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Beyond the Ethics Course: Making Conduct Count

Elletta Sangrey Callahan*

In the wake of corporate scandals involving companies such as Enron, Arthur Andersen, WorldCom, and Tyco, the Association to Advance Collegiate Schools of Business (AACSB) International1 adopted modifications to its accreditation standards for business schools.2 Much of the debate over adopting ethical standards focused on the merits of covering ethics in a specialized course versus integrating ethical analysis throughout the curriculum.3

This debate is timeworn and unresolvable. Curriculum-based efforts should be continued, of course, but students, business schools, prospective employers, and society must come to understand that ethics in business education is about conduct as well as coursework. Moreover, the strategies utilized by students in pursuit of a degree are a persuasive predictor of the actions they will take after graduation: individuals who cheat to get good grades are more likely to follow unethical paths in their careers.

This article is based on the premise that there is a relationship between academic integrity and business ethics. The AACSB, business schools, and employers should acknowledge this link and explicitly communicate, through their actions, that academic dishonesty is critically relevant.

I. EMPLOYEE AND ACADEMIC MISCONDUCT

The parties most likely to be injured by workers’ misconduct are their employers. Unethical conduct by employees significantly impacts business organizations. The Association of Certified Fraud Examiners, for example, has reported that the typical U.S. firm loses six percent of its annual revenues to employee fraud.4 This report estimates that employee misconduct costs U.S. businesses more than $660 billion annually.5 Moreover, this activity is wide-
spread. In a landmark study, sixty-nine percent of the nine thousand employee respondents admitted to ongoing theft from their employers. Similarly, the U.S. Chamber of Commerce has found that up to three-quarters of employees steal at least once, and half of those employees take company property repeatedly.

Ironically, the proportion of employees who engage in misconduct on the job is about the same as the percentage of college and university students who engage in academic dishonesty. Unfortunately, most students cheat—and business students cheat more than others. A key survey of undergraduate students at thirty-one highly selective U.S. colleges and universities, for example, revealed that students planning business careers were more likely to engage in academic dishonesty than those in any other occupational category. This result is repeated at the graduate level.

Several explanations for the prevalence of cheating among business students have been proposed. Other explanations advanced for this phenomenon range from the increased time pressures experienced by working M.B.A. students to the impact of a business curriculum emphasizing shareholder wealth above all. One explanation is that these students have a “bottom-line mentality” that leads them to give greater weight to the potential benefits of academic dishonesty—higher grades, admission to better graduate schools, and more financially rewarding employment opportunities—than their peers in other disciplines and to be more willing to accept the possible risks associated with discovery of their misconduct. The typical business school curriculum is perceived to reinforce this inclination.

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9. See Donald L. McCabe & Linda Klebe Trevino, Cheating Among Business Students: A Challenge for Business Leaders and Educators, 19 J. MGMT. EDUC. 205, 205-10 (1995). This study found that eighty-seven percent of undergraduate business majors reported at least one cheating incident. Id. at 209-10; see also Donald L. McCabe & Linda Klebe Trevino, Individual and Contextual Influences on Academic Dishonesty: A Multicampus Investigation, 38 RES. HIGHER EDUC. 379 (1997).
10. See Donald L. McCabe et al., Academic Dishonesty in Graduate Business Programs: Prevalence, Causes, and Proposed Action, 5 ACAD. MGMT. LEARNING & EDUC. 294, 298 (2006) (reporting that fifty-six percent of graduate business students reported engaging in academic misconduct during the previous year, in comparison to forty-seven percent of graduate students in other disciplines); see generally Alison Damast, Duke MBAs Fail Ethics Test, BUS. WK., Apr. 30, 2007, at 1-2 (describing a cheating incident at Duke University’s Fuqua School of Business involving nearly ten percent of the first-year MBA class).
11. See, e.g., McCabe et al., supra note 10, at 295.
12. Id.
13. See, e.g., Damast, supra note 10 (reporting the observation of a first-year Duke MBA student that “Duke is a hectic MBA business school, and employers want good grades, so there’s a lot of pressure to do
Research suggests that the link between academic and workplace dishonesty is more substantial than the similarity in figures. Several studies, as well as common sense, suggest that people who cheat when they are in school also cheat in the workplace. \footnote{McCabe et al., supra note 10, at 295.}

It is widely believed that business schools bear some responsibility for business ethics. \footnote{See K. Kumar & C. Borycki, The Strategic Decision Framework: Effect on Students’ Business Ethics, 67 J. EDUC. BUS. 74 (1991); Art Wolfe, We’ve Had Enough Business Ethics, BUS. HORIZONS, May-June 1993, at 1, 1-2 (“Courses in business schools labeled ‘Business Ethics’... are a drop in the river of the heavy mental conditioning for capitalism.”).} Nonetheless, the AACSB does not require business students to take an ethics course, although one of the accreditation standards states that “the curriculum management process” will “normally” include coverage of “ethical understanding and reasoning abilities” at the undergraduate level, and “ethical and legal responsibilities in organizations and society” for graduate students. \footnote{See Nonis & Swift, supra note 7; Suzanne M. Ogilby, The Ethics of Academic Behavior: Will It Affect Professional Behavior?, 71 J. EDUC. BUS. 92 (1995); Randi L. Sims, The Relationship Between Academic Dishonesty and Unethical Business Practices, 68 J. EDUC. BUS. 207 (1993); William R. Todd-Mancillas et al., Academic Dishonesty Among Communication Students and Professionals: Some Consequences and What Might Be Done About Them, Paper presented at the Annual Meeting of the Speech Communication Association (Nov. 5-8, 1987) (on file with the McGeorge Law Review).}

Some business educators believe that ethical lessons are most meaningfully addressed within the context of discipline-specific courses. They argue that questions about the independence of an auditor who also provides human resources services for a client, for example, are best understood when discussed in an accounting class. Advocates of requiring a stand-alone ethics course, in contrast, maintain that the blended approach is rarely successful; more typically, they contend, ethics issues are covered superficially or not at all. \footnote{See, e.g., Fred J. Evans & Leah H. Marcal, Educating for Ethics: Business Deans’ Perspectives, 110 BUS. & SOC. REV. 233, 234-39 (2005); Duke’s B-School Cheating Scandal, CHRISTIAN SCI. MONITOR, May 4, 2007, at 8. But see Lynneley Browning, Business; M.B.A. Programs Now Screen for Integrity, Too, N.Y. TIMES, Sept. 15, 2002, § 4, at 4 (reporting that the Academy of Management, an organization to which 15,000 business educators belong, had rejected a proposed resolution that would have placed some responsibility for corporate ethics scandals on business schools).}

Many business schools have recognized that ethics education takes more than a class. \footnote{See, e.g., Ronald J. Alsop, B-Schools Still Seeking Ways to Stress Ethics, C.J., Apr. 12, 2005, http://www.collegejournal.com/mbacenter/mbatrack/20050412-alsop.html (on file with the McGeorge Law Review); supra note 3 and accompanying text. For analyses of the impact of ethics-related courses on students, see, for example, Barbara C. Cole & Dennie L. Smith, Effects of Ethics Instruction on the Ethical Perceptions of College Business Students, 70 J. EDUC. BUS. 351 (1995); Johnny Duizend & Greg K. McCann, Do Collegiate Business Students Show a Propensity to Engage in Illegal Business Practices?, 17 J. BUS. ETHICS 229 (1998); James R. Glenn, Can a Business and Society Course Affect the Ethical Judgment of Future Managers?, 11 J. BUS. ETHICS 217 (1992).} Yet academic institutions and educators—including business schools...
and professors—are loathe to confront cheaters. The hypocrisy of this faint-heartedness must be obvious to students, whether their institution has chosen to analyze ethical dilemmas in stand-alone or discipline-specific courses.

The AACSB recognizes that business schools have a legitimate interest in conduct within the educational community. One provision states that business programs “must establish expectations for ethical behavior by administrators, faculty, and students.” This language hints at the relevance of academic integrity. Institutions are “encouraged to develop ‘codes of conduct’ to indicate the importance of proper behavior for administrators, faculty, and students,” and “may foster ethical behavior through procedures such as disciplinary systems to manage inappropriate behavior and through honor codes.” The concept behind these standards is laudatory, but the provision’s language is ineffectual. Establishing expectations is effective only if there are consequences associated with failing to meet them.

It is not enough to imply that academic integrity may be relevant to business programs. Conduct—cheating specifically—must be figured into the bottom-line mentality. Academic integrity will cease to be viewed primarily as an orientation discussion topic if it is considered in accreditation, admission, and hiring decisions.

The AACSB should require business programs to provide evidence of meaningful engagement in academic integrity issues. Obviously, every business school must have a policy and procedures for addressing dishonesty, but each program’s unique culture and previous experience with academic integrity standards should determine the specifics of its approach.

“Meaningful engagement” must be evaluated in terms of both prevention and response. Prevention should include educating faculty and students about the policy and the importance of academic integrity, as well as using strategies to decrease opportunities for cheating (staggered seating during exams, for instance). Faculty, administrators, and students must also respond to cheating when it occurs, following established procedures. It seems perverse to view catching student cheaters as a good thing. Given the overwhelming evidence of wholesale cheating in business schools, however, a dearth of academic dishonesty cases is much more likely to indicate a lack of resolve by faculty and administrators than virtuous students.

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21. ELIGIBILITY PROCEDURES, supra note 2, at 11.
22. Id.
23. See supra note 11 and accompanying text.
24. See, e.g., Damast, supra note 10 (describing the student-run honor court established in 2007 by the Kenan-Flagler Business School at the University of North Carolina and other approaches taken by the Thunderbird School of Global Management and the business school at Pennsylvania State University).
Graduate business programs should require applicants to document whether they were disciplined for cheating as undergraduates. This is a matter of routine in the law school admissions process. Law school application forms ask candidates whether they were involved in academic dishonesty in college; many programs also require written verification from the undergraduate institution. Discovery of a false answer may lead to denial or rescission of admission, dismissal from the program, or disqualification from practice.

Some business schools have taken steps to link other types of applicant conduct to admissions. The Wharton School at the University of Pennsylvania, for example, has hired an external firm to conduct background checks on applicants; the school may revoke the acceptance of applicants who have falsified their credentials. Internal investigations are undertaken at other institutions, such as the Simon Graduate School of Business at the University of Rochester. Harvard Business School requests an integrity ranking in recommendation letters. In 2005, Harvard rejected 119 applicants after discovering that they had gained improper access to its admissions website. In light of business schools’ concern with cheating on resumes, it is difficult to reconcile business schools’ concern regarding cheating on resumes with their apparent indifference to cheating on examinations.

Prospective employers seem to share business schools’ disinterest in applicants’ academic integrity. Business firms profess to be interested in the integrity of job applicants. For example, eighty-five percent of corporate recruiters in a recent survey rated the “personal ethics and integrity” of M.B.A. candidates as “very important.” Firms are checking references, utilizing sophisticated interviewing techniques, and searching the Internet in order to evaluate job seekers’ character and honesty. These tactics may be useful, but


27. Di Meglio, supra note 26. Business schools at Columbia University and the University of Chicago have also taken steps to corroborate information provided by applicants. See Browning, supra note 16.

28. Miller, supra note 26; see also Browning, supra note 16 (describing integrity-related practices related to recommendation letters at Northwestern University’s Kellogg School of Management and the Amos Tuck School of Business Administration at Dartmouth College).

29. Duke’s B-School Cheating Scandal, supra note 16.


31. See, e.g., Winfred Arthur et al., Personality Testing in Employment Settings: Problems and Issues in
business organizations should also ask prospective employees, particularly recent graduates, whether they were disciplined for academic dishonesty by a postsecondary institution. A job applicant’s record of plagiarism is more telling than his or her grade in the ethics course.

When the next corporate ethics scandal arises, there will be public outrage. The AACSB may create a blue-ribbon committee. Business schools will scold their students. CEOs will grimly shake their heads. There is no evidence that these responses will improve the conduct of individuals who are studying business, or those who have graduated. There is no reason to expect that these responses will be lasting or effective. Until the AACSB, business schools, and employers recognize and act on the link between academic and business dishonesty, this sequence will simply repeat itself. There will be public outrage when the next corporate ethics scandal arises . . . .