Web Disclosures of Ethics Coverage by Universities

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ABSTRACT

Based on the Web disclosures of 100 universities, this study found that ethics is taught at all these institutions that are accredited by AACSB International. While there are some common trends, the findings show some interesting operational differences. First, at the undergraduate level, these courses are offered in a variety of ways, namely; as a business core course, as a business elective, as a university core course, and as a university elective. Second, public comprehensive universities appear to have a greater diversity of delivery options. Third, private comprehensive universities are offering, on average, more business ethics classes as well as credit hours as a business core or a business elective. Finally, ethics coverage is normally delivered as a university core or elective that is normally taught outside the business discipline.

INTRODUCTION

Recent events in the new millennium such as the Disaster of September 11, the financial scandals that rocked Wall Street, the passage of the Sarbanes-Oxley Act and the increasing significance on homeland security have renewed public interest in ethics coverage in university curricula (Carroll, 2005; Dahringer, n.d.; Garten, n.d.). Such a movement and expectation placed on the academic community is not a new phenomenon. Universities represent logical places to instill ethics in the next generation of business owners, managers and executives. Actually, most professional associations and accreditation agencies already require some coverage of ethics in the curricula (Curry, n.d.). In general, it can be said that ethics courses are being offered in
greater numbers (Jones and Ryan, 1997). Depending on the mission and institutional classification, this requirement is met in a variety of ways. Some may cover this requirement as part of a course or courses. Others may have a specific course that is custom-tailored to meet a certain degree program requirement. Still others may have a course that is broad enough to meet the requirements of a variety of disciplines. Among universities that are more conscientious or advanced in their coverage of ethics, the courses may even include faith-based as well as other multi-layered approaches (Joss, n.d.).

As ethics coverage grows in importance, a number of journals have also been launched for experts to address the wide range of ethical issues concerning the relationships between business, society, and the public good. *Business Ethics Quarterly, Corporate Reputation Review, Employee Responsibilities and Rights Journals,* and *Journal of Business Ethics* represent some of the journals that provide in-depth, cutting edge articles, case studies, and conceptual papers on best practices, policies, and legal compliance issues. While it is generally agreed that ethics coverage in academia is beneficial, opinions on who and what ethics should be are actually quite diverse (Carroll, 2005). For example, case studies and class debates showed women and undergraduate, especially humanities majors had made the most post-course gains (Bigel, 2002). Also, not only is academic dishonesty and work dishonestly related, their level of severity is also correlated (Sims, 199s). Apart from those major findings that support ethics coverage in the curriculum, research has shown that knowing what is right does not necessarily lead to doing what is right and having a course in ethics may not necessarily affect attitudes (Woo, 2003; Peppas, 2002). For educators, the dilemma is on how they can be certain that students are learning ethics that can translate into decisions and behavior later. After all, education is hardly the sole determinant of human behavior so universities cannot be expected to assume total responsibility for ethical debacles in the world. In line with this argument, the responsibility for ethics education is not the exclusive province of business schools either (Phillips, 2004).

From an operational perspective, these diverse findings and viewpoints can be traced back to the history and changing definition of ethics. Traditionally, ethical standards for business have been treated as “givens” which individuals possess and are derived predominantly from Judaic-Christian belief systems and religion (Boling, 1978). A lot has changed since then. Religion has been on the decline in the United States. Courts have also limited or banned religious teachings in public educational institutions and places. New technological capabilities have emerged and they may require new ethical considerations (Johnson, 1998). Since a course in ethics allows students to “examine what they believe and why”, teaching students to made right and wrong decisions can be a nightmare because they have no common basis for making moral judgments now (Prager, 1993). As the influence of religion has waned in society, right and wrong decisions are now commonly taught using situational, sound judgment, and social impact management approaches.

**STATEMENT OF THE PROBLEM**

Business education is supposed to influence and affect business changes. As scandals continue to affect society, people are beginning to question the impact of education on future business owners, managers and leaders (Samuelson, 2003). These questions and opinions are not without merit. First, nearly two-thirds of Fortune 500 firms have been charged with at least a moderately
serious violation of the law (Daboub, Gray, Priem, and Rasheed, 1995). The $1.2 billion dollar reduction in stockholder equity brought about by fraudulent practices by Enron and the role played by its auditing firm, Arthur Andersen, have hurt many people around the globe, many of them the small investor (Reinstein and Weirich, 2002). Worst than that, a year after the deadline, some 20 percent of the nation’s leading corporations still could not certify that the information in their annual report was accurate (Koong, Liu and Mok, 2004). As new cases are being uncovered, some people are even beginning to wonder if business schools are a factor in the recent corporate scandals.

Instead of asking if business schools are to blame, the correct attitude should be how educators can respond effectively and become part of the solution to the challenges managers and executives are now facing. Ever since the deterioration of religion in society and the advancement of situational moral standards, the rub of ethics education is that no one really knows the right answer because there are no moral compass. However, based on the Sarbanes-Oxley Act, executives can still be imprisoned for up to 20 years for certifying reports that may have been based only on murky conclusions. Like it or not, because of their close associations to their subjects, business faculty must remain active in the development of workable ethical standards if they are to remain relevant.

STATEMENT OF OBJECTIVE

Universities are often regarded as logical centers that can address and facilitate solutions to most social problems. Often, courses and degree programs are developed to meet emerging needs. As society changes, the curricula is continuously revised to maintain its usefulness. Ethics coverage is one of those areas of concern that have erupted in the curricula. Much of that need to reevaluate the coverage of ethics is brought about by the financial scandals that have damaged the investment sector and brought about the passage of the Sarbanes-Oxley Act as well as the instituting of the Suspicious Activity Report System.

In most universities, ethics can be covered in a variety of ways. Depending on the mission of the university, some institutions may do a much better job than others. This study examines the coverage of ethics in universities where their business programs are accredited by the Association to Advance Collegiate School of Business (AACSB) International. Specifically, this research reports on the demographic of selected universities and how the ethics component was covered in those institutions, if any. The results of this study should be of direct interest to university administrators, educators, students, parents, accreditation policy makers, service and standards experts, and curriculum developers. Recruiters in particular, will find the outcomes reported in this study useful because hiring staff members and contractors trained with governing standards and generating accurate reports is now a mission critical operation. More than that, erroneous reports can bring down a company rather quickly and send its executives to prison too.

METHODOLOGY

The targeted population of this study is universities that are located in the United States. Specifically, this study examined the Web sites of 100 universities that were members of AACSB International. The universities included in this study were selected using a simple
random technique. All of these universities were included because their Websites were operational. The sample size of 100 was obtained by setting the confidence level of this study to 90 percent (certainty factor of 1.645) and the margin of error (acceptable error) to 10 percent. The following procedure was used for extracting the data set:
1. The Websites of targeted universities were accessed.
2. The catalogues were examined using the keyword “ethics”.
3. The following information about the courses was recorded and organized into tables: (a) university type (demographics), college, department, course name and identification number, number of units or credits, level, and requirement type.

FINDINGS

At the time of this study, there are about 410 AACSB International accredited institutions. The 100 institutions compute to a little over 24 percent of the targeted population. Forty of the 100 universities examined were public comprehensive institutions (has doctoral programs). Another 10 of them were private comprehensive universities. Of the remaining 50 institutions, 35 were public universities and 15 were private institutions that have only undergraduate degrees and/or Master degree programs. In general, the percentage of institutions in the respective categories from the sample was within a plus or minus two percent range. A Chi-square test was used to determine whether the sample was representative of the targeted population. Based on the alpha generated from the paired sample T-test, there was insufficient evidence to suggest that the sample proportion was different from that of the population. In other words, it can be concluded that the sample was representative of the population. The outcomes are presented in Table 1 below:

<table>
<thead>
<tr>
<th>Group Type</th>
<th>Public Comprehensive</th>
<th>Public Other</th>
<th>Private Comprehensive</th>
<th>Private Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>AACSB International</td>
<td>160 (39.02 %)</td>
<td>141 (34.39 %)</td>
<td>50 (12.20 %)</td>
<td>59 (14.39 %)</td>
<td>410 (100 %)</td>
</tr>
<tr>
<td>Sample</td>
<td>40 (40 %)</td>
<td>35 (35 %)</td>
<td>10 (10 %)</td>
<td>15 (15 %)</td>
<td>100 (24.39 %)</td>
</tr>
</tbody>
</table>

Chi-square Test = 0.458, Sig = 0.97 (Paired sample T-test: t=0.00, Sig = 1.00)

Table 1: Population and Sample of AACSB International Institutions

<table>
<thead>
<tr>
<th>Type</th>
<th>Under Business Core</th>
<th>Under Business Elective</th>
<th>Under University Core</th>
<th>Under University Elective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Comprehensive (40)</td>
<td>8 (20 %)</td>
<td>8 (20 %)</td>
<td>39 (97.5 %)</td>
<td>35 (87.5 %)</td>
</tr>
<tr>
<td>Public Others (35)</td>
<td>10 (28.6 %)</td>
<td>7 (20 %)</td>
<td>34 (97.1 %)</td>
<td>27 (77.1 %)</td>
</tr>
<tr>
<td>Private Comprehensive (10)</td>
<td>3 (30 %)</td>
<td>4 (40 %)</td>
<td>10 (100 %)</td>
<td>6 (60 %)</td>
</tr>
<tr>
<td>Private Others (15)</td>
<td>3 (20 %)</td>
<td>3 (20 %)</td>
<td>14 (93.3 %)</td>
<td>9 (60 %)</td>
</tr>
</tbody>
</table>

Chi-square Test 0.821 1.636 0.031 1.511
Table 2 shows where ethics was taught in the curriculum among the 100 institutions. The good news is ethics is taught at all the institutions. The norm among these universities is that that ethics is a subject that is germane to the general university curriculum. At least 93 percent of these universities require their students to take a course in ethics as an institutional core course. A minimum of 60 percent of these institutions also offer ethics as a university elective. In other words, ethics is normally placed as a university core course.

It is obvious that ethics is not a core or elective course in the business curriculum of most AACSB International accredited institutions examined. Other than private comprehensive universities where their rates of offering ethics as a business core or business elective was around 30 and 40 percent respectively, all the other public institutions are doing the same offerings at an average rate of about 20 percent only.

Again, a Chi-square test was used to determine whether the behavior of the four types of institutions were different. Based on the alpha generated from the paired sample T-test, there was insufficient evidence to suggest that the institutions differ in their practice from each other. In other words, it can be concluded that ethics is primarily taught as a university core or elective. It is not viewed as a business core or elective in most of the institutions.

The total number of ethics courses offered is presented in Table 3. The outcomes were relatively predictable. The public institutions have the most number of courses and the most number of credit hours because they are the two largest groups of universities examined. Again, as expected, the largest number of courses and credit hours available was also found in the university core and university elective category of these two groups. However, there was one difference. The largest number of credit hours available was found under the university elective category rather than under university core.

From the table, it is rather obvious from the total number of courses and total number of credit hours extracted that most of these courses were worth 3 hours of credit because they were divisible by 3. In a minority of cases, there were some courses that were worth 2 credit hours or a mere 1 credit hour. In one instance under university elective, there was a course that has a fraction in its worth. Other details about the data set can be observed in the Table below:
Table 4: Average Number of Ethics Course in the Curriculum

Table 4 shows the average number of ethics courses in the four types of institutions. The trend here was similar to those in Table 3. The highest average number of credit hours was found under the university elective category. On average, this category has about two to four times more courses than those found under the university core group. Apart from this, there was one other interesting observation. On average, private comprehensive universities have more courses offered as a business core or a business elective. Other than that, in most AACSB International institutions, they have one course or two at best, as a business core, or have one to three courses as a business elective.

CONCLUSIONS, IMPLICATIONS AND DIRECTION FOR FUTURE RESEARCH

Based on a convenient sample of 100 universities in study, there were some expected as well as surprising results. To begin, the good news is ethics courses are found in the curriculum of all the universities examined. In fact, over 90 percent of all the institutions do require their students to take ethics as a general core course. A majority of these institutions also offer ethics as an elective. In instance where ethics courses are offered under the auspices of the business curriculum, there is at least one, if not two courses to choose from as a core or as an elective. Therefore, the lack of ethics among graduates and alumni in their decision making process is definitely not caused by the failure of universities to require or offer ethics as a subject in the curriculum.

Second, it is obvious from this study that most students are taught or exposed to ethics outside the business curriculum. In the light of all the attention paid to business colleges and schools, where ethics is covered and how it is covered deserve discussion. Since ethics courses are required or are made available outside the business curriculum, it is clear that the failure to teach ethics is not associated with business schools. Assuming ethics can be taught and if there is a failure in teaching ethics, simple logic will reveal that the root of the problem is in those colleges and departments where ethics are actually taught. Since ethics is normally taught as a core or elective in colleges that are associated with humanities, philosophy, religious, and behavioral subjects, experts will need to examine teachers and courses in those areas for an answer.

Moreover, administrators and faculty, as Phillips (2004) pointed out, do not believe that education is the sole determinant of human behavior. Among business schools’ administrator and faculty, delivering ethics is also not an exclusive province of business schools. It is therefore
easy to understand why university credits in ethics coverage are so low in business schools. Finally, a possible reason for this trend can be attributed to internal university politics. Often, ethics falls under the domain of the humanities and the social sciences. When ethics courses in business are proposed, they are often resisted by faculty members in more established colleges or schools.

However, the failure of faculty members in non-business disciples to teach and instill ethics means that, perhaps, it may be time for business schools to take a more active role in the delivery of ethics by themselves. Covering ethics from the perspective of a specific discipline is definitely not a new one. Many medical schools and law schools have their own courses in ethics. These are some books that are germane to the area of business ethics. Such a proactive movement may be a positive step to correct public perception about their lack of concern or poor coverage of ethics in the business curriculum. Such a change will mean that business schools must confront and redirect faculty and other instructional resources to an already overloaded curriculum where most state legislators and administrators are already pushing universities to graduate students with less and less total credit hours in their degree programs. An alternative method is to require ethics be incorporated into the respective business courses in the curriculum. Chances are this requirement is most likely to be complied on paper only. Most business faculty may not believe that they have the credentials to teach ethics, much less the time to add ethics to the many chapters to be covered, or to find innovative ways to link it to a course such as business statistics or a programming class like VB.Net.

Irrespective, the real question is whether ethics can be taught by teachers and at the college level, in particular. Perhaps, it may be time to move away from viewing this problem as an instructional failure to an administrative one. Some of the areas that may warrant research and which may shed light of this large gap are differences in the processes and quality of student advisement, differences in reviewers’ expectations (biases) in accreditation compliances, and in particular, differences in administrative priorities as education becomes more and more focused on delivering opportunities for the masses where resources must be placed on learning basic skills that were not taught or mastered in high schools rather than teaching moral values that will last a life time.

Finally, the outcomes reported here can be extended in a number of ways. First, the list of universities examined can be increased. Second, other variables and analysis such as how its use as a disciple (degree major, concentration, or specialization) core or elective requirement will reveal the importance of ethics in the curriculum of the institution and how its faculty believes it should fit in their institutional mission. Finally, this study should be repeated annually because longitudinal observation of these course offerings will enable researchers to determine the level of advances made by the various universities and business colleges, in particular in its contribution toward a more ethical operating environment that the public deserves.
REFERENCES


