

Methodology and practical tools for enhancing an accounting/ business ethics class

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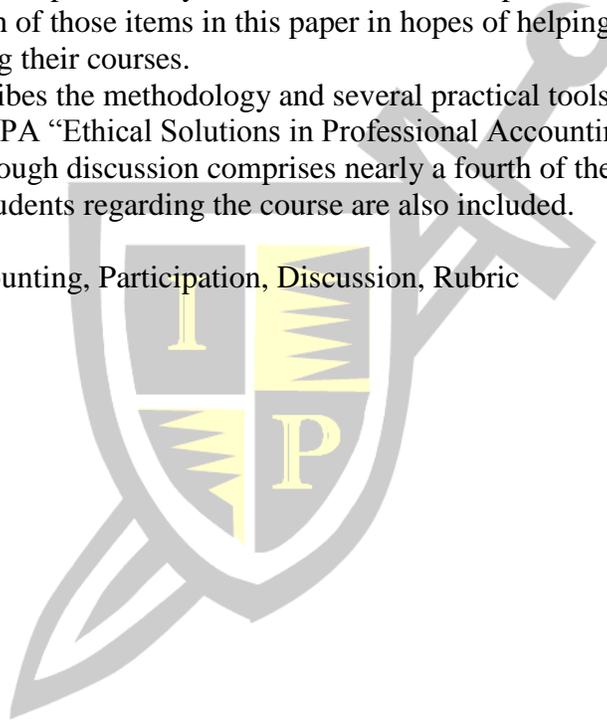
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ABSTRACT

While many articles have argued the value and impact of ethics courses, few have discussed methodology and particularly the tools used in the implementation of accounting ethics classes. We address both of those items in this paper in hopes of helping other instructors in building or strengthening their courses.

This paper describes the methodology and several practical tools used in the implementation of an MPA “Ethical Solutions in Professional Accounting” course, a class where student participation through discussion comprises nearly a fourth of the final grade. Some general comments by students regarding the course are also included.

Keywords: Ethics, Accounting, Participation, Discussion, Rubric



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INTRODUCTION

Rocked by the stream of business scandals in recent years, the International Federation of Accountants in 2003 decreed that ethics education be required of professional accountants. Specifically, in its International Standards for Accountants (IES 1-6, 2003) provides in IES 4, the details of the professional values, ethics, and attitudes required for professional accountants to understand and discharge their duties under the IFAC Code of Ethics for Professional Accountants.

During the same period, the Association to Advance Collegiate Schools of Business (AACSB) mandated that business schools that want worldwide accreditation are to incorporate ethics education into their policies, practices, and curricula. According to the AACSB Ethics Educational Task Force, business school curricula should deal with several ethical matters, including corporate social responsibility, governance, ethical corporate culture, and ethical decision making (AACSB. 2004).

In alignment with these rulings, the Texas State Board of Public Accountancy (TSBPA) amended its licensure rule in 2003 to require that all persons who sit for the Uniform CPA Examination after July 2005 complete an approved three-semester-hour college course in ethics. Similarly, most other state boards of accountancy have also added requirements for ethics education as a prerequisite for CPA licensure.

While many articles have argued the value and impact of ethics courses, few have discussed methodology and particularly the tools used in the implementation of accounting ethics classes. We address both of those items in this paper in hopes of helping other instructors in building or strengthening their courses.

This paper describes the methodology and several practical tools used in the implementation of an MPA “Ethical Solutions in Professional Accounting” course, a class where student participation through discussion comprises nearly a fourth of the final grade. Student input has been very helpful in the evolution of the course, now in its fourth year at our campus.

KEY FEATURES OF THE COURSE

Our semester-long course meets one evening each week. In addition to the text¹, students are directed to several resource websites relative to accounting standards, codes of professional conduct, and legal rulings as a base source of information for the course.

Grades for the course in the most recent year were determined as follows:

Activity	Calculation	Points
Individual Question Submissions	Based on number of cases	25
Case Discussion Leadership		15
Participation	5 pts per meeting, excluding first night, film nights and guest speaker nights	45
End of Chapter Questions/Writing Assignments	10pts x 8 weeks	80
Personal Journal		10
Film Nights and Guest	1 pt each night	5

Speaker(s)		
Total		180

INDIVIDUAL QUESTION SUBMISSIONS

Prior to each class in which a discussion will be held, each student is required to submit two questions regarding each textbook case to be discussed. The questions are submitted on the class website under the discussion forum page for each case. Students are instructed to develop interesting and unique questions that may be selected by the discussion teams for their presentations. All questions must be submitted three days prior to the class in order for the students to earn credit for their submissions.

In preparing for class discussions, in addition to the other assignments, students are encouraged to prepare answers, not only for their own submitted questions, but also for the other questions submitted by their classmates. This encourages students to really consider the cases and helps them to come ready to participate with well-considered and researched answers. Since the discussion teams are more likely to select the best questions, students have an added incentive to prepare and submit interesting questions.

CASE DISCUSSION LEADERSHIP

Approximately forty students are enrolled in the semester course. During the first class session students are instructed to form case discussion leadership teams of two to three people depending on enrollment. Teams then select their assignment from a selection of cases linked to pre-arranged discussion dates. Students who miss the first class meeting are assigned to teams.

The teams are each responsible for leading class discussion on at least one case. Discussion leaders are responsible for preparing questions for the class members, and helping to direct discussion to include pertinent AICPA rules and guidelines, related readings from the text, and previous cases. Students are instructed that planning and leadership should put priority on issues arising in the cases that are important to primarily accounting professionals and then others in order of importance as guided by the case. It is the responsibility of the discussion leaders to develop, select and organize good questions to start and further develop discussions. It is the responsibility of the leaders to keep the class on track if discussion strays or if a person or persons attempt to dominate the discussions. Leaders should work to provide some summary of the class discussion at the end of each case (or may call upon any student, preferably someone who had not been able to participate as actively as others, to sum up the discussion in detail.

In addition, each team is responsible for selecting a current business event article, ideally related to the topic of at least of their assigned articles for fellow students to research and discuss along with the assigned article(s). The current article selected by the team must be distributed to the rest of the class a minimum of seven days in advance. This requirement may be met by providing, on the course webpage, an exact website location that all class members can access the article.

In addition to developing questions of their own related to the cases, teams may choose questions submitted by class members on the class website.

In addition to traditional discussion, teams are encouraged to, as appropriate, organize activities such as small group exercises such as each group discussing a different small element of a case and reporting back to the class, having groups come up with an ethical dilemma from

their own experiences and having them discuss it and report back to the class assigning groups a debate position which they must defend to the best of the group's ability, role playing, etc. Another popular activity is to incorporate "Jeopardy" into the class activities, where groups work together to answer questions regarding the cases.

Teams are encouraged to seek out and incorporate short videos related to cases. All class members are encouraged to seek out follow-up material to all the cases to incorporate in the discussions. Again, a heavy focus on clear discussion of accounting rules, guidelines, and implications should always be paramount.

When discussing cases, students are strongly encouraged to remember that quitting is not always an easy option. It is the responsibility of the class to discuss strategies to avoid unethical situations and to rectify problems such as they might face in their careers.

At the beginning of each period, the team(s) presenting that evening are provided with a printed "class member tally sheet" so they can easily keep track of participation and insure that all class members have an opportunity to and do participate in the discussions. The tally sheets are returned to the instructor at the end of class and saved as part of the class record.

Tools: Name Cards, Holders, and Tote

Discussion groups require that participants be easily identified so that they can be called upon by the leader and/or other members of the group. In a classroom setting, double-sided name cards supported in a simple holder and placed in front of each participant provides an easy and inexpensive way to allow every member of the class to identify all the class members from the first moment. Double-sided name cards and holders distributed at the beginning of each class offer the additional bonus of providing a simple roll-taking device as unused name cards correspond to students who did not come. Once made, the cards can easily be saved from term to term and used by the teacher for the same students in other classes over the course of their student career.

*NAME CARD: Glossy white paper (8 1/2" by 11'), folded long-way down the center
Times New Roman, Bold, 84 font

Cards generally do not stand up well on their own. Therefore, card holders are highly recommended. Card holders can range from very simple blocks of wood and to ornate plastic or even engraved stone with the university insignia on them. No matter what the preference, it is very important that each holder has enough weight, length, and depth in the grooved area to support the card.

Physical plant personnel on our campus were able to produce more than enough card holders for our needs out of clean scrap wood from another project they were completing at a minimal charge to us.

*CARD HOLDER: Clean wood cut 9" long by 1 3/4" wide by 1 3/4" deep with a 3/4" deep notch running the length of the wood block

*A SMALLER LUGGAGE TOTE ON WHEELS provides easy storage and transport for name cards, holders, and other items related to the class.

PARTICIPATION

Because the final grade for each student is based heavily on their participation in each class, a clear participation rubric is vital. It is important that students understand that the participation score has little room for subjectivity but is based on standards that can be distinguished from one level to another. Students are encouraged at each class meeting to refer regularly to the rubric both in preparation and in actual participation in class. At the end of each class meeting when students are asked to score their own performance for the session, they are guided to use the rubric as their template.

We chose to develop a participation rubric one using a five-point scale. It is straightforward and simple to use. The five categories allow for a clear distinction between outstanding, good, adequate, non-participant, and unsatisfactory contributors. Students are told in no uncertain terms that attendance is just that, attendance. It is not participation.

During the initial class meeting the instructor emphasizes the importance of using the rubric in every student's preparation for and participation in each class meeting. Students are reminded at most class meetings of the importance of the rubric and how it is used in grading. In order to facilitate easy reference, the rubric is positioned as the final page of the syllabus.

Tool: Participation Rubric

OUTSTANDING CONTRIBUTOR (5 points)

To earn recognition as an outstanding contributor, a person must demonstrate exceptional preparation through their shared analysis of the assigned cases, readings, and other materials. Outstanding contributors will offer one or more major insights that go well beyond regurgitation of the material. Their contributions to class discussion will stand out as carefully considered integrations of pertinent reading assignments, past assignments, and the assignment under discussion. Because ours is a class with a focus on Accounting, direct citations of pertinent rules, standards, and guidelines and their link to the item under discussion is essential and must be included whenever appropriate.

Outstanding contributors generally bring printouts of related articles, you-tube presentations, and other resources to support their contributions and to share with the class. They might develop their thoughts on cases and readings by putting into writing, the methodology used, including but not limited to accounting rules and guidelines, that led to their thoughts about such items as whether or not there is an ethical issue at hand, if so when did it start, with whom, and what circumstances allowed it to happen and what should have been done to prevent it from happening. Also, an outstanding contributor will carefully consider and share the best way from many perspectives of how to best create an atmosphere that encourages ethical behavior, even in a less-than-perfect situation.

Outstanding contributors stay focused. They listen carefully to other students and bring much more depth and breadth to the conversation by asking thoughtful questions of other students and the professor in class, suggesting alternative ways of approaching material and helping the class as a whole to analyze which approaches are appropriate, which standards prevail, etc.

Outstanding contributors are fully engaged throughout the session. They are respectful and attentive of others at all times. Without their contributions during the class session, the quality of discussion would be diminished markedly.

Good contributor (4 points)

To earn recognition as a good contributor, a person must demonstrate strong preparation through their shared analysis of the assigned cases, readings, and other materials. Good contributors will offer insights that go beyond recitation of the material. Their contributions to class discussion will be substantive, persuasive and considered integration of pertinent reading assignments, past assignments, and the assignment under discussion. Direct citation of pertinent rules, standards, and guideline, and their link to the item under discussion is essential but may not be as extensive as that of an outstanding contributor.

Good contributors generally do bring in current articles and related resources to share with the class. However, their interpretations of the linkages are typically more sketchy than those of outstanding contributors. Good contributors do provide good insights and sometimes develop new thoughtful directions for the class discussion.

Good contributors are fully engaged throughout the session. They are respectful and attentive of others at all times. Without their contributions during the class session, the quality of discussion would be diminished markedly.

Good contributors stay focused. They listen carefully to other students and bring depth and breadth to the conversation by asking thoughtful questions of other students that enhance discussion and engage peers, offers and supports suggestions that may be counter to the majority opinion.

Posture, demeanor and behavior of good contributors clearly demonstrates respect and attentiveness to others and a consistent ongoing involvement in the class. Without the involvement of good contributors, the quality of discussion would be diminished somewhat.

Adequate contributor (3 points)

To earn recognition as an adequate contributor, a person must demonstrate satisfactory preparation; know the basics of the case, readings, and other assigned material through their shared analysis of the assigned cases, readings, and other materials. Adequate contributors will rarely offer insights that go beyond recitation of the material. Their contributions to class discussion will rarely be supported with thoughtful elaboration and seldom will offer a new direction for discussion. Adequate contributors will generally only make general reference, i.e., AICPA Code of Ethics, Auditing guidelines but will usually not demonstrate a grasp of any of the nuances of the discussion material beyond what is stated in the reading.

Adequate contributors generally do not come prepared to contribute outside resources as part of their discussion. They rely on their ability to speak “off-the-cuff” and “bluff”. They often refer to intuition and personal opinion rather than explaining a meaningful decision-making process used in the development of their answers. They listen to others some of the time but are often too busy formulating their own answers to be really engaged, and often find themselves at a loss when called upon to speak. Once the facts of a case are stated, most adequate contributors often become dormant. Others will attempt to speak regularly and forcefully but because of their lack of preparation will diminish somewhat the overall quality of the class discussion.

Non-participant (1-0 points)

Non-participants are present and not disruptive. They rarely attempt to participate. They generally only speak when called directly upon to do so. When they do speak, non-participants rarely offer much beyond the stated information in the material, generally simply agree with statements made by previous participants, or restate earlier questions raised. Non-participants do not demonstrate preparation beyond reading the material. Novel correlations to previous or other current discussion material are rare. References to pertinent rules and guidelines are vague or absent. They do not add to the quality of the discussion.

Unsatisfactory participant (1-0 points)

Unsatisfactory participants rarely demonstrate much preparation or understanding of the material beyond the stated information. They rely heavily upon their ability to speak “off-the-cuff” and “bluff”. They often refer to family-values, intuition and personal opinion but fail to explain a meaningful decision-making process used in the development of their answers. Their preparation is often the same as that of an adequate contributor and their answers are likewise lacking in any substance beyond regurgitation of stated facts and unsubstantiated opinions. Their contributions to class discussion will rarely be supported with thoughtful elaboration and seldom will offer a new direction for discussion. Unsatisfactory contributors will usually only make general reference, i.e., AICPA Code of Ethics, Auditing guidelines but will usually not demonstrate a grasp of any of the nuances of the discussion material beyond what is stated in the reading.

Comments made by unsatisfactory participants sometimes are inappropriate or go off-topic. Unsatisfactory participants will often attempt to dominate class discussion; restrict or interrupt participation by others, and sometimes act or speak disrespectfully towards others in the class. They listen to others some of the time, regurgitate prior comments by themselves and others frequently, but do not extend discussions in a meaningful way.

Unsatisfactory participants fail to appreciate that rules about electronic devices being used inappropriately or not being used at all in class apply to them as well as the rest of the class. Unsatisfactory participants waste valuable class time.

Tool: Daily Participation Grade Card

At the end of every class period students are asked to submit a ‘self-evaluation’ participation grade using the participation rubric as a guide. 3x5” cards are an easy tool for facilitating this. Students pick up a blank card at the beginning of each class period, write their name on it and throughout the class have the option of jotting down notes on the card regarding their actual contributions during class. Before the next class period when the cards are returned, the instructor marks his/her score of the student’s performance with comments on the card.

Students appreciate being able to “make their case” on the cards and the daily feedback. The student notes are helpful for instructors as they reflect on the many individuals in a class and the card format makes redistribution easy. The cards also serve as a simple attendance tool. Students not in attendance neither collect their cards from the previous class meeting nor do they submit one.

Students usually start the term marking their participation score much higher than their professor does. As a term progresses, it is heartening to see students becoming more critical of their own performance and hopefully expecting more of themselves. Comments from the professor help guide students in how to improve in the quality of their contributions and help to identify items that they are doing well in and want to continue. Students who are non-participants are driven by their scores of 0-1 points to improve early on in the course while time is still in their favor.

END-OF-CHAPTER-QUESTIONS

Communication skills are regularly noted by employers as important but too often excluded or sidelined in accounting courses due to the volume of information to be covered. Each week in this class, three or four assigned end-of-chapter and/or professor-provided essay questions are to be completed by the students for submission at the beginning of the next class period. These exercises directly connect the importance of strong writing skills with critical thinking and accounting knowledge. In addressing the questions, students are expected to demonstrate their comprehension of the reading assignments as well as their understanding and practical application of the AICPA Professional Code of Ethics, the Texas CPA Rules of Professional Conduct, the Sarbanes Oxley Act, AICPA Rules and Guidelines, and any other pertinent rules and guidelines that might apply. Because the weekly writing assignments demand that students contemplate the reading assignments, thoughtfully consider questions and carefully formulate answers, the exercise in turn helps them better prepare for class discussions.

PERSONAL JOURNAL

Keeping personal journals has long been regarded as a good way to collect, organize and record thoughts and experiences. Journals also provide a simple tool for reflection. Rarely used in business classes, we decided four years ago to include the requirement of a personal journal mostly as an experiment. We were interested in seeing what sort of reaction we got from the students throughout and at the end of the course as to its value.

Ideally, in keeping a journal, the writer simply allows words to fall freely onto the page, releasing subconscious and conscious thought without restriction. Fear of outside readership should be banished and constraints of grammar can be ignored as the ideas are allowed to flow out across the page. Dating entries, returning to them after a break of a few minutes, an hour, or a day, provides a template from which the writer can distill those thoughts and emotions into a few insights or can use as a launching point in expressing oneself in longer essay.

In our course, students are directed to keep a weekly journal and to bring the entire journal to each class meeting. We ask that the entries be typed and printed to reduce last-minute scribbling just prior to class in order to meet the requirement.

Suggestions of what to include in the journal are reflections on the previous class meeting discussions, reading assignments, and questions they might want to ask at upcoming meetings.

Students are encouraged to let their thoughts flow and not to write for the teacher but for themselves. Verbal assurances are repeated throughout the term that while the faculty member might glance at pages, detailed reading will not be done. However, throughout the class sessions, students are encouraged to share thoughts from their journals that might be pertinent to the discussions.

In addition, students are required to include in their journal at least one news-story or topical discussion from that week from beyond the text and readings that contained ethical issues related to accounting or management. All sources for the news items must be clearly documented. Copies from printable sources should be included in the journal in hard copy. Students are instructed to write a minimum of two paragraphs commenting on the story and how it impacted their thinking and daily life. Over the three years we have required keeping journals thus far student comments regarding their value have remained stable. Most student responses indicate that it is a worthwhile exercise. Included below are some representative remarks:

- The journals enabled me to keep up with what went on in each class. I frequently used the journal as a reference point of where we were in the class and what we had accomplished. Toward the end of the term, I began to develop each journal more fully and record my own thoughts and feelings in addition to recording lessons covered.
- I am glad we were able to write journal entries because it made me really think about what I learned and was able to absorb more information related to class discussion.
- One of the most important features of the journal was the current event. Whether it was a subject in the popular press or in an academic journal, the current event was very important to my success in the class. The journal and class sensitized me to what is going on in the world. I would like to see current events emphasized to a greater extent in class.
- Keeping a journal made me more aware of the ethical situations facing our society today. By having to talk about what was going on in our journal has made me better at doing so and I actually enjoy keeping up with what's going on.
- I enjoyed writing the journal and I believe it does help students to achieve a higher understanding of their thought and how the ethical situations discussed in class affect them. I also like the idea of including an article summary in the journal each week. This allows students to stay up on current ethical events in the business and accounting world.
- The only thing I did not find as beneficial as I thought were the journals because I do not see myself looking back at them simply because I am not a journal writing person.
- Keeping a journal and taking this course helped me to keep more of an open mind and not just rely on my own first opinions. I have become better at hearing what everyone else has to say, taking their opinions to mind, and then forming my opinion.
- The journal was one of the elements I took a lot of pride in this semester. When we were first told about the journal that we would be writing in before every class I think most of us cringed a little bit. But upon finishing the semester and keeping my journal up to date I can honestly say it was a big help to me. I was able to keep a steady log of what I was doing in the class and what we were going over, And for me, I wrote after each week how I thought I did and how I could improve for the next week. Over the semester this helped me become more involved in class, and in the end I know that it has helped me to receive a better grade. This is an element of the journal I would stress for future classes, keeping track of how you are preparing for each class and then how well you participate and class and the quality of your comments. Then once class is over commenting on how you did and what you can improve on for next week.

Sadly, some students behave unethically even in ethics courses. Based on the number of students who regularly came with their journals typed out and articles in hand it appeared that at

least seventy percent of all students did keep a journal as requested. However, a few students had frequent excuses about printer problems, forgetting to bring the journal, etc.

FILMS

Films are used in the course to supplement information to be discussed in classes. Some of the films we have used include:

Enron, the Smartest Guys in the Room
Inside Job
Gasland
Client Nine, the Rise and Fall of Elliot Spitzer
Wallstreet, Money Never Sleeps
Margin Call
Barbarians at the Gate
Gates and Buffett Go Back to School

GUEST SPEAKERS

Guest speakers add a “real world” perspective to discussion. We have tried having guest speakers at different times during the semester and our experience has been that students are better prepared to ask more in-depth questions of guest speakers in the second half of the semester, after they have read several chapters of the text and discussed a number of cases.

STUDENT THOUGHTS

Every year we ask students for their thoughts on the class and how to improve it. Over the years, the student comments have been extremely useful in improving the course. Here are a few final student thoughts of items we are still working on and about the course in general:

- Because of this class I began to discuss hypothetical ethical situations with our controller. This has helped my decision-making process. Having a mentor helps in many ways especially when trying to work through difficult situations in the field. I think we need to spend more time discussing a mentoring network and mentoring resources the state CPA organization offers.
- I liked that web sources for codes of conduct, the Sarbanes –Oxley Act were provided.
- I soon realized in this class that I didn’t know much about accounting procedures and rules and that I had better look things up a great deal more.
- I really enjoyed our guest speakers who talked about how ethics are important to their companies, the ethical training their firms do, and what they expect out of their employees.
- The films added a great deal to my understanding of issues.
- At the beginning of the semester, I was dreading this class. I have never been one to like public speaking even though I seem to do it quite often. I think it was the first class where the professor said that everyone would have to talk in class and that if if we didn’t like to talk, “get over it”. . At this point, I knew I would have to speak up in order to get

my grade. While it took me a little while to get comfortable I was able to do it and at times, bring some good insight to the class.

- The professor really helped me to come out of my shell and learn to speak up. I feel much more confident about speaking in front of a group now and defending my positions.
- The requirement of involvement brought a lot of people out of their comfort zone and provided for an interesting atmosphere. It was a refreshing change from the lecture format. In a standard class setting, all you really hear is the teacher's interpretation. I liked hearing the other students' thoughts.
- Views from international students were always appreciated. It would be exciting to hear more stories of international business ethics.
- I really liked how on the first evening we were asked what constitutes ethics. We went round and round and everybody had a slightly different or extremely different answer. I was able to deduce that most people, including myself, thought of ethics as an individual choice between right and wrong, yet it must be conducive to societal, organizational, and religious harmony.
- On the last day of class, we still have dissenting viewpoints about almost every case, leading me to believe that people have devout beliefs about what ethics are and that is not likely to change in one semester or Ethics.

CONCLUSION

While deliberation of how to deal with ethical issues will continue to pose problems, the development and use of simple tools to facilitate those discussions in a class setting make the process more effective, easier, and enjoyable for those involved.

ⁱ We are presently using the text, *Business and Professional Ethics for Directors, Executives & Accountants*, by Brooks and Dunn, Southwestern-Cengage, 2011 edition.

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