

Ethics Education in Business School Accounting Programs: A Survey of Faculty Attitudes, Perceptions, and Approaches

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ABSTRACT

The accounting profession is in the midst of extensive soul-searching brought on by a number of publicly aired breakdowns in morality and business failures of some of the Nation's largest and once-most-respected business firms. One of the results of this crisis in business ethics has brought the practice of accounting ethics education in business school accounting departments into question by an AACSB Task Force. The stated purpose of the association task force report is to urge business school faculty and administrators to evaluate their approaches to ethics education and explore ways to strengthen their ethics teaching. Although in planning before release of the AACSB study, this research project responds to the goals put forth by the Ethics Task Force. This paper reports key findings of a survey conducted by the authors during the 2004-2005 academic year. The purpose of this study was to identify the salient attitudes, perceptions and the ethics-instruction pedagogy now influencing ethics instruction among college and university accounting faculty.

INTRODUCTION

It seems as if hardly a day passes without another reference to improprieties by business leaders spread across newspaper headlines or aired on radio or television. The names of business firms such as Adelphia, Arthur Andersen, Boeing, Enron, ImClone, Martha Stuart, WorldCom, Tyco, WasteManagement, are known far and wide—no longer for their accomplishments—but instead for their fraudulent activities, misrepresentations, theft of shareholders' investments, and overt or covert bribery to gain business advantage (Bové, Thill, and Mescon 2005; Phillips 2004). Many of these failures of morality were made possible or even assisted by misleading financial statements which had been

attested to by large international public accounting firms. Clearly, a breakdown in business ethics has occurred in much of the business world.

Shortly after the Enron-Andersen debacle, the Association to Advance Collegiate Schools of Business (AACSB) formed an *Ethics Education Task Force*. That group of academics, association personnel, and industry leaders was charged with the task of investigating the state of business ethics education and the relationship between business education and ethics. The task force considered the study an opportunity to document ethics education practices, while at the same time strengthening management education in general. The critical nature of the collapse in morality was expressed by the task force chairperson in the following terms: “At issue is no less than the future of the free market system, which depends on honest and open enterprise to survive and flourish” (Phillips 2004).

For many years, AACSB accreditation standards included the requirement that ethics education must be taught as part of management degree programs. According to the task force report, however, compliance with this requirement is questionable in many professional business schools. The Association Task Force was formed to refresh and reinforce business school commitment to ethics education. This mission resulted in the following statement:

From the undergraduate to the master’s and doctoral levels, business schools must encourage students to develop a deep understanding of the myriad challenges surrounding corporate responsibility and corporate governance; provide them with tools for recognizing and responding to ethical issues, both personally and organizationally; and engage them at an individual level through analyses of both positive and negative examples of everyday conduct in business. All of us in business must think more deeply and creatively about how to advance ethical awareness, ethical reasoning skills, and core ethical principles...(Phillips 2004, 9)