THE IMPACT OF THE SARBANES-OXLEY ACT OF 2002 ON THE TEACHING
OF ETHICS IN CORE MBA CURRICULUMS IN OHIO

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by

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In Partial Fulfillment of the Requirements for

The Degree

Doctor of Education in Educational Leadership

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The purpose of this study was to assess the treatment of ethics in core MBA curriculums in Ohio in response to the passage of the Sarbanes-Oxley Act of 2002. MBA programs are venues where students learn the critical skills needed to succeed in the world of business. In response to business scandals such as Tyco, Enron, and WorldCom, Congress required businessmen as a matter of law to act ethically. This action combined with increased public displeasure over inappropriate behavior increased the demand for more ethically skilled business leaders. This study determined that MBA programs in Ohio failed to adjust their core curriculums in response to the new demand for increased ethics instruction created by the Sarbanes-Oxley legislation. Private and public institutions reacted to the legislation in a similar manner; however, private and public institutions approach the teaching of ethics differently.
This dissertation is dedicated to my loving wife, Lu Ann, and my children, especially my
daughter Kelly and my son Ryan. It is through their sacrifice, support, and
encouragement that I found the strength to endure through a difficult yet rewarding
process.

To my late mother Phoebe, for giving me the wisdom to embrace education as a life long
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CHAPTER I

Introduction

Congress ushered in a new area of ethical business practices with the passage of the Sarbanes-Oxley Act (SOX) of 2002. The Act was designed to protect investor interests by discouraging unethical business practices and improve the accuracy and reliability of corporate financial reports. The law required corporate officers to act ethically and align the long term interests of the corporation with the long term interests of the shareholders (Basri, 2006; Koestenbaum, Keys, & Weirich, 2005). Further, the Sarbanes-Oxley legislation contained mandatory jail sentences for business leaders refusing to comply (Federal Sentencing Guidelines, 2004). Simply stated, corporate officers must act ethically or go to jail. Avoiding this undesirable consequence placed a new premium on ethical leadership skills.

The challenge facing corporate leadership in the post Sarbanes-Oxley era is to create a culture that fosters ethical behavior at all organizational levels. To succeed, leaders must find ways to make morality an integral part of their business processes and culture. Kouzes and Posner (2002) stated that organizations become moral when leaders achieve a balance between the needs of the individual, the community, and organizational objectives. For ethical decision making to occur at all levels of the organization, leaders must acquire the skills to champion this cause and achieve success. Business leaders rely on many sources to acquire these skills. Some organizations use their own training departments. Others seek guidance from professional organizations and seminars. One way the academic community can help is to ensure that business school graduates, especially at the Masters of Business
Administration (MBA) level, possess the ethical skills needed to succeed in this new environment. Because many individuals with graduate level business degrees find their way into positions of corporate leadership or influence, experts contend that the MBA curriculum is a logical place to teach business ethics (Karr, 2004). Support for a stronger ethical component in MBA curriculums is found among employers (Merritt, 2002; Sims & Sims, 1991), educators (Donaldson & Dunfee, 1999; Ghoshal, 2003; Leonard, 2001), students (The Aspen Institute, 2008) and the general public (Alsop, 2003). Curriculums with strong ethical content will improve the decision making skills of employees and assist leaders as they transform business ethics from a current events issue into a cultural norm.

Background for the Study

In a brief twenty-four month period between January 2001 and December 2002, six major corporate scandals rocked the foundations of America’s business community. In 2001, Enron, an international energy conglomerate, was forced to file bankruptcy after revealing that top executives used illegal loans, partnerships, and erroneous financial statements to conceal the company’s multi-billion dollar debt from investors. Investigators found the level of deception at Enron to be extensive and immediately devalued the corporation by $1.2 billion. Today, total investor losses exceed forty billion dollars (Pacelle & Sidel, 2005). The investigation also revealed that Arthur Anderson, the company’s public accounting firm aided in the cover-up by shredding incriminating documents weeks before the start of the Securities and Exchange Commission’s (SEC) investigations (Duska, 2005; Pellegrini, 2002). When the investigation concluded, Enron executives faced charges of money laundering, wire
fraud, mail fraud, and securities fraud. Two top Enron executives were convicted of numerous counts of securities fraud, two others pled guilty to securities fraud charges to avoid trial, the public accounting firm of Arthur Anderson ceased operations, and the SEC planned even more litigation (Emshwiller, 2006; Zellner et al., 2001).

Unfortunately, Enron is just one example.

In 2002, other corporate scandals such as those at WorldCom, Tyco, Merrill Lynch, and Salomon Smith Barney surfaced, casting additional doubt on the business community’s commitment to ethics. The scandal at WorldCom emerged when the SEC discovered that executives at the telecommunications giant concealed the company’s true operating costs from shareholders by using a pattern of accounting record adjustments. Investigators discovered that corporate executives successfully concealed eleven billion dollars in accounting discrepancies from investors, sending the company into bankruptcy (Masters, 2005). One of the hidden expenses uncovered in the investigation was a sum of $408 million given to WorldCom’s Chief Executive Officer (CEO) in undisclosed personal loans (Patsuris, 2002). In all, two corporate officers were charged with securities fraud and three others pled guilty to charges of conspiracy and securities fraud (Timmons & Sheridan, 2002).

Problems at Tyco, an international conglomerate manufacturing a wide variety of products from electronic components to healthcare products, emerged when an investigation revealed that the company’s Chief Executive Officer, Chief Financial Officer (CFO), and chief legal officer received $170 million in unapproved personal loans. Many of these loans were taken interest free and later written off as bonuses or benefit expenses. Investigators also discovered that the company’s CEO and CFO sold seven and one half million shares of Tyco stock for $430 million without telling
investors (Mumma, 2004). In 2005, a Manhattan jury found these two individuals guilty of stealing more than $134 million from Tyco shareholders. Each defendant received a 25 year prison sentence (White, 2005).

Improprieties at Merrill Lynch were uncovered following a fraud investigation conducted by the State of New York. Investigators discovered that some analysts at Merrill Lynch extended favorable coverage to corporate clients seeking investment banking deals even though these companies were failing. In addition, written evidence surfaced indicating that the company’s top internet analyst had publicly recommended specific companies known to be in poor financial standing. This inappropriate behavior cost the company $200 million in state and federal fines. Merrill Lynch paid a $100 million settlement to the state of New York in May of 2002 and an additional $100 million to the Securities and Exchange Commission (Usborne, 2002).

Investigations into inappropriate corporate behavior at Salomon Smith Barney, the investment banking division of Citigroup, began in 2002. Investigators from the New York State Attorney General’s Office suspected that company artificially inflated the rating on certain telecom stocks in an attempt to win and keep investment banking clients. In addition, state investigators questioned the propriety of a trail of lucrative deals benefiting the CEOs and directors of Smith Barney’s investment banking clients. In April of 2003, Smith Barney was found guilty of securities fraud and fined $400 million dollars (Frank, et al., 2003). Regrettably, the above examples represent only a few of the scandals investigated by the SEC.

*Sarbanes-Oxley Act of 2002*

Faced with failing investor confidence, an endless stream of corporate scandals,
and ineffective voluntary attempts by businesses to raise ethical standards, Congress felt compelled to act (Dean & Beggs, 2007). Their action took the form of The Sarbanes-Oxley Act of 2002. It represented a Congressional effort to legislate ethical behavior into corporate boardrooms across America (Rockness & Rockness, 2005). The Act’s eleven titles and twenty-two sections are designed to address the types of unethical behavior uncovered in the above scandals and more. Sarbanes-Oxley’s provisions address issues of conflicts of interest, accountability, other fraudulent behavior, and assess criminal penalties for non-compliance. A review of the Act’s title descriptions provides a sense of its comprehensive nature (Table 1). Details of the specific behavioral aspects of the Sarbanes-Oxley legislation are provided in Table 2.

The Sarbanes-Oxley Act of 2002 represented a turning point for ethical behavior in corporate America. It held company leaders to unprecedented levels of accountability and signaled a paradigm shift in the value of ethics in corporate cultures. In the post Sarbanes-Oxley era, executives as well as new MBA graduates are expected to possess ethical skills; skills that are best learned before MBA graduates enter the job market (Yoo & Donthu, 2002).

MBA programs vary widely in their handling of curriculum (Leonard, 2001). Even traditional mainstays of most MBA curriculums such as finance, economics, and marketing vary from program to program. Some programs specialize in finance and marketing while others specialize in economics, industrial relations, or other disciplines (Segev, Raveh, & Farjoun, 1999). In this varied environment, it is not surprising that a uniform approach to teaching business ethics does not exist. Some institutions teach ethics using a team approach or as a required course for first year students (Alsop, 2003; Friedman, 1996). Other institutions teach students a code of ethics in their first year of...
Table 1

Sarbanes-Oxley Act of 2002 Title Descriptions

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Public Company Accounting Oversight Board</td>
</tr>
<tr>
<td>II</td>
<td>Auditor Independence</td>
</tr>
<tr>
<td>III</td>
<td>Corporate Responsibility</td>
</tr>
<tr>
<td>IV</td>
<td>Enhanced Financial Disclosures</td>
</tr>
<tr>
<td>V</td>
<td>Analyst Conflicts of Interest</td>
</tr>
<tr>
<td>VI</td>
<td>Commission Resources and Authority</td>
</tr>
<tr>
<td>VII</td>
<td>Studies and Reports</td>
</tr>
<tr>
<td>VIII</td>
<td>Corporate and Criminal Fraud Accountability</td>
</tr>
<tr>
<td>IX</td>
<td>White-collar Crime Penalty Enhancements</td>
</tr>
<tr>
<td>X</td>
<td>Corporate Tax Returns</td>
</tr>
<tr>
<td>XI</td>
<td>Corporate Fraud and Accountability</td>
</tr>
</tbody>
</table>

study and require them to abide by its provisions as a condition of continued enrollment (Alsop, 2003). Last, some institutions fail to recognize the relationship that exists between teaching ethics and workplace behavior and choose to meet only the minimum standards on ethics instruction established by accreditation organizations (Beggs & Dean, 2007; Ghoshal, 2003).

Statement of the Problem

In the wake of the Sarbanes-Oxley Act and the related scandals, employers have
increased their demand for employees with strong ethical foundations. Some have even shifted their hiring policies toward character based evaluations (Henricks, 2006).

Table 2

*Behavior Aspects of the 2002 Sarbanes-Oxley Act*

<table>
<thead>
<tr>
<th>Behavior</th>
<th>Title</th>
<th>Section(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotes investigations and disciplinary process</td>
<td>I</td>
<td>105</td>
</tr>
<tr>
<td>Promotes accountability</td>
<td>III, IV, VIII</td>
<td>302, 305, 404, 806, 906,</td>
</tr>
<tr>
<td></td>
<td>IX, X, XI</td>
<td>1001, 1106, 1107</td>
</tr>
<tr>
<td>Prohibits conflicts of interest</td>
<td>II, III, IV</td>
<td>201, 203, 206, 303, 304, 306, 402</td>
</tr>
<tr>
<td>Promotes independence of financial auditors</td>
<td>V</td>
<td>501</td>
</tr>
<tr>
<td>Discourages fraudulent behavior</td>
<td>VIII, XI, XI</td>
<td>802, 807, 903, 1102, 1105</td>
</tr>
<tr>
<td>Promotes corporate codes of ethics</td>
<td>IV</td>
<td>406</td>
</tr>
<tr>
<td>Promotes internal control</td>
<td>IV</td>
<td>404</td>
</tr>
<tr>
<td>Promotes fairness</td>
<td>VIII, XI</td>
<td>806, 1107</td>
</tr>
</tbody>
</table>

Kaynama, King, & Smith, 1996; Matuson, 2004). Peterson, Beltramini, and Kozmetsky (1991) argued that deficiencies in the treatment of ethics in MBA curriculums, was recognized by students as early as 1984. Kaynama, King, and Smith (1996) stated that these signs reappeared in the 1990’s. Despite early warning signs, the academic community was slow to react and continued to teach students results orientated
A recent survey conducted by The Aspen Institute (2008) among MBA students revealed that students were dissatisfied with the level of ethics instruction received during their MBA experiences and questioned their preparedness to handle real world problems.

The purpose of this study is to assess the treatment of ethics in core MBA curriculums offered by colleges and universities in Ohio in response to the Sarbanes-Oxley Act signed into law by President George W. Bush on July 30, 2002. This research study will determine if Ohio’s MBA programs adjusted their core curriculums to provide students the additional ethical skills needed to respond to this new demand by answering the following two research questions:

**Research Question 1:** Have MBA programs in Ohio adjusted their core curriculums to include more ethical content in response to the Sarbanes-Oxley Act of 2002?

**Research Question 2:** Have private colleges and universities in Ohio adjusted their core curriculums in a manner that differs from public institutions in response to the demand for more ethics instruction?

**Professional Significance of the Study**

This study is significant to the professional learning community because it is an effort to measure the response of MBA programs to an important call for change. The Sarbanes-Oxley Act of 2002 requires business leaders to act ethically as a matter of law. What distinguished Sarbanes-Oxley from previous Congressional attempts to legislate ethics is the comprehensive nature of the law (Table 2). The language of the Act clearly defined new behavioral requirements for leaders. First, it advocates compliance by
assessing strong punitive penalties against corporations, public accounting firms, and individuals. Second, it requires business leaders to address unethical behavior at all levels of the organization and leadership responsibilities (Rockness & Rockness, 2005). The comprehensive nature of the Sarbanes-Oxley legislation serves as a clear signal to all affected parties that change must occur.

Delimitations

The population for this study encompassed all 27 colleges and universities in Ohio operating an MBA program on a traditional campus. Ohio is a state located in the Midwestern region of the United States. It is home to a diverse population which is significantly influenced by its many religious affiliations as well as its agrarian and industrial cultural values. Colleges and universities within the state’s boundaries reflect these cultural biases and may affect the generalizability of study results.

Base period data may be affected by the fact that educational institutions want to be perceived by the public as supportive of ethics instruction. While reviewing documentation, it was discovered that institutions using an integrated approach to teaching business ethics were indistinguishable from institutions not covering the subject in their curriculums. To distinguish between the two conditions, the researcher relied upon the interview process. As a result, the number of institutions actually using an integrated teaching approach for business ethics instruction may be overstated in the base period.

Approximately 41% of the institutions offering MBA degrees in Ohio are publicly funded. The remaining 59% are private institutions. Many of these private institutions have strong ties to religious sects or ideologies. The generalizability of
study results may be affected by the majority presence of private religious based institutions within this population.
CHAPTER II

Review of the Literature

The Debate: Can Ethics be Taught?

Some scholars believe that educators possess the ability to teach ethical behavior while others believe it is an innate quality that resides within the individual and cannot be taught. The debate over the issue is one for the ages and dates back to the time of the Greek philosophers. The Greek philosophers believed a man spent his life in the pursuit of virtue: the search for good, excellence, or knowledge. They also believed that individuals displayed their level of virtue through their behavior (Ball, 1995; Beggs & Dean, 2007; Finkelberg, 2002; Kraut, 2005). For example, Socrates tells us it is the virtue of the baker that enables him to make bread or the virtue of the gardener that enables the gardener to grow nice flowers (Kemerling, 2001; Plato, trans. 2002). Classical philosophers such as Socrates, Plato, and Aristotle believed that each individual possessed within his soul an innate knowledge of virtue but they did not agree on how virtue was acquired.

One of the earliest known records of the debate occurs in Plato’s Meno. In Meno, Plato related an account of a dialogue between Socrates and a rival philosopher, Meno, over the issue of whether ethics could be taught. Meno believed that virtue could be taught and that it was a teacher’s responsibility to improve his student’s performance in life (Kemerling, 2001; Plato, trans. 1871). Socrates, on the other hand, contended that man acquired his knowledge of arête or virtue from god through divine dispersion. This meant that individuals acquired their knowledge of virtue at birth and
its quality remained unaffected by life’s experiences. Key to Socrates’ argument was the fact that bakers, gardeners, and other artisans vary in their abilities; some bakers and gardeners are very successful while others were more average (Plato). Socrates argued that if education truly influenced arête then all men with the same level of education would display, through their behavior, the same level of skill. Since skill levels varied from artisan to artisan, Socrates concluded that virtue could not be taught (Plato).

Other Greek philosophers such as Aristotle and Plato disagreed with Socrates. They believed that education and practice positively influenced virtue and behavior (Begley, 2006). Aristotle contended that genuine knowledge of virtue was attainable through appropriate educational methods (Dillon, 2004), including practice (Begley), and that education was an important component in man’s quest for virtue (Finkelberg, 2002). In *Nicomachean Ethics*, Book II, Aristotle encouraged individuals to practice virtuous acts so that they might become truly virtuous by stating that it is only by doing just acts that the just man is produced (Urmson, 1998). Plato agreed with Aristotle and also advocated repetition or practice as a way to achieve virtue. According to Plato, the highest goal of education was knowledge of good; not merely an awareness of particular benefits of excellence, but an acquaintance with the desired behavior (Kemerling, 2001).

Centuries later Immanuel Kant would enter the debate by applying reason in the form of a universal criterion to ethical decision making. His argument differed from that of Aristotle, Plato, and Socrates by advocating reason as the single most important component in the decision making process. In his work the *Groundwork for the Metaphysics of Morals* (Kant, trans. 1981), Kant explained virtue as moral reasoning that successfully applied the universal criterion of the categorical imperative and
dismissed the benefits of repetitive learning on moral reasoning (Cox, 1998).

According to Kant, individual decisions, including moral decisions, stemmed more from a quest for perfect reason than from an assessment of consequences. Kant contended that the act of the physician to heal and an individual planning to poison another were of equal moral value so long as each strove for perfection (Kant). To Kant, the most important element in reasoning was the efficiency of thought process free from the moral bias that accompanied repetitive instruction (Cox). Through this analysis, Kant rejected Aristotle’s claim that repetitive teaching enabled the individual to accumulate the wisdom needed to make moral decisions, advocating instead that the morality of individual acts hinged on the individual’s ability to apply pure universal logic (Kant).

Today, the ability of educators to teach ethics continues to be debated. Some experts still contend that that ethics cannot be taught, especially in colleges and universities. They believe that college-aged students arrive on campus with fully developed characters incapable of being altered through continued education (Cragg, 1997). Supporters of this argument believe students learn ethics during their formative years through the interaction with parents, churches, and elementary schools (Urmson, 1989; Velasquez, Andre, Shanks, & Meyer, 1987). Ritter (2006), stated that society cannot expect colleges and universities to alter character lessons learned early in life by a student’s participation in one college level ethics class or the partial infusion of ethics into many classes. Other scholars disagree. They contend that properly constructed courses in business ethics, business and society, or corporate citizenship contain enough relevant ethical material to have meaning to students (Rynes, Trank, Lawson, & Ilies, 2003; Swanson, 2004).
Despite the historical debate and the current skepticism over an educator’s ability to teach moral behavior, it appears clear that Congress is convinced that ethics can be taught. Legislation such as the Foreign Corrupt Practices Act of 1977 and the Sarbanes-Oxley Act of 2002 are evidence of this belief. Scholars such as Pellegrino (1989) and Urmson (1998) concur with congressional leaders. They advocate that ethics not only can be taught but must be taught. Urmson analogized virtue to a skill. As such, ethics is a type of knowledge acquired through the learning experience (Urmson) and can be taught (Pellegrino). Additional support for this argument is found in the behavior of many business and professional organizations. Companies such as ALCOA and General Motors annually update guidelines for employee conduct and mandate ethical training requirements. Table 3 details a listing of the typical ethics issues covered by their training programs. Professional organizations such as the American Bar Association, the American Medical Association, the American Institute of Certified Public Accountants, and others offer ethics training through their publications and websites, as listed in Table 4. These sites are filled with offerings for ethics courses, materials for teaching ethics, and suggestions on the proper method of ethics education (Baetz & Sharp, 2004; Churchill, 1982; Laditka & Houck, 2006; McDonald, 2004; Oddo, 1997; Sims & Felton, 2006). Classes offered by these professional organizations include, but are not limited to, professionalism, patient care, sexual harassment, and proper financial reporting.

Legislated Ethics

Congressional attempts to regulate the behaviors of business leaders did not originate with the Sarbanes-Oxley Act of 2002. In 1933, Congress passed the Glass-Stegall Act
Table 3

*Partial Listing of Ethics Issues Businesses Cover with Ethics Training*

<table>
<thead>
<tr>
<th>Topic</th>
<th>Required Training</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ALCOA</td>
</tr>
<tr>
<td>Motors</td>
<td></td>
</tr>
<tr>
<td>Human Rights</td>
<td>Yes</td>
</tr>
<tr>
<td>Diversity</td>
<td>Yes</td>
</tr>
<tr>
<td>Conflicts of Interest</td>
<td>Yes</td>
</tr>
<tr>
<td>Responsibility and Governance</td>
<td>Yes</td>
</tr>
<tr>
<td>Respect and Fair Treatment</td>
<td>Yes</td>
</tr>
<tr>
<td>Proper Use of Information</td>
<td>Yes</td>
</tr>
<tr>
<td>Responsible Use of Company Assets</td>
<td>Yes</td>
</tr>
<tr>
<td>Compliance with Applicable Law</td>
<td>Yes</td>
</tr>
</tbody>
</table>


in an attempt to curb investor fraud by bank officials. The 1933 and 1934 Securities and Exchange Acts were attempts by Congress to eliminate the deceitful and misleading businesses practices that lead to the Great Depression of 1929 (Rockness & Rockness, 2005). In 1940, Congress passed the Investment Company Act to protect investors from the unethical behavior of investment company officials and the list continues. Between 1933 and 2002, Congress passed nine significant pieces of legislation (Table 5) in an attempt to legislate ethics into the behaviors of business
leaders. Although recent scandals such as Madoff’s Ponzi scheme (Chernoff, 2009), the government takeover of AIG (Karnitschnig, Solomon, Pleven, & Hilsenrath, 2008) and the recent bailout of Citigroup (Enrich, Mollenkamp, Rieker, Palette, & Hilsenrath, 2008) question the effectiveness of past congressional attempts at legislated ethics, the effort still continues.

Table 4

Partial Listing of Professional Organizations Offering Ethics Training

<table>
<thead>
<tr>
<th>Professional Organization</th>
<th>Provides Ethics Training on Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Medical Association</td>
<td>Yes</td>
</tr>
<tr>
<td>American Bar Association</td>
<td>Yes</td>
</tr>
<tr>
<td>American Dental Association</td>
<td>Yes</td>
</tr>
<tr>
<td>American Institute of Certified Public Accountants</td>
<td>Yes</td>
</tr>
<tr>
<td>Certified Financial Planners</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Arguments Supporting Legislative Ethics

One of the main reasons why Congress repeatedly attempts to legislate ethics is its obligation to represent the interests of the American people. One staple of our American society is our free market economy, an economy that balances the laws of supply and demand to provide goods and services to consumers at a fair price. Tsalkis and Seation (2006) stated that an ethical approach to business dealings on the part of both buyers and sellers is necessary for an effective and balanced marketplace. Further, they state that when unethical behavior is displayed by either party the balance of the
market place is disrupted leaving its effectiveness in question. According to Fullerton, Kerch, and Dodge (1996), when the element of mistrust is introduced into the dealings of the marketplace the balance between buyers and sellers is lost and the economy breaks down.

Congress in its role as guardian attempts to restore market balance through legislation. Beggs and Dean (2007) in their study on legislated ethics noted that over the years Congress has repeatedly attempted to punish business leaders who practiced fraud upon the American people. As guardian, Congress seeks to protect the interests of both stakeholders and shareholders. Devaney (2007) stated that when shareholder value is destroyed through the fraudulent actions of business leaders all parties, including the stakeholders are affected by the economic fallout. The legislation listed in Table 5 highlights major attempts by Congress to protect the American people from deceptive business practices and restore investor confidence. In addition to legislation, Congress commissions various committees to investigate the depths of business leaders’ fraudulent actions (Rockness & Rockness, 2005). The Securities and Exchange Commission (SEC) and the National Commission on Fraudulent Financial Reporting, more commonly known as the Treadway Commission, are two such efforts. Congressional action of this type serves to ensure that investors trust the market place and ultimately the state of the economy (Tsalkis & Seaton, 2006).

A second reason Congress attempts to legislate ethics is that ethics legislation reinforces the United States’ position that moral values matter; not only domestically (Tsalkis & Seaton, 2006) but also globally (Everett, Neu, & Rahaman, 2006). Congressional efforts such as the Foreign Corrupt Practices Act of 1977 and The
Table 5

*Ethics Based Legislation Passed by Congress between 1933 and 2002*

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Ethical Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1933 Glass Stegall Act</td>
<td>Prohibited conflict of interest and fraudulent actions by banks</td>
</tr>
<tr>
<td>1933 Securities and Exchange Act</td>
<td>Prohibited fraudulent selling of securities</td>
</tr>
<tr>
<td>1934 Securities and Exchange Act</td>
<td>Prohibited insider trading and other fraud in the sale of securities</td>
</tr>
<tr>
<td>1940 Investment Company Act</td>
<td>Prohibited conflict of interest and other abuses by investment companies</td>
</tr>
<tr>
<td>1977 Foreign Corrupt Practices Act</td>
<td>Prohibited the bribery of foreign officials and business leaders</td>
</tr>
<tr>
<td>1991 FDICA Improvement Act</td>
<td>Prohibited fraud and conflict of interest by officers of failed savings and loans</td>
</tr>
<tr>
<td>1995 Private Securities Litigation</td>
<td>Mandated full disclosure to investors of Reform Act proposed legal settlements including attorney’s fees</td>
</tr>
<tr>
<td>2002 Sarbanes-Oxley Act</td>
<td>Prohibited corporate officers from preparing fraudulent financial statements</td>
</tr>
</tbody>
</table>

Sarbanes-Oxley Act of 2002 transmit a clear message abroad that the U.S. government supports the efforts of international organizations such as the International Monetary
Fund, the Organization for Economic Co-operation and Development, and the United Nations as they attempt to promote fair play among nations and increase goodwill (MacIntyre, 1984). These organizations actively fight against global corruption (Everett et al., 2006) and promote global governance (Held & McGraw, 2002). They, like Congress, strive to protect the balance that exists between buyers and sellers and help make ethical international commerce possible (Everett, Neu, & Rahaman, 2006).

The third reason Congress attempts to legislate ethics is because laws and regulations provide a clear definition of permissible behavior within the business community (Beggs & Dean, 2007; Brien, 1998). Behavior identified as unethical in legislation is quickly considered illegal behavior. Conformance to the mandates of ethics based legislation affords business leaders the opportunity to avoid putative legal action (Beggs). Legislated ethics enables lawmakers and corporate officers to develop standardized solutions to confront unethical behavior (Brein). Clearly defining illegal behavior in legislation makes it easier for corporate leaders to focus their written codes of ethics on avoiding specific types of unethical behavior (Brien). It also enables business leaders to develop training classes that increase ethical awareness among their employees especially in highest risk areas (Brien, 1998; Rockness & Rockness, 2005). Sama and Shoaf (2005) contend that increased ethical awareness and training are sincere efforts on the part of business leaders to enhance the interactive social contracts businesses share with their surrounding communities. Wipperfurth (2002) reports that whatever the motivation, there exists a dramatic increase in corporate ethics training since Enron.

Fourth, Congress continues its effort to legislate ethics because traditional attempts by professional groups at self regulation are historically ineffective (Brien,
Brien also noted that members of professional organizations are often unwilling to report the ethical violations of their peers. He stated that when discipline is levied against a member of a profession the organization often seeks to conceal the identity of the violator. Motivation for an organization’s reluctance to self-regulate varies. Some professional organizations fear aggressive efforts at self-regulation will generate adverse publicity for their profession as well as for the violator. This fear causes some professions to tolerate certain violations or levy a lesser discipline instead of taking appropriate action. Tomasic and Bottomly (1993), state that vigorous enforcement of self-regulatory codes often conflicts with the primary purpose of professional organizations; the protection and promotion of the interests of membership. Given these internal conflicts, efforts at self-regulation often fail (Barber, 1983).

Last, Congress continues its attempts to legislate ethics because corporate codes of ethics were ineffective in preventing recent scandals (“The Good, the Bad, and their Corporate Codes of Ethics,” 2003). Davis (1991) stated that despite attempts by corporate leaders to establish codes of ethics they are often poorly communicated or seldom used as a basis for disciplinary action. The advent of large scale fraud perpetrated by high ranking corporate officials bears sad testimony to the ineffectiveness of such codes. Beder (1993) argued that corporate codes of ethic are little more than “window dressing” intended to show the public that the company has a moral face. Recent scandals at Enron, WorldCom, and Tyco International lend credence to Beder’s argument considering each organization had in place a “code of ethics” at the time of their scandals. It can also be argued that, over the past two decades, attempts by business leaders to introduce ethics into their organizations had little impact on the conduct of business leaders (Rockness & Rockness, 2005). As a
result, Congress felt compelled to intervene through the Sarbanes-Oxley Act of 2002 (Devaney, 2007). Codes of ethics are now required as a matter of law. In addition to requiring businesses to have codes of ethics, Congress assessed criminal penalties against business leaders choosing to ignore the Act’s provisions (Sarbanes-Oxley Act of 2002).

**Arguments against Legislated Ethics**

Critics of legislated ethics contend that Congress failed in its effort to alter the behavior of business leaders. One reason for this failure was the fact that Congressmen are not accustomed to making comprehensive ethical policy (Sama & Shoaf, 2005). Each piece of legislation listed in Table 5 was a focused response to a preexisting ethical failure. When considered as a whole, the ethical content of the combined legislation listed in Table 5 fails to form a comprehensive foundation for business ethics. Instead, it forms a patchwork grid of rules, regulations, and consequences (Sama & Shoaf). Business leaders need only avoid the specific action addressed in the legislation to avoid its legal remedies. Thus, when business leaders comply with Congressional mandates on ethics their behavior could best be described as acts of legal prescription and not moral commitment (Beggs & Dean, 2007). Experts such as Paine (1994) and Coates (2004) contend that any increased level of ethical behavior among business leaders was simply a direct response to the punitive nature of recent legislation.

The Ethics Resource Center’s (ERC) 2007 National Business Ethics Survey, a comprehensive ethics policy consists of the six key elements found in Table 6. These elements are recognizable by employees and were first encouraged by the Federal Sentencing Guidelines for Organizations in 1991 (ERC). The Sarbanes-Oxley Act of
2002, considered by many to be the most comprehensive ethics legislation to date contains only three of these recommended elements (Table 7).

Table 6

*Elements of a Comprehensive Business Ethics Policy*

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Written standards for ethical conduct</td>
</tr>
<tr>
<td>2</td>
<td>Training on company standards of ethical workplace conduct</td>
</tr>
<tr>
<td>3</td>
<td>Provision of a mechanism for seeking ethics related advice or information</td>
</tr>
<tr>
<td>4</td>
<td>Provision of a mechanism for reporting misconduct anonymously</td>
</tr>
<tr>
<td>5</td>
<td>Disciplining of employees who violate the standards of the organization or the law</td>
</tr>
<tr>
<td>6</td>
<td>Assessment of ethical conduct as a part of employee performance evaluations</td>
</tr>
</tbody>
</table>

A second criticism of legislated ethics is that congressional interference serves to de-professionalize established professional groups (Brien, 1998). Brien stated that congressional interference with a profession’s self-regulating process serves to diminish it in the eyes of the public. His argument is based on the fact that professional groups hold a powerful position in our society. Their members possess specialized knowledge that is essential to society’s lifeblood. Doctors, lawyers, engineers, and educators are examples of professions possessing this specialized knowledge. These individuals are largely autonomous in a professional capacity and hold a special place in the public trust (Bayles, 1989). One problem with using legislation to regulate professions is that
it violates the fundamental premise that professions are unique organizations capable of self-regulation and worthy of community trust (Brien, 1998). In fact, the existence of

Table 7

*Comparison of the Sarbanes-Oxley Act to ERC Ethics Policy Elements*

<table>
<thead>
<tr>
<th>Policy Elements</th>
<th>Comprehensive</th>
<th>Mandated by Sarbanes-Oxley Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written standards for ethical conduct</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Training on company standards of ethical workplace conduct</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Provision of a mechanism for seeking ethics</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Provision of a mechanism for reporting</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Disciplining of employees who violate the standards of the organization or the law</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Assessment of ethical conduct as a part of employee performance evaluations</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

ethics legislation is a public signal that a profession is unworthy of its unique status (Bayles).

A third criticism of legislated ethics is that behavior deemed to be legal is considered ethical (Beggs & Dean, 2007). Ethics legislation designed to deter specific actions or types of behavior and should not be considered all inclusive (Brien,
Unethical, yet legal, behavior can exist within the context of legislative provisions. Beggs and Dean argue that one of the problems with legislative ethics is its reliance on detection and punishment rather than adherence to ethical principles to achieve desired behavior. According to the Ethics Resource Center’s 2007 National Business Ethics Survey the majority of ethics training conducted by businesses focuses on the conduct employees must avoid to comply with legislative provisions.

Economic costs are also associated with ethics legislation. The detection and punishment of violators relies heavily on government agencies trained to enforce the intent of the law. New legislative provisions force agencies to staff or train compliance experts (Bayles, 1989). These costs are then passed on to society in the form of higher taxes or regulatory fees. Businesses also incur increased costs as they struggle to comply with provisions of ethics legislation. In 1977, Congress passed the Foreign Corrupt Practices Act (FCPA) in an attempt to curb the practice of bribing foreign officials to win business contracts. The provisions of the Act applied to all countries and circumstances; even to dealings in countries where bribery is an accepted and expected business practice (Kaikati, Sullivan, Virgo, Carr, & Virgo, 2000). In 1996, it was estimated that compliance with the provisions of the FCPA cost American companies in excess of $4.5 billion in lost contracts in the thirteen months between April, 1994 and May, 1995 (Simons, 1996). Similarly, Section 404 of the Sarbanes-Oxley Act requires companies to attest to the effectiveness of their internal control related to financial reporting. It is estimated that compliance with Section 404 costs a large U.S. company in excess of $4.6 million and medium to small companies approximately one half that amount annually (D’Aquila, 2004). These costs are in addition to the increased accounting and auditing fees, from public accounting firms.
Company responses to these escalating costs vary and range from choosing to cease operations altogether, delaying capital projects, reduce hiring, or ceasing operations as a public company and reverting back to a privately held entity to avoid regulation (Investor’s Business Daily, 2007).

**Academic Response to Legislated Ethics**

Despite the continued interest in the debate over an educator’s ability to teach behavior, the advent of legislated ethics renders the outcome irrelevant. Recent legislation such as the Sarbanes-Oxley Act of 2002, not only assumes that ethics can be taught but requires business leaders to provide employees with ethics training for compliance reasons. Although no specific provision of the Sarbanes-Oxley Act requires business leaders to teach ethics, the inference is made through the provisions of Section 406. Section 406 requires businesses to create corporate codes of ethics to guide the behavior of senior leaders (Sarbanes-Oxley Act, 2002). The successful adoption of a code of ethics for senior leadership requires organization wide commitment, support systems, and training for employees. Most importantly it requires leaders to live ethically and lead by example at all levels of organization (Kouzes & Posner 2002). This situation leaves business leaders no other option than to create a code of ethics that applies to their entire organization, develop and implement the proper support systems, and to teach desired behavior (Hughes, Ginnett, & Curphy, 2002). Ethics training is the only practical way these leaders can maintain business continuity. It is impractical to expect business leaders to replace all current employees with new employees whose values align with their newly developed codes of ethics without affecting organizational performance. As a result, the business community is looking to the curriculums of
undergraduate and MBA programs to provide their graduates with the skills necessary to make their change efforts meaningful (Evans, Trevino, & Weaver, 2006; Navarro, 2008; Swanson, 2004).

According to Madison and Schmidt (2006), the issue of teaching business ethics at the undergraduate level received little attention from colleges and universities prior to 1969. That year the Association for the Advancement of Collegiate Schools of Business International (AACSB) required ethics to be included in the general education of undergraduate graduate business majors. The AACSB did not require formal ethics instruction for accreditation purposes but recommend its inclusion in instruction on social responsibility (Jennings, 2004). Since then the AACSB has required proof of an ethical component in overall instruction for accreditation purposes but does not require formal ethics training as component of core business curriculums (Swanson, 2004). Its unwillingness to treat ethics as core curriculum was viewed by many institutions as an opportunity to give the topic superficial coverage at both the undergraduate and MBA levels (Kelly, 2003; Nicklaus, 2002; Swanson, 2003).

Despite such harsh criticism, recent studies indicate that colleges and universities have increased their focus on ethics. In 2001, Roland Madison surveyed Ohio colleges and universities to determine the extent to which ethics was taught in undergraduate accounting and business programs. Twenty-four of Ohio’s 42 qualifying institutions responded. His study revealed that undergraduates in both public and private institutions could expect a total of three weeks of ethics training during their undergraduate experience or approximately 9.5 total hours of ethics instruction (Table 8) (Madison, 2001). In 2006, Madison and Jacqueline Schmidt conducted a follow-up to this study at a national level. This effort surveyed 122 accounting administrators
from large business schools across the United States attempting to identify the total amount of time spent studying ethics in their curriculums. The results of this study are found in Table 9. Survey results indicate that ethics education was increasing in America’s business schools. On average, ethics instruction increased 17.4 hours, approximately three times the amount of training received by Ohio undergraduates surveyed in Madison’s original 2001 study.

Table 8

| Madison’s 2001 Study - Hours Ohio Undergraduate Students Spent Studying Ethics |
|---------------------------------|---------------------------------|
| Type of Institution              | Total Hours of Instruction      |
| Public Institution               | 9.4                             |
| Private Institution              | 9.8                             |

Madison and Schmidt’s 2006 study provides evidence that the academic community has responded to the call for increased ethics instruction. Unfortunately, many experts including Madison and Schmidt (2006) believe colleges and universities could do more to increase awareness of ethical issues among their business students (Devaney, 2007; Evans et al, 2006; Muijen, 2004; Swanson, 2004). Even when using the most favorable data in Madison and Schmidt’s study, that of total ethics instruction for AACSB non-accredited schools (29.4 hours), ethics instruction comprised just 1.6% of the total instructional hours needed for a four year undergraduate degree.

In 1999, only 12% of the leading 25 MBA programs in the United States included ethics as a part of their core curriculum (Segev, Raveh, & Farjoun, 1999). Navarro (2008) states that colleges and universities have increased their efforts to include ethics
as a component of their core curriculums, however, the majority of business schools remain lacking. Forty percent of the top 50 MBA programs in the United States now include ethics in their core curriculum (Navarro). Although this effort represents progress, many experts consider the pace too slow to address current concerns over the growing business ethics crisis (Devaney, 2007; Evans et al., 2006; Swanson, 2004).

According to Swanson (2004), one way to increase the pace of change is for accreditation organizations such as the AACSB to require institutions to include ethics as a stand-alone core course in the business curriculums. Swanson stated that accreditation organizations play an important role in defining an institutions’ reaction to problems. He contended that making ethics instruction a condition of accreditation would quickly resolve the issue.

Table 9

Madison’s 2006 National Study - Hours Undergraduate Students Spent Studying Ethics

<table>
<thead>
<tr>
<th>Type of Institution</th>
<th>Total Hours of Instruction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Institution</td>
<td>26.3</td>
</tr>
<tr>
<td>Private Institution</td>
<td>27.4</td>
</tr>
<tr>
<td>AACSB accredited</td>
<td>25.6</td>
</tr>
<tr>
<td>AACSB Non – accredited</td>
<td>29.4</td>
</tr>
</tbody>
</table>

One primary advantage of a single stand-alone course is that from an institutional perspective it is easier to administer than an integrated teaching approach (Baetz & Sharp, 2004). A single ethics course requires only one expert. Institutions in need of such an expert have the option of recruiting one from the existing pool of the business faculty or from the neighboring philosophy department. A second advantage of a stand-
alone course is its ability to treat ethics as a center of learning. It provides students with a forum that places ethics at the heart of the subject matter being taught. Students can discuss ethical issues at length and provide faculty with the opportunity to commit significant class time to the topic (Baetz & Sharp). This eliminates the conflict many professors face when they must choose between completing technical course content and teaching ethics in a time scarce semester (Dean, 2006). Third, experts agree that properly staffed, a single ethics course would signal to students the importance of ethical training to the entire business curriculum (Baetz & Sharp, 2004; Piper, Gentile, & Parks, 1993). Finally, the existence of a required ethics class provides the institution with evidence of compliance with their accreditation standards.

Another way for colleges and universities to increase the pace of change is to integrate ethics into core courses (Jennings, 2004). Ritter (2006) and Cragg (1997) stated that students are more likely to accept ethical teachings when they are primed to consider ethical strategies as part of the learned curriculum. Integration across the curriculum provides students the opportunity to learn business ethics in the context of the subject being studied. McDonald (2004) stated this type of instruction affords students the opportunity to examine a manager’s available options and critique the actions selected to resolve issues. She also stated that an integrated approach provides institutions with the opportunity to show support for ethical behavior in numbers because more than one faculty member is conveying the same message to students.

Educators play an important role in this process because many students arrive on campus predisposed to learn. While the ability to absorb lessons that alter ethical and moral values varies by student, educators must capitalize on the opportunity to positively influence behavior (Ritter). Critics of an integrated teaching approach argue
that multi-faceted integration leaves students with a fragmented perspective of ethics, not easily applied to everyday situations, instead of an overarching decision making framework (Evans et al., 2006).

McDonald (2004) stated that one reason for the slow pace of ethics inclusion in core MBA curriculums is the fact that most business school instructors do not feel qualified to teach ethics. Many members of the business faculty view the subject of ethics as too abstract for effective learning (McDonald, 2004). In 2006, Dean and Beggs conducted a study that measured in part the amount of ethical training acquired by business faculty members as students or through professional development. Their findings revealed that only a few of the professors involved in the study had ever taken an ethics class and of those who had taken ethics many felt too much time had passed since the time of their course work for their learning to be relevant (Dean & Beggs). A second reason for the slow pace of inclusion stems from the fact that most business faculty have little interest in ethics as subject and therefore are even less interested in teaching ethical subject matter to students (Dean, 2006; Evans et al, 2006). Such faculty members contended that ethics lacks analytical foundation and its teachings are not easily applied to the business environment (McDonald & Donleavy, 1995). Proponents of this argument believe that a business ethics course should be taught by a philosophy professor due to his/her interest in the subject matter and their experience in ethical theory (McDonald, 2004). Third, business faculty members argue against teaching ethics, especially as an integrated portion of another class, citing the short duration of the semester as a primary factor (Dean, 2006). They believe that it is difficult enough to teach required technical material in the allotted time, let alone the added burden of ethics.
Finally, MBA programs through their positions of stature within the academic and business communities bear a heavier burden in teaching ethics to students than do undergraduate business institutions. First, the majority of business leaders in the United States have MBA degrees. A study conducted by the Leadership Initiative at the Harvard School of Business found that 60% of the business leaders in large American companies in the 1990’s had MBA degrees (Devaney, 2007). Although studies have shown that simply having an MBA is no guarantee of increased earnings or career advancement (Pfeffer & Fong, 2002), employees looking to advance follow the examples of their leaders and role models by following them into MBA programs (Nohria & Eccles, 1992). Second, MBA programs are valuable to students because they function as an employment screen (Devaney, 2007). Job candidates with MBA degrees often hold an advantage in the interview process over candidates without the degree. Devaney (2007) states that an MBA education may not indicate if an individual is a competent leader or has good business intuition but it does indicate that the individual has been provided a “manager’s tool box” from which he can draw from a wide range of disciplines. Often, the existence of an MBA on a candidate’s resume is the deciding factor in the job selection process. Because of the high esteem business leaders hold for MBA programs, they share a unique responsibility for recent ethical scandals (Ghoshal, 2005). The failure of MBA programs to instill ethical standards of conduct in their students through relevant curriculums places the responsibility for unethical business practices squarely at their door (Ghoshal, 2005; Mintzberg, 2004; Pfeffer & Fong, 2002).
CHAPTER III

Methodology

Purpose of the Study

The purpose of this study was to assess the treatment of ethics in core MBA curriculums in Ohio in response to the passage of the Sarbanes-Oxley Act of 2002. MBA programs are venues that teach current and future managers the skills needed to succeed in the world of business. The typical MBA curriculum consists of two basic components, core courses and electives. In MBA curriculums, critical teaching is provided by core courses. Subjects of a more specialized nature are offered as electives. Prior to the Sarbanes-Oxley legislation, the value placed on ethics in the MBA experience varied by institution. Some institutions considered the study of ethics a vital part of the MBA experience and included it among their core offerings. Other institutions handled the issue of ethics instruction in a variety of ways such as offering it as an elective, weaving into the subject matter of other courses, or chose not to include it in the curriculum.

The language of the Sarbanes-Oxley Act increased the importance of ethical training for business leaders. It required leaders to assess ethical consequences in the decision making process and affected all levels of the organization. As a result, ethical awareness has become a critical management skill. The data gathered in this study will determine if colleges and universities, offering MBA degrees in Ohio, adjusted their core MBA curriculums in response to an increased demand for ethical training in the
wake of Congress’ latest effort to legislate ethics through the Sarbanes-Oxley Act of 2002.

A Basic Qualitative Study

A basic qualitative research design was chosen for this study. This type of study was selected because this researcher was seeking to understand the impact of a particular phenomenon, a piece of legislation, on MBA curriculums in Ohio. Merriam (1998) states that the key to a basic qualitative design “is understanding the phenomenon of interest from the participants’ perspectives” (p. 6). In this case, the phenomenon of interest is the Sarbanes-Oxley Act of 2002. The primary data sources for this study consisted of documentation published by the institutions themselves, course descriptions, and interviews with MBA program administrators. Documentation analysis was of particular importance to this study because it reflected the final positions taken by administrators in response to the phenomenon being studied. Data obtained through interviews was equally important because it afforded these same participants the opportunity to explain the reasons for their actions.

Data Collection

Institutions offering MBA degrees in Ohio were identified using the internet website http://www.find-mba.com/ohio. Only institutions with a longstanding campus presence were included in the study. This selection criterion was established to eliminate national or regional institutions offering MBA degrees in Ohio via the internet from the study. Twenty-seven institutions were identified through the use of this process. Of these 27 institutions, 16 were private colleges and universities (Table 10)
and eleven were public universities (Table 11).

This study placed a heavy reliance upon MBA program catalogues to determine the reaction of MBA administrators to an increased demand for ethics education. These

Table 10

_Private Colleges and Universities Offering MBA Degrees in Ohio_

<table>
<thead>
<tr>
<th>Institution</th>
<th>Ohio Location</th>
<th>Year Established</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashland University</td>
<td>Ashland</td>
<td>1878</td>
</tr>
<tr>
<td>Baldwin-Wallace College</td>
<td>Berea</td>
<td>1845</td>
</tr>
<tr>
<td>Capital University</td>
<td>Columbus</td>
<td>1830</td>
</tr>
<tr>
<td>Case Western Reserve University</td>
<td>Cleveland</td>
<td>1826</td>
</tr>
<tr>
<td>Franciscan University</td>
<td>Steubenville</td>
<td>1946</td>
</tr>
<tr>
<td>Franklin University</td>
<td>Columbus</td>
<td>1902</td>
</tr>
<tr>
<td>Heidelberg College</td>
<td>Tiffin</td>
<td>1850</td>
</tr>
<tr>
<td>John Carroll University</td>
<td>University Heights</td>
<td>1886</td>
</tr>
<tr>
<td>Malone University</td>
<td>Canton</td>
<td>1892</td>
</tr>
<tr>
<td>Myers University</td>
<td>Cleveland</td>
<td>1848</td>
</tr>
<tr>
<td>Otterbein College</td>
<td>Westerville</td>
<td>1847</td>
</tr>
<tr>
<td>The University of Findley</td>
<td>Findley</td>
<td>1882</td>
</tr>
<tr>
<td>Tiffin University</td>
<td>Tiffin</td>
<td>1888</td>
</tr>
<tr>
<td>University of Dayton</td>
<td>Dayton</td>
<td>1850</td>
</tr>
<tr>
<td>Walsh University</td>
<td>North Canton</td>
<td>1950</td>
</tr>
<tr>
<td>Xavier University</td>
<td>Cincinnati</td>
<td>1831</td>
</tr>
</tbody>
</table>
catalogues represented the administrators’ published position on the issue. The baseline position for each institution was determined by examining the MBA program catalogues for academic years 2000-2001 and 2001-2002. The reason for the choice of two academic years was due to the fact that all institutions could not provide catalogues for the same academic year. By giving the institutions a choice of two academic years, the researcher was able to obtain base period data from each of the twenty-seven MBA programs included in the study. The resulting 24-month base period was not considered material to the study because each academic year ended prior to the passage of the Table 11

*Public Universities Offering MBA Degrees in Ohio*

<table>
<thead>
<tr>
<th>Institution</th>
<th>Ohio Location</th>
<th>Year Established</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bowling Green State University</td>
<td>Bowling Green</td>
<td>1910</td>
</tr>
<tr>
<td>Cleveland State University</td>
<td>Cleveland</td>
<td>1964</td>
</tr>
<tr>
<td>Kent State University</td>
<td>Kent</td>
<td>1910</td>
</tr>
<tr>
<td>Miami University</td>
<td>Oxford</td>
<td>1809</td>
</tr>
<tr>
<td>Ohio University</td>
<td>Athens</td>
<td>1804</td>
</tr>
<tr>
<td>The Ohio State University</td>
<td>Columbus</td>
<td>1870</td>
</tr>
<tr>
<td>The University of Akron</td>
<td>Akron</td>
<td>1870</td>
</tr>
<tr>
<td>The University of Toledo</td>
<td>Toledo</td>
<td>1872</td>
</tr>
<tr>
<td>University of Cincinnati</td>
<td>Cincinnati</td>
<td>1819</td>
</tr>
<tr>
<td>Wright State University</td>
<td>Dayton</td>
<td>1964</td>
</tr>
<tr>
<td>Youngstown State University</td>
<td>Youngstown</td>
<td>1908</td>
</tr>
</tbody>
</table>
Sarbanes-Oxley Act on July 30, 2002. MBA program guides for the base period were obtained either directly from the affected institution or from the internet at the institution’s direction. These program guides detailed core curriculum and elective course offerings as well as course descriptions. MBA program guides for the current academic 2008-2009 academic year were obtained from the internet.

Each institution was given the opportunity to designate an administrator or faculty member capable of answering questions on curriculum, to be interviewed by the researcher. The purpose of the interview process was to provide the institutions with the opportunity to explain their approach to teaching ethics prior to and after the passage of the Sarbanes-Oxley act of 2002. It also provided MBA administrators the opportunity to explain the influences that shaped their positions (See Appendix B for Interview Questions). Despite this opportunity, the majority of Ohio’s MBA Programs were reluctant to grant interviews. Some institutions appeared to simply ignore interview requests and others agreed to participate and then engaged the researcher in endless rounds of referrals without producing interviews. At the conclusion of the interview phase of the research, only 48% of the institutions chose to participate in this process, with public institutions were more open to interviews (64%) than private institutions (38%). Among the institutions agreeing to participate in the interview process it was apparent the some administrators were uncomfortable with the probing nature of the interview questions. Many administrators stated that they were uncomfortable answering the question on accreditation and one refused to answer the question critiquing the effectiveness of current MBA curriculums in light of the Duke University cheating probe and McCabe, Butterfield, & Trevino’s (2006) study on dishonesty among MBA students.
In consideration of the above discussion, this study sought to answer the following two research questions:

**Research Question 1:** Have MBA programs in Ohio adjusted their core curriculums to include more ethical content in response to the Sarbanes-Oxley Act of 2002?

**Research Question 2:** Have private colleges and universities in Ohio adjusted their core curriculums in a manner that differs from public institutions in response to the demand for more ethics instruction?

**Data Analysis**

A constant comparative data analysis method was used to analyze data collected during this study. Constant comparative analysis enables the researcher to constantly compare data throughout the data collection process (Merriam, 1998). According to Merriam, the researcher begins collecting data concerning a point of interest and compares it with another incident using the same set of data. For the purposes of this study, the data detailing the treatment of ethics in core MBA curriculums during the base period was compared to the data detailing its treatment six years after the Sarbanes-Oxley Act was signed into law to determine if changes had occurred.

Participating colleges and universities were first grouped according to their treatment of ethics in the base period ignoring their public or private affiliations. The next step was to analyze base period data taking these same affiliations into account. Once baseline groupings were established, the process was repeated using data from the current 2008-2009 academic year. Finally, these data were then compared to interview data. The results of this constant comparative effort enabled the researcher to construct
the themes and identify reoccurring patterns that explained the response of Ohio MBA programs to the said legislation.

**Issues of Validity and Reliability**

Gay, Mills and Airasian (2006), state that the trustworthiness of qualitative research is a reflection of the researcher’s attention to issues of validity. To ensure issues if validity were properly considered Maxwell’s (1992) validity model was in this study. His model requires the researcher to consider issues descriptive validity, interpretive validity, theoretical validity, and internal generalizability. Descriptive validity ensures the actual views of the participants are factually accurate. The descriptive validity of this study was insured by using the participants’ own documents to reach conclusions on their treatment of ethics in core curriculums. All of the documents were published and available to the general public. Core curriculum requirements and course descriptions were found in the MBA program catalogues issued to any interested party via the internet or US mail. Concerns surrounding interpretive validity were addressed by providing each institution with the opportunity to participate in an interview enabling them to explain their approach to teaching ethics at the time of the base period and during the current academic year. Issues of theoretical validity were addressed through the use of triangulation. The triangulation of all involved data types enabled the researcher to obtain a complete descriptive picture of the phenomenon being studied and to cross-check information for irregularities in the data and/or data groupings (Gay, Mills and Airasian, 2006). Internal generalizability was addressed through sample size. This study concerns the response of all Ohio MBA programs to a Congressional call for more ethics in business. Because all programs in
Ohio participated in some phase of the study, its results reflect the positions of this community as a whole.

This study addressed the issues of reliability or external generalizability through its sample size. The sample represents both public and private institutions offering MBA degrees in sufficient numbers. Eleven state sponsored institutions and sixteen private institutions are represented. This sample size ensured that a large variety of institutional positions were considered; positions that would be characteristic of a population mix similar to that found in Ohio. Finally, Maxwell’s issue of evaluative validity was addressed by the researcher’s adherence to the ethical guideposts detailed by Gay, Mills, and Airasian (2006), for example this work made me aware of my own personal biases.
CHAPTER IV

Overview of the Chapter

As stated earlier, the purpose of this study was to assess the treatment of ethics in core MBA curriculums in Ohio in response to the Sarbanes-Oxley Act of 2002. This chapter focuses on the analysis and interpretation of data collected through document reviews and interviews in order to answer the following two research questions:

Research Question 1: Have MBA programs in Ohio adjusted their core curriculums to include more ethical content in response to the Sarbanes-Oxley Act of 2002?

Research Question 2: Have private colleges and universities in Ohio adjusted their core curriculums in a manner that differs from public institutions in response to the demand for more ethics instruction?

To answer these questions, this chapter reviews the individual characteristics of the participant institutions, the findings discovered through the document review process, and discusses the findings revealed through the interview process.

Participants

Provided in the following section is a brief description of the Ohio colleges and universities involved in this study. Examining the individual characteristics of these participants provided vital insight into their treatment of ethics in core curriculums. Participant information was taken from the various institutions’ websites.

Private Institutions with MBA Programs in Ohio
Ashland University

Ashland University is a private mid-sized regional university established in 1878 with historic ties to the Brethren Church. Its learning environment is founded upon a Judeo-Christian heritage. Ashland’s mission is to serve the educational needs of traditional and non-traditional students at an undergraduate and graduate level. The university has a tradition of offering liberal arts education and offers advanced degrees in business, education, and theology. The MBA program at Ashland, is offered through its Richard E. and Sandra J. Dauch College of Business and Economics. Ashland University is located in Ashland, Ohio.

Baldwin-Wallace College

Baldwin-Wallace College is a small private liberal arts college founded by the Methodist Church in 1845. Currently, Baldwin Wallace offers undergraduate degrees in arts, science, music, and education as well as graduate degrees in education and business administration. In addition to its undergraduate and graduate degree programs, Baldwin-Wallace offers certificate programs in professional development and executive education. Baldwin-Wallace located in Berea, Ohio, with a satellite campus located in Beachwood, Ohio.

Capital University

Capital University is a small private liberal arts university located in Bexley, Ohio. It was founded in 1830 by the Evangelical Lutheran Church. Though small by conventional standards, Capital is one of the largest Lutheran affiliated universities in North America. The university offers degrees through five colleges: College of Arts
and Sciences; Conservatory of Music; Law School; School of Management; and School of Nursing. In addition, Capital University offers adult education classes at its satellite locations in Cleveland, Columbus, and Dayton.

**Case Western Reserve University**

Case Western Reserve University is a private research university founded in 1826. Originally known as Western Reserve University, it acquired its current name when it merged with the Case Institute of Technology in 1967. Case offers undergraduate, masters, and doctoral level degrees in arts and sciences, dentistry, engineering, law, management, medicine, nursing, and social sciences. Currently, Case is ranked forty-first among all universities in the United States by *U.S. News and World Reports*. Case’s MBA program is administered through its Weatherhead School of Management. Case Western Reserve University is located in Cleveland, Ohio.

**Franciscan University of Steubenville**

Franciscan University of Steubenville is a small Catholic university established by the Franciscan Order in 1946. Franciscan focuses on liberal arts education and currently is ranked twenty-eighth among all Tier 1 Midwest colleges by *U.S. News and World Reports*. Currently, Franciscan offers degrees at the associate, bachelor, and master levels at its main campus located in Steubenville, Ohio and its satellite campus located in Gaming, Austria.
Franklin University

Franklin University is a small private university founded by the Young Men’s Christian Association (YMCA) as the School of Commerce in 1902. Located in Columbus, Ohio, Franklin focuses on educating traditional and non-traditional students through sixteen undergraduate and three graduate programs. Franklin is known as a pioneer in distance learning and was chosen by the U.S. Department of Education and the United States Army to participate in their pilot programs on unlimited distance education. Franklin offers their degree programs at three satellite locations in the Columbus area, Dublin, Delaware, and Westerville, and on-line.

Heidelberg College

Heidelberg College is a small private liberal arts college founded by the German Reform Church, now known as the United Church of Christ, in 1850. Heidelberg offers undergraduate degrees in thirty-six fields of study and three master level graduate degrees in education, counseling and business administration. Heidelberg College is ranked thirty-seventh by *U.S. News and World Reports* among Midwest colleges. Heidelberg College is located in Tiffin, Ohio.

John Carroll University

John Carroll University is a small private Catholic university founded by the Jesuit Order in 1886. John Carroll offers undergraduate and graduate degrees through its College of Arts and Sciences and the John M. and Mary Jo Boler School of Business. It is currently ranked seventh by *U.S. News and World Reports* among Tier 1 Midwest colleges. John Carroll University is located in University Heights, Ohio.
Malone College

Malone College is a small private liberal arts college founded by Walter and Emma Malone in 1892. It was originally located in Cleveland, Ohio and was known as the Cleveland Bible College. In 1957, it moved to its current location in Canton, Ohio and was renamed Malone College. Malone is currently affiliated with the Evangelical Friends Church-Eastern Region. Currently, Malone offers students fifty different undergraduate fields of study and six different master level degrees. Faculty members at Malone are committed to the integration of a Biblical world-view into the curriculum.

Myers University

Myers University is a small private university located in Cleveland, Ohio. It was founded in 1848 as Folsom’s Business Colleges and is the oldest four year college in Cleveland. Myers is known primarily for its business programs offering degrees at the associate, bachelors and masters level. Today, Myers is no longer exclusively a business school. On September 12, 2008, Myers officially changed its name to Chancellor University but is still most commonly identified under its prior name.

Otterbein College

Otterbein College is a small private liberal arts college founded by the Church of the United Brethren in Christ in 1847 and is currently affiliated with the United Methodist Church. Otterbein currently offers students fifty-six undergraduate and three graduate degree programs. U.S. News and World Reports ranked Otterbein fifteenth among Tier 1 Midwest colleges. Otterbein College is located in Westerville, Ohio.
Tiffin University

Tiffin University is a small private secular university located in Tiffin, Ohio. Tiffin began as Heidelberg College’s business school before becoming an independent institution in 1888. In addition to its undergraduate business program, Tiffin offers undergraduate degrees in arts and sciences, criminal justice, and social sciences. It also offers graduate degrees from four programs; the Master of Business Administration, Master of Humanities, Master of Education, and Master of Science in Criminal Justice.

University of Dayton

The University of Dayton is a private Catholic university founded by the Marianist Brothers in 1850. Dayton is ranked 108th among Tier 1 National Universities by U.S. News and World Reports and is one of the ten best Catholic Universities in the United States. Dayton offers over seventy undergraduate degree programs and offers programs at both the master’s and doctoral levels. The University of Dayton is located in Dayton, Ohio.

The University of Findlay

The University of Findlay is a private university founded in 1882 by the citizens of the city of Findlay and the Churches of God, General Conference, an affiliate of the Baptist Church. The university offers over sixty undergraduate fields of study including pre-veterinary medicine, business, equestrian studies, education and pharmacy. At the graduate level, Findlay offers eight masters and two doctoral programs. The average enrollment at Findlay combining undergraduate and graduate programs averages approximately 4,400 students per year. The university is located in Findlay, Ohio.
Walsh University

Walsh University is a small private Catholic university founded by the Brothers of Christian Instruction in 1958. Started initially as a liberal arts college, Walsh currently offers over fifty undergraduate and five graduate degree programs. Walsh’s stated mission is the creation of leaders through service to others and considers volunteerism a part of its main curriculum. Walsh University’s main campus is located in Canton, Ohio and offers degrees from three satellite campus located in Akron, Medina, and Canfield.

Xavier University

Xavier University is a private Catholic liberal arts university founded in 1831. Originally called Athenaeum, it is the fourth oldest Jesuit University and sixth oldest Catholic university in the United States. At the graduate level, Xavier offers degree programs in education, counseling, english, theology, psychology, and business. In 2008, U.S. News and World Reports ranked Xavier University among the top ten Midwest colleges and its Williams College of Business ranked sixteenth nationally in U.S. News’ America’s Best Graduate Schools 2008. Xavier University is located in Cincinnati, Ohio.

Public Institutions with MBA Programs in Ohio

Bowling Green State University

Bowling Green State University is a large public university chartered in 1910 by the State of Ohio as an institution for educating teachers. It offers its students degrees in over 200 undergraduate, 50 graduate, and 9 doctoral level programs. Throughout this
expansion, Bowling Green remained true to its original mission and is currently the fourteenth largest producer of teachers in the United States. In its 2009 edition of the Best 296 Business Schools, the *Princeton Review* named Bowling Green as one of the best business schools in the country. This is the fifth time the school has received this honor.

*Cleveland State University*

Cleveland State University was formed in 1964 when the State of Ohio took over the faculty, staff, and programs of Fenn College. Currently, Cleveland State operates as a public university offering over 200 undergraduate fields of study, twenty-seven master’s degree programs, and seven doctoral degrees including law, through its Cleveland-Marshall College of Law. Over 16,000 undergraduate and graduate level students attend the university annually. Cleveland State is located in Cleveland, Ohio.

*Kent State University*

Kent State University was founded in 1910 by the State of Ohio as an institution to train public school teachers in Northeast Ohio. It currently operates one of the largest regional university systems in the United States. Its nine campuses offer degree programs ranging from associates to doctoral. The combined undergraduate and graduate student enrollment at Kent exceeds 34,000 students annually. Kent State University is located in Kent, Ohio and is the third largest university in Ohio.

*Miami University*

Miami University is a public university created by the State of Ohio in 1809.
The university operates six academic divisions; the College of Arts and Science; the Farmer School of Business; the School of Engineering and Applied Sciences; the School of Education, Health, and Society; the School of Fine Arts; and the Graduate School. Miami is ranked sixty-sixth by *U.S. News and World Reports* among National Universities and its undergraduate business program run by the Farmer School of Business is ranked twenty-fourth by U.S. News among business schools. Miami University is located in Oxford, Ohio.

**Ohio University**

Ohio University is a state sponsored public research university founded by the State of Ohio in 1804. It is the oldest public university in Ohio. Ohio offers its 16,600 students degree options at the bachelor, masters, and doctoral level and is home to many nationally recognized professional programs. *U.S. News and World Reports* ranked Ohio University 116th out of all Tier 1 National Universities. Ohio University is located in Athens, Ohio.

**The University of Akron**

The University of Akron, originally named Buchtel College, was founded in 1870 by the Universalist Church as a small private college. In 1913, the Universalist Church transferred ownership of the college to the City of Akron due to financial problems, and it was renamed The University of Akron. In 1967, the university became part of the State of Ohio’s university system. Currently, it offers its 26,000 students degrees at the bachelor, masters, and doctoral level through its twelve separate colleges. The University of Akron is located in Akron, Ohio.
Ohio State University

The Ohio State University is a state sponsored public research university founded by the State of Ohio in 1870. Ohio State is the largest single-campus university in the United States and is ranked by *U.S. News and World Reports* as the number one public university in the country and is ranked 56th among Tier 1 National Universities. U.S. News ranks Ohio State’s Fisher College of Business’s undergraduate program 12th nationally and its graduate program is ranked twenty-second. Students at Ohio State are offered a variety of degree options at the bachelors, masters, and doctoral level from its sixteen separate colleges. The Ohio State University is located in Columbus, Ohio.

The University of Cincinnati:

The University of Cincinnati was formed in 1819 and was originally known as Cincinnati College. In 1870, the city of Cincinnati sought to establish a municipal university and absorbed Cincinnati College in the process. In 1977, The University of Cincinnati became part of the State of Ohio’s university system. Today, the university is classified as a public research institution. In 2007, The Center at Arizona State University ranked it among the top 100 National Universities. Cincinnati offers its students over 600 programs with degree options ranging from associates to doctoral. The University of Cincinnati is located in Cincinnati, Ohio.

The University of Toledo

Originally known as the Toledo University of Arts and Trades, the university was founded as a private arts and trades school in 1872. In 1884, ownership of the
university was transferred to the city of Toledo for financial reasons. In 1967, the university became a state sponsored public university and renamed the University of Toledo. Today, The University of Toledo is classified as a public research institution. Toledo offers its students over 250 programs through its nine colleges with degree options that range from bachelors to doctoral. The University of Toledo is located in Toledo, Ohio.

Wright State University:

Wright State University is a state sponsored public institution founded by the State of Ohio in 1964. Formerly, it served as a satellite campus for both Miami University and The Ohio State University. Currently, it offers its 16,000 students over 150 fields of study, and degree options ranging from bachelor to doctoral. Wright State University is located near Dayton, Ohio.

Youngstown State University

Youngstown State University is a state sponsored public university founded in 1908 by the Young Men’s Christian Association. It became a part of the State of Ohio’s university system in 1967. Youngstown State offers its 14,000 students over 200 programs with degree options ranging from bachelors to doctoral and certificate programs. Youngstown State University is located in Youngstown, Ohio.

Characteristics of the Participants

The most notable characteristic of the institutions listed was that majority of MBA programs in Ohio (i.e. 16 of 27 institutions or 59%) are operated by private
institutions; sixteen of twenty-seven institutions. The second most notable characteristic was that the majority (75%) of private institutions were affiliated with religious organizations with a long tradition of teaching ethics as a separate part of their institutional missions (Table 12). In addition, two public institutions, the University of Akron and Youngstown State University trace their roots to Christian organizations. The University of Akron was founded by the Universalist Church and Youngstown State by the Young Men’s Christian Association. This means that approximately 52% of all MBA programs in Ohio have some religious influence. A third characteristic of study participants is that Ohio’s MBA Programs have traditionally out-paced top national programs in the area of ethics instruction. As stated in Chapter II, Segev’s 1999 study found that only 12% of the leading 25 MBA programs in the United States included ethics as a part of their core curriculum compared to 52% for Ohio institutions. BusinessWeek’s 2008 study found that 40% of the top 50 business schools now include ethics as part of their core curriculums (Navarro, 2008). This compares to 63% in Ohio. The fourth characteristic of Ohio’s MBA programs was that the type of ethics instruction received by students splits along the lines of their private/public groupings. The majority of private institutions prefer teaching ethics as a core stand-alone course while public programs prefer using an integrated approach. The characteristics of each approach are discussed later in this chapter.

Study Findings

Approaches Used to Teach Ethics

This research determined that Ohio colleges and universities used three methods to teach ethics throughout the study period. The first method was to teach business
### Table 12

*Private Colleges and Universities in Ohio and their Affiliated Religious Organization*

<table>
<thead>
<tr>
<th>Institution</th>
<th>Affiliated Religious Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashland University</td>
<td>Brethren Church</td>
</tr>
<tr>
<td>Baldwin-Wallace College</td>
<td>Methodist Church</td>
</tr>
<tr>
<td>Capital University</td>
<td>Lutheran Church</td>
</tr>
<tr>
<td>Case Western Reserve University</td>
<td>No religious affiliation</td>
</tr>
<tr>
<td>Franciscan University</td>
<td>Catholic Church</td>
</tr>
<tr>
<td>Franklin University</td>
<td>No religious affiliation</td>
</tr>
<tr>
<td>Heidelberg College</td>
<td>United Church of Christ</td>
</tr>
<tr>
<td>John Carroll University</td>
<td>Catholic Church</td>
</tr>
<tr>
<td>Malone University</td>
<td>Evangelical Friends Church</td>
</tr>
<tr>
<td>Myers University</td>
<td>No religious affiliation</td>
</tr>
<tr>
<td>Otterbein College</td>
<td>Church of the United Brethren in Christ</td>
</tr>
<tr>
<td>The University of Findlay</td>
<td>Churches of God, General Conference</td>
</tr>
<tr>
<td>Tiffin University</td>
<td>No religious affiliation</td>
</tr>
<tr>
<td>University of Dayton</td>
<td>Catholic Church</td>
</tr>
<tr>
<td>Walsh University</td>
<td>Catholic Church</td>
</tr>
<tr>
<td>Xavier University</td>
<td>Catholic Church</td>
</tr>
</tbody>
</table>

ethics as a separate class. During the base period, 15 of the 27 institutions participating in the study taught ethics as a separate course in their core curriculums. This number increased to 18 institutions for the current academic year. Examples of core ethics
courses taught in Ohio and their related course descriptions are listed in Table 13.

Table 13

*Examples of Core Curriculum Ethics Classes*

<table>
<thead>
<tr>
<th>Course Title</th>
<th>Course Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power, Ethics, and Society</td>
<td>This course examines the social, ethical, and leadership responsibilities of systems managers in relation to the stakeholders affected by managerial decisions especially customers, the work force, shareholders, and society (including government). Students examine the acquisition and use of power inside and outside the organization through contemporary cases.</td>
</tr>
<tr>
<td>Faith, Ethics, and Business</td>
<td>This course will explore the challenges of ethical decision making in organizational management. Basic philosophical approaches to morality will be introduced through reading the work of significant ethicists. These approaches will be further studied by application to current case studies of business ethics problems. Emphasis will be on developing an ability to recognize moral dilemmas and resolve them in a manner consistent with Christian concepts of morality.</td>
</tr>
</tbody>
</table>
These examples illustrate the comprehensive nature of ethics instruction as well as some religious influence.

Subject integration was the second method used to teach ethics in MBA curriculums. During the base period, 41% of Ohio’s MBA programs taught ethics using an integration teaching approach. MBA administrators stated they instructed their faculty to introduce ethics into the subject matter of other core courses at the appropriate time. For example, an accounting instructor would be expected to talk about the ethics of proper financial reporting by lecturing on the Enron scandal at the appropriate time during the class. Unfortunately, research data failed to uncover specific guidelines or procedures to accomplish this task at any institutions involved. Today, only 30% percent of the institutions continue to use this method. One MBA administrator interviewed complained that ethics integration was difficult to supervise and monitor. Institutions listed as using an integrated teaching approach in Tables 14 and Table 15 were identified through direct contact with the MBA program offices involved. Some institutions willing provided this information even though they refused to participate in the interview process.

The third method of teaching ethics in Ohio MBA programs was to offer students the opportunity to take electives outside their specific area of concentration. Students interested in business ethics were free to choose an appropriate elective offered and approved by the MBA administrator. Twenty-five of the 27 institutions involved in this study made this type of option available to their students. In the majority of cases, ethics classes of this nature were typically classified as “free electives” in the MBA graduate catalogue.
Treatment of Ethics in Private Institutions

In the base period of this study, 81% of the private institutions in Ohio included a separate class for ethics in their core MBA curriculums (Table 14). Some institutions even offered an additional ethics course as an elective to supplement their core effort. The remaining three colleges and universities employed an integrated approach to teaching ethics and provided interested students with an elective option if they wished to pursue a more in depth course of study. A comparison of the findings from the base period to those of the current academic year revealed that one private institution changed its method of instruction between 2002 and 2008. Currently, 88% of the private colleges and universities in Ohio now include a separate ethics class as part of their core curriculum.

Treatment of Ethics in State Sponsored Institutions

A review of all the data for public institutions in Ohio revealed that 18% included a separate ethics course in their core curriculums during the base period (Table 15). The remaining 82% of the universities employed an integrated approach to teaching ethics. A comparison of the findings from the base period to the current academic year reveals that 4 of the 11 or 36.4% of the public MBA programs now include a separate class for ethics in their curriculum.

Impact of Accreditation Organizations:

Data analysis revealed that Ohio’s MBA programs are accredited by four separate organizations: (a) The Association to Advance College Schools of Business
Table 14

Ohio Private Institutions and their Approach to Teaching Ethics

<table>
<thead>
<tr>
<th>Year</th>
<th>Institution</th>
<th>Status of Ethics in Core Curriculums</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Base Year</td>
</tr>
<tr>
<td>2000-1</td>
<td>Ashland University</td>
<td>Separate Class</td>
</tr>
<tr>
<td>2000-2</td>
<td>Baldwin-Wallace College</td>
<td>Separate Class</td>
</tr>
<tr>
<td>2000-1</td>
<td>Capital University</td>
<td>Separate Class</td>
</tr>
<tr>
<td>2000-1</td>
<td>Case Western Reserve</td>
<td>Integrated</td>
</tr>
<tr>
<td></td>
<td>University</td>
<td>Base Year</td>
</tr>
<tr>
<td>2000-1</td>
<td>Franciscan University</td>
<td>Separate Class</td>
</tr>
<tr>
<td>2000-1</td>
<td>Franklin University</td>
<td>Separate Class</td>
</tr>
<tr>
<td>2001-2</td>
<td>Heidelberg College</td>
<td>Separate Class</td>
</tr>
<tr>
<td>2000-1</td>
<td>John Carroll University</td>
<td>Separate Class</td>
</tr>
<tr>
<td>2000-1</td>
<td>Malone University</td>
<td>Separate Class</td>
</tr>
<tr>
<td>2001-2</td>
<td>Myers University</td>
<td>Separate Class</td>
</tr>
<tr>
<td>2001-2</td>
<td>Otterbein College</td>
<td>Separate Class</td>
</tr>
<tr>
<td>2000-1</td>
<td>The University of Findlay</td>
<td>Integrated</td>
</tr>
<tr>
<td>2001-2</td>
<td>Tiffin University</td>
<td>Separate Class</td>
</tr>
<tr>
<td>2000-1</td>
<td>University of Dayton</td>
<td>Integrated</td>
</tr>
<tr>
<td>2000-1</td>
<td>Walsh University</td>
<td>Separate Class</td>
</tr>
<tr>
<td>2000-1</td>
<td>Xavier University</td>
<td>Separate Class</td>
</tr>
</tbody>
</table>
(b) the Association of Collegiate Business Schools and Programs [ACBSP],
(c) the International Assembly for Collegiate Business Education [IACBE], and (d) the

Table 15

Ohio Public Institutions and their Approach to Teaching Ethics

<table>
<thead>
<tr>
<th>Year</th>
<th>Institution</th>
<th>Status of Ethics in Core Curriculum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2</td>
<td>Cleveland State University</td>
<td>Integrated</td>
</tr>
<tr>
<td>2000-1</td>
<td>Kent State University</td>
<td>Separate Class</td>
</tr>
<tr>
<td>2001-2</td>
<td>Miami University</td>
<td>Elective</td>
</tr>
<tr>
<td>2000-1</td>
<td>Ohio University</td>
<td>Integrated</td>
</tr>
<tr>
<td>2000-1</td>
<td>The University of Akron</td>
<td>Integrated</td>
</tr>
<tr>
<td>2000-1</td>
<td>The Ohio State University</td>
<td>Integrated</td>
</tr>
<tr>
<td>2000-1</td>
<td>The University of Toledo</td>
<td>Integrated</td>
</tr>
<tr>
<td>2000-1</td>
<td>University of Cincinnati</td>
<td>Integrated</td>
</tr>
<tr>
<td>2000-1</td>
<td>Wright State University</td>
<td>Integrated</td>
</tr>
<tr>
<td>2000-1</td>
<td>Youngstown State University</td>
<td>Integrated</td>
</tr>
</tbody>
</table>

North Central Association of Colleges and Schools [NCA]/ Higher Learning Commission [HLC]. Three of these organizations, the AACSB, ACBSP, and the IACBE, are specifically designed to accredit business programs. The third, the NCA/HLC, accredits colleges and universities on a site-wide basis. Table 16 details the colleges and universities accredited by the ACBSP, NCA/HCL, and the IACBE.
included in this study. Table 17 lists the institutions accredited by the AACSB. An
analysis of Tables 16 and 17 revealed that 21 of Ohio’s 27 of the MBA programs
(77.8%) received program specific accreditation from either the AACSB (16 or 59.3%),
the ACBSP (3 or 11.1%), or the IACBE (2 or 7.4%). The remaining six programs or
22.2% are accredited through

Table 16

*Ohio MBA Programs Accredited by ACBSP, NCA/HCL, and the IACBE*

<table>
<thead>
<tr>
<th>Institution</th>
<th>Type</th>
<th>Accreditation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashland University</td>
<td>Private</td>
<td>ACBSP</td>
</tr>
<tr>
<td>Capital University</td>
<td>Private</td>
<td>ACBSP</td>
</tr>
<tr>
<td>Tiffin University</td>
<td>Private</td>
<td>ACBSP</td>
</tr>
<tr>
<td>Baldwin-Wallace College</td>
<td>Private</td>
<td>NCA/HLC</td>
</tr>
<tr>
<td>Franciscan University</td>
<td>Private</td>
<td>NCA/HLC</td>
</tr>
<tr>
<td>Franklin University</td>
<td>Private</td>
<td>NCA/HLC</td>
</tr>
<tr>
<td>Heidelberg College</td>
<td>Private</td>
<td>NCA/HLC</td>
</tr>
<tr>
<td>Otterbein College</td>
<td>Private</td>
<td>NCA/HLC</td>
</tr>
<tr>
<td>Walsh University</td>
<td>Private</td>
<td>NCA/HLC</td>
</tr>
<tr>
<td>Malone University</td>
<td>Private</td>
<td>IACBE</td>
</tr>
<tr>
<td>Myers University</td>
<td>Private</td>
<td>IACBE</td>
</tr>
</tbody>
</table>

their site accreditation with the NCA/HLC. Analysis revealed that institutions involved
in the study remained accredited with the same organization through the base period
and current academic year.
Table 17

*Ohio MBA Programs accredited by the AACSB*

<table>
<thead>
<tr>
<th>Institution</th>
<th>Type</th>
<th>Accreditation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bowling Green State University</td>
<td>State Sponsored</td>
<td>AACSB</td>
</tr>
<tr>
<td>Case Western Reserve University</td>
<td>Private</td>
<td>AACSB</td>
</tr>
<tr>
<td>Cleveland State University</td>
<td>State Sponsored</td>
<td>AACSB</td>
</tr>
<tr>
<td>John Carroll University</td>
<td>Private</td>
<td>AACSB</td>
</tr>
<tr>
<td>Kent State University</td>
<td>State Sponsored</td>
<td>AACSB</td>
</tr>
<tr>
<td>Miami University</td>
<td>State Sponsored</td>
<td>AACSB</td>
</tr>
<tr>
<td>Ohio University</td>
<td>State Sponsored</td>
<td>AACSB</td>
</tr>
<tr>
<td>The Ohio State University</td>
<td>State Sponsored</td>
<td>AACSB</td>
</tr>
<tr>
<td>The University of Akron</td>
<td>State Sponsored</td>
<td>AACSB</td>
</tr>
<tr>
<td>The University of Findlay</td>
<td>Private</td>
<td>AACSB</td>
</tr>
<tr>
<td>The University of Toledo</td>
<td>State Sponsored</td>
<td>AACSB</td>
</tr>
<tr>
<td>University of Cincinnati</td>
<td>State Sponsored</td>
<td>AACSB</td>
</tr>
<tr>
<td>University of Dayton</td>
<td>Private</td>
<td>AACSB</td>
</tr>
<tr>
<td>Wright State University</td>
<td>State Sponsored</td>
<td>AACSB</td>
</tr>
<tr>
<td>Xavier University</td>
<td>Private</td>
<td>AACSB</td>
</tr>
<tr>
<td>Youngstown State University</td>
<td>State Sponsored</td>
<td>AACSB</td>
</tr>
</tbody>
</table>

All four accrediting organizations required colleges and universities to provide evidence of an ethics component as part of their accreditation process (Table 17). The
Table 18

*Curriculum Ethics Requirement by Accreditation Organization*

<table>
<thead>
<tr>
<th>Accreditation Agency</th>
<th>Ethics Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>AACSB</td>
<td>Eligibility Procedures and Accreditation Standards for Business Accreditation §1(E) – The institution or the business programs of the institution must establish expectations for ethical behavior by administrators, faculty, and students (AACSB, 2007, p.11).</td>
</tr>
<tr>
<td>ACBSP</td>
<td>ACBSP Standards §6.1.3 Common Professional Content: Business Environment - coverage must include ethics (ACBSP, 2008, p. 41).</td>
</tr>
<tr>
<td>IACBE</td>
<td>IACBE Accreditation Manual: Masters Degree Programs Requires masters degree graduates to be able to demonstrate competency in professional ethics (IACBE, 2007, p. 9).</td>
</tr>
<tr>
<td>NCA/HLC</td>
<td>AQIP Criterion Five: Leading and Communicating – Institutions must demonstrate values and expectations regarding ethics, equality and social responsibility (HLC, 2003, p. 6.4.8).</td>
</tr>
</tbody>
</table>

AACSB requires institutions to set expectations for ethical behavior among students, faculty, and administrators. Similarly, the NCA/HLC requires institutions to demonstrate values and expectations regarding ethics. Both the ACBSP and the IACBE require institutions to provide evidence of compliance on a more curriculum specific
basis. An ACBSP accredited institution must demonstrate that ethical teaching is a component of the Common Professional Content of their curriculum while IACBE accredited institutions must demonstrate that their graduates have a competency in professional ethics (Table 18). It is interesting to note that even among institutions using the same accrediting agencies administrators cited differences in their institutions approach to compliance. Some stated they met accreditation requirements by ensuring that ethics was addressed in their student, faculty, and administrators codes of conduct while others demonstrated compliance by making ethics part of their curriculums.

Interview Results

Each of the 27 colleges and universities included in this study were asked to select an administrator and or faculty member, qualified to answer questions on curriculum, to participate in a ten question interview. Thirteen institutions responded favorably to this request. Thirty-eight percent or six private institutions agreed to interviews while sixty-four percent or seven state-sponsored institutions granted interviews. One institution volunteered to have two administrators interviewed providing a total of 14 interviews. Table 19 details the different types of administrative positions involved in the interview process. Seventy-one percent of the interviewees held positions as either the MBA Program Director or Associate/Assistant Dean of their respective schools of business. Each administrator was given the opportunity to explain how ethics was taught in their MBA programs. In response to this question, 8 of the 13 institutions or approximately 62% responded that ethics was taught as a separate course in their core curriculum (Table 20). Some of these administrators reported that they also supplement their stand-alone core course with an integrated teaching approach.
Table 19

Administrative Positions involved in Interview Process

<table>
<thead>
<tr>
<th>Position at Institution</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBA Program Director</td>
<td>6</td>
</tr>
<tr>
<td>MBA Program Chair</td>
<td>2</td>
</tr>
<tr>
<td>Associate/Assistant Dean</td>
<td>4</td>
</tr>
<tr>
<td>Director Graduate Programs</td>
<td>1</td>
</tr>
<tr>
<td>Graduate Coordinator</td>
<td>1</td>
</tr>
</tbody>
</table>

One administrator reported that her institution taught a required ethics course to all their MBA students but they did not consider it a part of their core curriculum. Since this class could not be waived and was required for graduation, this institution was classified, for the purposes of this study, among the institutions offering an ethics class as part of their core curriculum.

The remaining five administrators stated that ethics was taught either by integrating it into the subject matter of other core courses, supplementing an integrated approach with an elective course, or strictly as an elective. Of the five, two administrators stated that they relied solely on an integrated teaching approach. One reported that his institution taught ethics strictly as an elective. The remaining two stated that they relied upon an integrated teaching approach but also offered ethics as an elective course to interested students. The credit value placed on each ethics course offering varied by institution and ranged from 2 to 4 credits.
Table 20

Institutions’ Approaches to Teaching Ethics among MBA Administrators Surveyed

<table>
<thead>
<tr>
<th>Institution</th>
<th>Core</th>
<th>Integrated</th>
<th>Elective</th>
<th>Type of Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>X</td>
<td>X</td>
<td></td>
<td>Private</td>
</tr>
<tr>
<td>B</td>
<td>X</td>
<td></td>
<td></td>
<td>Private</td>
</tr>
<tr>
<td>C</td>
<td>X</td>
<td>X</td>
<td></td>
<td>Private</td>
</tr>
<tr>
<td>D</td>
<td>X</td>
<td></td>
<td></td>
<td>Private</td>
</tr>
<tr>
<td>E</td>
<td></td>
<td>X</td>
<td></td>
<td>Private</td>
</tr>
<tr>
<td>F</td>
<td>X</td>
<td></td>
<td></td>
<td>Private</td>
</tr>
<tr>
<td>G</td>
<td>X</td>
<td></td>
<td></td>
<td>Public</td>
</tr>
<tr>
<td>H</td>
<td>X</td>
<td>X</td>
<td></td>
<td>Public</td>
</tr>
<tr>
<td>I</td>
<td></td>
<td>X</td>
<td></td>
<td>Public</td>
</tr>
<tr>
<td>J</td>
<td></td>
<td>X</td>
<td></td>
<td>Public</td>
</tr>
<tr>
<td>K</td>
<td>X</td>
<td>X</td>
<td></td>
<td>Public</td>
</tr>
<tr>
<td>L</td>
<td>X</td>
<td></td>
<td></td>
<td>Public</td>
</tr>
<tr>
<td>M</td>
<td>X</td>
<td>X</td>
<td></td>
<td>Public</td>
</tr>
</tbody>
</table>

Next the interviewees were asked if the Sarbanes-Oxley legislation impacted their program’s approach to teaching ethics. This question served two purposes. First, it gave the researcher the opportunity to assess the administrators’ awareness of the legislation. Every administrator interviewed was aware of the legislation but their knowledge of the Sarbanes-Oxley Act’s provisions and their impact on the business community varied from no specific knowledge to very familiar. Approximately 36% of
the group believed the Sarbanes-Oxley Act was strictly legislation dealing with accounting issues. Second, this question provided the researcher with insights as to how MBA programs responded to the legislation. Among the participating administrators, ten (71%) stated that no curriculum changes were made in response to the Sarbanes-Oxley Act. Although administrators were quick to state that the Sarbanes-Oxley legislation was not a factor in influencing curriculum decisions, they acknowledge that some changes had occurred in the treatment of ethics since 2002. Eleven (85%) of the participating institutions stated that they made some changes in ethics instruction. Three administrators stated that their institutions added an ethics course to their core curriculums. Others conducted special seminars on the topics of business ethics and the Sarbanes-Oxley legislation, offering them to students as an elective or to the general public, and one institution partnered with an outside group to form an institute to explore business ethics issues. Most stated, however, that they discussed ethics and academic integrity issues more at faculty meetings with the expectation that these discussions would find their way into the classroom. The majority of administrators interviewed cited the quantity and magnitude of recent corporate scandals as the driving force behind these changes. The remaining institutions stated that the changes were made to better align their curriculums with their institutions’ missions statements or simply to balance their curriculums.

In one question, MBA program administrators were asked to identify the factors they believed most influenced the ethical behavior of business leaders. Ten different responses were given to this question. The top five reasons by priority and frequency are summarized in Table 21. The factors most frequently identified by interview participants were family and church. When asked to prioritize them by importance of
influence, the factors of family and church took the top two spots followed by
corporate, results orientation, and personal values. It is worth noting that administrators
for both private and public institutions responded similarly to this question.

As a follow-up question to the above discussion, the interviewees were asked to
assess the role MBA programs play in shaping ethical behavior. Subjects were first
asked to quantify the MBA experience by placing it in one of three categories (a) play a
very small role, (b) play a moderate role, or (c) play a major role. Six or 42% of the
administrators interviewed responded that MBA programs play a small role in shaping
ethical behavior. Twenty-nine percent stated the MBA programs play a moderate role

Table 21

<table>
<thead>
<tr>
<th>Behavioral Influence</th>
<th>Stated</th>
<th>Frequency of Responses by Institution Type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Priority</td>
<td></td>
</tr>
<tr>
<td>Family</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Church</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Corporate Culture</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Results Orientation</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Personal Values</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

and the remaining four administrators (29%) stated that MBA programs play a major
role in shaping ethical behavior. When asked if they believed their programs
provided instructors with the opportunity to actually teach ethics to students, 11 of the 14 (79%) interviewed stated that the best an MBA program experience could do was to influence ethical decision making. They believed their role was to expose leaders to a variety of decision making tools, including ethics, for use after graduation. Only three

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>Small Role</th>
<th>Moderate Role</th>
<th>Large Role</th>
<th>Ability to</th>
</tr>
</thead>
<tbody>
<tr>
<td>A - Private</td>
<td></td>
<td></td>
<td></td>
<td>Influence</td>
</tr>
<tr>
<td>B - Private</td>
<td>X</td>
<td></td>
<td></td>
<td>Influence</td>
</tr>
<tr>
<td>C - Private</td>
<td></td>
<td>X</td>
<td></td>
<td>Teach</td>
</tr>
<tr>
<td>D - Private</td>
<td></td>
<td>X</td>
<td></td>
<td>Influence</td>
</tr>
<tr>
<td>E - Private</td>
<td></td>
<td></td>
<td>X</td>
<td>Influence</td>
</tr>
<tr>
<td>F - Private</td>
<td></td>
<td>X</td>
<td></td>
<td>Influence</td>
</tr>
<tr>
<td>G - Private</td>
<td></td>
<td></td>
<td>X</td>
<td>Teach</td>
</tr>
<tr>
<td>H - Public</td>
<td></td>
<td></td>
<td></td>
<td>Influence</td>
</tr>
<tr>
<td>I - Public</td>
<td>X</td>
<td></td>
<td></td>
<td>Influence</td>
</tr>
<tr>
<td>J - Public</td>
<td></td>
<td></td>
<td>X</td>
<td>Teach</td>
</tr>
<tr>
<td>K - Public</td>
<td>X</td>
<td></td>
<td></td>
<td>Influence</td>
</tr>
<tr>
<td>L - Public</td>
<td>X</td>
<td></td>
<td></td>
<td>Influence</td>
</tr>
<tr>
<td>M - Public</td>
<td>X</td>
<td></td>
<td></td>
<td>Influence</td>
</tr>
<tr>
<td>N - Public</td>
<td>X</td>
<td></td>
<td></td>
<td>Influence</td>
</tr>
</tbody>
</table>

Table 22

*Impact of MBA Program Experience on Ethical Behavior*
(21%) believed that ethics could be taught at the MBA level. Table 22 summarizes the response by MBA administrators to these questions. It is also worth noting that of the three administrators who believed ethics could be taught, one represented a state-sponsored institution and two represented private institutions.

All of the administrators interviewed stated that they believed business leaders were capable of complying with the ethics based legislation such as the Sarbanes-Oxley Act without the assistance of institutions of higher learning or other professional groups. They stated that the key to compliance success rested with the attitude of the leaders themselves. One-half of the respondents stated that assistance from outside groups made the compliance effort easier and more credible but it was still a leadership issue. The remaining one-half stated that business leaders and/or their organizations possessed the resources needed to comply if compliance was a desired result. None of the individuals interviewed felt that business leaders possessed insufficient skills to address ethical matters. Table 23 details the reasons why MBA administrators believe business leaders were capable of complying with the Sarbanes-Oxley legislation.

Part of the interview process was to test the administrators’ reaction to highly publicized unethical behavior within the confines of the MBA program structure and to determine if this exposure influenced curriculum decisions. First, McCabe, Butterfield, and Trevino’s (2006) study entitled Academic Dishonesty in Graduate Business Programs: Prevalence, Causes, and Proposed Action, commonly called the “The Rutgers Study” was discussed. This study measured the prevalence of cheating among 5,000 MBA and non-business graduate students representing 32 institutions throughout the United States and Canada. The study discovered that 56% of the graduate business students surveyed admitted to cheating at least one time in a given academic year and
Table 23

*Reasons Why MBA Program Administrators believe Business Leaders are Capable of Dealing with the Sarbanes-Oxley legislation.*

<table>
<thead>
<tr>
<th>Stated Reasons</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaders are capable because outside groups cannot influence</td>
<td>1 0</td>
</tr>
<tr>
<td>organizational compliance</td>
<td></td>
</tr>
<tr>
<td>Leaders are capable if the culture and environment provide the</td>
<td>0 2</td>
</tr>
<tr>
<td>proper support for change</td>
<td></td>
</tr>
<tr>
<td>Leaders are capable but outside assistance is needed to make the</td>
<td>5 2</td>
</tr>
<tr>
<td>effort easier and more credible.</td>
<td></td>
</tr>
<tr>
<td>Leaders are capable. Most are ethical anyway.</td>
<td>1 0</td>
</tr>
<tr>
<td>Leaders are capable if they accept the responsibility</td>
<td>1 2</td>
</tr>
</tbody>
</table>

that graduate business students cheated more than non-business graduate students (p. 299-300). The second incident discussed was the Duke University cheating probe. This probe concerned 34 incidents of cheating by first year MBA students. An investigation conducted by Duke University officials found that these students colluded on a take-home exam against their instructor’s orders. Duke officials considered the honor code violations so serious that 25 students were reprimanded and 9 expelled from the university (Keenan & Sullivan, 2007).

All of the administrators surveyed admitted some knowledge of both incidents.

Some indicated that their institutions held brief discussions on student cheating and
planned to review their student honor codes at future faculty meetings. Another stated that his institution talked briefly about adding an academic integrity class to the curriculum but that these plans never materialized. Despite evidence suggesting that MBA students needed to place a greater emphasis on ethical decision making, the majority of administrators stated that no curriculum changes resulted from knowledge of these incidents.

Administrators were asked as a follow-up to the above discussion if occurrences of cheating such as those described at Duke or in the Rutgers Study were indictments of MBA curriculums. Thirteen of the 14 administrators answered this question. All stated that evidence of cheating was not an indictment of the MBA curriculum and that student cheating was not considered a curriculum issue (Table 24).

Finally, MBA administrators were asked what role accreditation organizations should play in improving the ethical content of MBA curriculums. Seventy-nine percent responded that accreditation organizations should not expand their current role in defining curriculum requirements. One administrator stated that their accreditation organization was already too involved in his institution’s business. Another stated that the accreditation organizations should not legislate ethics. The majority of administrators simply stated that compliance with accreditation standards are institutional matters and that additional assistance from accreditation organizations was not wanted or required.

Themes

Data analysis for this study produced five themes that explained the treatment of ethics in core curriculums and the reaction of Ohio’s MBA programs to the Sarbanes-
Oxley Act of 2002. These themes are listed in Table 25.

Table 24

_Reasons Why MBA Program Administrators do not Believe Cheating is an Indictment of the MBA Curriculum_

<table>
<thead>
<tr>
<th>Stated Reasons</th>
<th>Frequency of Response</th>
<th>Responder Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheating is not the fault of the curriculum</td>
<td>1</td>
<td>Private</td>
</tr>
<tr>
<td>Little evidence of cheating is found at our institution</td>
<td>1</td>
<td>Private</td>
</tr>
<tr>
<td>Cheating also exists in undergraduate programs</td>
<td>1</td>
<td>Private</td>
</tr>
<tr>
<td>The studies only prove cheating is on the rise</td>
<td>1</td>
<td>Public</td>
</tr>
<tr>
<td>Corporations only care about MBA’s with skills</td>
<td>1</td>
<td>Public</td>
</tr>
<tr>
<td>The studies reflect the strong pressures on students</td>
<td>1</td>
<td>Public</td>
</tr>
<tr>
<td>The studies reflect on our culture not the MBA curriculum</td>
<td>1</td>
<td>Private</td>
</tr>
<tr>
<td>The studies are just evidence of poor decision making by students</td>
<td>1</td>
<td>Private</td>
</tr>
<tr>
<td>Institutions have an obligation to monitor for cheating</td>
<td>2</td>
<td>(1) Public</td>
</tr>
<tr>
<td>Some evidence of cheating does not convict the curriculum</td>
<td>2</td>
<td>(1) Private</td>
</tr>
<tr>
<td>Cheating is not an MBA issue it happens at all levels</td>
<td>1</td>
<td>Public</td>
</tr>
</tbody>
</table>

_Theme 1: MBA program administrators believe ethics cannot be taught._

The first theme to emerge from the interview process was that the majority of MBA administrators did not believe that ethics could be taught. When asked what role
MBA programs played in shaping the ethical behavior of business leaders, approximately 79% of the respondents stated that MBA programs cannot teach ethics. For example, one administrator stated “that students are hard cooked in their behavior before becoming MBA students”. Another stated that he did not believe you can “teach people to be ethical” and that “it is not the MBA program’s place to teach ethics”. Last, Table 25

*Themes that Emerged from the Interview Process*

<table>
<thead>
<tr>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Most MBA program administrators believe ethics cannot be taught.</td>
</tr>
<tr>
<td>2. Legislation is not viewed as a source for curriculum change.</td>
</tr>
<tr>
<td>3. Unethical behavior is not viewed as curriculum failure by MBA administrators.</td>
</tr>
<tr>
<td>4. Accreditation Organizations should not define ethics requirements for MBA programs.</td>
</tr>
<tr>
<td>5. Private institutions treated ethics differently than public institutions.</td>
</tr>
</tbody>
</table>

A third administrator stated that “ethical behavior is already engrained in students before they arrive on campus”. Only two administrators (14.2%) of those interviewed believed that ethics could be taught at the MBA level. One administrator stated that MBA programs play a significant role in shaping leadership behavior. He contended that the content taught in MBA programs stays with graduates throughout their entire lives. The second stated that ethical behavior should be a “key by-product” of the MBA experience.
Most administrators stated that the best an MBA program can do is to provide students with the tools to influence moral decision making. This view was held even by the majority of administrators representing institutions that offered a separate ethics class as part of their core curriculums. When asked what factors are most responsible for shaping the ethical behavior of business leaders, MBA administrators most frequently cited the social institutions of family and church (Table 25) as responsible factors. Although the majority of MBA administrators did not believe that ethics could be taught, it is reasonable to conclude that they would be less likely to alter core curriculums in response to ethics related stimuli.

Theme 2: Legislation is not viewed as a source for curriculum change.

The second theme to emerge from the data was that MBA program administrators do not look to legislation as a source for curriculum change. All of the administrators interviewed stated that the Sarbanes-Oxley legislation was a regulatory issue and not an academic issue. Thirty-six percent stated that “Sarbanes-Oxley was an accounting issue,” not one to influence curriculums, an opinion offered without being prompted by an interview question. This group of individuals believed that the Sarbanes-Oxley legislation was an issue to be discussed by accounting instructors at the appropriate time during a course. Lastly, all the administrators interviewed stated that the Sarbanes-Oxley legislation was not considered a factor in decisions affecting core curriculum. One individual from a private institution stated that program administrators are too busy to concern themselves with the potential impact of legislation such as Sarbanes-Oxley. Given the above positions, it is evident that MBA administrations failed to realize that business organizations were undergoing massive changes in
response to the Sarbanes-Oxley Act and missed the opportunity to provide an additional service to the business community through curriculum alterations.

*Theme 3: Unethical behavior is not viewed as curriculum failure.*

The third theme to emerge from the research was that the majority of MBA program administrators did not view unethical behavior by business leaders as failures of their curriculums. Instead, they argued that the MBA experience does not significantly impact behavior. Among the fourteen administrators interviewed, only 28.6% believed that the MBA experience played a major role in shaping a student’s ethical behavior. The majority, 71.4% stated that the experience played a small to moderate role in shaping behavior. Additional evidence supporting this theme surfaced when administrators were asked if their institutions initiated any actions related to student cheating in response to the Rutgers Study and the Duke University cheating probe. All administrators surveyed stated that they did not see evidence of cheating in their programs and that no curriculum adjustments were planned. When asked if the results of the Rutgers Study and the Duke University cheating probe were indictments on the MBA curriculum, the overwhelming reaction of MBA administrators was to defend their current curriculums.

*Theme 4: Accreditation Organizations should not define ethics requirements.*

The fourth theme to emerge from the data was that MBA administrators believed accreditation organizations should not define the role of ethics in graduate business programs. Seventy-five percent of the administrators interviewed stated that the present level of involvement by accreditation organizations was sufficient to ensure that MBA
curriculums adequately address ethics. One administrator stated that accreditation organizations are already too involved in the process. Another administrator stated that additional involvement is similar to Sarbanes-Oxley, that is “an attempt at legislated ethics”.

**Theme 5: Private institutions treated ethics differently than public institutions.**

The last theme to emerge from the research was the fact that MBA curriculums in private institutions handled the issue of business ethics differently than public institutions. Base period data showed that 13 of the private institutions (81%) taught ethics as a separate class in their core curriculums prior to the passage of the Sarbanes-Oxley Act of 2002. One explanation for this finding was the fact that thirteen (81%) of the institutions were affiliated with religious organizations and 10 of the 12 religious affiliated MBA programs (83%) included ethics as a separate course in their core MBA curriculums. Today, 88% of the private institutions and 92% of the religious affiliated programs teach ethics as a core course. Administrators representing religiously affiliated MBA programs stated that ethics education was always a part of their educational mission. Therefore a separate course in business ethics or a combined approach was a natural fit for their core curriculums. Further, they contended that a stand-alone course ensured adequate coverage of the desired material. During the base period for this study, 8 of the 11 public institutions (73%) relied solely on an integrated approach to teach ethics. Today, only seven institutions continue to utilize this approach. Administrators representing public programs were uncomfortable explaining their institution’s choice of teaching methods.
The positions taken by private and public institutions in their approach to teaching ethics changed little during the period covered by this study. Twenty-four of the 27 or approximately 89% of institutions surveyed stated they believed their curriculums adequate to teach business ethics. Currently, 14 of the 16 private institutions teach ethics as a separate class, a 6.2% increase in the number of institutions advocating this approach in 2002. Of the 11 public institutions, two MBA programs changed their position on teaching ethics. One administrator stated that his institution felt adding a separate core ethics course was the right thing to do in the aftermath of continuous corporate scandals. Another administrator stated difficulties in the ability to verify the degree to which instructors integrate ethics into core courses as the reason for the change at his institution.

Today, two distinct methods for teaching ethics are found in Ohio MBA programs. Stand-alone core courses are favored by private institutions and a subject integration approach is favored by public institutions. The presence of corporate scandals, legislation, or awareness of ethics problems within graduate business school systems have failed to significantly alter these positions.
CHAPTER V

Summary and Discussion

In this final chapter on assessing the impact of the Sarbanes-Oxley legislation on the ethics content of core MBA curriculums in Ohio, I have restated my two research questions and reviewed the qualitative research design used to complete this study. Discussions in the later sections of this chapter detail study results, my interpretations, and recommendations for educators. This chapter concludes with suggestions for additional research on this subject matter.

The purpose of this study was to assess the treatment of ethics in core MBA curriculums in Ohio in response to the passage of the Sarbanes-Oxley Act of 2002. This legislation required senior business leaders, as a matter of law, to act ethically, drawing upon an ethical knowledge base they may not have acquired during their business school experience. MBA programs are venues that teach students the essential skills needed to succeed in business. In MBA programs, these essential skills are taught through a core curriculum and supplemented by elective courses. In response to the mandates of the Sarbanes-Oxley legislation and in the wake of the recent business scandals, many business organizations increased their emphasis on ethical skills among their leadership groups. Some have even shifted their hiring policies toward candidates that possess strong ethical values. This chapter discusses the reaction of Ohio’s MBA programs to this shift in demand.

Summary of the Methodology

This study sought to determine if Ohio’s MBA programs viewed the Sarbanes-
Oxley Act of 2002 as an event which triggered a need for additional ethical skills among their graduates. In order to accomplish this task, baseline data were established by examining written documentation found in MBA program catalogues that described core program curriculums before the passage of the Sarbanes-Oxley Act. The current position of institutions on the issue was determined by repeating this process for the 2008-2009 academic year. Second, MBA program administrators selected by their institutions as being most qualified to answer questions on curriculum were interviewed. These interviews increased my understanding of their reaction to Sarbanes-Oxley legislation and the treatment of ethics in their core curriculums.

A basic qualitative research design was chosen for this study. This type of study was selected because this researcher was seeking to understand the impact of a particular phenomenon (Merriam, 1998), the passage of the Sarbanes-Oxley Act of 2002, on MBA core curriculums in Ohio. This study attempted to gain this understanding by answering the following two research questions:

**Research Question 1:** Have MBA programs in Ohio adjusted their core curriculums to include more ethical content in response to the Sarbanes-Oxley Act of 2002?

**Research Question 2:** Have private colleges and universities in Ohio adjusted their core curriculums in a manner that differs from public institutions in response to the demand for more ethics instruction?

The primary data sources for the study were written documentation and interviews with MBA program administrators.

Institutions offering MBA degrees in Ohio were identified using the internet website http://www.find-mba.com/ohio. Only institutions with a longstanding campus
presence were included in the study. This selection criterion was used to eliminate from the study national or regional institutions offering MBA degrees in Ohio via the internet. Twenty-seven institutions were identified through this process. Eleven of these institutions were state sponsored public universities and 16 were private colleges and universities.

A constant comparative data analysis was used for this study. Constant comparative analysis enables the researcher to constantly compare data throughout the data collection process. The results of this constant comparative effort enabled the researcher to construct themes and identify reoccurring patterns in the data that explained the response of Ohio MBA programs to the legislation. To ensure the validity of this study Maxwell’s (1992) validity model was used. This model required the researcher to consider issues of internal validity through Maxwell’s sub-grouping of descriptive validity, interpretive validity, theoretical validity, and internal generalizability. Issues of reliability or external generalizability are addressed through sample size. Twenty-seven institutions participated in all or parts of this study; 11 state sponsored institutions and 16 private institutions are represented. This sample size ensured that a large variety of institutional positions were considered, positions that would likely be found anywhere in the United States.

Summary of Results

This study sought to assess the impact of the Sarbanes-Oxley Act of 2002 on core MBA programs in Ohio by answering the two previously mentioned research questions. In response to the first research question, this researcher concluded that MBA programs in Ohio did not adjust their core curriculums in response to said
legislation. Study data showed that although the ethical content of core curriculums in some institutions did change after the passage of the Act, the Sarbanes-Oxley legislation itself was not an influencing factor. Among the 27 institutions included in the study, none cited the Sarbanes-Oxley Act of 2002 as a curriculum altering event. Three institutions added an ethics class to their core curriculums after 2002; however, their MBA program administrators cited other factors such a need to balance the curriculum or the need to better align their curriculum with institutional objectives as reasons for the change.

In response to the second research question, this study concluded that private institutions treated the issue of ethics instruction differently than public institutions. The study also concluded that when curriculum changes were made the adjustments were similar to those made by public institutions. The vast majority of private institutions (75%) were affiliated with religious organizations with a long tradition of teaching ethics as part of their institutional mission. Data analysis from documentation and interviews confirmed that these institutions have a long tradition of including ethics as a separate course in their core MBA curriculums. This fact explained how Ohio MBA programs outperformed the top 50 national programs offering ethics as a separate course in their core curriculums. Data also revealed that private institutions made very few adjustments to their core curriculums since the passage of the Sarbanes-Oxley Act of 2002. Instead, their traditional approach to ethics instruction conveniently placed them on the proper side of the issue after the passage of the Act.

Conversely, the majority of public institutions (81%) initially approached ethics by integrating it throughout core courses or by providing students with the opportunity to acquire it as an elective. In the six years since the passage of Sarbanes-Oxley, only
two public institutions altered their position on the issue. These institutions chose to supplement their initial integrated teaching approach with a separate core ethics course. Administrators from these institutions cited the magnitude of recent corporate scandals and the subsequent public uproars as the reasons for these changes.

In summary, MBA programs in Ohio failed to view the Sarbanes-Oxley legislation as a curriculum altering event and failed to react to the upheaval the legislation caused in the business community. MBA administrators misunderstood the leadership challenges embedded in the Act’s sections and ultimately missed an opportunity to enhance the skills of their graduates.

Discussion of Results

Early in the document review process it was evident that three institutions in Ohio had changed their positions on ethics instruction and added ethics to their MBA curriculums as a separate core course. The number of institutions now teaching ethics as a separate class in their core curriculums increased from 14 to 17 between the base period and the current academic year. This shift represented an 11% increase over the base year period. The key efforts of the interview process were to identify the causes for this change and the reasons for the institutions current position on the issue.

An explanation to the above issues came in the form of five themes that emerged from the interview data. First, MBA administrators did not alter their curriculums in response to the Sarbanes-Oxley legislation because they do not believe that ethics can be taught. When asked what role MBA programs played in shaping the ethical behavior of business leaders approximately 79% of the respondents stated that MBA programs cannot teach ethics. Further, they argued that the best result an MBA program could
achieve is to influence ethical behavior. Their position reflect Cragg’s (1997) argument that college students arrive on campus with fully developed characters and Ritter’s (2006) contention that colleges and universities cannot alter character lessons learned early in a student’s life by their participation in one college-level ethics class or the partial infusion of ethics into many classes. Most administrators stated that MBA programs can only provide students with the tools to influence moral decision making. When asked what factors were most responsible for shaping the ethical behavior of business leaders, MBA administrators defended their curriculums and cited the social institutions of family and church as the leading responsible factors. Their reasoning supported the argument made by Velasquez, Andre, Shanks, and Meyer (1987) that students learn ethics during their formative years through their interaction with parents, churches, and elementary schools.

Only two administrators interviewed (14%), believed that ethics could be taught at the MBA level. One administrator stated that MBA programs played a significant role in shaping leadership behavior and that they have a life-long impact on graduates. The second stated that ethical behavior should be a “key by-product” of the MBA experience. Each of these positions were supported in the literature by experts such as Aristotle (Nicomachean Ethics 1105b), Plato (Kemerling, 2001), Swanson (2004), and Rynes (2003). Despite the moral attractiveness of their arguments, however, they represent the minority position in Ohio. The majority of MBA administrators believed that ethics could not be taught and executed their programs to influence rather than teach behavior.

The impact of Ohio’s majority position limits the potential of the MBA programs and the options available to the business community. First, MBA programs
which only strive to teach the tools of decision making avoid the conflicts that push
students to the point of behavioral change. Such conflict introduces stress and confusion
to the learning process and requires a strong guiding force to achieve success. Churchill
(1982) stated that the guiding force needed to succeed is the bond created between the
student and the teacher. Forging this bond requires effort from both parties. Instructors
can use such techniques as case studies and role plays to place students in situations to
teach the benefits and drawbacks of unethical decisions. This task is made easier when
curriculums are constructed to support these teaching methods.

The business community is limited by this position because MBA graduates lack
the skills needed to be effective decision makers. Effective decisions require an
evaluation of all the factors that impact a given situation. Often, even the simplest
decisions have unexpected ethical consequences. MBA programs that continually
enable their students to experience the consequences of decision making increase the
likelihood that appropriate behavior will find its way into the workplace and decrease
the likelihood employers will have to retrain employees to avoid undesirable results. As
Aristotle said in his work *Nicomachean Ethics*, it is only doing by just acts that the just
man is produced (Urmson, 1998).

The second theme to emerge from the data was that MBA program
administrators do not look to legislation as a source for curriculum change. All of the
administrators interviewed stated that the Sarbanes-Oxley legislation was a regulatory
issue not an academic issue, and 36% stated that “Sarbanes-Oxley was an accounting
issue” not one to influence curriculums. One interesting fact that emerged from the
interviews was that very few administrators had researched the legislation. Only one
individual possessed a full appreciation for the consequences of the legislation on the
business community. It came as no surprise the curriculum at this individual’s institution was one of the most progressive in this area.

As a businessman, I was surprised by the reaction of MBA administrators to the Sarbanes-Oxley legislation. This legislation provided educators with a new market for their services and for their graduates. The Sarbanes-Oxley legislation exposed a need for employees capable of building support systems at an organizational level as well as being capable of making ethical decisions. Instead of reacting to this opportunity, educators lost this market to accounting firms and a host of professional training organizations. Finally, all the administrators interviewed stated that the Sarbanes-Oxley legislation was not a factor in making core curriculum decisions. One individual in particular stated that program administrators are too busy to concern themselves with the potential impact of legislation such as the Sarbanes-Oxley Act. Another analogized it to an unfunded mandate. It is evident from such comments that MBA administrations failed to realize that business organizations were undergoing massive organizational changes in response to the Sarbanes-Oxley Act and missed an opportunity to provide an additional service to the business community. One can only hope that they have learned from such mistakes and will look for opportunity in equally difficult legislation.

The third theme to emerge from the research was that the majority of program administrators did not view unethical behavior as MBA curriculum failures. Instead, they argued that the MBA experience did not significantly impact behavior. Among the 14 administrators interviewed, only 28.6% believed that the MBA experience played a major role in shaping a leader’s ethical behavior, while the majority (71.4%) stated that the experience played a small to moderate role. These opinions were surprising given the stature MBA graduates hold in the business community. In 1999, a study by the
Harvard School of Business found that MBA graduates held 60% of the leadership positions in business organizations. Typically, employers pay a premium for MBA graduates because they are expected to have the skills to draw upon when confronted with difficult decisions. Although studies found that simply having an MBA was no guarantee of financial success or career advancement, fellow employees look to MBA graduates as role models and emulate their actions (Nohria & Eccles, 1992). If the opinions expressed by the majority of Ohio’s MBA administrators are accurate, employers should discontinue their preference for MBA degree candidates in the employment process. An MBA education may not indicate if an individual is a competent leader or has good business intuition but it does indicate that he or she received special training in a wide range of business disciplines and is therefore awarded special status for this achievement (Devaney, 2007; Ghoshal, 2005). As a result, when leaders act unethically, this behavior reflects upon individuals, the institutions they represent, and the curriculum used to prepare them for the workplace (Ghoshal, 2005; Mintzberg, 2004; Pfeffer & Fong, 2002).

Additional evidence supporting this theme surfaced when MBA administrators were asked if their institutions initiated any actions in response to the Rutgers Study and the Duke University cheating probe; two nationally publicized events detailing unethical behavior by MBA students. All of the institutions surveyed stated that they did not see evidence of cheating in their programs and that no curriculum adjustments were planned. When asked if the results of the Rutgers Study and the Duke University cheating probe were indictments on the MBA curriculum, the overwhelming reaction of MBA administrators was to defend their current curriculums. This position stands in contrast with the finding of McCabe, Butterfield, and Trevino (2006), which concluded
that MBA students cheat more than graduate students from other disciplines. Also, the positions of Ohio’s MBA administrators on this issue stands in sharp contrast to the old adage “where there is smoke there is fire”.

The fourth theme to emerge from the data was the belief among MBA administrators that accreditation organizations should not increase their roles in defining the ethics requirements for MBA programs. Seventy-five percent of the administrators interviewed stated that the present level of involvement by accreditation organizations was sufficient to ensure that MBA curriculums adequately address ethics. One administrator stated that accreditation organizations are already too involved in the process. While another stated that he viewed additional involvement by accreditation organizations the same way he viewed Sarbanes-Oxley, “as an attempt at legislated ethics”. Ohio’s MBA administrators’ should reexamine their position on accreditation organizations and value their standards as opportunities to improve. These standards are very similar in meaning to the International Organization for Standardization (ISO) standards used by businesses to improve their quality processes. ISO standards enable businesses to improve product reliability, manufacturing processes, and increase customer satisfaction. Also, ISO certified companies can use their certification to expand into markets that would otherwise remain closed. Similar advantages can be achieved by MBA programs. Using accreditation organizations to increase the ethical content of core curriculums can strengthen the program’s standing among potential students and employers. MBA programs with strong ethics components can become the preferred source among employers for job candidates. Also, students may seek out such programs knowing that an MBA program, which among other qualities has a strong ethical component, will better prepare them to make difficult decisions in the
workplace, a desired result according to the Aspen Institute’s 2008 survey. Administrators must look past their bias for minimal involvement by accreditation organizations (Altbauch, Berdahl, & Gumprot, 2005) and seek new achievement benchmarks. As one Ohio administrator, advocating a minority opinion, put it, “what gets measured gets done”.

The last theme to emerge from the research was the fact that MBA curriculums in private institutions handle the issue of business ethics differently than public institutions. Base period data showed that 13 of the 16 (75%) of the private institutions taught ethics as a separate class in their core curriculums prior to the passage of the Sarbanes-Oxley Act of 2002. One explanation for this finding was the fact that 12 of the 16 (75%) MBA programs in Ohio are affiliated with religious organizations and 92% of these institutions now teach ethics as a separate course in their core curriculums. Administrators representing religious affiliated MBA programs stated that ethics education was always a part of their educational mission and, therefore, a separate course in business ethics or a combined approach was a natural fit for their core curriculums. Further, they contended that stand-alone courses ensured adequate coverage of the desired material, a position supported by some experts. Baetz and Sharp (2004), advocated that the primary advantage of a single stand-alone ethics course is that it is easier to administer from an institutional perspective than an integrated teaching approach.

During the base period for this study, 8 of the 11 (73%) public institutions relied solely upon an integrated approach to teaching the same subject matter. Today, only 54% continue to rely on this approach. Administrators representing public programs were uncomfortable explaining their institution’s choice of teaching methods; however,
some explanation is found in the literature. The rationale for integrating ethics into a broad range of classes is to emphasize the importance it has to the entire curriculum experience (Evans et al, 2006; McDonald, 2004). Programs adopting this approach incorporate ethics into each element of their curriculum and review issues surrounding ethics legislation as part of their obligation to teach students about legal and regulatory issues that impact organizations (Baetz & Sharp, 2004). McDonald (2004) stated that supporters of this argument believe students benefit from the exposure to relevant ethical problems and the experience of developing specific solutions to each situation. Also, subject integration is secular in nature. Relying on many instructors to convey ethical messages makes it difficult to argue that the MBA programs are advocating religious beliefs. Integration of this type takes on a Kantian appeal that becomes a safe harbor for instructors by advocating reason over morality.

The positions taken by private and public institutions in their approach to teaching ethics changed little during the period covered by this study. Twenty-four of the 27 (89%) institutions surveyed stated they believed their curriculums adequate to teach business ethics. Today, 14 of the 16 private institutions and 4 of the 11 public institutions teach ethics as a separate course in MBA curriculums. This represents 6.2% and 18% increase for these respective groups. Data analysis also revealed that when changes did occur in private institutions they took one of the following three forms (a) a separate class, (b) an integrated teaching approach to supplement a preexisting core ethics class, and (c) a seminar. These are the same techniques used by public institutions. Even the pace of change was similar between the two types of institutions. During the period covered by this study, only one private and two public institutions changed their teaching techniques.
Summary

In summary, this researcher concluded that colleges and universities have not adjusted their curriculums in response to the Sarbanes-Oxley legislation passed by Congress to curb the tide of unethical practices by business leaders. The first reason for this conclusion was that some MBA programs in Ohio were teaching ethics in their core curriculums before the scandals and the Sarbanes-Oxley legislation. Analysis revealed that on a percentage basis Ohio MBA programs included ethics as a core course in their curriculums 12% more often than the top 50 national MBA programs in the base period and 23% more often in the current academic year (BusinessWeek, 2008). This fact explains in part the slow reaction to the legislation by some institutions. Also, traditions upon which the majority of Ohio MBA curriculums were built, those of religiously affiliated institutions, left little to adjust after the passage of the Act. A second reason is that the majority of MBA program administrators do not believe that ethics can be taught, and executed their programs to influence decision making processes instead of shaping behavior. Third, MBA program administrators do not look to legislation for guidance in making curriculum decisions, especially when the legislation is complex and the reasons for change are not clear. Fourth, MBA administrators felt immune to criticism of their curriculums. They believed unethical behavior was not the fault of curriculums and that existing curriculums were adequate to address the ethical needs of students. Fifth, MBA administrators believe ethics instruction to be an institutional matter and are not looking for guidance from their accreditation organizations. Finally, private institutions in Ohio have traditionally treated the subject of ethics in core MBA curriculums differently from public institutions. They employ an approach
steeped in traditions and the pace of change is slow. As a result, two very different approaches to teaching ethics remain within Ohio’s MBA program system. Teaching ethics as a core curriculum course is the preferred method of private institutions and subject integration throughout the core curriculum is the preferred method of public institutions.

**Recommendations for Educators**

The Sarbanes-Oxley Act of 2002 was an unlikely place for MBA program administrators to look for curriculum change. The Act was long and complex and was closely associated in the media with a number of highly publicized corporate scandals. On the surface it was regulatory in nature but its implications were more far reaching. Many organizations had to transform their current operations from the ground up to achieve compliance. In the future, educators should keep a watchful eye for legislation that creates large amounts of turmoil within the business community. After 33 years as a businessman I have learned that within such chaos lies opportunity. Educators should look for these opportunities to assist business leaders with compliance. Second, transforming a traditional business organization into an ethics based organization requires leadership, support systems, new personnel policies, and an understanding of business ethics. Each of these elements share an integral and complex relationship with the other.

Educators for the most part missed this relationship when evaluating the Sarbanes-Oxley legislation and dismissed it as regulatory or simply as an accounting issue. Leaders need ethical skills to build ethical organizations. MBA program administrators must not assume that these skills were acquired through the past experiences of their
students. They must assess the current landscape and make the curriculum changes necessary to allow their students to succeed. In today’s fast pace global environment, change comes quickly and skills become obsolete. Educators must make the changes necessary to keep pace. Although Ohio institutions included ethics as a core course in their curriculums more often than institutions nationally, two very different approaches to teaching ethics remain within the Ohio’s MBA program system. Teaching ethics as a core course is the preferred method of instruction for private institutions while subject integration is the preferred method for public institutions. Educators should attempt to reach consensus on one approach and make the student experience more consistent. Finally, educators should look at the Sarbanes-Oxley experience as an opportunity to bridge the gap between the needs of the business community and the educational product.

Suggestions for Additional Research

One suggestion for additional research would be a critical review of the effectiveness of teaching ethics using an integrated teaching approach. Some of the data collected in this study suggests that problems exist in the ability to verify the actual effectiveness of this teaching strategy at the classroom level. A study into the strengths and weaknesses of the various subject integration techniques used by educators may improve the student’s learning experience. Another opportunity for study would be a comparative analysis of the actual time spent teaching ethics at the MBA level using a stand-alone course and an integrated teaching approach. This analysis will enable educators to assess course content and the effectiveness of instructor delivery in the
classroom. From this analysis, educators can assess which approach presents students with the greatest opportunity for success. A final opportunity would be to repeat the study by Madison and Schmidt (2006). This effort would allow educators to determine if improvements have been made in ethics instruction at the undergraduate level. It may also enable them to develop new strategies for teaching ethics to undergraduate business students.
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APPENDIX A

HUMAN SUBJECTS REVIEW BOARD PERMISSION

AND CONSENT FORMS
The Graduate School

TO: Daniel Sullivan
FROM: David Vanata, Co-Chair
DATE: August 23, 2007
RE: Human Subjects Review Board Approval

The Human Subjects Review Board has approved the research proposal that has been submitted by Daniel Sullivan. The investigator may proceed with this project.

The primary function of the [ISRB] is to ensure protection of human research subjects. As a result of this mandate, we ask that you pay close attention to the fundamental ethical principles of autonomy, justice, and beneficence when establishing your research proposal. These ethical principles pertain specifically to the issues of informed consent, fair selection of subjects, and risk/benefit considerations.

If you have any questions, please contact me.

Sincerely,

David Vanata
Phone: 419-289-5292
Fax: 419-289-5460
E-mail: dvanata@ashland.edu

PE: mfw

401 College Avenue • Ashland, Ohio 44805 • 419-289-5750
PERMISSION FORM FOR INTERVIEW

I, _______________________, give permission to Daniel W. Sullivan to interview me in order to complete a research study designed in part to meet the Dissertation requirements of an Ed. D. at Ashland University.

- Pursuant to the Human Subjects policies at the university, I understand that my name will not be used, that some interviews may be tape-recorded and that the tape recording, if used, will be kept in a locked cabinet.
- I understand that I may withdraw from this study at any time by informing the researcher that I wish to do so. If I feel my rights have been violated, I may contact Dr. Patricia Edwards, head of the Human Subjects Review Board at Ashland University. Dr. Edwards may be reached at telephone number 419-289-5378.
- I understand that the results will not be used for commercial purposes and that the researcher may submit the finished study for a presentation or a publication at an educational conference or in an educational journal.

____________________________________ ______________
(Signature)      (date)

____________________________________ ______________
(Investigator)      (date)

Please mail or fax signed copy to: Daniel W. Sullivan
Ashland, Ohio 44805
APPENDIX B

INTERVIEW GUIDE
Interview Questions

1. Please describe your position with the university and your background.

2. How is ethics addressed in your MBA curriculum? (Core, Elective, Integrated)

3. Has the Sarbanes-Oxley legislation impacted your institution’s approach to teaching ethics in any way? What changes were made in response to the Act?

4. Were factors other than Sarbanes-Oxley responsible for changes made in your approach to teaching ethics? What factors were responsible for the change?

5. In your opinion, what factors most influence the ethical behavior of business leaders?

6. What role do you believe MBA programs play in shaping the ethical behavior of business leaders?
   a. Play a Small Role, Play a Medium Role, Play a Major Role?
   b. Do MBA programs teach or influence student behaviors?

7. Do you believe that business leaders are capable of meeting the ethical demands of the Act without the assistance of institutions of higher learning or professional groups? Why?

8. Is your institution planning any changes to the manner in which it teaches ethics in response to the Duke University probe or the Rutgers Study?

9. Do you believe these finds are an indictment of MBA curriculum? Why?
   a. Yes, No, No Opinion?
10. What role should the accreditation organizations play in improving the ethics content of MBA curriculums? Why?

   a. Play a Small Role, Play a Medium Role, Play a Major Role?