

An Innovative Pedagogy for Teaching Accounting Ethics Using Videos of Landmark Studies in Psychology

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Abstract

This case study presents an innovative pedagogy for teaching accounting ethics using two landmark experiments in psychology: the Milgram Experiment and the Stanford Prison Experiment. These experiments illustrate destructive obedience to the power of a supervisor and the potential negative outcomes of obedience to institutional power. These obedience concepts can be identified by students as being related to accounting scandals and frauds where accountants, including Certified Public Accountants (CPA) and auditors, were pressured by unethical tones-at-the-top into acting unethically. Other related topics include the “slippery slope” of unethical behavior, the importance of having ethical courage, and the fraud triangle element of rationalization, including the “good soldier” defense. Using the integrated approach to teaching ethics, and with coverage as needed of the included background content, this case study can be implemented as an online, in class, or hybrid component of any upper-level or graduate accounting course. However, it is most applicable to courses in accounting ethics, auditing, and forensic accounting. Instructors are provided with summaries of both experiments and with links to the required videos/documentaries and supplemental videos and readings. Additional resources include content quizzes, online discussion instructions, discussion questions, and keyword/topic prompts.

Key words: CPAs, Internal and external auditors, Skepticism, Tone-at-the-top, Ethical courage, Accounting ethics pedagogy, Business ethics, Slippery slope of unethical conduct, Rationalization, Inattentional blindness.

I. INTRODUCTION

The Milgram Experiment conducted by Stanley Milgram (1963) and the Stanford Prison Experiment conducted by Philip Zimbardo (1971) are landmark studies in the field of psychology. Milgram’s study focused on destructive obedience to individual power (an authority figure), while Zimbardo’s study focused on destructive obedience to institutional power. The documentaries of the Milgram Experiment¹ and the Stanford Prison Experiment², along

¹ Milgram Experiment documentary: <https://www.youtube.com/watch?v=rdrKCilEhC0>

² Stanford Prison Experiment documentary. <https://www.youtube.com/watch?v=i4o9p04XJ-Q>

with the supplemental videos and readings, and other learning aids provided in this case study, can be an innovative tool (an “outside-the-box” tool) used to reinforce accounting ethics pedagogies.

The content of the two experiments can be related to numerous ethical issues in the practice of accounting: e.g., blind obedience to authority, the adverse effects of an unethical tone-at-the-top, the “good soldier” defense for wrongdoing, the fraud triangle elements of pressure and rationalization, the slippery slope of unethical behavior, the American Institute of Certified Public Accountants’ (AICPA, 2014) Code of Professional Conduct (hereafter, Code) principles of integrity, objectivity, and independence, and the fraud triangle elements of pressure and rationalization. In addition, these experiments provide students with the opportunity for ethical reflections.

The International Accounting Education Standards Board (IAESB) stated that ethics training should be perceived by students as *an important aspect of their education* (emphasis added):

Professional values, ethics and attitudes need to be treated in their own right within the education framework. If future professional accountants are to perceive professional values, ethics, and attitudes as important to their work, *it is essential that they do not perceive the treatment of professional values, ethics and attitudes as peripheral* [emphasis added] to their main education program. (IASB, 2008, p. 45)

The Milgram Experiment and the Stanford Prison Experiment are meant to augment accounting ethics instruction. The placement of these assignments in an accounting course is flexible. Instructors might use them as a standalone module or to augment ethics content included in the textbook. These experiments can be added to a stand-alone accounting ethics course or, using the integrated approach to teaching accounting ethics, added as a component of other accounting courses.

The authors consider a stand-alone ethics course preferable to the integrated approach. The lead author, who has taught both standalone ethics courses and has integrated ethics into various courses, has found a stand-alone course more effective at focusing on accounting ethics. From authors’ discussions with their colleagues, anecdotal evidence indicates that the integrated approach can result in cursory ethics coverage. Nevertheless, the integrated approach to teaching ethics is supported by the American Accounting Association (Mastracchio et al., 2015) and by the National Association of State Boards of Accountancy (NASBA, 2018). Only five states require the inclusion of accounting ethics as a stand-alone course (Mastracchio et al., 2015). NASBA’s 2020 Uniform Accounting Act Model Rules, which has been adapted by all 55 CPA jurisdictions, states the following regarding CPA applicant education requirements of three semester credit hours (SCH) in ethics (Rule 5-2(d)(6)):

[Applicants must have] earned a minimum of three SCH in an undergraduate and/or a graduate course listed or cross listed as an accounting or business course in ethics as defined in Rule 5-1(e). A standalone three SCH course in ethics may count towards meeting the accounting or business course requirements of Rule 5- 2(d)(2) or Rule 5-2(d)(4). As an alternative, colleges or universities may choose to *integrate the course throughout the undergraduate and/or graduate accounting or business curriculum* [emphasis added]. Universities must provide evidence of coverage under integration as specified in Rule 5-2(e). (AICPA, 2020)

Thus, when a stand-alone course in ethics is not a required part of the accounting curriculum, every accounting professor is charged with developing a pedagogy to aid them in imparting the ethical values of the profession. The integrated approach to teaching ethics, which requires that accounting courses include a component or module on ethics, was addressed by Blanthorne et al. (2010). Therefore, including ethics in some accounting courses is not sufficient. To inculcate accounting students with the values of the accounting profession as embedded in the AICPA Code of Ethics (AICPA, 2014; Ariail et al., 2021), ethical values and behavior must be continually addressed.

This paper proceeds first (Section II) with background discussions of ethical topics related to accounting: e.g., tone-at-the-top, slippery slope, ethical courage, fraud triangle, ethical reflections, skepticism and intentional blindness,

and other topics. Second (Section III), brief overviews are provided for each of the experiments. Third, assignment requirements are summarized (Section IV), followed by detailed implementation guidance specific to each experiment (Section V): discussion questions, learning objectives, and available teaching aids. Fourth (Section VI), evidence of assignment effectiveness is presented in the form of student survey data and in the form of repetitive student discussion posts. These discussion posts were selected as representative of student responses, more of which are included in the Teaching Notes. And fifth (Section VII) conclusions are offered.

II. ASSIGNMENT BACKGROUND

This section presents brief discussions of topics that are pertinent to accounting ethics. Each topical discussion provides accounting educators with background information they can use to facilitate the use of this teaching aid, including the fostering of group discussions.

Tone-at-the-top

In *the Guide to Investigating Business Fraud* (AICPA, 2009), tone-at-the-top is defined as the tone of “leadership personnel who set an example through actions and communications. The tone-at-the-top is the message dissemination from the top of the organization to the bottom” (AICPA, 2009, p. 322). This definition is expanded by the Association of Certified Fraud Examiners (ACFE, n.d., p. 1, para. 1) to include all leaders, not just top management: Tone-at-the-top “. . . refers to the ethical atmosphere that is created in the workplace by the organization’s leadership.”

An unethical tone set by top executives can create an unethical culture that may result in unethical conduct on the part of subordinates. Soltani (2014) identified unethical tones-at-the-top as a commonality of some high-profile accounting frauds that occurred in the United States and Europe. Examples of top executives who the authors suggest communicated unethical tones include Scott Sullivan at WorldCom (Cooper, 2008), Jeff Skilling at Enron (McLean & Elkind, 2003), Richard Scrushy at HealthSouth (Beam & Warner, 2009), Rupert Murdoch at News of the World (Amernic & Craig, 2013), Art Barksdale at Colonial Bank (Ariail & Crumbley, 2019), and Martin Winterkorn at Volkswagen (Ariail et al., 2019). Apparently, David Middendorf, KPMG’s National Managing Partner for Auditing Quality and Professional Practice created an unethical tone that resulted in the KPMG cheating scandal (SEC, 2019).

While the tone-at-the-top is usually considered to emanate from top executives, evidence (e.g., Davis & Rothstein, 2006; Kotte & Pelleltier, 2013; Prottas, 2013) also suggests that the ethical tone set by managers and direct supervisors impacts ethical behavior. In an auditing context, Pickerd et al. (2015) found that “entry-level employees will underreport their time unless they observe a strong ethical tone from both their partner and their senior” (p. 93). Writing in the *Journal of Accountancy*, Gartland (2015) indicated that not only partners and owners have the primary responsibility for an ethical tone, but also employees at all levels play a role in establishing an ethical climate in CPA firms.

An unethical tone-at-the-top can be related to both experiments. In the Milgram Experiment, the experimenter sets the unethical tone which led to “teachers” shocking their “learners” with up to 450 volts of electricity; and in the Stanford Prison Experiment, the prison superintendent, played by the lead experimenter Phillip Zimbardo, set the unethical tone that led to “guards” abusing “prisoners.”

Slippery Slope

Cynthia Cooper, the internal auditor and CPA who is credited with exposing the accounting fraud at WorldCom, stated that “people don’t wake up and say, ‘I think I’ll become a criminal today.’ It is a slippery slope, and we lose our footing one step at a time” (Personal Communication Feb. 17, 2017). That is, unethical behavior on the part of accountants often starts when a superior asks a subordinate to just this one time commit an unethical act—financial conditions will improve, and you will not have to do this again. Time-after-time (e.g., HealthSouth, WorldCom, Colonial Bank), one-time requests for an unethical act have resulted in disastrous accounting frauds. The initial

unethical act is repeated and mushrooms out of control. Like Sir Walter Scott wrote in his poem *Marmion* about the domino effect of deception: “Oh what a tangled web we weave, when first we practice to deceive” (Scott, 1808, Canto Sixth, XVII). Research by Welsh et al. (2015) found support for the psychology of the slippery slope. They stated that “. . . gradual changes can increase moral disengagement and unethical behavior over time” (p. 13).

Aaron Beam, the co-founder and the first CFO at HealthSouth, indicated that his ride down the slippery slope began when he first succumbed to CEO Richard Scrushy’s demand for him to “get the numbers where they need to be” to satisfy Wall Street (Beam & Warner, 2009). In a September 24, 2009, YouTube interview³ (2:26 minutes) with Lightonpro, Beam explained how his initial acquiescence to Scrushy mushroomed into an accounting fraud that led to his and the company’s downfall (Beam, 2009). In the WorldCom fraud, the slide down the slippery slope for CPAs Betty Vinson and Troy Norman started when they first succumbed to pressure from Scott Sullivan to make fraudulent post-closing entries to convert expenses into assets (Cooper, 2008). And at Colonial Bank, what began as a temporary deception to hide a \$10 million bank overdraft from regulators grew into a multi-year \$2 billion fraud that included internal and external collusion and the falsification of documents.

The slippery slope often involves a superior pressuring a subordinate to commit an unethical act. Such pressure results in stress. Both experiments illustrate the unethical actions that can result from stress and pressure. The slippery slope in the Milgram Experiment began with a “teacher” flipping the first switch to shock a “learner.”

Ethical Courage

The Code (AICPA, 2014) includes the principles of integrity, objectivity, and independence. In part, the principle of integrity indicates that CPAs should not subordinate their judgment (AICPA, 2014, ET 0.300.04.04) nor their principles (AICPA, 2014, ET 0.300.040.03). The principle of objectivity and independence states that CPAs “. . . should protect the integrity of their work, maintain objectivity, and avoid any subordination of their judgment” (AICPA, 2014, ET 0.300.050.03). Not subordinating either judgments or principles calls for ethical courage—having the courage to resist unethical requests/demands made by superiors (Ariail et al., 2012). Mintz and Morris (2011) indicated that the need for ethical courage is included in the moral character portion of Rest’s four-component model of ethical behavior (Rest et al., 1999). According to this theory of ethical behavior, a person must be able to recognize that an ethical situation exists (moral sensitivity), make a judgment about what is right or wrong (moral judgment), have a desire to prioritize ethical values over non-ethical values (moral motivation), and finally have the courage to take the ethical act by following through with their ethical intentions (moral character).

Both experiments can be used to prompt a discussion on ethical courage. For example, in the Stanford Experiment, most of the “prisoners” did not have the courage to resist abuse by the “guards,” and in the Milgram Experiment, many of the “teachers” kept following the experimenter’s demands to keep shocking the “learners” to the point of potential physical injury. They did not have the ethical courage to “just say no” to the torture they believed they were giving to a fellow human being.

Fraud Triangle

Donald Cressey (1953/1973) developed the fraud triangle model to explain white collar crime in the form of embezzlement. Subsequently, the AICPA adapted this model for inclusion in Statement of Auditing Standard 99 (AICPA AU Section 316), which is now incorporated in PCAOB AS 2401. The three elements of the fraud triangle are pressure, opportunity, and rationalization. Rationalizations can take many forms. There are several rationalizations evident in both experiments. For example, in the Stanford Prison Experiment a “guard” rationalized that since the “prisoners” did not lash out at their treatment, the abusive behavior was condoned. The most blatant example of the rationalization of unethical behavior in the Milgram Experiment is a “good soldier” defense. A

³ Aaron Beam (2009), the Slippery Slope, *YouTube*.
<https://www.youtube.com/watch?v=WbhpglzmuFg>

“teacher” initially refused to continue the shock punishments being delivered to a “learner.” Nevertheless, when the experimenter assured him that he took full responsibility for any harm to the “learner” the “teacher” kept delivering shocks until the highest voltage was reached, even though there was no response from the “learner.”

Being a good soldier, among other things, requires obedience to orders given by a person of higher rank. “I was just following orders” was a defense used by Nazi soldiers and leaders involved in committing atrocities during the Holocaust. At Nuremberg, Germany, where many of the Nazi war criminals were tried, principles were adopted related to this defense (Nuremberg, 1950). In an accounting context, the “good soldier” defense for unethical conduct also has been invalidated. In this regard, Buckhoff and Wilson (2008) stated that

the SEC, along with court decisions involving accountants and middle managers, have consistently ruled that “those who assist in committing a wrongful practice cannot escape culpability by asserting that they acted as ‘good soldiers’ and, thereby claim that the violative conduct was condoned, or even ordered, by their corporate superiors. (Buckhoff & Wilson, 2008, p. 55)

In other words, accountants must accept responsibility for their own unethical acts. They cannot escape punishment by claiming that they were just being a “good soldier” in following the unethical demands of a superior. Like soldiers who must evaluate the unethical orders of their superiors using the Law of Armed Conflict (Mackmin, 2007; LOAC, n.d.), CPAs must determine the rightness or wrongness of demands by a superior by reference to their own moral compass as informed by the Code (2014). While the “good soldier” defense was not specifically stated in either of the two experiments, similar rationalizations were illustrated in both: e.g., I wanted to stop but he insisted that the experiment had to go on (Milgram), and I was just playing the role I was given; I was just doing what I was told to do (Stanford).

In many of the frauds that occurred prior to 2003 (e.g., Enron, WorldCom, HealthSouth) corporate leaders claimed that they were not responsible for the manipulation of accounting reports. They asserted that the responsibility for the fraud was that of their subordinates, often the accountants who implemented the fraud. The denial of the culpability for frauds by corporate leaders can perhaps be likened to a reverse “good soldier” defense—a rationalization that someone other than the leader is responsible for the unethical outcome. Such attempts at avoiding responsibility by CEOs and CFOs were addressed in Section 302 of the Sarbanes-Oxley Act of 2002 (SOX, 2002). Section 302 requires the principal executive and financial officers to acknowledge their responsibility for the truthful and fair presentation of financial statements by certifying the quarterly and annual reports to the SEC (SOX, 2002).

Ethical Reflections

Definitions for “reflection” in Dictionary.com include the aspects of a casting back—looking back—and of being a contemplative exercise—the giving of “careful consideration.” The discussion topics for the Milgram Experiment and the Stanford Prison Experiment include student reflections of the contemplative type. Examples of reflections included in the Milgram discussion questions (Appendix D) include “how do you think you will react to authority as depicted,” and “how do you think you will react to pressure to act unethically exerted by a future superior such as a controller, a CEO, or a CFO? Reflective discussion topics from the Stanford Prison Experiment include “relate the Stanford Prison Experiment to the potential for stress in the practice of public accounting,” and “relate the roles assumed in a public accounting firm context to the guard and prisoner roles played by students in the Stanford Prison Experiment.”

Critical reflective activities are an important part of active learning (Dewing, 2010). Sandars (2009) indicated that “self-regulated and lifelong learning have reflection as an essential aspect. . . .” The ethics pedagogy of Giving Voice to Values (GVV: Gentile, 2010; cf. Gonzalez-Padron et al., 2012), according to Mintz (2016), also “. . . emphasize[s] the cognitive process necessary to act on one’s values through a reflective approach to ethics education” (p. 39).

Cote and Latham (2019) explored the impact of two ethics education pedagogies on the professional judgments of CPAs participating in eight workshops on professional education in ethics. Traditional and GVV pedagogies were separately employed in four workshops. The GVV pedagogy included reflections. The ethics scenario involved a dispute between a CPA and client regarding the client's overvaluation of a charitable donation of land. The results indicated that CPAs who had received ethics instruction used a GVV pedagogy compared to a traditional ethics pedagogy were significantly less likely to subordinate their judgment.

Skepticism and Inattentional Blindness

The Milgram Experiment can be used to encourage accountants, especially auditors, to be skeptical. AU Section 316-13 (SAS 99) encourages auditors to be skeptical by having a questioning mind and a critical assessment of audit evidence. Auditors are instructed to conduct an audit "with a mindset that recognizes the possibility that a material misstatement due to fraud could be present, regardless of any past experience with the entity and regardless of the auditor's belief about management's honesty and integrity." In addition, PCAOB AS 1015 suggests that ". . . professional skepticism should be exercised throughout the audit process" (AS 1015.08), and "the auditor should not be satisfied with less than persuasive evidence because of a belief that management is honest" (AS 1015.09).

Inattentional blindness can be a problem with both external and internal auditors. Sometimes called perceptual blindness, this concept is the inability to see things that are actually in front of you. An auditor may be so fixated on finishing a task (e.g., time budget pressures) or on expectations (e.g., the executives are honest) that they ignore another important fact (Barrett, 2015). Auditors need to notice gaps between the right actions and the right results. They need to

- pay attention to what did not happen;
- acknowledge self-interest;
- invent the third choice; and
- realize that what you see is not all there is (Unbridling Your Brilliance, n.d.).

In the Milgram Experiment the teachers did not appear to realize that 450 volts could kill a person. None of them asked to personally experience the maximum voltage; they personally experienced only a relatively low voltage. Thus, while they knew the maximum voltage they might administer to the learners, they were blind to its potentially deadly consequences. They were perhaps not adequately curious, which has been related to not being skeptical (Martinov-Bennie, 2022). As indicated in PCAOB AS 2401, "professional skepticism is an attitude that includes a questioning mind." Moreover, they did not personally check on the condition of the "learners" (Almercyda, 2015)—they accepted the experimenter's statement that no harm was being done to them. They were not sufficiently skeptical of the voltage nor of the experiment.

Other Topics

In addition to the above topics the two experiments can be used as a "springboard" to discussion of other ethics related topics. Some other Milgram Experiment topics (Appendix E) include groupthink, peer pressure, and not accepting responsibility for one's actions. Some other Stanford Prison Experiment topics (Appendix I) include the cost of unethical behavior versus the benefits to be derived therefrom—Utilitarian ethics, the ethics of the experiment, personal character traits and ethics, and the role that symbols may play in ethical behavior.

III. EXPERIMENT OVERVIEWS

Milgram Experiment

The Milgram Experiment conducted by Stanley Milgram was designed to investigate the obedience to authority shown by soldiers, officers, and officials, such as judges, who committed atrocities or aided them during the Holocaust. In this experiment, subjects, who thought they were participating in an experiment about the effects of punishment on learning, acted as "teachers" while a confederate of the experimenter acted as the "learners". The

“learners” were supposed to memorize word combinations and respond with the correct answer when prompted by the “teachers.” For each incorrect answer, the “teacher” was instructed to administer an ever-increasing electrical shock of from 15 to 450 volts. Actually, the responses of the “learners” were tape-recorded, and the shock machine was fake—it did not administer electrical shocks. Realism was added by the recorded verbal complaints, demands to stop, and screams of the “learners.” Reluctance on the part of the “teachers” to continue with the experiment were met with standard prods (demands) from the experimenter, an authoritative figure wearing a white coat. These prods included “it is absolutely essential that you continue.” Most of the “teachers” administered the maximum shock of 450 volts, a potentially lethal voltage (Metroid Electrical Engineering, n.d.). A more detailed summary of this experiment is included in the teaching notes. Subsequent replications of the Milgram Experiment (e.g., Discovery Channel, 2011; Dolinski et al., 2017; ABC, 2017) have produced comparable results.

Stanford Prison Experiment

The Stanford Prison Experiment, which was conducted by Phillip Zimbardo, explored the effects of environment (institutional authority) on behavior. The subjects in this experiment, college students who had volunteered, were randomly divided into “guards” and “prisoners.” Both groups were given the symbols of their position. A mock jail was created for the experiment which was supposed to last two weeks. Realism was promoted by a family visit, the visit of a prison chaplain, and by the participation of an ex-convict who acted as the parole officer. The “guards,” who were not allowed to physically harm the “prisoners,” invented other ways to control them—some of the “guards” had internalized their roles. These control measures included punishments such as forced exercises, sleep deprivation, verbal abuse, and locking the “prisoners” in a closet (solitary confinement). Due to the stress and rebellion manifested by “prisoners,” the experiment was brought to an early end. A more detailed summary of this experiment is included in the teaching notes.

IV. ASSIGNMENT REQUIREMENTS

The Milgram Experiment and the Stanford Prison Experiment can be used together or separately. The lead author has always used these experiments in combination—back-to-back with the Milgram Experiment followed by the Stanford Prison Experiment. The audiences are undergraduate accounting students at the junior or senior levels and graduate accounting students. Using the integrated approach to teaching accounting ethics, any upper-level accounting course can be augmented with the Milgram and Stanford pedagogy. While the use of this pedagogy is not limited to specific courses, the authors have found it especially applicable to stand-alone accounting ethics courses and to auditing and forensic accounting courses. The videos can be viewed in class or out of class and then discussed in class or online. The delivery method is flexible—fully in class, fully online, or hybrid. Links to the documentaries of both experiments and supplemental videos and readings are available free online (Appendices A & F). As desired by the instructor, supplemental videos and readings can be assigned to expand the discussions. Without the addition of supplemental videos or research, student time will include the viewing of each video (Milgram, 44.26 minutes; Stanford, 49.50 minutes), the completion of a content quiz (about 40 minutes), and an in-class discussion or an online discussion posting with responses to classmate posts (about 60 minutes). If the instructor only has time to use one of the experiments, the authors’ preference is the Milgram Experiment. An online delivery of both the videos and discussions will require no in-class time.

The Milgram Experiment pedagogy suggested by the authors extends and complements the accounting ethics pedagogy developed by Catanach and Rhoades-Catanach (2010). Their teaching approach, which was used with Master of Accounting Students in their second year of study—most of whom had public accounting experience— included assigned readings and the viewing the Milgram documentary and a documentary about the Enron fraud. Student groups applied what they had learned to five tax and accounting ethics scenarios (five mini-cases). At the end of the semester, students wrote a short essay on Milgram’s theory of “agentic shift” where, in the organization context, individual ethical decisions can become fragmented so that no one person takes personal responsibility. Our different approach to using the Milgram Experiment along with the Stanford Experiment to teach accounting ethics includes expanded topical coverage, flexible delivery and discussion options; and it is not group oriented and

does not include the writing of formal essays. Moreover, by providing (in writing or by lecture) students with the background material included in this case, instructors can effectively, and time efficiently include these documentaries as an ethics component in most upper-level and graduate accounting courses.

As indicated by Philip Zimbardo (n.d.), the Stanford Prison experimenter, the Stanford Prison Experiment was meant to be a “bookend” to the Milgram Experiment. The Milgram Experiment was about pressure to act unethically as delivered by a superior, and the Stanford Experiment was about how institutional pressures can create an unethical environment that can adversely impact ethical decision making. Thus, the inclusion in the curriculum of both experiments is recommended.

V. IMPLEMENTATION GUIDANCE

The following are suggested procedures for online implementation:

1. Assign the viewing of the main documentary.
2. Assign supplemental videos as desired.
3. Depending on the accounting course in which the documentaries are utilized, provide (in writing or by lecture) students with non-experiment-specific background information.
4. Assign supplemental readings as desired.
5. Administer a graded content quiz to encourage complete viewing of the documentaries. Since the content quiz is mainly used to encourage complete and careful viewing of the videos, instructors may want to allow multiple takings of the quiz—perhaps with a grade reduction for subsequent attempts. Alternately, copies of the quizzes can be sent to the students in advance of so that they can complete them while viewing the videos. The latter procedure has been used by both authors.
6. Have students participate in a graded discussion of instructor selected topics or key words. Depending on the course coverage and on student familiarity with background content, instructors can flexibly choose which questions, topics and key words to include in the discussions. Alternately, instructors can have students research unfamiliar topics or key words.

The authors suggest that the class be divided into groups: randomly assigned or assigned by using the first letter of student surnames. A topic is then assigned to each student within that group. With online discussions, students are required to make a post (a thread consisting of a paragraph) on their assigned topic and then respond to the posts of two other students, with each response being on a different topic. These responses should be substantive and thoughtful but concise.
7. Conduct a post-assignment online discussion moderated by the instructor. This discussion provides for additional instructor input and for students to provide additional feedback and reflection. In addition, instructors may find it beneficial to include an in-class review (a “wrap up”) of the online discussions.

Since instructors may implement either one or both of the experiments, the discussion questions, learning objectives, and available teaching aids are presented in two parts. Part 1 includes these details for the Milgram Experiment, and Part 2 includes these details for the Stanford Prison Experiment.

Part 1: Milgram Experiment

Discussion questions (DQ). The ten Discussion Questions (DQ) follow:

- DQ1: How does obedience to authority as depicted in these experiments relate to having ethical character—
courage to act ethically?
- DQ2: How does the tone-at-the-top in companies relate to the experimenter in the white coat in the Milgram Experiment?
- DQ3: How do you think you would react to authority as depicted?

DQ4: How does an evil environment affect those that are working in it?

DQ5: Did you see the “good soldier” defense illustrated? If so, in what instance was it used?

DQ6: Can one ethical person make a difference in an unethical environment?

DQ7: In what instances was the “I’m just doing my job” justification used?

DQ8: How do you think that you will react to pressure to act unethically exerted by a future superior such as a Controller, a CFO, or a CEO?

DQ9: How does this discussion relate to the phrase “forewarned is forearmed”?

DQ10: Would an authoritarian government in this day and time find people who would operate horrific death camps like those of the Nazis?

Learning objectives. There are five LOs. After viewing the Milgram Experiment documentary video students will be able to:

LO1: Explain how disobedience to an unethical authority demands ethical character—ethical courage. This LO is addressed in DQ1.

LO2: Identify how an unethical tone-at-the-top, an evil environment, can impact an accountant’s work environment. This LO is addressed in DQs 2 and 4.

LO3: Identify how rationalizations were used to justify unethical behavior. This LO is addressed in DQs 5 and 7.

LO4: Describe ways that being forewarned might make a difference in ethical behavior. This LO is addressed in DQ 9.

LO5: Plan (reflect) on how they will react and cope with unethical pressures. This LO is addressed in DQs 3, 6, 8 and 10.

Milgram Experiment Learning Objectives and Discussion Questions: The LOs are related to the DQs as indicated in Table 1. Also see Table 5 for examples of how the LOs have repetitively been met in student discussion posts.

Milgram Experiment Teaching Aids. The following teaching aids are provided for the Milgram Experiment:

1. Links to required and supplemental videos and a reading (Appendix A).
 - a. A link with viewing time for the required, full length Milgram Experiment documentary video.
 - b. Links with viewing times to five supplementary videos, that include two modern replications of the experiment.
 - c. A link to the text of the original publication of Stanley Milgram’s Experiment.
2. A 20-question quiz that tests student knowledge of the content of the documentary (Appendix B).
4. Online discussion questions with alphabetical groupings (Appendix C).
5. Student Questions—online or in-class (Appendix D).
6. Examples of key word prompts that may be selected for discussion (Appendix E).
7. Teaching notes that provide a summary of the experiment, content quiz solutions, author recommended responses to discussion questions and topics, a grading matrix, and an excerpt from the lead author’s syllabus.

Part 2: Stanford Prison Experiment

Discussion topics. There are four Discussion Topics (DT):

DT1. Discuss the ethics of this experiment.

DT2. Relate the Stanford Prison Experiment to the potential for stress in the practice of public accounting.

DT3. Relate the roles assumed in a public accounting firm context to the guard and prisoner roles played by students in the Stanford Prison Experiment.

DT4. Discuss the unethical culture created by the guards in the Stanford Prison Experiment.

Learning objectives (LO). There are four LOs. After viewing the Stanford Prison Experiment documentary video students will be able to:

- LO1: Identify unethical issues in the conduct of this experiment. This LO is addressed in DT1.
- LO2: Relate the stress and pressures shown in the video to those they may encounter in the practice of public accounting. This LO is addressed in DT2.
- LO3: Determine how the roles assumed by the guards and prisoners relate to roles in public accounting. This LO is addressed in DT3.
- LO4: Describe how an unethical culture/tone-at-the-top resulted in unethical behavior. This LO is addressed in DT4.

Stanford Prison Experiment Learning Objectives and Related Discussion Topics. The LOs are related to the DTs as indicated in Table 2. Also see Table 6 for examples of how the LOs have been repetitively met in student discussion posts.

Teaching Aids for the Stanford Assignment. The following student/instructor teaching aids are provided for the Stanford Prison Experiment:

1. Links to required and supplemental videos and readings (Appendix F).
 - a. A link with viewing time for the Stanford Prison Experiment documentary video.
 - b. Five supplemental videos with viewing times.
 - c. Links to three supplemental readings.
2. A content quiz composed of 27 multiple choice questions (Appendix G).
3. Discussion topics with online discussion instructions (Appendix H).
4. Instructor prompts for post assignment discussion (Appendix I).
5. Teaching notes that provide a brief summary of the experiment, content quiz solutions, examples of student discussion posts, a grading matrix, and an excerpt from the lead author's syllabus.

VI. EVIDENCE OF ASSIGNMENT EFFECTIVENESS

Discussions of these experiments have been used to augment the content of a course dedicated to accounting ethics and, using an integrated approach to teaching accounting ethics (Blanthorne et al., 2007), as an ethics component of other accounting courses (fraud and forensic accounting, and auditing). The two authors of this paper have used videos of these experiments in five graduate online courses in professional judgment/accounting ethics, as an online component of four upper-level undergraduate courses in fraud and forensic accounting (two of which included both in class and online discussions) and in an auditing course. Students have consistently communicated that they found the experiments relevant to the course content and an enjoyable change from reading the textbook and case studies. Repetitive use of the experiments has demonstrated the usefulness and effectiveness of this pedagogy. Validation is provided by both student input and by repetitive discussion results.

Student Input About Assignment Effectiveness

In the fall and spring semesters of 2020 and in the spring semester of 2021, the authors taught upper-level (composed of juniors and seniors) accounting courses in fraud and forensic accounting and auditing. Due to the COVID-19 crisis, the previously in-person delivered fraud and forensic accounting courses were converted to online delivery. Both experiments were included in the content of these courses. Post-assignment quantitative input was received from students (N = 116) who completed an online survey composed Likert-like responses to six statements: three statements regarding the Milgram Experiment and three statements regarding the Stanford Prison Experiment. Table 3 presents the aggregated survey results for the Milgram Experiment, and Table 4 presents the aggregated survey results for the Stanford Prison Experiment (cf. Harris & Stahlin, 2017).

Milgram Experiment input. The survey results (Table 3) for the Milgram Experiment indicated that a majority (91.4%) of the students agreed or strongly agreed that the documentary was a useful part of the course. Similarly, a majority (92.2%) of the students agreed or strongly agreed that the documentary should be used in future fraud and forensic accounting courses. In addition, the majority (89.7%) agreed or strongly agreed with the statement that

either an online or in-class discussion of the experiment should be used in future fraud and forensic accounting courses. A small minority of the students disagreed or strongly disagreed with each of these three statements: 4.3% indicated that it was not useful; 3.5% indicated that it should not be included in future fraud and forensic accounting courses; and 4.3% indicated that it should not be discussed in class or online.

Stanford Prison Experiment input. The survey results (Table 4) for the Stanford Prison Experiment indicated that a majority (83.6%) of the students agreed or strongly agreed that the documentary was a useful part of the course. Similarly, a majority (86.2%) of the students agreed or strongly agreed that the documentary should be used in future fraud and forensic accounting courses. In addition, the majority (80.2%) agreed or strongly agreed with the statement that either an online or in-class discussion of the experiment should be used in future fraud and forensic accounting courses. A minority of the students indicated (disagree or strongly disagreed) that the experiment was not useful (6.1%), should not be included in future fraud and forensic accounting courses (5.2%), or that it should not be discussed either in class or online (7.7%).

Repetitive Results Indicative of Assignment Effectiveness

In the above three fraud and forensic accounting courses, student discussion posts indicated that each of the LOs were consistently met. Examples of student responses by LO are separately reported for the Milgram Experiment (Table 5) and for the Stanford Prison Experiment (Table 6). These student responses were judgmentally selected by the authors as representative. Additional student posts for each LO are included in the Teaching Notes.

VII. CONCLUSION

The Milgram Experiment is about the destructive effects on behavior of an unethical tone-at-the-top. The Stanford Experiment illustrates how human behavior under stress is greatly influenced by an unethical culture. These famous experiments from psychology can be effectively used to augment a stand-alone course in accounting ethics or, with background content provided as needed, integrated into any upper-level or graduate-level accounting course. Nevertheless, these cases best fit courses in accounting ethics, auditing, and forensic accounting. The videos of these experiments can be used to teach a number of ethical topics: e.g., the fraud triangle element of rationalization, ethical courage, the effects of an unethical tone-at-the-top, professional skepticism, the “good soldier” defense, and the slippery slope of unethical conduct. Moreover, these experiments provide students with critical reflective activities which is an important part of active learning.

Instructors are provided with a number of teaching aids: links to the required videos and supplemental videos and readings, overviews of the experiments, content quizzes, online discussion instructions, discussion questions, and prompts for class discussion. In addition, the teaching notes include an example of syllabus content, a discussion grading matrix, brief summaries of the experiments, quiz solutions, and examples of exemplary and other student discussion posts.

Thus, the Milgram and Stanford Experiment assignments are ready to implement. These online delivered assignments are an innovative, time, and cost-effective way to teach or augment instruction on accounting ethics. Qualitative results and repetitive achievement of learning objectives have indicated that these assignments are both interesting and effective. The authors encourage accounting instructors to consider including these experiments in their curricula.

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TABLE 1
Milgram Experiment
Learning Objectives and Related Discussion Questions

Learning Objectives	Discussion Questions
1	1
2	2
5	3
2	4
3	5
5	6
3	7
5	8
4	9
5	10

TABLE 2
Stanford Prison Experiment
Learning Objectives and Related Discussion Topics

Learning Objectives	Discussion Topics
1	1
2	2
3	3
4	4

TABLE 3
Aggregated Student Survey Results Over Three Semesters
Milgram Experiment

Statements	Semester	Strongly Agree		Agree		Neither Agree/Disagree		Disagree		Strongly Disagree	
		No.	%	No.	%	No.	%	No.	%	No.	%
1. I found the Milgram Experiment documentary related to accounting frauds and a useful part of this course.	1	14	60.8	7	30.4	1	4.4	1	4.4	0	0
	2	28	56.0	16	32.0	3	6.0	2	4.0	1	2.0
	3	30	69.8	11	25.6	1	2.3	1	2.3	0	0
Totals		106/116 = 91.4%				5/116 = 4.3%		5/116 = 4.3%			
2. The Milgram Experiment documentary should be included in future fraud and forensic accounting courses.	1	11	47.8	7	30.4	4	17.4	0	0	1	4.4
	2	31	62.0	16	32.0	1	2	1	2.0	1	2.0
	3	33	76.7	9	21.0	0	0	1	2.3	0	0
Totals		107/116 = 92.2%				5/116 = 4.3%		4/116 = 3.5%			
3. Either an online or in-class delivered discussion of the Milgram Experiment should be included in future fraud and forensic accounting courses.	1	6	26.1	12	52.2	4	17.4	1	4.4	0	0
	2	31	62	16	32	1	2	1	2	1	2
	3	26	60.4	13	30.2	2	4.7	2	4.7	0	0
Totals		104/116 = 89.7%				7/116 = 6.0%		5/116 = 4.3%			

TABLE 4
Aggregated Student Survey Results Over Three Semesters
Stanford Prison Experiment

Statements	Semester	Strongly Agree		Agree		Neither Agree/Disagree		Disagree		Strongly Disagree	
		No.	%	No.	%	No.	%	No.	%	No.	%
1. I found the Stanford Prison Experiment documentary related to accounting frauds and a useful part of this course.	1	11	47.8	6	26.1	5	21.7	1	4.4	0	0
	2	24	48.0	16	32.0	5	10.0	4	8.0	1	2.0
	3	23	53.5	17	39.5	2	4.7	1	2.3	0	0
Totals		97/116 = 83.6%				12/116 = 10.3%		7/116 = 6.1%			
2. The Stanford Prison Experiment documentary should be included in future fraud and forensic accounting courses.	1	10	43.5	7	30.4	4	17.4	2	8.7	0	0
	2	26	52.0	18	36.0	2	5.0	3	6.0	1	2.0
	3	29	67.4	10	23.3	4	9.3	0	0	0	0
Totals		100/116 = 86.2%				10/116 = 8.6%		6/116 = 5.2%			
3. Either an online or in-class delivered discussion of the Stanford Prison Experiment should be included in future fraud and forensic accounting courses.	1	7	30.4	8	34.8	6	26.1	2	8.7	0	0
	2	26	52.0	14	28.0	5	10.0	4	8.0	1	2.0
	3	26	60.5	12	27.9	3	7.0	2	4.6	0	0
Totals		93/116 = 80.2%				14/116 = 12.1%		9/116 = 7.7%			

TABLE 5
Milgram Experiment: Repetitive Results Validation

Learning Objectives	Sem. *	Responses
1. Explain how disobedience to an unethical authority demands ethical character—ethical courage.	1	In order to prove ethical courage, the teachers would have had to stand up against the experimenter in order to prevent doing harm to another individual. The degree of ethical courage of each individual could be tied to the level of voltage they were willing to increase to. The higher to voltage, the less ethical courage they had.
	2	I believe that this experiment shows that being ethical and being obedient can be a major conflict. The fact that an order is being received from an authority does not mean that it is ethical to follow that order. It is important to have the courage to follow through with what you know is right.
	3	In order for someone to enforce their own ethical values, they need to have the courage to stand up to authority when asked to act contrary to their own morals and ethics.
2. Identify how an unethical tone-at-the-top, an evil environment, can impact an accountant's work environment.	1	I believe for many people evil is a learned behavior that comes from the foot-in-the-door phenomenon. People are first asked to do small things that seem insignificant. It could be rounding a few dollars here or there. These little things don't seem to hurt anyone. Then the little things get bigger and bigger. By the time a large-scale fraud occurs, many people believe they are too deep in to back out now.
	2	Throughout this experiment, I thought a great deal about WorldCom. During the WorldCom fraud, lower-level accounting employees knew what they were doing was wrong, and even wrote resignation letters. They still stayed and perpetrated the fraud because they were told the responsibility for the fraud would fall on the CFO. Similarly, here the experimenter would convince teachers that "the fraud must continue" which would imply the experimenter would be responsible for the harm done to the learner and would convince the teacher to continue. The level of shock is also representative of the "slippery slope".
	3	In an organization, the tone-at-the-top is set by the ultimate authority of the company. This tone trickles down throughout the organization and the employees who tend to follow the lead of their superiors. If the tone-at-the-top is unethical in nature, the employees will be more apt to commit fraud.
3. Identify how rationalizations were used to justify unethical behavior.	1	Again, going back to the man at the end of the video, we saw that he was obeying based on the role he was given. His job in this situation was the way he justified going to the highest voltage and shocking the silent student multiple times. He continued to say, "Well, the instructor told me to keep doing it, so I did".
	2	The last teacher in the video ... administered the shocks to the learner even after he felt the urgency to help him. He protested to check on the guy, but continuously continued with the experiment. After, he continued to defend himself by saying that he was genuinely concerned for the guy and tried to pin the blame on the instructor for asking him to continue. In reality he could have stopped if he wanted to but he kept insisting that he was concerned for the learner and wanted to stop.

*Sem. 1 = fall semester 2020; Sem. 2 = spring semester 2020; Sem. 3 = spring semester 2021

TABLE 5 (Continued)
Milgram Experiment: Repetitive Results Validation

Learning Objectives	Sem.*	Reponses
3. Identify how rationalizations were used to justify unethical behavior.	3	Individuals accepted that another person would be responsible for their actions in the event of a negative outcome, and that any negative consequences would be levied on who they saw as a superior
4. Describe ways that being forewarned might make a difference in ethical behavior.	1	I think 'forewarned is forearmed' lends itself to the phrase 'knowledge is power'. If we keep in mind history, it helps us from allowing it to repeat. It affords us a knowledge we can keep in our tool belt when faced with difficult situations and decisions. When we learn from our mistakes, we know not to do the same thing in the future. It makes us smarter and stronger.
	2	Being made aware of the experiment and the high likelihood for someone to act unethically under pressure allows someone to be more aware of that part of human nature and have greater ability to fight against pressure.
	3	I believe that this discussion is related to the phrase "forewarned is forearmed", which means "prior knowledge of possible problems creates a tactical advantage", because ethical discussions like these are giving us prior knowledge of ethical issues. By having knowledge of ethical issues, both inside of the accounting profession and in our general environment, we will be able to identify ethical issues before they arise in our careers. People who are exposed to ethics in their college coursework and early in their careers are at an advantage to stay on the right track and avoid unethical behavior down the line.
5: Plan (reflect) on how you will react and cope with unethical pressures.	1	As far as reacting to authority as depicted, I would have been one of those individuals if that I felt I was harming someone then I would have refused to go on because my values and ethics that I have as an individual mean more to me than following something that I don't think is right. If I feel something is wrong, then I'm not going to do it regardless of how someone else thinks are tries to tell me to do or persuade me.
	2	I hope that I will have the courage not to act unethically when I face pressure from a superior. I know, based on the experiment, many people underestimate the effect that pressure can have on one's actions. One characteristic that I, personally, value a great deal is non-conformity and I hope that that value among other strong values of mine will prevent me from acting unethical in the future.
	3	It is tough to predict how I will react in a similar situation, but based on my previous experiences, I believe I would be morally courageous. In the past, I faced the possibility of losing my job because I challenged my boss for pressuring me to do something that I knew was technically illegal. I eventually made the decision to leave that job because of the unethical practices that were taking place. I often use the motto of "just because it's legal, doesn't mean it's ethical" and I apply it to all aspects of my life. If I feel that something is not right, I listen to my instincts and separate myself from the situation as quickly as possible.

*Sem. 1 = fall semester 2020; Sem. 2 = spring semester 2020; Sem. 3 = spring semester 2021

TABLE 6
Stanford Prison Experiment: Repetitive Results Validation

Learning Objectives	Sem.*	Responses
1. Identify unethical issues in the conduct of this experiment.	1	There were quite a few ethics violations such as [the] lack of objectivity and independence on the part of Zimbardo when he decided to conduct the experiment while also being a part of the experiment.
	2	The Stanford Prison Experiment was absolutely unethical for many reasons. It seems as if there were hardly any "guard rails" set up to prevent physical & mental abuse to the prisoners nor to prevent the guards from acting in such an aggressive/inappropriate manner.
	3	This experiment had an ethical issue ... when Phillip Zimbardo decided to play both [the] roles of the psychologist supervising the experiment as well as the superintendent of the makeshift prison.
2. Relate the stress and pressures shown in the video to those they may encounter in public accounting.	1	An accountant may become compliant with their surroundings and lose their ability to be professionally skeptical by following in the footsteps of their teammates and leaders, as shown in the culture ... [that] led to the downfall of Arthur Andersen
	2	Public accounting firms are usually high stress environments that during busy seasons can also have the majority of employees low on sleep. These aspects can also be paralleled to the experiment and those reasons did play a large part in the unsavory actions taken by the participants.
	3	The Stanford Prison Experiment can relate to the practice of public accounting because of the stress of the environment on the individuals in the environment. The Stanford Prison Experiment is a clear representation of what the stress from the environment can do to people who would otherwise make ethical decisions.
3. Determine how the roles assumed by the guards and prisoners relate to roles in public accounting.	1	The guard role is easily comparable to a CEO, manager, or other authoritative role within the firm. These individuals are able to exert "force" or influence over others in the organization. The prisoner role would represent those in a firm that have less authority and are in some capacity required to obey those above them.
	2	When it comes to the context of public accounting firms, the CEO or anyone in position of leadership can become someone different and controlling especially if no one is telling them what they are doing is wrong. This is similar to many people who say they will only go against the law once but then after that it is a slippery slope.
	3	The relationships between the partners and their associates can be correlated to the prison guard, prisoner model. ...Partners at ... firms have the 'absolute' authority over their subordinates, in the same way that the prison guards had authority over their "prisoners" in the experiment.
4. Describe how an unethical culture/tone-at-the-top resulted in unethical behavior.	1	These guards were allowed to act this way because of the tone-at-the-top of the experiment. Enron comes to mind when thinking about an unethical tone-at-the-top. Skilling and Lay also created a culture where almost anything goes and rules are scarce.
	2	The unethical culture was created not only by the mock guards that started to act sadistically towards the prisoners but also by Zimbardo, the Stanford psychologist, who ran the study and regretted not stopping it sooner. The results ... relate to how accounting frauds spiral out of control in real life.
	3	It shows that "good" people will sometimes do the unthinkable if they have the permission or approval of an authoritative figure or majority of people.

*Sem. 1 = fall semester 2020; Sem. 2 = spring semester 2020; Sem. 3 = spring semester 2021

APPENDIX A Milgram Assignment Links

Required Documentary Video

- Milgram Experiment (44:26 minutes): Full documentary
<https://www.youtube.com/watch?v=rdrKCilEhC0>

Supplemental Videos

- The Milgram Experiment: What Would You Do? (5:46). Excellent cartoon summary of the experiment. Creative Commons.
<https://www.youtube.com/watch?v=vuMt8b4UrcI>
- Milgram's Experiment (5:53). Related to Nazi crimes.
<https://www.youtube.com/watch?v=xMfQRGWFMmY>
- Curiosity—How Evil Are You (2:8 minutes): Dailymotions' circa 2013 replication of the Milgram Experiment.
<https://www.youtube.com/watch?v=xMfQRGWFMmY>
- Milgram Experiment excerpts with explanations (6:35 minutes): Presented on Vimeo.
<https://vimeo.com/15348932>
- ABC Channel's Milgram Experiment (27:10): Replication
<https://www.youtube.com/watch?v=JnYUI6wlBF4>

Supplemental Reading

- Stanley Milgram's 1963 Publication in the *Journal of Abnormal and Social Psychology*.
<https://www.baymeadowscharter.org/ourpages/auto/2018/8/9/56608223/Milgram.pdf>

APPENDIX B
Milgram Assignment
Full Video Documentary Content Quiz*

1. What was the date of the Milgram Experiment?
 - a. 1971.
 - b. 1983.
 - c. 1962.
 - d. 1991.

2. The learner in the experiment supposedly had emphysema.
 - a. True.
 - b. False.

3. The microphone was situated on the left side of the teacher.
 - a. True.
 - b. False.

4. What was the lowest voltage that could be given by the teacher?
 - a. 0.
 - b. 10.
 - c. 15.
 - d. 20.
 - e. 25.

5. How many switches was the teacher instructed to move down to the shock position after a correct answer?
 - a. 1.
 - b. 2.
 - c. 3.
 - d. 4.
 - e. None.

6. Which of teachers shown in the video laughed?
 - a. First.
 - b. Second.
 - c. Third.
 - d. Fourth
 - e. None of the above.

7. The learner indicated his answers by pressing one of _____ switches.
 - a. One.
 - b. Two.
 - c. Three.
 - d. Four.
 - e. Five.

8. How long was the YouTube documentary that you watched (the required video)?
 - a. 25 minutes.
 - b. 31 minutes.
 - c. 38 minutes.
 - d. 44 minutes.
 - e. 52 minutes.

f. 60 minutes.

9. How many teachers had nervous laughter?

- a. 10.
- b. 14.
- c. 18.
- d. 21.
- e. 24.

10. In the experiment, which participating party was naïve?

- a. Teacher.
- b. Learner.
- c. Experimenter.
- d. Students.

11. How many teachers gave the highest voltage?

- a. 2%.
- b. 10%.
- c. 28%.
- d. 35%.
- e. 40%.
- f. Some other percentage.

12. Prior to the experiment, forty psychologist/psychiatrist were asked how many teachers would give the highest voltage. What percentage did they indicate?

- a. Less than 1%.
- b. 2%.
- c. 4%.
- d. 10%.
- e. 15%.
- f. 20%.

13. The learners sometime gave a correct answer.

- a. True.
- b. False.

14. How many learners were there in the experiment?

- a. 30.
- b. 35.
- c. 40.
- d. 45.
- e. 50.
- f. Some other number.

15. Some of the teachers gave the learner a shock even though there was no response (answer) forthcoming from the learner.

- a. True.
- b. False.

16. What was the highest voltage supposedly administered to the learner?

- a. 250.
- b. 300.
- c. 375.
- d. 450.
- e. 475

17. The experiment was conducted at which university?

- a. University of Southern California.
- b. Stanford University.
- c. University of Chicago.
- d. Harvard University.
- e. Yale University.

18. Obedience was less when the teacher was in closer proximity (physically closer) to the learner.

- a. True.
- b. False.

19. In the experiment held off the campus, the obedience was significantly less.

- a. True.
- b. False.

20. If the learner stopped responding, the teacher was told by the experimenter to stop giving the learner word prompts—to stop asking questions.

- a. True.
- b. False.

* Quiz answers are provided in the teaching notes.

APPENDIX C
Milgram Assignment
Online Discussion Instructions

Please view the Required Milgram Experiment video and then complete the 20-question quiz. Once you have completed the quiz, please enter the discussion.

There are 3-4 questions to which each of three groups will respond. You will be making your initial Discussion Post in response to your assigned topic (a few thoughtful sentences); you also will also be responding to at least two of your fellow student's Posts. Your short, **but not perfunctory**, response to their Posts should be on two separate topics—not two responses on the same topic: For example, if you are assigned to discuss topic 1 (3 questions, which all should be addressed), you need to respond to posts on two of the other Posts.

Please refer to the three topics that were sent you by email and that are included in an Announcement.

The three following topics (with their 3-4 questions) are assigned based on the first letter in your last name (surname):

Student surnames beginning with the letters of A-H are assigned topic 1 composed of the following three questions:

1. How does obedience to authority as depicted in these experiments relate to having ethical character—courage to act ethically?
2. How does the tone at the top in companies relate to the experimenter in the white coat in the Milgram Experiment?
3. How do you think you would react to authority as depicted?

Student with surnames beginning with the letters of I-O are assigned topic 2 composed of the following four questions:

4. How does an evil environment affect those that are working within it and how is this related to an unethical environment?
5. Did you see the “good soldier” defense illustrated? If so, in what instance was it used?
6. Can one ethical person make a difference in an unethical environment?
7. In what instances was the “I’m just doing my job” justification used?

Students with surnames beginning with the letters of P-Z are assigned topic 3 which is composed of the following three questions:

8. How do you think that you will react to pressure to act unethically exerted by a future superior such as a supervisor, controller, CFO or CEO?
9. How does this discussion relate to the phrase “forewarned is forearmed”?
10. Would an authoritarian government in this day and time find people that would operate horrific death camps like those of the Nazis?

APPENDIX D
Milgram Experiment Assignment
Student Questions

1. How does obedience to authority as depicted in these experiments relate to having ethical character—courage to act ethically?
2. How does the tone-at-the-top in companies relate to the experimenter in the white coat in the Milgram Experiment?
3. How do you think you would react to authority as depicted?
4. How does an evil environment affect those that are working within it, and how is this environment related to an unethical environment?
5. Did you see the “good soldier” defense illustrated? If so, in what instance was it used?
6. Can one ethical person make a difference in an unethical environment?
7. In what instances was the “I’m just doing my job” justification used?
8. How do you think that you will react to pressure to act unethically exerted by a future superior such as a Controller, a CFO or a CEO?
9. How does this discussion relate to the phrase “forewarned is forearmed”?
10. Could an authoritarian government in this day and time find people that would operate horrific death camps like those of the Nazis?

The following questions are applicable to an expanded assignment that includes viewing of the replication videos:

11. Did men and women react differently in the replication videos by Dailymotions and the ABC Channel?
12. How did the experiment conducted by Milgram differ from those conducted in the two? Were the rates of obedience similar? How did the methodology differ?

APPENDIX E
Milgram Experiment
Examples of Keyword Topics/Prompts for Class Discussion

Moral courage	Not accepting responsibility
Effects of an unethical culture	Following illegal or unethical orders
Tone-at-the-top	Nazi atrocities
Obedience	Subordinates at WorldCom
Authority	Lethal voltage
Peer pressure	Groupthink
Good soldier	Subordinates at HealthSouth
Subordinates at Colonial Bank	Unethical culture

APPENDIX F
Stanford Prison Assignment
Links to Videos and Readings

Required Documentary Video

- Quite Rage: The Stanford Prison Experiment—Documentary (49:52 minutes).
<https://www.youtube.com/watch?v=i4o9p04XJ-Q>

Supplemental Videos

- Stanford Prison Experiment (Torture) (5:39 minutes). *Human Rights Network*.
https://www.youtube.com/watch?v=nTbtGr_68vo
- The Untold Truth of the Stanford Prison Experiment (7:39). *Grunge*. A good summary of Zimbardo's experiment.
<https://www.youtube.com/watch?v=DsWJPNhLCUU>
- The Stanford Experiment Revisited. Mind Field, YouTube (34:27). This research challenges the findings of Zimbardo.
https://www.youtube.com/watch?v=KND_bBDE8RQ
- The Stanford Prison Experiment| Dr. Phil Zimbardo + more| Talks to Google (1:17:35).
<https://www.youtube.com/watch?v=2YNqmrvidmO8&t=2288s>
- The Stanford Prison Experiment. Vsance. (34:27). Normal people can become monsters given the right situation.
https://www.youtube.com/watch?v=KND_bBDE8RQ&t=1186s

Supplemental Readings

- Zimbardo, P. G., Maslach, C., & Haney, C. (2000). Reflections on the Stanford prison experiment: Genesis, transformations, consequences. *Obedience to authority: Current perspectives on the Milgram paradigm*, 193-237.
https://www.researchgate.net/publication/253399875_Reflections_on_the_Stanford_Prison_Experiment_Genesis_transformations_consequences
- Drury, S., Hutchens, S. A., Shuttlesworth, D. E., & White, C. L. (2012). Philip G. Zimbardo on his career and the Stanford Prison Experiment's 40th anniversary. *History of Psychology*, 15(2), 161.
<https://pdfs.semanticscholar.org/faeb/cd5c0a59312c2c758b309da5664ccb834ba5.pdf>
- Haney, C., & Zimbardo, P. (1998). The past and future of US prison policy: Twenty-five years after the Stanford prison experiment. *American Psychologist*, 53(7), 709.
<https://www.psy.miami.edu/assets/pdf/rpo-articles/haney-and-zimbardo-1998.pdf>

APPENDIX G
Stanford Prison Experiment
Full Documentary Video Content Quiz*

1. When did the Stanford Prison Experiment take place.
 - a. 1971
 - b. 1980
 - c. 1986
 - d. 2003

2. In the Stanford Prison Experiment, the prisoners were reminded of their status by which of the following measures?
 - a. Being arrested by real police.
 - b. Being fingerprinted at the real police station.
 - c. By wearing chains.
 - d. All of the above.
 - e. None of the above.

3. A goal of the Stanford Prison Experiment was to study the behavioral and psychological impact of becoming prisoners or guards.
 - a. True.
 - b. False.

4. The Stanford Prison Experiment was conducted in the real county jail.
 - a. True.
 - b. False

5. The Stanford Prison Experiment was originally scheduled to last one week.
 - a. True.
 - b. False.

6. The Stanford Prison Experiment participants were paid \$15 per day.
 - a. True.
 - b. False.

7. The Stanford Prison Experiment guards were not allowed to degrade prisoners.
 - a. True.
 - b. False.

8. The subjects in the Stanford Prison Experiment were both male and female.
 - a. True.
 - b. False.

9. The subjects selected to play the role of prisoners in the Stanford Prison Experiment were arrested at their school (pulled out of class to be arrested) by real police officers.
 - a. True.
 - b. False.

10. The guards in the Stanford Prison Experiment counted the prisoners several times a day.
- True.
 - False.
11. The prisoners in the Stanford Prison Experiment first rebelled on the second day.
- True.
 - False.
12. In the Stanford Prison Experiment which of the following are true about prisoner 8612, who was the leader of the first rebellion?
- He was released from the experiment.
 - He began to act crazy.
 - He went into a rage.
 - To stay in the program, he was offered the opportunity to be a snitch.
 - All of the above are correct.
 - Answers b and c only are correct.
 - Only a and d are correct.
13. In the Stanford Prison Experiment, families of the prisoners were allowed to visit them in jail.
- True.
 - False.
14. In the Stanford Prison Experiment, there was a rumor that a released prisoner was planning to bring a group of friends back with him to the prison in order to force the release of the prisoners still held.
- True.
 - False.
15. Prisoner number 819 in the Stanford Prison Experiment rebelled by doing which of the following?
- He refused to eat.
 - He would not exercise.
 - He barricaded himself in his cell.
 - He tried to break out of the prison.
 - He set his cell on fire.
 - All of the above.
 - Answers a, d, and e only.
 - Answers b and c only.
16. A protestant minister who have been a prison chaplain visited the prisoners.
- True.
 - False.
17. Prisoner 819's punishment included which of the following method or methods?
- He was beaten by the guards.
 - He was denied food.
 - He was shamed by his fellow prisoners.
 - All of the above methods were used.
 - Only methods a and b were used.

18. In the Stanford Prison Experiment Documentary, Zimbardo indicated that there were three types of guards—three personality types. Which of the below is correct?
- The fish, the know it all, and the pointer.
 - The good, the tough but fair, and the sadistic.
 - The pit bull, the truck, and the pendulum.
 - None of the above.
19. One of the Stanford Prison Experiment guards was nicknamed “Rambo.”
- True.
 - False.
20. The Stanford Prison Experiment was conducted over two weeks.
- True.
 - False.
21. The chaplain who visited the prisoners in the Stanford Prison Experiment questioned the ethics of the experiment.
- True.
 - False.
22. In the Stanford Prison Experiment Documentary, a mock guard indicated that once he put on the uniform of a guard, he became that person—he internalized the role.
- True.
 - False.
23. In the Stanford Prison Experiment Documentary, a mock guard said that he was surprised that none of the prisoners said anything to stop him or lashed out at his excessive verbal abuse of them.
- True.
 - False.
24. A former prisoner in the Stanford Prison Experiment indicated that in the experiment, he “felt out of control.” At the time of the Documentary, he had been for 14 years a psychologist in a correctional facility.
- True.
 - False.
25. In the Stanford Prison Experiment Documentary, Zimbardo argues that the experiment was ethical in that it led to prison reform.
- True.
 - False.
26. An outcome of the Stanford Prison Experiment, according to Zimbardo, was an indication that ethical behavior is mainly driven by which of the following?
- Character.
 - Personality traits.
 - Situational forces.
 - None of the above.
 - All of the above.
27. In the Stanford Prison Experiment Documentary, a mock guard said that he was surprised that none of the prisoners _____. Fill in the blank with all the following statements that are applicable.

- a. Physically attacked him.
- b. Said anything to stop him from being verbally abusive.
- c. Lashed out at his excessive abuse of them.
- d. All of the above.
- e. Only a and c.
- f. Only b and c.

*Quiz answers are supplied in the teaching notes.

APPENDIX H
Stanford Prison Experiment
Online Discussion Instructions

There are four topics for online discussion. You will make your initial Discussion Post in response to your assigned topic (a thoughtful paragraph); you will also respond to at least two of your fellow student's Posts. Your short but not perfunctory response to their Posts should be on two separate topics—not two responses on the same topic: For example, if you are assigned to Discuss topic 3, you have response to posts on two of the three other Posts—2 from topics 1, 2, or 4.

Please refer to the four topics that I have sent you by email and that are included in an online Announcement.

The following four topics are assigned based on the first letter of your last name (surname):

Student surnames beginning with the letters of A-D are assigned topic 1: **Discuss the ethics of the experiment.**

Student surnames beginning with the letters of E-L are assigned topic 2: **Relate the Stanford Prison Experiment to the potential stress in the practice of public accounting.**

Student surnames beginning with the letters of M-S are assigned topic 3: **Relate the roles assumed in a public accounting firm context to the guard and prisoner roles played by students in the Stanford Prison Experiment.**

Student surnames beginning with the letters of T-Z are assigned topic 4: **Discuss the unethical culture created by the mock guards in the Stanford Prison Experiment.**

APPENDIX I
Stanford Experiment
Instructor Prompts for Class Discussion

The following are additional questions related to each Discussion Topic that can be used by instructors to prompt student discussion and content coverage.

Discussion Topic 1 (DT1):

- Identify and discuss the ethical problems/issues with the way this experiment was conducted.
- Do you think that the benefits of this study (new knowledge, prison reform, etc.) was worth the potential harm to the human subjects?
- How is a cost/benefit analysis of the worth of this experiment related to the ethics of John Stuart Mill's Utilitarianism?
- Could this study be replicated today? Should this experiment be replicated?

Discussion Topic 2 (DT2):

- How did some of the guards create a stressful environment for the prisoners?
- How did stress affect the actions of the mock guards and mock prisoners in this experiment?
- How might a stressful work environment, such as time pressures and competition in public accounting or a hostile audit environment, affect unethical accountant behavior such as "padding" time, falsifying audit procedures, and not standing up to the unethical demands of superiors?
- What language in the Principles of the AICPA Code (AICPA, 2014) requires CPAs to not subordinate their professional judgment or principles to others?

Discussion Topic 3 (DT3):

- How might the roles played by the mock guards be related to CPA superiors (leadership styles) in a public accounting firm (e.g., KPMG CPE scandal)?
- What role did symbols play in the mock guard's behavior and what might be some of the symbols related to CPA leaders?
- How did personal character, values, or personality traits affect the behaviors exhibited by the mock guards and prisoners?
- Why or why not is this experiment an example of situational ethics?

Discussion Topic 4 (DT4):

- What are some of the accounting frauds that were driven by an unethical tone-at-the-top?
- What are examples of accounting frauds where fear of the company's leader or fear of losing one's job motivated CPAs to act unethically?
- How might the reason for the cessation of the Stanford Prison Experiment be related to the slippery slope of unethical behavior and/or to the spiraling out of control of an accounting fraud?