The subject of ethical practices in Kenya has been a hot one for the last two decades. Unethical practices in organizations and at the political arena have been widely reported in the wake of many high-profile management and financial scandals. Even with the establishment of the Kenya Anti-Corruption Commission and laws and regulations aimed at curbing corruption, the situation has not improved significantly.

Leaders are coming under increasing scrutiny because of the role they play in managing ethical conduct and modelling ethical behaviour. Failure of political leaders and executives to provide moral leadership has led to citizens being disappointed and national goals remaining largely unmet. Increasingly so, recent debates about issuance of citizenship certificates may leave many citizens disenfranchised; all of which have a major influence on political and economic development.

Theory and research suggest that leaders should, and do, influence ethical behaviour. This paper explores theoretical arguments why leaders should play an important role of influencing ethical behaviour and why it is imperative for them to model the desired behaviour. The paper explores ethical practices from Aristotle’s perspective, cognitive moral development and social learning theories. This paper also tries to argue that laws alone cannot ‘convert’ the society that has developed and perfected the art of unethical practices. A new way of thinking is necessary, that will involve and empower everyone to start thinking and behaving in an ethical way.

The paper therefore provides a prescriptive model of addressing ethical dilemmas in the public service in order to promote nation building. Several recommendations applicable not only to the public service but also to other Kenyan sectors have been made and it is believed that if adopted will go a long way in transforming leaders and followers into ethically responsible people who will foster nation building. The work of transformation begins with leaders who are themselves transformed and in turn mentor others to produce the desired behaviour. In this way, political and economic development in Kenya will cease to be a mirage.