes that their inclusion will mitigate the continued misuse of the GTCC Program. To address the research problem (1. GTCC misuse in the military, and 2. Lack of leadership involvement), two research questions emerged:

(1) Are leaders taking proactive steps (e.g., training, counseling, mentoring, audits) to ensure the prevention of the fraudulent use of the Government Travel Charge Card (GTCC) by their subordinates or are they simply relying on regulations and policies to address the issue?

(2) Which leadership theory is better suited to assist leaders in influencing the ethical use of the GTCC Program? Transactional or Transformational?

To address the first research question, the analysis determined there has been credible evidence in the argument that the misuse of the GTCC program continues because leaders are not taking proactive steps to mitigate those problems. Further examination has led to the conclusion that perhaps because the leader is not an administrative member of the GTCC process as a matter of policy, this is one reason why leaders are not taking proactive steps to make themselves a function of the process. Therefore, immediate supervisors appear to have been relying on regulations, policies, and GTCC/DTS administrators to manage the program in its entirety. Additionally, it appears that since leaders are not involved in the process, it is feasible to ascertain that some leaders would rather take the passive-management by exception dimension of transactional leadership and address any concerns or issues after the unethical act by their

subordinate has been confirmed. This reactive form of involvement has been found to be counterproductive and should not be relied on to aid in alleviating the problem. In essence, it prolongs the entire travel voucher process and redirects all resources as they attempt to resolve the issue.

Other proactive steps such as the implementation of ethics curriculum at various military academies has initiated the ethical conversation at all ranks. This endeavor is important to the leader-member exchange paradigm in the military because it enables the sharing of ethics issues and how to address these issues when confronted with compromising situations. However, leaders must be able to influence members in both the in-group and out-group in order to expand the importance of preventing unethical conduct. Furthermore, the conversation of ethics and moral dilemmas will empower employees to become more engaged in the ethics issue by reporting unethical acts and making sound ethical decisions (Bradley, 2014).

This leads us into addressing the second research question regarding the use of either transformational or transactional leadership to better influence the ethical use of the GTCC Program. The plethora of literature discussing both leadership theories enhanced the research immensely. Military leaders will often rely on utilizing either the transformational or transactional leadership method to influence subordinates in attaining organizational objectives make rational decisions. Transactional leadership is most commonly observed as the relationship between the leader and the led are almost inseparable. This is one reason why military units are strongly cohesive and expertly function in any working environment and under any condition. The transaction is initiated through mandatory counseling sessions, which includes the expectations of the leader and the needs of the follower. Transactional leaders are important to the military organization because they are able to influence compromise and

compliance of policies and procedures. Transformational leaders on the other hand influence others through their example, inspiration, and mentorship. This is especially important when factors involving change management significantly impact the behavior and attitudes of the organization. For the transformational leader to succeed, he or she must hold him/herself accountable for all that they do including leading others into making sound ethical decisions.

Both leadership theories provide a positive impact on a leader's ability to manage and attain organizational objectives. This includes influencing good ethical behavior. However, it is equally important for leaders to be proactive or make themselves aware of issues regarding GTCC misuse. This is a profound reason why *Hypothesis 1* can be substantiated.

**Hypothesis 1:** *The lack of leadership involvement in the military is a major cause for the continued unethical use of the government travel charge card.*

In the military, some commanders and senior leaders are relieved of their duties because they failed to make themselves involved or aware of unethical acts by members of their command. The culpability accepted as a condition of their leadership position intensifies when the leader is not aware of an issue involving members of his or her organization. This situation is also prevalent at lower levels of the command's hierarchy. First-line supervisors or small unit leaders, as more commonly known in the military, are just as culpable when their subordinates are in trouble. Yet since no policy was found regarding a leader's role in the GTCC process, Hypothesis 1 appears to be accurate. However, since all military leaders are aware that the GTCC Program does exist (in most military units, all senior enlisted and officers are required to obtain a GTCC for travel purposes) they should also aware that the unethical use of the GTCC is prevalent. Therefore, leaders must proactively engage in the process when their subordinates are applying for the GTCC without the need for changes to the current policy.

**Hypothesis 2:** *Proactive leadership will help prevent GTCC misuse.*

The proactive leader has been found to influence the ethical state of an organization (Schminke, et al., 2002). In the context of this research, a proactive leader can also influence the actions of the follower when utilizing government resources. Hypothesis 2 proposes that proactive leadership will help prevent GTCC misuse. If proactive leaders can influence the behavior of the organization, then it is feasible that they will also be able to actively prevent the behaviors that enable unethical decisions from happening.

The utilitarian nature of the military, that is, actions that emphasize on the greater good of the majority, fundamentally assists service members in making sound decisions. However, not everyone is intrinsically capable of putting the needs and reputation of the organization above his or her personal needs. The rational mind would tell the cardholder that misusing the GTCC to support one's personal needs is wrong. Hence the deontological end of the ethics continuum in the military culture would enable the cardholder to see right from wrong. However, this is not always the case as the federal government and the military continues to be plagued with unethical conduct.

The research has argued and substantiated that one credible course of action that could help mitigate GTCC misuse is the proactive leader. The military does not shy from invasive leadership. Invasive leadership can be defined as a leader that is involved in every aspect of a service member's being. Only the service member being led can prove that he or she can responsibly and independently control his or her autonomy. This process is earned over time as trust is gained or diminished between the leader and the follower. However, when the leader detects that the follower requires some form of counseling or mentorship, the leader will act immediately to correct the deficiency for the betterment of the entire organization.

It is important to note that according to a 2011 Department of Defense demographic report, the majority population of active duty military were in the 25 or younger age category (43.2%). Numerous service members enter the military directly out of high school and do not necessarily possess the life skills, maturity, or comprehension of ethics and moral implications that can negatively affect the use of government resources. Service members derive from various ethnic and cultural backgrounds, and life experiences all with different perspectives of what is to be considered as right or wrong.

This is one reason why the invasive form of leadership is often utilized in the military until the service member has proven to be able to responsibly control his or her own autonomy. Moreover, this is one implication that the proactive leader must comprehend when speaking of ethical considerations regarding GTCC misuse or proper use of government resources. It is also important to note that this is not to say that only those in the 25 and younger age group require invasive leadership. As depicted earlier in the research, even senior level officers and executives are guilty of wrongdoings. However, since the majority population falls within the parameters of the younger age group, the statistic is imperative to the issue being researched.

One of the most important findings during this research is that proactive leadership is important to the well-being of an organization that relies on public funding such as the military. Understanding the relationship between transformational and transactional leadership will aid the leader in developing the right tools to inspire good ethical conduct and set the conditions for follower performance (Howell & Hall-Merenda, 1999). However, the leader must be aware of his or her own shortcomings regarding leading subordinates into making sound ethical decisions. Leadership by example is the mainstay of good order and discipline in the military and is indicative (according to Yukl, et al., 2009) of the leader-member exchange paradigm. Finally, if

the leader is not taking proactive steps to educate, train, and mentor subordinates in the conduct of their duties as a service member and steward of taxpayer dollars, issues such as the misuse of the GTCC program will continue. Therefore, through proactive leadership, this issue can be mitigated.

### **Directions for Further Research**

There are several areas of research that could increasingly add to the findings in this study. First, current policies regarding the GTCC process should consider the inclusion of the cardholder's immediate supervisor from the application process through the end of the official travel process within the Defense Travel System. Since immediate supervisors are often not included or have any direct access to the travel tracking process, perhaps a preliminary test should be initiated to validate the claim that with the inclusion of the immediate supervisor in the process, GTCC misuse can be mitigated.

Second, the study provided a generally broad depiction of the military without taking into account the various subcultures within the military and the different leadership methods utilized as a result of those subcultures. As a 22-year veteran and current federal civil service employee of the Marine Corps, the author has been a member of various specialized units through his career. These specialized units (e.g., infantry, aviation, logistics, special operations, etc.) create their own shared beliefs and values through subcultures that create different views on what is right or wrong. For example, special operations and infantry personnel are intently focused on combat operations and continuous deployment type missions overseas. The combat mindset includes their moral obligation to comprehend matters such as rules for killing another person in times of war or the level of risk they will take to accomplish a mission. Conversely, the aviation subculture focuses their efforts on the proper maintenance of their aircraft and the safety of their pilots and aircrew. These subcultural differences will inevitably create its own biases and

causations as to why their use of leadership theories and ideologies of ethics and moral dilemmas will differ from the facts and suppositions within this paper.

Finally, since the research methodology for this study was conducted exclusively through the extensive military leadership and management experience of the author and by analyzing reports and substantiating literature, the research could be further validated through other methods of study including interviews or observations as found in grounded theory or ethnography. Perhaps this research can be used to further other issues regarding ethics and leadership in both the public and private sectors.

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