

# **Codes of Conduct and Ethical Perceptions: A Comparison of Accounting and Military Students**

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## **Abstract**

The purpose of this study is to examine the ethics education program of a military academy for potential enhancement of accounting ethics programs. The military academy emphasizes the core values of its honor code that are similar to the AICPA's Code of Professional Conduct. Using a survey describing two ambiguous academic situations, the ethical perceptions of management students at the military academy are compared to those of accounting students at a control university to determine if there are any measurable differences attributable to the academy's ethics program.

This study found that military academy students were significantly more likely than the control group to perceive academic behavior as unethical when it directly violated their core values, but were not more likely to perceive academic behavior as unethical when it did not violate their core values. These results indicate that the ethics education program at the military academy may have been useful in aligning students' ethical perceptions with their code of conduct. This implies that ethics education in accounting curriculums may want to emulate aspects of the academy's ethics program, most notably emphasizing the accounting profession's code of conduct to accounting students.

## **Introduction**

Recent years have seen an increase in the interest of teaching accounting ethics. Driving this interest are the significant changes in the ethical environment in which accountants work, and the profession's acknowledgment of the importance of education in the process of influencing ethical behavior of future accountants. Several well-publicized cases of fraudulent financial reporting caused the accounting profession in 1987 to fund a study of the ethical education of accountants by the National Commission on Fraudulent Financial Reporting (Treadway Commission). Upon completion of the study, the Treadway Commission recommended more extensive coverage of ethics in accounting curriculums. In 1988, the American Institute of Certified Public Accountants (AICPA) adopted a new Code of Professional Conduct, which emphasizes the importance of education in ethics. What is especially noteworthy in this Code is that it emphasizes education as a means for influencing the ethical behavior of future members of the accounting profession (Anderson and Ellyson 1986). Another reason many business colleges are interested in teaching ethics is that the American Assembly of Collegiate Schools of Business (AACSB) has stressed the importance of increased ethics education in the business school curriculum (Karcher 1996) and requires an ethical component in the business curriculum as a condition of accreditation.

Many issues in teaching ethics to accounting students have been studied in prior research. For example, the questions of whether accounting professors should teach ethics (e.g., Oddo 1997; McDonald and Donleavy 1995; Ward et al. 1993; Cohen and Pant 1989; Loeb 1988), how ethics should be taught (e.g., Oddo 1997; Kerr and Smith 1995; Loeb 1994; Armstrong 1993; Huss and Patterson 1993; Ward et al. 1993; Loeb and Rockness 1992; Loeb 1990; Langenderfer and Rockness 1989; Loeb 1988), and the effectiveness of teaching ethics (e.g., (Bay and Greenberg 2001; Duizend and McCann 1998; Gautschi and Jones 1998; Eynon et al. 1997; LaGrone et al. 1996; Kerr and Smith 1995; McNair and Milam 1993; Ponemon 1993; Borkowski and Ugras 1992; Fulmer and Cargile 1987) have all been addressed, often with no clear answers. The issues related to teaching ethics in the accounting curriculum are more than academic, as evidenced by research that documents the existence of unethical behavior among accountants (e.g., Gibson and Frakes 1997; Schaefer and Welker 1994; Kelley and Margheim 1990, 1987; Margheim and Pany 1986; Alderman and Deitrick 1982).

The purpose of this study is to examine the ethics education program of a military academy for potential enhancement of accounting ethics programs. The core values of the honor code of the academy are described, noting their similarity to the AICPA's Code of Professional Conduct (1988). Then using a survey describing two ambiguous academic situations, the ethical perceptions of students majoring in business at the military academy are compared to those of accounting students at a control university to determine if there are any measurable differences attributable to the academy's ethics program.

The remainder of this paper is organized as follows: first, a background is given, discussing the military academy's ethics program and the similarities between its core values and the AICPA's Code of Professional Conduct. Next, the hypotheses are developed and the methodology is described, followed by a discussion of the results, implications, and limitations.

## **Background**

### **Similarities between the Academy's Core Values and the AICPA's Code of Conduct**

The military academy's ethics program was chosen for examination in this study because the three core values comprising its honor code closely parallel the AICPA's Code of Professional Conduct<sup>1</sup> (1988). The military academy discussed in this paper has the following core values: "Integrity first, service before self, excellence in all we do." The four key principles found in the AICPA's Code of Professional Conduct are integrity, objectivity, due professional care, and a genuine interest in serving the public. All three of the academy's core values have a similar counterpart in the accounting profession's code of conduct ("integrity first" and "integrity"; "service before self" and "a genuine interest in serving the public"; and "excellence in all we do" and "due professional care"). Note that integrity is the initial and guiding principle in both codes.

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<sup>1</sup> Core values can be thought of as a positive reconstruction of the institution's honor code. Core values are also being defined and used in public accounting firms. For example, KPMG defines core values as "what define this firm, both internally and externally — define it to the marketplace, our clients, our employees, and the communities in which we live and do business. Our core values are a screen through which every major decision we make is passed and a standard by which all of our employees are evaluated" (KPMG 1998, 12). KPMG then lists the following as its core values: teamwork and collaboration; open, honest communication; involving everyone; boundarylessness; leaders who serve; and personal accountability.

In addition, the similarity between the academy's core value of "service before self" and the AICPA's principle of "a genuine interest in serving the public" is even more pronounced upon further reading of the AICPA's Code of Conduct, which states that a genuine interest in serving the public "requires that service and the public trust not be subordinated to personal gain and advantage." Finally, the parallel between the academy's core value of "excellence in all we do" and the AICPA's principle of "due professional care" becomes more apparent when one reads the AICPA's Code clarification of the meaning of "due professional care": "The quest for excellence is the essence of due care."

### **Academy's Ethics Program**

The military academy examined in this paper has integrated a comprehensive ethics program throughout its curriculum. Ethics education takes place immediately upon arrival, both inside and outside of the classroom. At a rudimentary level, the academy requires that all students commit to memory the core values and the honor code ("We will not lie, steal, cheat, nor tolerate among us those who do"), and take an oath to abide by them. Over a four-year period, students attend 43 mandatory ethics lessons outside of class: 12 upon entrance to the academy, 11 more as freshmen, 10 as sophomores, five as juniors, and five as seniors. These ethics lessons are taught by student honor representatives (selected juniors and seniors who have expressed an interest in ethics education) and are based around the core values. Guided by the Character Development Center, teams of two honor representatives (a senior and a junior) are responsible for approximately 100 students each, divided into groups of approximately 25, based on class standing. A mentor faculty member volunteers to advise the student leaders in useful active teaching methods (e.g., case teaching, collaborative learning, simulations, and directed discussions) to enhance the traditional passive learning techniques. In addition to the ethics education outside of class, within the curriculum there is a required semester course on ethics provided by the philosophy department, and ethics is emphasized in one general studies course each year for all students (e.g., freshman English emphasizes ethics for first year students).

In addition, the academy has obtained the support of the ethics program from faculty across the curriculums. The Dean of Faculty encourages all faculty members to use "teachable moments" that arise in any class to emphasize the importance of the core values. Further, the Dean meets with the faculty of each department annually to inform them of the progress of the ethics development program and to solicit feedback from the faculty. Finally, most of the academic departments are represented by faculty who volunteer their time to serve as ethics advisors to the student honor representatives as discussed earlier.

Thus, the military academy has instituted a fairly comprehensive ethics program throughout its curriculum. Prior research has noted that most accounting programs, on the other hand, have not effectively integrated ethics into the accounting curriculum (Sisaye and Lackman 1994). Thus, if there is any measurable difference in the effectiveness of the academy's ethics program (such as on the ethical perceptions of its students), it may provide a model for accounting programs to copy.

### **Hypotheses**

To assess whether the military students had internalized the academy's code of conduct, a survey was designed with two hypothetical scenarios set in an academic environment (see appendix). The foundation for the survey was provided by fraud

researchers, who have found that three elements must be present simultaneously for fraud to occur (Wells 1997; Albrecht et al. 1995). These elements are *pressure* (or motive to commit the fraud); *perceived opportunity* to be able to perpetrate the fraud and remain undetected; and the ability to *rationalize* the action as acceptable behavior. These three elements are often referred to as the “fraud triangle,” and if the risk of any one of those three elements occurring can be minimized, then the risk of fraud is minimized. It is believed that ethics education primarily affects rationalizations.

Academic dishonesty can be considered fraud in a classroom environment when one considers the definition of fraud. Fraud has been defined as “any and all means a person uses to gain an unfair advantage over another person” (Romney et al. 1997, 503). Similarly, the American Heritage Dictionary (1991) defines fraud as “a deception deliberately practiced in order to secure unfair or unlawful gain; cheat.” Finally, Black’s Law Dictionary (1979) defines fraud as:

... a generic term, embracing all the multifarious means which human ingenuity can devise, which are resorted to by one individual, to get an advantage over another by false representation. No definite and invariable rule can be laid down as a general proposition in defining fraud, as it includes surprise, trick, cunning and unfair ways by which another is cheated. The only boundaries defining it are those which limit human knavery.

The common theme in all three definitions is that fraud entails deceit in order to gain an unfair advantage over another.

Cheating by students is essentially fraud in an academic setting, where the three elements of pressure, perceived opportunity, and rationalization must be present for the cheating to occur. The pressures or motives to cheat may stem from pressure for better grades, competition, academic stress in general or inconsistent application of academic rules (Fass 1990). The opportunity to cheat and remain undetected need not necessarily be present - what is required is that the student perceives that such an opportunity exists. Perceived opportunity can exist in countless ways, limited perhaps only by students’ imagination. Likewise, rationalizations - or morally acceptable excuses that justify in the student’s mind his academic dishonesty - are also probably countless.

Both scenarios describe ambiguous academic situations. Copying from another student’s exam is clearly regarded as cheating (Fass 1990; Pratt and McLaughlin 1989; Tom and Borin 1988; Nuss 1984), but other classroom behaviors are less clearly understood to be cheating (Ogilby 1995).

In both scenarios, the pressure (or motive) present was for the student to maximize his grade. The perceived opportunity to be able to engage in the described behavior and remain undetected was also present. Thus, the only element needed in order for the student to perceive the described behavior as acceptable is that of a rationalization. The subjects in this study were asked to assess the described behaviors as ethical or not ethical, and to provide reasons for their answers.

In order to determine whether the military students had internalized their code of conduct, the academy business students’ ethical perceptions are compared with a control group of accounting students from a university that neither has a code of conduct nor emphasizes ethics education. It is expected that in the second scenario, where the described actions violate the academy’s code of conduct, the academy students will be more likely than the accounting students to perceive the behavior as unethical.

To provide assurance that there were no between-group differences which could account for any statistically significant differences found other than the academy’s

emphasis on ethics education, the first scenario in the survey was developed in which the described actions do not directly violate the academy's code of conduct. It is expected that in this scenario, the students' ethical perceptions will be similar. Additional tests to determine the equivalency of the two groups of students are described in the methodology section. Thus, the hypotheses tested are (in the null form):

*H<sub>1A</sub>: Given Scenario A, there is a difference between the control and treatment groups' ethical perceptions.*

*H<sub>1B</sub>: Given Scenario B, there is no difference between the control and treatment groups' ethical perceptions.*

## Methodology

### Subjects

Two groups of students participated in this experiment. The treatment group (military academy) consisted of 63 students from a diverse geographical region including most of the United States, enrolled in a core business management course at a military academy. Thirty-four of the students were underclassmen, 26 were upperclassmen, and three declined to provide their academic status. The treatment group was subject to the intensive ethics education program described earlier in the paper. The control group consisted of 78 students majoring in business (accounting option) enrolled in financial, managerial, and accounting information systems classes at a public university located in a non-metropolitan area of the northwestern portion of the United States, similar in size to the military academy. Thirty of these subjects were underclassmen and 48 were upperclassmen. Students in this group had not been required to take any ethics courses, nor were they subject to an ostensible honor code. On average, students in the treatment group were younger, had less college experience, and were more likely to be male. Basic demographics are provided in [Table 1](#).

### Instrument

All subjects completed an ethical perception survey (see appendix) consisting of two ambiguous academic situations. All subjects were familiar with the academic setting, adding experimental realism to the survey. Participants were provided anonymity in order to promote honest, candid responses.

### Model

The post-test only design with nonequivalent groups limits the causal statements that can be made because the absence of an equivalent pretest leads to the possibility that any post-test differences observed between the groups may be attributed to either a treatment effect or to selection differences (Cook and Campbell 1979). Three steps were taken to eliminate the shortcomings of a post-test-only design.

First, a logistic regression model was developed for a more rigorous test of the effect of the treatment (ethics education) on influencing students' ethical perceptions. The general model is:

$$\text{ETHICS}_n = \alpha + \beta_1 \text{SAMPLE} + \beta_2 \text{AGE} + \beta_3 \text{CLASS} + \beta_4 \text{SEX}$$

Where:

**ETHICS<sub>n</sub>** = subject's perception of whether the described behavior is ethical (0 if unethical, 1 if ethical); subscript *n* identifies the scenario;

- SAMPLE** = 0 if subject is from the control group, 1 if from the treatment group;
- AGE** = subject's age, continuous in years from 18-45;
- CLASS** = 1 if freshman, 2 if sophomore, 3 if junior, 4 if senior, 5 if graduate student;
- SEX** = 0 if male, 1 if female.

The independent variable of interest is **SAMPLE**. The other independent variables (**AGE**, **CLASS**, and **SEX**) are demographic control variables. If **SAMPLE** is significant with the control variables included in the model, this will provide additional support for the argument that the observed differences in ethical perceptions are due to the ethics program in place, rather than due to other demographic student differences between the institutions.

The second method used to address the shortcomings of a post-test only design was to obtain pre-entry Defining Issues Test (DIT) scores for the students enrolled in the military academy. The DIT, developed by Rest (1979), has been used in hundreds of ethical studies, and is considered a reliable psychometric instrument to assess an individual's level of ethical reasoning (Ponemon 1992). The military academy students' P score average on the DIT for incoming freshmen was 34.2, falling between the P score average for high school seniors (31.8) and college students (42.3), as reported by Rest (1986). These scores suggest that with respect to ethical reasoning, there were no significant differences between students entering the military academy and students entering other universities.

In addition to giving an indication as to the cognitive moral development of military students, the DIT's P score sheds light on whether or not the academy students' are more inclined to be authority-oriented (i.e., do as they are told). According to Rest et al. (1999, 111):

The DIT's P score is especially sensitive to the shift from maintaining norms schema to the post-conventional schema. This shift in moral schema is accompanied by a shift in attitude toward authority (shifting from unquestioning support to holding authorities accountable). Furthermore, there is also a change in attitudes about the importance of maintaining established social norms (shifting from supporting all established practices to supporting only those practices that serve the community's shared moral ideals). Therefore, development in moral judgment is accompanied by shifts in political attitude.

Also, DIT scores are highly correlated (in the .60s) with various measures of political attitudes and political identity. In sum, the similarity of military academy students' DIT P scores upon entrance to the academy with other students their age suggests that these students had similar attitudinal and political orientations to their peers in general.

The final method used to address the shortcomings of a post-test-only design was to obtain Keirse-Bates Temperament Sorter (KBTS) (Keirse and Bates 1978) scores for the students at the military academy. The KBTS is a questionnaire that is widely used by sociologists to get a rough indication of personality, allowing researchers to understand individuals' personalities and predict what they will do. The KBTS sorts individuals into four temperaments. SJs (sensing/judging) are serious, traditional, loyal and dependable. They need to know what to expect and don't like those who can't be trusted. SPs (sensing/perceiving) are spontaneous, happy-go-lucky, really value freedom, and distrust rules and authority. For them, gratification delayed is gratification denied. NFs (intuitive/feeling) are seeking, ever-changing, and value authenticity above everything

else. They value creativity more than dependability, and value intense individual interaction. NTs (intuitive/thinking) are intellectual, clever, and cool, sometimes lacking interpersonal skills or sensitivity. They are motivated by the need to know how things work.

Students's KBTS scores at the military academy were 28% SJs, 21% SPs, 24% NFs, and 28% NTs, a surprisingly even distribution (more so than the general population). Moreover, while it might be expected that many of the military students would be SJs (e.g., 66% of the military trainers were SJs), instead they were less likely to be SJs than the general populace. The military students were also more likely to be NTs than the general populace, similar to their academic faculty (60% of the faculty were NTs). Overall, the military students' KBTS scores indicate that their temperaments are diverse, relatively even across temperament categories, and considerably removed from an authority-oriented military stereo-type one might expect.

## Results

Recall that the first hypothesis (in the null form) stated that given Scenario A, there would be a *difference* between the control and treatment groups' ethical perceptions. Scenario A described an ambiguous ethical academic situation where some students in an afternoon section of an accounting principles class would check with friends in the morning section to determine if the professor had collected homework that day. If so, the afternoon students would do the assignment, otherwise the afternoon students would not. Homework was graded on completion/effort only and after dropping the two lowest homework scores, made up a total of 10% of the students' semester grade.

As shown in **Table 2**, in the control group 48 of 78 respondents (61.5%) viewed the behavior of the Scenario A students as unethical. In the treatment group, 31 of 63 respondents (49.2%) viewed the behavior as unethical. As predicted, there were no significant between-group differences, as shown by Pearson's Chi-square test ( $\chi^2 = 2.1513$ ,  $p = 0.1424$ ).

This result was more rigorously verified by the logistic regression model shown in **Table 3** ( $\text{ETHICS}_A = \alpha + \beta_1\text{SAMPLE} + \beta_2\text{AGE} + \beta_3\text{CLASS} + \beta_4\text{SEX}$ ). The model chi-square (likelihood ratio statistic) was not significant ( $\chi^2 = 4.941$ ;  $p = 0.2935$ ). Also, within the logit model, the variable of interest (**SAMPLE**) was not significant (Wald statistic = 0.7203;  $p = 0.3961$ ).

These findings support the contention that the ethical perceptions of the control group and the treatment group are essentially homogeneous when there is no direct violation in the scenario of the military students' core values. Therefore,  $H_{1A}$  is rejected.

Recall that the second hypothesis (in the null form) stated that given Scenario B, there would be *no difference* between the control and treatment groups' ethical perceptions. Scenario B described another ambiguous ethical academic situation where the professor of a senior-level business law class preferred to let his students keep their graded exams every semester because the exams served as a useful study aid for the upcoming CPA exam. However, because he had developed such good exam questions, he used several of the same questions on exams in subsequent years. Despite the fact that the professor clearly stated that students were not to find and use exams from previous semesters to study for his current exams, some students directly violated the professor's instructions and found friends who had taken the professor's class during an earlier semester. These friends let the students use their old exams, which resulted in these students scoring quite high on the professor's exams with very little studying.

The behavior described in Scenario B directly violated the military academy's honor code. Therefore, significant between-group differences were expected. As shown in **Table 4**, in the control group 39 of 78 respondents (50%) viewed the behavior of the Scenario B students as unethical. In the treatment group, 54 of 61 respondents (88.5%) viewed the behavior as unethical.<sup>2</sup> As predicted, there was a highly significant between-group difference, as shown by Pearson's Chi-square test ( $\chi^2 = 23.0789$ ,  $p < 0.0001$ ).

This result was more rigorously verified by the logistic regression model shown in **Table 5** ( $\text{ETHICS}_B = \alpha + \beta_1\text{SAMPLE} + \beta_2\text{AGE} + \beta_3\text{CLASS} + \beta_4\text{SEX}$ ). The model chi-square (likelihood ratio statistic) was highly significant ( $\chi^2 = 19.903$ ;  $p = 0.0005$ ). More importantly, within the logit model the variable of interest (**SAMPLE**) was highly significant (Wald statistic = 13.7103;  $p = 0.0002$ ), suggesting that most of the explanatory power of the logit model came from that variable. In addition, **CLASS** was found to have a positive relationship with the dependent variable. However, it was not significant, suggesting that most of the difference in the military group's ethical perceptions occurred prior to their junior year.

While the coefficient of determination ( $R^2$ ) is not appropriate because of the model's nonlinearity, a pseudo  $R^2$  recommended by Aldrich and Nelson (1984) and similar in intent was calculated. This is computed as  $R^2 = [c/(N+c)] = [19.9/(141+19.9)] = 0.124$ , where  $c$  is the likelihood ratio statistic, and  $N$  is the sample size. This indicates that there is considerable variance in the dependent variable (**ETHICS**) that is not explained by the exogenous variables. Note that Aldrich and Nelson warn that extreme caution should be used in the interpretation of any pseudo  $R^2$ .

As noted earlier (see **Table 1**), there were several demographic differences between the treatment and control groups. On average, students in the treatment group were younger, had less college experience, and were more likely to be male. Formal tests for multicollinearity were performed to determine if something other than **SAMPLE** caused the significance in the model. First, an examination of the bivariate correlation matrix was performed, and as expected, each of the demographic variables (**AGE**, **CLASS**, and **SEX**) was found to be significantly related ( $p < 0.001$ ) to student group classification (**SAMPLE**). The highly significant correlations suggested the possibility of multicollinearity masking the significance of one or more of the demographic variables related to **SAMPLE**, or falsely inflating the significance of **SAMPLE**. To test for the first possibility, **SAMPLE** was deleted from the model. The resulting model ( $\text{ETHICS}_B = \alpha + \beta_2\text{AGE} + \beta_3\text{CLASS} + \beta_4\text{SEX}$ ) was not significant (model  $\chi^2 = 4.356$ ;  $p = .2255$ ), nor were any of the individual variables found to be significant. The reduced model demonstrates that multicollinearity between **SAMPLE** and the demographic variables did not mask the demographic variables' significance. Further, since the reduced model was not significant, the demographic variables could not have inflated the significance of **SAMPLE**.

In addition, the bi-variate correlation analysis revealed a highly significant positive correlation between **CLASS** and **AGE**. When **AGE** was dropped from the original model (i.e.,  $\text{ETHICS}_B = \alpha + \beta_1\text{SAMPLE} + \beta_3\text{CLASS} + \beta_4\text{SEX}$ ), the model remained significant (model  $\chi^2 = 20.502$ ;  $p < 0.0001$ ) without **CLASS** obtaining significance ( $p = .5641$ ). Similar results were obtained by replacing **CLASS** with **AGE**.

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<sup>2</sup> Only 61 of the 63 respondents in the treatment group completed this question on the survey. Inclusion of the two nonresponses in either category would not lead to results significantly different from what is reported in this paper.

Together, these findings reject  $H_{1B}$ . That is, given Scenario B, there is a significant difference between the control and treatment groups' ethical perceptions. Further, our results suggest the observed difference is due to the academy's ethical training, rather than other demographic factors of sex, class standing, or age.

## Discussion

Students were asked to provide reasons for why they perceived the described behavior in Scenarios A and B as ethical or unethical. These comments added depth to understanding the students' rationalizations.

Recall that in Scenario A, there were no significant differences between the ethical perceptions of the control and treatment groups. Likewise, the rationalizations provided were similar among both groups. For those students who found the behavior to be unethical, their reason was almost unanimously based on one theme: the students in the afternoon session were gaining an unfair advantage over their peers in the morning session. A few respondents also pointed out that passing homework collection information on to friends in the afternoon class was not the way the method was intended to operate. Finally, several students noted the afternoon students were cheating themselves of their education. Representative responses for each of these rationalizations follow:

### 1) *unfair advantage*

- "If college transcripts were designed to reflect group performance, then this would be OK. However, they are designed to indicate an individual's performance. This practice gives an advantage to the afternoon students and therefore creates an 'uneven' playing field."

### 2) *not the way the method was intended to operate*

- "...they were to be graded on effort and completion only so all they really needed to do was try, which they did not";
- "The whole point was to randomly collect homework";
- "They are not allowing the teacher to grade them fairly on the 'surprise' homework check. The teacher will not be able to determine if the student is routinely doing his homework."

### 3) *cheating themselves*

- "The student's behavior cheats himself as well as the students he tells. However, I do think the afternoon students' grades will reflect their efforts when it comes to test time";
- "Students are only cheating themselves, and basically that's what life is all about. If you cheat yourself it becomes habit and easy to cheat others. Also, what kind of behavior will this exhibit in the working world?"

There was a wider variety of responses among students who found the behavior to be ethical. The general themes and representative responses of these rationalizations follow:

### 1) *students were simply using available resources*

- "Information is power. If the students are able to recognize trends and act on them, then they are just doing themselves a favor";
- "...the afternoon students simply were put into a system where they could choose to use the morning's knowledge to their advantage";
- "The students are using legitimate resources for information. It is their choice as to whether they do the homework or not—they are not cheating or copying answers";

- “As students, we are expected to perform as we would in the real world. In order to get ahead, one must use all of the information available to them. The info about the collection of homework was readily available”;
- 2) ***no specific rule was violated***
- “The students were not breaking any rules set by the professor”;
  - “The professor never said not to do this. Besides, the students were not checking answers — they were merely checking on the day’s happenings”;
- 3) ***cooperation among peers is best for all***
- “For all we know, the students in the afternoon section could have been doing the same thing for the students in the morning section for a different class. It all works out”;
  - “This is a great example of teamwork and what it takes to ‘cooperate to graduate’”;
- 4) ***no serious harm was done***
- “...homework is a relatively small portion of the total grade, so it probably isn’t that big of a deal”;
  - “...it is only hurting themselves, not society or other class members”;
- 5) ***logical and efficient use of students’ time***
- “...homework is supposed to help you learn. If some students feel they don’t need that extra practice; that should be their decision. Accounting students are very busy with much homework so why do the homework if you don’t need the practice and it won’t be graded?”
  - “...students don’t want to waste their time doing something they don’t have to”;
  - “...the students should not be penalized for making the most of their time”;
- 6) ***the morning students probably received benefits that the afternoon students didn’t receive, so it all balanced out***
- “While this might be somewhat unfair to the students in the morning class, they might in turn be receiving some other rewards by being in the morning section (i.e., the professor teaches better in the morning)”;
- 7) ***the professor certainly had to expect that this would happen, so not only was he to blame but it must not have mattered much***
- “...this is ‘unethical’ behavior on the part of the professor. He has created an unfair advantage for the afternoon class. The students did nothing wrong. It’s not as if they copied the homework; they still had to put forth the effort to get the assignment done”;
  - “...if the professor is that predictable, then the students should use it to their benefit.”

Recall that in Scenario B, there were significant differences between the ethical perceptions of the control and treatment groups. There was almost unanimous agreement among the treatment group that the described behavior was unethical. Almost without exception, these students responded that they were told not to use old exams and to do so would be gaining an unfair advantage over their peers (e.g., “Since the professor has specifically asked the students not to use prior exams for studying, this is unethical to do so”). Only a handful of the treatment group disagreed by stating that the behavior was ethical. Their rationalizations varied, but included the right to use available resources, that others would do it, which would leave them at a disadvantage, and that the professor was to blame. Representative responses for each of these rationalizations follow:

**1) *right to use available resources***

- “Students are on their honor not to use old tests if the request is made, but this is like putting a fox in charge of the hen house. Students will use all available resources to gain an advantage if they are clearly given one as in this situation”;

**2) *disadvantaged not to use old exams***

- “The professor expecting the students not to use past exams is the impossible dream. The practice would put honest students at a disadvantage and only lead to a disregard for rules”;

**3) *professor is to blame***

- “This is not unethical because of the stupidity on the side of the professor”.

Within the control group, those who believed the behavior was unethical responded in a similar, but less uniform fashion than the treatment subjects, with only a few stating that going against the express wishes of the professor was unethical. Instead, most of these students viewed it as unethical because the students were not learning the material on their own and because other students in the class did not have access to these old exams. Representative responses for each of these rationalizations follow:

**1) *going against professor’s instructions***

- “This behavior per se is not unethical, but going against the instructions of the professor is”;

**2) *not learning the material on their own***

- “This is unethical because they aren’t learning anything if they already have the exams”;
- “Students are in the class to learn, not to just memorize answers that will be on the test”;

**3) *not all students had access to old exams***

- “I believe this is unethical behavior because all students are not given the same opportunity to score high”;

Those students in the control group who perceived the behavior to be ethical focused on finding fault with the professor and on the importance of good grades to students. A few students noted that since no one had to actually steal the exam to gain access to it, nothing unethical occurred. Other students noted that this behavior was ethical because it was efficient. Finally, some students focused on the frequency of such behavior as making it ethical. Representative responses for each of these rationalizations follow:

**1) *professor’s fault***

- “I believe that past tests are very good study aids, and if a professor is too lazy to change questions from year to year it is his own fault!”;
- “I believe professors are paid adequately enough so that they can take the time to vary up their tests”;

**2) *importance of good grades***

- “I believe this is not unethical due to the fact that the one thing a student needs is a good grade. If that means using past exams then they will probably do it. They may still learn”;

**3) *not stealing exams***

- “The exams are there and easy to get. The professor should rewrite his tests each year or not give back the tests. If a test is available to students, and they don’t have to steal it to get it, of course they are going to use it to study”;

4) *efficient use of time*

- “To me this is not unethical because that’s the same as telling a runner you can’t wear different shoes if it makes you run faster”;

5) *common behavior*

- “This happens all over campuses today. It is hard to consider it unethical when you encounter this every semester.”

The students’ comments, taken as a whole, seem to indicate that core values build consensus in students’ perceptions of ambiguous ethical academic situations, to the extent that the ethical dilemma closely parallels principles given in core values. Further, the treatment students seemed to internalize the core values, at least as far as their perceptions indicate. Conversely, when an ambiguous academic situation did not closely parallel the treatment students’ core values, they were no more likely to view a situation as ethical or unethical as the control group.

## Summary

This study found that military academy students were much more likely than other college students to perceive academic behavior as unethical when it directly violated their core values. However, when academic behavior did not directly violate the academy’s core values, students’ ethical perceptions about the behavior were similar in both groups. These results indicate that the ethics education program at the military academy may have been useful in aligning students’ ethical perceptions with their code of conduct. Further, since students were provided anonymity and were instructed to offer their own opinions rather than parroting those of the university, the findings support the contention that the academy’s core values were internalized. These results suggest that ethics education in accounting curriculums may want to emulate aspects of the academy’s ethics program, most notably emphasizing the accounting profession’s code of conduct to accounting students.

The results of this study suggest some avenues for future research. First, in light of the significant difference in ethical perceptions between groups, future research could investigate whether these differences continue to hold throughout a number of additional scenarios. Second, an equivalent pretest-posttest design could provide additional evidence that the results are not driven by selection bias. Since by the sophomore year most of the internalization of the core values by the military academy’s students had taken place, a broader-based sample (particularly including pre-freshmen and freshmen) would be helpful in identifying when the change in student perceptions most frequently occurs. Third, a longitudinal study will provide evidence on the effectiveness of such an ethics program over the long-term (e.g., by examining accountants’ actual behavior). Some work has recently begun to appear which is moving in that direction (e.g., Green and Weber 1997; McCabe et al. 1996). Finally, while this study makes it clear that the alignment of students’ ethical perceptions with a profession’s core values is achievable through an integrated comprehensive ethics program across the curriculum, future research is necessary to determine which factors have the greatest influence on students’ perceptions, and when the factors should be introduced into the curriculum.

The results of this study should be interpreted in light of its limitations. First, this study is limited to students’ perceptions, rather than actions, so generalizing these results to students’ actions may not be valid. Second, the post-test only design with nonequivalent groups is not the strongest methodology because selection bias cannot be completely removed from the treatment effect. However, the threat of selection bias was minimized in this study by: 1) the normality of the academy students’ pre-entrance DIT P

scores, 2) the relatively even distribution of the academy students' Kiersey-Bates Temperment Sorter scores, 3) the lack of between-group differences in the scenario where the treatment group's core values were not directly violated, and 4) the non-significance of independent variables controlling for between-group demographic differences.

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**Table 1: Demographics**


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	<u>Control Group</u>	<u>Treatment Group</u>
<b>Age</b>		
Range:	19-45 years	18-22 years
Mean:	24 years	20 years
Median:	21 years	20 years
Percent 18-22 years:	54%	95%*
<b>Class</b>		
Range:	Freshmen to Graduate	Sophomore to Senior
Mean:	Junior	Sophomore
% Upperclassmen:	84%	35%
<b>Sex</b>		
Male:	49%	76%
Female:	51%	19%*

\* 5% did not respond to this question

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**Table 2: Students' Ethical Perceptions Cross-Tabulated with Group Affiliation**

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(Scenario A)

<b><u>Students' Perception of Behavior in Scenario A</u></b>	<b><u>Control Group</u></b>	<b><u>Treatment Group</u></b>
Unethical	<b>48 (61.5%)</b>	<b>31 (49.2%)</b>
Ethical	<b>30 (38.5%)</b>	<b>32 (50.8%)</b>
	<b><math>\chi^2 = 2.1513</math></b>	
	<b><math>p = 0.1424</math></b>	

**Table 3: Logistic Regression Model**

(Scenario A)

$$ETHICS_A = \alpha + \beta_1SAMPLE + \beta_2AGE + \beta_3CLASS + \beta_4SEX$$

<u>Variable</u>	<u>B</u>	<u>S.E.</u>	<u>Wald</u>	<u>df</u>	<u>Sig</u>	<u>R</u>	<u>Exp(B)</u>
SAMPLE	.4123	.4858	.7203	1	.3961	.0000	1.5102
AGE	.0899	.0609	2.1793	1	.1399	.0316	1.0940
CLASS	-.2173	.2800	.0624	1	.4377	.0000	.8047
SEX	-.2980	.3982	.5602	1	.4542	.0000	.7423
Constant	-1.3085	1.1880	1.2133	1	.2707		

Model Chi-Square = 4.941; df = 4; p = .2935

**Table 4: Students' Ethical Perceptions Cross-Tabulated with Group Affiliation  
(Scenario B)**

<u>Students' Perception of Behavior in Scenario B</u>	<u>Control Group</u>	<u>Treatment Group</u>
Unethical	39 (50%)	54 (88.5%)
Ethical	39 (50%)	7 (11.5%)

$\chi^2 = 23.0789$   
 $p = 0.000002$

Model Chi-Square = 19.903; df = 4; p = .0005

Table 5: Logistic Regression Model

(Scenario B)

$$ETHICS_B = \alpha + \beta_1SAMPLE + \beta_2AGE + \beta_3CLASS + \beta_4SEX$$

<u>Variable</u>	<u>B</u>	<u>S.E.</u>	<u>Wald</u>	<u>df</u>	<u>Sig</u>	<u>R</u>	<u>Exp(B)</u>
SAMPLE	-2.0936	.5654	13.7103	1	.0002	-.2642	.1232
AGE	.0176	.0461	.1453	1	.7031	.0000	1.0177
CLASS	.1961	.2808	.4876	1	.4850	.0000	1.2166
SEX	.2606	.4347	.3595	1	.5488	.0000	1.2977
Constant	2.6873	1.1513	5.4481	1	.0196		

### **Appendix: Research Instrument**

This survey is part of a project to determine students' attitudes toward ambiguous academic situations. Please answer all questions.

Your completed questionnaire will be considered confidential and your responses will not be used to evaluate you in any manner. When your opinion is asked, please do not hesitate to answer honestly and candidly; this questionnaire cannot and will not be traced to you. The anonymity of your responses is absolutely guaranteed.

This questionnaire consists of two parts. The first part contains two independent scenarios in which your opinions are asked about the situations. The second part consists of demographic questions.

Thank you for your participation.

Scenarios

A. Professor Debit's homework policy in his accounting course was to randomly collect homework throughout the semester and grade it on effort/completion only, rather than on having the correct answers. The two lowest homework scores were dropped at the end of the semester and the overall homework score then made up 10% of the student's total semester points. Professor Debit taught two sections of this accounting course every semester, and preferred to grade his two sections together overall. Thus, when Professor Debit collected homework in his morning section, he also collected the assignment in his afternoon session. At the end of the semester, it was privately brought to Professor Debit's attention that several of the students in the afternoon session regularly checked with their friends in the morning session to see if homework had been collected. If so, the afternoon students did the assignment; otherwise, they did not.

1. Do you believe this is unethical behavior on the part of the students?

\_\_\_\_\_ No, I do not believe this is unethical behavior.

\_\_\_\_\_ Yes, I do believe this is unethical behavior.

2. Please explain why you do or do not believe this is unethical behavior.

B. Professor Tort teaches the senior-level business law class for accounting students. Much of the material covered in this class appears in the Business Law portion of the CPA Exam. Professor Tort likes to let his students keep their graded exams every semester since he believes it is a good study aid. However, because Professor Tort has developed such good exam questions, he usually will not rewrite an entire exam the following year. This results in several (although not all) of the same questions appearing on the exams in future years. Professor Tort has clearly stated that students are not to use past exams in preparation for current exams. Some current students have friends who took the class last year and these friends let them have their old exams. Consequently, these students are consistently scoring quite high on Professor Tort's exams with little studying.

1. Do you believe this is unethical behavior on the part of the students?

\_\_\_\_\_ No, I do not believe this is unethical behavior.

\_\_\_\_\_ Yes, I do believe this is unethical behavior.

2. Please explain why you do or do not believe this is unethical behavior.

**Demographics**

**Please answer the following demographic questions:**

**Sex:**     \_\_\_\_\_ **M**     \_\_\_\_\_ **F**

**Age:**     \_\_\_\_\_

**Major:**   \_\_\_\_\_ **Accounting**   \_\_\_\_\_ **Finance**

              \_\_\_\_\_ **Management**   \_\_\_\_\_ **Marketing**

              \_\_\_\_\_ **Other** ( \_\_\_\_\_ )

**Year in college:**

              \_\_\_\_\_ **Graduate**     \_\_\_\_\_ **Senior**     \_\_\_\_\_ **Junior**

              \_\_\_\_\_ **Sophomore**   \_\_\_\_\_ **Freshman**