



# LEARNING IN HIGHER EDUCATION

## THE JOURNAL OF

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# THE MANAGERIAL MBA: CLASSROOM LAB EXPERIENCE

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## ABSTRACT

*Recent articles in the popular press and pronouncements in well-read business books, a University's attempt to revamp their MBA program and current experience in an MBA program, all caused us to pause and ask a tough question. Why must there continue to be so much talk of the need for new MBA approaches in today's global environment of open and abundant information? It should be a foregone conclusion that the MBA is the terminal degree for practicing managers. As such, MBA programs must be fluid to be effective. Indeed, most of the current people in the workforce with MBA behind their names are managers practicing something other than Wall Streetism, investmentism, or venture capitalism. From McCormack's 1984 *What They Don't Teach You at Harvard Business School* and Mintzberg's 2004 *Managers Not MBAs* to 2007 articles, we continue to see reports of what students are not getting in business education compared to what they need. Yes, we continue to ignore the message of the need to educate toward understanding people, managing impressions and perceptions and solving problems: that is to manage one's self and others.*

The majority of MBA programs, if we are to believe the current press and our own experiences<sup>1</sup>, teach the students to do deals and get jobs! Our research question becomes; what should the typical MBA program look like and why? Our answer is that the typical MBA program should be a managerial MBA, not a technical MBA. This paper attempts to make a case for and define more clearly some percepts relating to our version of the constantly flexible "Managerial MBA".

We see in faculty meetings, MBA classes and articles on this topic proof of the findings of Williams and Ceci: "for many years, academic freedom is stifled, or at least muted. . . . Our survey leads us to conclude that tenure is not living up to its original promise: It does not liberate professors to exercise the freedoms of speech, writ-

ing, and action (2007: p. B16)." Our article's intent is to change the timid approach and show how an MBA must become primarily a managerial degree. In our collective experiences, discussions with 100s of cohorts (both professors and working MBA students) and research into current pronouncements of what an MBA should be, we have come to the collective recognition of what the Masters in Business Administration as a managerial degree would be. Recognition of need and acceptance of key concepts for a managerial version of the MBA would save immense amounts of time and energy; and result in more effective managers with MBA behind their other titles.

## Introduction

The MBA experience should direct students to understand themselves, others and situations by learning to use collective work and life experiences in a more generalizable fashion (Service and Arnott, 2006). Problem solving, strategic executive thinking, presentations, processes, management and contextual understandings must be the focus of the MBA. For by thinking to learn we learn to think. As Jack Welch said to an MBA class, "Just concentrate on networking. Everything else you need to know, you can learn on the job (Fisher, 2007: p 49; see also Welch, 2001)." Couple this with Sloan's Dean's statements: "I think there's some validity to the critique that we're good at teaching analysis but not good at teaching management. . . we are blending with practitioners more to bridge the gap between theory

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<sup>1</sup> Robert W. (Bill) Service has taught in Samford University's 40 year-old evening MBA program for 14 years. In this capacity Bill teaches some 50 (new to him) MBAs a year. Samford's average MBA student is in their mid-thirties and has a beginning management, supervisory or administrative position, and a minimum of a Bachelors degree. Bill has over 25 years of extensive management and executive experience and 15 years in teaching; he received his Ph.D. at the age of 48. He currently resides in Birmingham Alabama. Darrell Cockerham is a current MBA student with a 40-year career where he has progressed from a laborer to a supervisor, manager and executive. Also during that time he was a mayor for over 10 years and served consistently on school boards for over 15 years. Darrell currently acts as a consultant in many areas of management and IS/IT while pursuing his MBA. He currently resides outside Dallas Texas.

and practice. . . to better integrate academic theory with real-world applications (“At MIT, a time of Transition,” 2007: p. B4).”

Blend these proclamations with what Malone (2007) said of Mark Hurd, H-Ps New CEO: “He returned H-P to what he calls the basic “blocking and tackling” of getting products out on time, improving quality and service, and increasing profits margins. But perhaps the most important thing Mark Hurd did was to just shut up and work (A9).” Mixing these statements with a dash of Henry Mintzberg’s (2004) pronouncements of what is wrong with American MBA education and his suggested fixes, results in many apparent answers; but, as obvious as are the answers, one is left with even more questions. Yes, Mintzberg and many other authors offer convincing arguments that American education in business is flawed. They build their cases well and then offer solid suggestions. The problem revolves around over analysis, too much confidence in numbers and a desire for speed in an area where people and feelings are paramount. Suggestions relate to development over time that considers the individual manager and her ability to reflect and learn, understanding of contexts, relationships, worldliness, and change. Using these pronouncements as backdrops, we are presenting an example on how and what to do to improve the MBA.

We must begin all improvements toward the managerial MBA by developing improvements in teaching. This should start with MBA assignments that focus on student issues identified within their organizations that are difficult for them to address. These identified issues should culminate in reports, presentations and discussions of real world issues of interest to the MBA students. The students, and most importantly the professors, in MBA programs must think to learn and be able to adapt and adjust to the current and the difficult. The MBA process is more important than the MBA content: a pronouncement that many just do not want to accept. Taking part in a process to solve a real issue as a rule beats memorizing a formula or learning a specific process. Selection from a list of answers is not real life for understanding beats categorization every time.

The professors and their students should address the more significant issues identified in the class as real issues and applications, not as far away outdated cases. Assigned readings must help develop theoretical frameworks for use in addressing “our” practical applications not some group of contrived issues. Prewritten cases are real, but most are not realistic for the types of issues most in the typical MBA class will be facing anytime soon. Focus should vary and include: strategy, management,

HR, IS, operations, globalization, quality, customer service, societal and ethical issues, finance and accounting, marketing, career management, life management, presentation and persuasion, ethical dilemmas, evaluation and leadership. However, regardless of area, discipline or function, the primary focus must always end up on the managerial issues not on the technicalities. Jointly professors and students should set the tone for classes and select the issues addressed. Moreover, each solution or suggestion should end by considering implications at higher and higher levels within an organization. For by continuing to think at lower levels, one will remain at those levels.

We must question closely those that say we have to give students what they would get in those undergrad operations classes, stats classes, finance classes, accounting classes and MIS classes for a foundation before entering an MBA program. Note that we said classes, not courses, for all too often the “classes” concept is a dated seat-time issue. Seat time in almost no way equates to learning.

We must instead teach unique functional areas as responsibilities to be managed by our MBAs in the future. If a student wants to be an IS techie, finance guru, accountant or investment banker they can get that through individual study or electives or perhaps another masters. These technical needs are not the norms for MBA graduates. The typical MBA needs to know how to solve problems, make decisions, manage and, yes, even lead.

### **Example: Putting Management in the MIS Course**

The primary purpose of a University’s MBA degree should be to prepare individuals for expanded managerial responsibilities: specifically, for general management roles. The intent of at least one Information System (IS)/Information Technology (IT) course must be to help prepare students to “manage” the IS/IT function from the broader perspective. It is a given that anyone reaching upper managerial levels of an organization will have an IS/IT function to manage. The function may be in-house, or it may be outsourced in whole or in part. Regardless of the specifics, managers must be able to manage the function for sustainable strategic and competitive advantage. Management of the IS/IT function, referenced in this paper as MIS, is becoming increasingly important and must be treated as seriously as the management of any other business function, i.e. finance, marketing and accounting.

An MIS course must examine the successful origination, development, implementation and diffusion of information systems enabled by emerging technological change. Concepts and techniques of strategic management of IS and technology for competitive advantage must be explored, by reviewing the interaction of IS/IT with other strategic variables related to the support of all functional areas within an organization. Managers of the future must understand how IS/IT can be used to improve organizational effectiveness and efficiency and thus position companies for the highly competitive and ever changing marketplace (Andrews, 2002).

For most MBA students another technical “*how to*” course is a “*waste of time*.” As an MBA student recently said: “That IS course is a waste of all of our time. Not a one of us needs to know how to use another software product. We hire people that are capable of learning software products and train them on the specifics of our systems that are not like anyone’s I know. I want to learn more about managing the IS/IT function and to know enough about the technical details not to be fooled, not how to build a damn web page (a mid-level Utility Company manager).”

This article can only provide a flavor of the IS/IT functional knowledge that needs to be developed within the MBA for there is more to “teaching” management of the IS/IT function that we can fit within a reasonable word count. We selected the IS/IT area because that is our collective technical and managerial backgrounds.

The primary emphasis should be on getting across that one must always start any technological decision by defining the “what” of the needs before considering the “how” of decisions. Too many people get hung-up with how something will be done before they really define what needs are to be met. In all technologies, the “techies” start thinking about how before they understand what. Techies get prematurely physical; managers, MBAs and professors must not. Technology is all about leverage used to solve real problems and address real opportunities, and must start by addressing what you want to accomplish. These same goals must be the purpose of any technology. Having a certain technology, IS or otherwise, in order to have the latest and the greatest is a disaster in the making. It is **not** about the latest, it must be about using IS/IT and other technologies to:

1. Speed up, improve quality, lower cost, and/or expand scope.
2. Improve reliability and accuracy, make more complete, and/or provide more complete linkages/interfaces.

3. Improve decision-making by reducing uncertainty.
4. Report or suggest, facilitate experimentation and “what-iffing?”
5. Differentiate by improving or expanding service and/or expanding customer base.
6. Address and keep up with current and future customer concerns.
7. Reduce manpower or other resource usage through increased productivity.
8. Meet a quality or functionality need you cannot meet otherwise.
9. Meet reporting requirements using by-products of normal business.
10. Improve effectiveness and efficiency.
11. Leverage human capital such as, knowledge, wisdom, IQ and other human strength.
12. Make people, processes, contexts, sales, marketing, support functions, products, and services more competitive through increasing their value, scope, functionality, or uniqueness (Service, 2005a, b, c and 2006).

The real MBA (that is real management) questions are: How can we manage or lead our IS/IT functions, or other technology-based functions such as R & D, robotics, and plant automation, to better meet our potential; and how can we use IS/IT or technology to improve our strategic management of the organizations we lead? It all starts with better use of existing tools, and then proceeds to innovation of processes, methods, and self, before it goes to invention and totally new applications. Most everyone can use IS/IT at a high level. To get any competitive advantage or innovative edge from this technology is very difficult, to say the least. Every technology you choose—IS or otherwise—should address at least the following seven considerations:

1. The organizational goal and/or strategic business unit goal—what is to be accomplished with the IS or technology: considering alignment with goals and fit with organizational purposes.
2. The work practices or processes enabled/forced by the IS or technology.
3. What it looks like and does—data, text, pictures, sounds, motions, tasks.
4. Physical and knowledge components—the hardware and software.
5. The level of technology needed to support the correct IS or tech component.
6. People interfaces and interactions.
7. Human or machine competitive impacts as well as employee impacts (Service, Whitman, Ammons and Harper, 2000).

Note that in actuality there is a circular relationship between technology and business needs: they drive each other. IS has moved from the processing of transactions to providing data or information for the 'C' (Chief) Executive. That is in part the reason for the title of 'CIO'. There is a tremendous value residing in information and forms of organizations and management directed at innovativeness (Service and Boockholdt, 1998). Business IS problems generally revolve around merging of the old and the new technologies. One example is using IT to address sustainable competitive advantage at any of the five points of Porter's five forces model: 1) power of buyers, 2) power of suppliers, 3) threat of new entrants, 4) possibility of substitutes, or 5) competition within your industry. Or, we might see in a global sense that internationally IT, and the resulting IS, is a force for social, political, and economic change. This could also be said of all new technologies. There are people disconnected or thrown out of work because they adapted technology for technology's sake, intending it to replace or leverage human activities, mental or physical. We have become so fascinated by gee-whiz technologies that there is very little that we might predict about technology that would seem farfetched.

Given these very broad conclusions, how can a GM help the manager of IS/IT? Remember: We could be asking these questions of all types of technology, but we are using IS/IT as an example because it is the central area of our collective expertise. First, you must avoid the common pitfall in using IS, that is, the common approach to just automating the old instead of rethinking the new way of doing business given the potentiality of IS/IT as it currently exists. The best way to avoid the common pitfall is to exercise an extremely disciplined approach to making forecasts, judgments, considering the extremes or preferences too heavily, or letting emotions rule. We do this by listening to and looking at a lot of other possibilities that are outside our preconceived notions and that take into account the "common pitfalls" shown later in this article. One of IS's greatest potentials is in helping organizational leaders make more rational decisions by pointing out biases and alternatives outside of one's norms. You can build testing and disciplines into your Decision Support Systems (DSS) that can uncover errors in thinking before they become errors in decision and execution, or you can make them simply reporting systems. The design guidelines and basic approaches to using the systems are where the GM excels or takes a step back into the past.

The focus of the topic of discussion here is a complex set of hi-low-no-technology tools, methods, procedures, models, and methodologies tailored to meet clearly de-

finer needs. And, as such, the best way to learn about the "tools" and their capabilities is to apply them. You are being asked this about IS/IT here, but you can ask the same questions about your technology. Simply put, MBAs (GMs) must learn the capabilities of and their expectations for technology before using the technology. We cannot go into a lot of detail about the required knowledge here, for that would require many volumes and a different Masters degree beyond the MBA. However, we can do the next best thing, which is to think through the application of some fairly well known tools using MBA (student) problems.

There has been an infusion of useful books and articles that could be of use in developing a better MIS course. For a representative sample of this category of literature see, Albrecht (2003); Barner (2000); Barney (1991); Becker, Huselid, and Ulrich (2001); Cohen and Prusak (2001); Collins (2001); Levitt and Dubner, (2005); Gaynor (2002); Goldsmith et al (2003); Goleman, (1995); Greenleaf (1991); Jick and Peiperl (2003); Pinker (2002); and Sternberg (1996). These authors look at topics such as teaming, developing innovative mindsets, evaluation and comparisons, leadership, and change. However, their real usefulness relates primarily to the attention needed for the human element involved in learning, managing, and leading a more "technical" function. The focus of a solid MIS course must not be on the technical aspect of IS/IT but rather geared toward the interactive human element, which is much more difficult to manage.

The [technology] doesn't manage, the people do (p.16). . . . You need to solve the management problems and get the relationships between functions sorted out before you can fire up the [technology] (Jacobs and Whybark, 2000, p. 12).

Future GMs (our MBAs!) must address the following two questions: 1) What drives managers to adopt new information technologies to improve work; specifically knowledge work? 2) How can IS/IT meet the need for increased responsiveness to customers, more speed, improved geographic reach, leverage of intellect, and faster organizational learning.

Appendix 1 provides success guidelines on what goals "strategic" IS must meet. In fact, the information in this Appendix has proven very useful in addressing many project development (technical or otherwise) issues that have arisen in MBA classes. For we often see that the implementation of IS to meet these pressing needs often changes the entire nature of the task, the management

of the assignments, and the relationship of the task to other activities within the organization. Former Federal Reserve Chairman, Alan Greenspan said: "Information technology has begun to alter, fundamentally, the manner in which we do business and create economic value (Melloan, 1999: p. A27)." Indeed, the more capable the technology in terms of embedded knowledge or expertise, the more dramatic organizational change it generates.

In the information age, the organizations that survive will be those that succeed in using computer-based IS to provide sustainable competitive advantage. Competitive advantage refers to the ability of an organization to provide products or services that are distinctive and more desirable than those provided by the competition. In other words, the answer to the question of why someone would choose to do business with your organization rather than a competitor.

Greenspan further stated that these technologies did not "just happen, they were incubated," and that analyzing how this occurred could provide important lessons for organizations. A valuable MBA technical course must stress managerial, strategic, and design guidelines in order that students and professors might learn more about leveraging the available power of new technologies. Managing precludes using in importance for GMs; and we all want our MBAs to become GMs. This understanding for use requires new approaches and mindsets for those who hope to exploit new technologies. With that said, our next question becomes: How can students learn to manage those far-reaching changes? Hopefully, we have demonstrated a little of how MBAs can be guided to consider how IS/IT can be better be utilized by organizational management. We also trust we have offered some useful some hints on how an MBA MIS course needs to be designed to help managers of the future understand how to manage towards those ends. These limited basic guidelines and explanations will only be worthwhile if the reader learns to reflect and generalize from courses to new situations.

**Managerial Perspective:  
Managers handle  
Ambiguity and Uncertainty**

Andrew Carnegie said, "The only irreplaceable capital an organization possesses is the knowledge and ability of its people. The productivity of that capital depends on how effectively people share their competence with those who can use it" (Cortada and Hargraves, 1999:p. 82). Marshall (1998) said that managers fail because they do not properly execute management fundamen-

tals--selecting, directing, evaluating, and rewarding. Therefore, regardless of technical content, guidelines and directions developed for any project; people and processes must be managed effectively. As Collins said in the recent book *Good To Great* (2001), getting the right people is the first step in improvement. Yes, the management of "human capital" to gain the full potential of technical applications precedes the need to be at the leading edge.

One difficulty in structuring new thinking about the delivery of MBA courses as technical extensions of undergraduate course is individual preferences and modes of operation. Everyone has developed frames of reference, contexts, histories, and educational experiences that can lead to skewed decisions. These varied perceptions limit our ability to view changes in innovative ways: we change but only within the boxes we live in. The list below summarizes some of the traps that keep professors, managers, students and everyone else from realizing the need for change:

1. Anchoring--Past events and preferences; often a favorite type of solution.
2. Status quo--The more choices, the stronger the pull for status quo.
3. Sunk-cost--Continuing to "throw good money after bad."
4. Deciding without knowing the why--Why is more important than what?
5. Propensity for confirming evidence--Listening to only what we want to hear: applies to read, view, ask, go, etc., that which confirms us.
6. Framing or structuring--The way a problem, opportunity, threat, situation, etc. is presented defines how we look at the problem.
7. An individual's models, frames, paradigms, norms, reference points, etc.
8. Poor forecasting and estimating--Extremes, recent events, preferences, get too much attention.
9. Over or under confidence--Confidence is formed by experience.
10. Partiality for a safe approach (adapted from Service and Arnott, 2006).

To avoid these common pitfalls one must exercise an extremely disciplined approach to judgments. Managers do this by listening objectively to others and considering possibilities that are outside preconceived notions. Likewise, professors must begin to do the same things: open up and listen. In other words, learn the language and capabilities of techno-based courses such as operations, stats, finance, not their inter-workings. Think about it like this. You do not have to understand how your car or

Blackberry works to effectively use them. Likewise with statistics, operational processes and methodologies, accounting, finance, legal and so on. The ability to build a web page, do regression, set-up operational procedures for a shop, prepare an IPO, produce a balance sheet, write a program or design a system does not equate to the ability to “manage” those “things” for improvements in organizational efficiency and especially for strategic effectiveness. If you are in doubt here, see how many GMs currently successfully running organizational units can do any of the functions mentioned above.

### **Managerial and Leadership Purposes**

The overriding purpose of management is to gain a shared commitment on the part of the members of an organization and then lead the organization’s members to the realization of that collective vision (Drucker, 1998). Though the purpose has not changed, we are in the midst of a paradigm shift of what it takes to be a successful, effective manager. A shift is occurring away from effective management of the past which counted on command and control, power, position and even fear to a new model based on openness, trust and knowledge; just as we are in the midst of change to a “mediagenic-globointerinfovideotechnoreligosity<sup>2</sup>” society where everything works through catchy video bites. Indeed, management is being replaced with leadership as we begin to manage people who can think and are as educated and informed as their managers (Collins, 2003; Keller and Berry, 2003; and Service and Maddux, 1999). It requires leadership to move people into the unknown and management to keep them in the known. The science side of leadership is simply management which is reducible to measurable principles and policies, and the leadership side is the art component which is much more difficult to systematize and measure though the lines between leadership and management are indeed blurring (Service and Arnott, 2006). Or, as Bennis and Nannus stated “management controls, arranges, does things right; leadership unleashes energy, sets the vision, does the right thing. For . . . leadership plays the prime role for the creation of excellence in an organization (cited in Kanji and Moura e SA, 2001: p. 701).” An understanding of management and leadership, and the art and science of both, is a precursor to improvement just as is the understanding of organizational imperatives.

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2 As you will note throughout this paper we love to invent words that say it all. The idea of new words, though not our new words, was inspired by Barber (1996).

The two imperatives of organizational survival (alluded to above) today are: 1) understanding why someone would deal with your organization, and 2) knowing how to get people to become and remain innovative (Service, 2006). Both of these imperatives require leadership: a higher form of management. As we move into the arena of global competition we must begin to shift managing with a focus on stability and control to leadership focusing on speed, experimentation, flexibility, change and innovativeness. Moreover, strategy, and all forms of technical skills in and of themselves have become perfunctory. Today an organization can only hope for a somewhat sustainable advantage if management can encourage more of an organization’s members to pay attention, focus, think and ultimately experiment with new methods and product offerings: that is to innovate (Johansson, 2004 among so many).

### **An MBA for The Future**

Again, the primary purpose of any general MBA must be to prepare individuals (our MBA students) for expanded managerial responsibilities up to the General Manager level: the GM is often a prep-school for CEOs. The intent of “Managerial MBA” programs is to help prepare future MBAs to manage all functional areas from a general perspective where thinking must go beyond an individual functional area or discipline. A GM will have a “manager” for IS, finance, accounting, operations, research and statistics, R & D and so on. Upper level responsibilities always include issues from unfamiliar areas that are of overall significance. Individuals fail at higher levels because of what they decide to pay attention to and the areas they decide are most critical. Indeed, the most valuable asset organizations have today is the attention of their top-level individuals (Davenport and Beck, 2001).

Managers, and everyone else, think with what they know, addressing issues within their own specific area of functional expertise thus often addressing the wrong problems. Most executives have favorite solutions that are applied regardless of the problem. Selection and proper identification of problems must always precede the solution phase; for if we solve the wrong issues, we have done nothing but ignore the real problems. And, yes indeed every solution brings in a whole new set of management problems: another paper for sure! Functions in-house or outsourced in whole or in part, require management. Attention, selection, and distinctive *innovative* solutions are becoming key success factors for an organization’s top management team (Barner, 2000, Drucker, 1985; Gibson, 2001; and Harper and Harper, 1990). If innovativeness is required of managers it must

be required of MBA students and surely for MBA professors as well. MBAs must work to build the future they envision for themselves and their organizations, not the future their professors tell them to envision!

### How?

This is simpler than it might at first appear. Generally, MBA experiences should do what managers will be doing albeit in the lab of classrooms. Yes, outside speakers can help, yes outside projects can help, and yes students need to master writing and analyzing with an understanding of numbers, ratios, formulas, methods and theories. Calculating a current ratio or P/E, though simple, are not as important as knowing what a range of values might point to, what is reasonable, what to expect in given industries and situations, and what actions might be indicated by the metrics. Regardless, in each class “we” (that’s students and professors) need guidelines to examine successful identification, definition, origination, alternative development, implementations, decisional and diffusion issues of problems and opportunities that “we” identify and which are all in part enabled by emerging technological and societal changes. As we have said before, if you select the wrong problem or questions, the best solutions and answers in the world are big roadblocks that propagate self-satisfying organizational and career killing mistakes. Therefore, the questions and the problems are much more important than their respective solutions (Drucker, 1973—a must read; Jackson and McKergow, 2002 and; Taylor. and Gyskiewicz, 2003).

Particular attention should be given to the effective organization and management of the many varied functions, stressing decision-making and general executive competence. This can be done by exploring the concepts and techniques of leadership and management as they apply to the many functional and strategic areas within organizations. An initial focus on a problem or opportunity within a given functional area can direct the effort. That effort should always end by analyzing the strategic interaction of all organizational departments and areas as it relates to the universal level of support necessary when addressing important issues. MBAs must in each class be directed to seek to understand how management action and attention can be used to improve overall organizational effectiveness and efficiency: seek to understand before you seek to be understood (Covey, all dates).

Recent events and a 2006 report on failure in university learning related to citizenship and knowledge about America’s relationship to the rest of the world have

found results “far from encouraging. In fact, they constitute nothing less than a coming crisis in American citizenship (p. 1). . . . [The report asks] Is American higher education preparing students for lives as informed and engaged citizens? Nearly all colleges and universities proclaim such a civic mission; few uphold it (Dautrich and Barnes: p. 4).” In addition to this, we see:

Our whole educational system, from the elementary schools to the universities, is increasingly turning out people who have never heard enough conflicting arguments to develop the skill and discipline required to produce a coherent analysis, based on logic and evidence (Sowell, 2006: p. 6C: editorial writers can express truths).

The MBA must likewise prepare individuals to be citizens of the world able to develop relationships, logical arguments, correct questions, and effective and efficient solutions: not just some more people that can develop or understand bites, bits, graphs, charts, CBA, ratios, stats and so on (Green, et al, 2003). Learn to truly understand meanings and use before you learn how to develop or calculate.

### What? Me Innovate!

As we said in another context earlier in this paper, organizational members of all organizations except many in higher education are recognizing the need to shift emphasis from management of stability and control to leadership directed toward speed, empowerment, flexibility and continuous improvement all directed at product, service, administrative, process and individual and organizational innovativeness. Peter F. Drucker said, innovation is exploiting change opportunities, and “it is capable of being presented as a discipline, capable of being learned, and capable of being practiced. Any organization, whether a business, a church, a labor union, or a hospital goes down fast if it does not innovate. . . . Not to innovate is the single largest reason for the decline of existing organizations (1989: p. 227).” “[F]irms will not ultimately succeed unless they base their strategies on improvement and innovation[,] . . . [i]nnovations [which] include both improvements in technology and better methods or ways of doing things . . . [The] most important reason competitive advantage is sustained is constant improvement and upgrading (Porter, 1990: p. 30, 45 and 51 respectively).” We must ask, are we innovative enough in our approaches to providing the MBA experience to develop people capable of thinking innovatively, and able to move others toward rapidly chang-

ing requirements (Kelley and Littman [2006] tell the importance of innovating everything).

MBA students must develop “Deep smarts” that are based on know-how and the ability to find and comprehend quickly the complex interactive trends and relationships that are developing daily: socially constructed networks and speed are keys (Cheyfitz, 2003). These skills are not something one normally gets in college and even if one did, these know-how’s must be nourished and grown with dedication and focus. A key element is the ability to unlearn, that is, to relinquish assumptions and cognitive habits of old thus making way for the new and unexpected. This tells us why we must constantly learn and, perhaps more importantly, unlearn. Constantly seeking to grow and compete successfully as we modify continuously our MBA experience to stay abreast of the times (Leonard and Swap, 2005). As effective managers will tell you if “you’ve always done it that way,” then you are doing it the wrong way no matter what the topic. Tom Peters’ rallying cry, “if it ain’t broke, fix it anyway,” must become the MBA teaching method of choice and a rewarded design. Unfortunately, as Goodman said of education, “There is no systematic reward for excellence and no penalty for mediocrity. As a result, excellence tends to be the result of the energy and enthusiasm of a few individuals, who usually receive no financial rewards for their efforts (2007: p. A 13).” Let us begin to work to where the most effective get more rewards. If it is good enough for those we teach it should be good enough for us.

A good start for any MBA class would be to junk textbooks as they have been in the past and use some books and articles (see Service, 2006 for Strategy) that most effective practicing managers are reading much beyond the best sellers. Moreover, students and professors alike should always keep up with the top business books and read them for they are top sellers for a reason. As an example, here are a few non-texts-non-business reads that could add greatly to your humanistic and consequently managerial knowledge. In order of usefulness, enjoyment and importance we would suggest strongly. All Drucker books; Finkelstein’s (2003) *Why Smart Executives Fail*; Ridley’s (2003) *The Agile Gene: How Nature Turns on Nurture*; Pinker’s (2002) *The Blank Slate: The Modern Denial of Human Nature*; Sternberg’s (1996) *Successful Intelligence: How Practical and Creative Intelligence Determine Success in Life*; Gladwell’s (2005) *Blink: The Power of Thinking Without Thinking*; Smolin’s (2001) *Three Roads to Quantum Gravity*. Nutt’s (2002) *Why Decisions Fail*; and last and surely not least is Bryson’s (2003) ever so fun *A Short History of Nearly Everything*. Always seek to have your MBAs say of your selected

readings, “that was like a book I would read anyway.” We had simply never heard this about a text before Bill (R. W. Service) used his *LQ® The Leadership Quotient: 12 Dimensions for Measuring and Improving Leadership* for teaching leadership at the MBA level (Service and Arnott, 2006—check it out on Amazon.com—this is an example of Marketing 101)!!

### The Realities of Management and Leadership to Contemplate

A few things dawned on us as the results of an interaction of “unfortunate events” and from recent readings in several areas plus what a student brought up in a very recent “History of Management Thought” class. That student wanted to discuss the following Douglas McGregor (the theory X and Y, MIT professor) quote:

It took the direct experience of becoming a line executive . . . to teach me what no amount of observation of other people could have taught. I believed, for example, that a leader could operate successfully as a kind of advisor to his organization. I thought I could avoid being a “boss.” Unconsciously, I suspect, I hoped to duck the unpleasant necessity of making difficult decisions, of taking the responsibility for one course of action among many uncertain alternatives, of making mistakes and taking the consequences. I thought that maybe I could operate so that everyone would like me—that “good human relations” would eliminate all discord and disagreement.

I couldn’t have been more wrong. It took a couple of years, but I finally began to realize that a leader cannot avoid the exercise of authority any more than he can avoid responsibility for what happens to his organization (Wren, 2005: p. 430-432).

McGregor found out these lessons as the president of Antioch College. He simply found inadequate the models of human relations he taught when he faced “the rigors and realities of organizational life.” For those that have been involved in both academia and the business world; one could have told McGregor, “you ain’t seen nothing yet.” Wilber Wright said:

There are two ways of learning how to ride a fractious horse. One is to get on him and learn by actual practice how each motion and trick may be best met; the other is to

sit on a fence and watch the beast a while, and then retire to the house and at leisure figure out the best way of overcoming his jumps and kicks. The latter system is the safest; but the former, on the whole, turns out the larger proportion of good riders. It is very much the same in learning to ride a flying machine; if you are looking for perfect safety, you will do well to sit on a fence and watch the birds; but if you really wish to learn, you must mount a machine and become acquainted with its tricks by actual trial (Tobin, 2003: p. 122).

Throughout this interesting book the Wright brothers continually said flying was like riding a bike, fairly easily learned with practice. And, so it is with management and leadership; you've simply got to do it, to be able to do it! Professors who follow the principles of our version of the Managerial MBA actually manage and lead in their classrooms.

Management and leadership are some of the easiest things you will ever do, but only after you have done them for a few years. Courses, reading, listening, asking and so on help, but these *human influence interactions* (that's all management and leadership are) are only understandable and masterable after you have done them for some period of times! The first few years it seems tough if not impossible; the next couple it seems doable but relatively hard; and finally it becomes easy because you have mastered it, and then you retire!

Remember in management and leadership, as in most things, we start out unconsciously incompetent, shortly we become consciously incompetent, then before you know it we are consciously competent, and, indeed, we finally arrive when we become unconsciously competent: yes, like riding a bike.

To be successful as a manager or a leader, push yourself into a position where you are required to manage or lead; and look, listen, and ask for help from savvy people to whom everyone turns when there are problems. Observe and emulate those you admire, and always reflect on what you see and think you are learning. The basis of all learning is "minding the gaps;" that is starting with what you know and realizing what you need to know and then filling the gaps.

"Thought is impossible without an image (Aristotle)."  
"It is true, of course, that you never know. A new experience can be extremely pleasurable, or extremely irritating, or somewhere in between, and you never know

until you try it out (Snicket's children's book, 2000: p. 19)." This is such a simple lesson: the secret is there is no secret; get on with it for it is focus, desire and effort for MBAs students, but mostly for professors that assist MBAs in their quest to be more effective managers.

## Conclusions

We are aware of the shortcomings of this article. For it is impossible to do this issue total justice within a few pages! Yet, the limitations of this article should not curtail the improvement of MBA programs to include more management and what students will be doing as they graduate MBA programs. If one has not read Mintzberg's *Managers Not MBAs*, start there. Remember we can learn from everyone and by saying one thing there is no proof we do not know another. Yes, how to deliver an MBA is a complex issue and the real answers will be necessary be complex (Obama, 2006: in another context though could apply here). When we keep hearing something is wrong with the MBA programs and the students they are minding, perhaps, those that are in programs and teaching in programs must accept that most of our MBA methods and deliveries need work. Professors and students that think what happens in the classroom is the center of the MBA are kidding themselves into failure (Pinker, 2002; Service, 2005b; and Sternberg, 1996).

Think about these things as you plan your classroom as a learning lab not a transfer of information experience. Yes, students must be reminded of the confidentiality of discussions: specifics of what is said in classrooms! On the other hand, every one of us, especially professors, need to be reminded of the need to obsolete our own products or services or someone else will do it for us. The world's best organizations keep few secrets for transparency rules where excellence is the rule. All organizations must learn to compete within the open information framework with which we all now struggle. Keeping secrets is no longer an option; for when we do this, we most often keep secrets from those within our own organizations and simply fail to perform. People cannot accomplish purposes of which they are not aware.

Using student identified issues, classes can help reach decisions about the issues and practice what is being preached. Of course, the selection of issues will be a key determinate of a grade, just as it will be in the MBA's organizational life. Organizational members, especially high potential MBAs, get grades on their performance appraisals. In both real worlds of academia and organizations, "good" issues determine rewards and learning

useful for generalizations and applications. An issue's level of significance and students' enthusiasm coupled with the potential for learning from an issue is critical to the success of a class. Moreover, the issues addressed and the ability to persuade are of key importance to the success of MBAs as they perform in the workplaces of the future. Hidden agendas need to become a thing of the past; and students and professors must begin to think, look and act at a higher level if they expect to reach a higher level whether it is excellence in teaching or making millions!

Let us think long and hard about some Mintzberg quotes:

The practice of management is characterized by its ambiguity. . . . That leaves the managers mostly with the messy stuff—the intractable problems, the complicated connections. And that is what makes the practice of management so fundamentally “soft” and why labels such as experience, intuition, judgment, and wisdom are so commonly used for it (p. 13)? . . . To conclude, we need leaders with human skills, not professionals with academic credentials ( p. 18). . . . The problem is that the “real world” is not out there, to be plucked from some tree of practice. It has to exist in here—not just in the classroom, but in the head of the learner. . . . So the solution depends on the people, not just the pedagogy (p. 43). . . . Managers [and we would add professors and MBA administrators] today desperately need to stop and think (p. 253) . . . The most important point that management academics have to learn is that experienced managers have at least as much to learn from each other as they do from the faculty (p.256). . . . Courses and classes do not add up to an education (p. 269). . . . “No surprises” in the classroom means no learning for the professor—and not much for the students either (2004: p 269 & 270).

“Employers are finding that freshly minted graduates lack key interpersonal skills, so B-schools are changing to ensure that quantitative geniuses also learn how to hug out (Fisher, 2007: p. 49).” Continuous learning exemplified by desire, attention and focus coupled with understanding the nuances of appropriateness, balance and fit exemplify continuing successful MBAs and MBA professors. As we said earlier we like to invent our own

new words. The following depicts skills of derived wisdom those wishing to effectively manage must master:

∑ Introspectionalism—which is nothing without change.

∑ Reflectionalism—which is nothing without application.

∑ Extrospectionalism—which is nothing without reality.

∑ Perspectivalism—which is nothing if they don't see it.

∑ Generalizablism—which is worse than nothing if it does not fit (see you know what our new words mean)!

Our new terms should be mixed and matched with Mintzberg's mindsets of:

∑ Reflective; ∑ Analytical; ∑ Worldliness;  
∑ Collaborative; ∑ Action (2004: the summation sign as bullet is no mistake).

Coburn asserts that when selecting technology that might take off, if you have to calculate a net present value to see if a project is a worthwhile you can bet it “probably isn't (2006).” Moreover, in light of this profound thought listen to what was said of a chief initial distracter of the Wright brothers and what Wilber himself said:

But he was interested in every idea and welcomed every thoughtful effort. After all, no one had succeeded, so who could predict which path would lead to success (words about a past president of the American Society of Civil Engineers who was interested in flight, p. 67). . . . Business is merely a form of warfare in which each combatant strives to get the business away from his competitors and at the same time keep them from getting what he already has (the Wrights: p. 93). . . . I know that an ounce of fact outweighs a pound of theory. . . . [But w]e must be sure though. . . . that we do not misapprehend what the facts really are (Wilber; all quotes in Tobin, 2003: p. 174).

Let us all try to make our MBA program exemplify *Success Built to Last* by always making new mistakes by try-

ing and letting go of what does not work. By pushing and shoving within the three circle of: 1) meaning, 2) thought and 3) action. The only thing that works over time is to move your three circles everyday and work toward their alignment in life and work (Porras, Emery and Thompson, 2007). And, as in all education the MBA program should go beyond education and get students to think.

Thinking is a most important and neglected art. One of the criticisms I would suggest against our present system of education is the lack of training in the art of thinking. I think it can be developed by spending more time on the interpretation of knowledge rather than in the mere acquisition of facts (p 220). . . .The more we learn, the more remains to be learned (Baron, 2004: p.221).

There was a time when technology or functional knowledge was enough: that time has passed. The new realities demand that managers be experts in business not functions or calculations. There is just too much to know to be an expert in every functional area.

The wisdom to effectively use all the knowledge that is at our fingertips is the currency of the 21st century. A pedigree in the form of an MBA is not enough. One simply must understand how to use what they have to leverage others to be effective managers and ultimately lead. An MBA can help in these pursuits only if it enables one to develop the right kinds of wisdom needed to manage smart motivated people.

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## Appendix 1: Success Components for IS and Other Technologies

### AIMING—ROBUSTNESS THROUGH FUNDAMENTALS

1. Complete Database
2. Continuous upgrading
3. Fast Innovation/New Products.
4. Linkage to all necessary product, services, customers, suppliers, etc.

### CAPTURING—MARKET AND CUSTOMER FOCUS

5. Service Added
6. New Pricing Structures
7. Low-Cost Provision
8. Speed/Timing or Being First
9. Keeping Info from Customers and Noncustomers
10. Anticipating Future Needs and Maintaining Maximum Flexibility

### BALANCING—PROVIDE MORE FUNCTIONAL LEVELS TO STRATEGY

11. Making IS and/or IT-tec Support an Organizational Objective
12. Point to a Distinctive Competency
13. Know Your Business and Apply Technology to Business Needs
14. Redesign or Incremental Improvement

### MEASURING—BEHAVIORAL/STRUCTURAL- INFRASTRUCTURE/ FOCUS Benchmarking

15. Assess Risks
17. Assess Infrastructure
18. Assess Managerial Impact
16. Assess Organizational Structures Impact
17. Assess Managerial Focus

### DESIGNING and INTEGRATING— DEVELOPMENT PROCESS

18. Quality and Design
19. Lock-in and Lock-out—for Customers and Value Chain
20. Integrate Products
21. Simple Solutions
22. Define Existing Processes
23. Maintenance of Special Features
24. Testing Ideas Before Committing (Service and Maddox, 1999).

# IMPROVING THE PROCESS OF LEARNING IN AN INTRODUCTORY MANAGEMENT CLASS

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## ABSTRACT

*This paper describes how the continuous improvement approach was used to improve the process of learning in an introductory management course. The data-driven plan-do-check-act cycle provides a constructive process through which students can be significantly involved in the teaching and learning improvement process.*

## Introduction

Imai (1986) once wrote that quality, in its broadest sense, is anything that can be improved. It is associated not only with products and services provided but also with the way people work, the way machines are operated, and the way systems and procedures are dealt with. In fact the Japanese equivalent for quality improvement is “kaizen” which means ongoing improvement involving both supervisors and workers. Not a day should go by without some kind of improvement being made somewhere in the organization. Kaizen is a process-oriented way of thinking which requires a management system that supports and acknowledges people’s process-oriented efforts for improvement. Deming, himself, advocates that the organization should improve constantly and forever its system of production and service to improve quality and productivity and decrease cost (Foster, 2007). Its leadership should accept the obligation to constantly improve its product or service through innovation, research, education, and continual improvement of all facets of the organization (Summers, 2000).

## Continuous Improvement and Innovation in Higher Education

For change to have a lasting, meaningful impact in higher education, it must be articulated, defined, developed and delivered by the people in it (Richardson & Lane, 1997). This is where the concept of continuous improvement can play a critical role in facilitating the kind of change that is being demanded of higher education institutions. The philosophy of continuous improvement for improving educational systems feeds on the assumption that most of the blame for higher education’s current problems must be assigned to the process or system of education, not to the individual participants. According to Deming (1993), most troubles and most possibilities for improvement belong to the system.

The focus of continuous improvement is on understanding, analyzing and continually improving organizational processes, capabilities, and procedures to meet or exceed customer expectations (ReVelle, 2004). Consistently meeting or exceeding these expectations requires an enabled and empowered workforce working collaboratively to improve organizational processes. This inevitably leads to fewer defects, reduced variation, lower costs, shorter cycle times, and improved productivity. Continuous improvement is a process since it represents a continuous commitment to improvement—a journey, not a destination (Summers, 2000).

The process of continuous improvement is accomplished by small, positive, incremental changes implemented in the organization over a long period of time (Richardson & Lane, 1997). It is about improving systems and not locating or placing blame on anyone in the organization. The application of the principles of continuous improvement takes commitment, effort and time. The results do not come easy. It can only take place when everyone concerned with the process works together to ensure that quality improvement takes place.

Continuous improvement is not to be confused with corrective action. A corrective action is performed so as to move the system toward where it should be as a minimum expectation (Peterson & Reid, 2002). The goal of corrective action is to eliminate special causes of nonconformities or defects so that the process will reach stability. Special causes are those sources of variation which make the learning process erratic and unpredictable. Some examples of special causes in education are: hiring of unqualified, incompetent or untrained personnel; admission of students who are unprepared for college work; malfunctioning equipment; or very warm or very cold classroom temperatures; among others. Stability is considered to be the baseline expectation of any customer. It is not to be equated with improvement. To improve each part of the system, it first must have a stable process.

The link of continuous improvement to innovation should also be clarified. Griffin (2006, p. 230) defines innovation as “the managed effort of an organization to develop new products or services or new uses for existing products or services”. It can be “something newly introduced: a new method, custom, or device, or perhaps a change in the way of doing things” (Peterson & Reid, 2002, p. 156). It is the “process of taking a creative idea and turning it into a useful product, service, or work method” (Robbins & Coulter, 2002, p. 354). Innovation is generally considered to be on the opposite end of the continuum from corrective action. An innovative organization is typically characterized by its ability to channel creativity into useful outcomes. Creativity is the ability to combine ideas in a unique way or to make unusual associations between them.

Innovations can take on different forms. They can be radical or incremental, they can be technical or managerial, and they can involve products or services (Griffin, 2006). Radical innovations are new products, services, or technologies that completely replace the existing products, services, or technologies in a given industry. On the other hand, incremental innovations are considered new products, services, or technologies that modify existing ones. The replacement of overhead projectors with video projectors would be considered a radical innovation. Using a new version of Microsoft PowerPoint for slide presentation would be considered incremental innovation.

According to Griffin (2006), technical innovations refer to changes in the physical appearance or performance of a product or service, or in the physical processes through which a product or service is manufactured. Managerial innovations, on the other hand, are changes in the management process by which products and services are conceived, built, and delivered to customers (Griffin, 2006). The invention of a microchip which greatly enhanced the power and ease of use of many electronic products like the microcomputer would be considered a technical innovation. On the other hand, the adoption of new management philosophies such as total quality or organization-wide quality control would be considered a managerial innovation.

Product innovations are changes in the physical characteristics or performance of existing products or services or the creation of new products or services (Griffin, 2006). The increase in the performance of a laptop computer would be a good example of a product innovation. Process innovations are changes in the way a product or service is manufactured, created, or distributed (Griffin,

2006). Enabling students to register for their courses on-line would be a good example of process innovation.

The frequent assumption, when comparing innovation and continuous improvement, is that the former is discontinuous and large scale while the latter is continuous and small scale. However, it can be argued that there is no logical basis to associate the term innovation with just large scale discontinuous change (Cole, 2003). It can also be argued that there is nothing about continuous improvement that precludes large improvements (Foster, 2007). In the strictest sense, innovation can be associated with both small and large-scale creative solutions which can be more or less discontinuous. There is good reason to think that a lot of innovation can occur in the course of continuous improvement. Conversely, for large scale discontinuous innovation to be successful there has to be a great deal of continuous improvement surrounding it. The optimum level of improvement activities probably involves some mix of continuous improvement and innovation (Foster, 2007).

### Continuous Improvement in the Classroom

The basis for learning in the classroom is constant improvement where instructors and students always seek ways to improve the system to enhance the fun of learning. The teacher approaches each classroom with the belief that each student comes with the desire to learn; that each one can learn far more than previously thought (Byrnes, Cornesky & Byrnes, 1994). In order to have real fun in the classroom, quality must be part of the classroom culture. The main task of the teacher is to work on and improve the classroom system with the help of students. He or she openly seeks and accepts student input to resolve classroom problems.

The changes implemented in the classroom will take time to bear fruit. Teachers need to remind themselves continuously of that. They also need to take responsibility for problems arising from poor systems and processes within the classroom. The classroom is the best place to start examining processes and systems so that improvements can be made that will enable students to achieve better academic results. This requires courage and persistence on the part of teachers.

*Improving processes and systems by the teacher and student will result in trust; trust will result in an increase in quality; an increase in quality will result in an increase in the pride-of-workmanship; and, as a result, a new classroom culture will be established*

*where everyone will expect quality and fun to be the end result* (Byrnes, Cornesky & Byrnes, 1994, p. 2).

Continuous improvement involves a process of systematically evaluating the steps that are involved in completing work. This process is usually known in the total quality field as the plan-do-check-act (PDCA) cycle (Aikens, 2006; Sherr & Schwoerer, 1995) which consists of the following steps:

- **Plan.** In the planning stage, the problem statement is formulated and questions pertaining to the problem are generated. The class moves beyond traditional measures of progress (e.g. examinations, end-of course evaluations) to a much more active and ongoing process of data gathering and interpretation. Data is collected to understand the process to be improved and to identify changes that need to be made.
- **Do.** The doing stage is typically concerned with implementing the plan developed in the planning stage. In this step, a solution or a combination of solutions are tried out based on the data collected and the conditions set for implementation.
- **Check.** This is the stage where data that are relevant to outcomes are analyzed and evaluated. The learning that takes place will provide a basis for action which may lead to a revision or adjustment of the learning process.
- **Act.** At this stage, an effective solution is implemented wherever such is needed. This can involve “piloting a new method, implementing new controls, solving the stated problem, or simply recognizing that the team was trying to answer the wrong set of questions or the set was incomplete” (Aikens, 2006, p. 181). When no effective solution is found, the process goes back to the Plan stage and the cycle continues. Repeated cycling through the four steps described above contributes to continuous improvement in the classroom.

The goal of continuous improvement activities is to improve the learning process for students. Thus, the educational institution needs to understand how students fit into the quality improvement model and what role they play in the continuous improvement process. Within the academic environment, students assume different roles which make them unique. Each of these roles brings valuable perspective to improving the learning process.

- **Raw material.** This view underscores the importance of understanding students’ backgrounds, attitudes, and differences in their academic preparation. It helps teachers and other institutional staff to be more understanding of students and to be more sensitive to the differences in their preparation for the higher learning process.
- **Work-in-process.** After students are admitted, they go through a sequence of courses required for their degree. This view looks at the evaluation and grading activities that take place during the duration of each course and the entire academic program.
- **Co-laborers.** Students are allowed to become active participants or partners in the learning process (Ruhl-Smith, 1997). This view looks at the course as a collaborative undertaking. “Instead of being passive receptacles of words and ideas, they listen, they hear, and most importantly, they receive and they respond in an active, productive way” (Fromm, 1976, p. 77).
- **Products.** This view focuses on the end result of the students’ educational process and identifies the relevant skills and information that they will have upon completing their course of study. It aids instructors to match course content and activity with the desired educational outcomes.
- **Customers.** This view sees students as customers with needs that should be satisfied. It underscores the importance of taking into account student input when designing and redesigning course requirements and processes. It does not imply, however, that they are the ultimate arbiters of quality when it comes to structuring course content. Nevertheless, students may be well qualified to evaluate the quality of the educational delivery system.

Each of the above perspectives and the PDCA approach have been useful in improving the learning process in the undergraduate management class that the author taught. Significant changes have been introduced to the course over time in terms of adjustments done to it every semester to enhance the process of student learning.

### **Stabilizing the Learning Process**

Before improvement activities can be undertaken, the classroom learning processes must first be stabilized. This means that anything that makes the process erratic

or unpredictable must first be identified and removed, remedied, or resolved. The process stabilization of the management course was accomplished mainly via a comprehensive syllabus that provided a detailed structure for teaching the class for an entire semester. The syllabus spelled out clearly the course description and objectives, the textbook requirement, the course requirements and procedures, the grading and evaluation system, the tentative class schedule, and other requirements. It must be noted, however, that there were some special causes of variation that were outside the control of the instructor. These could only be removed, corrected, remedied, or resolved by the administration. The reader is advised to review the section "Improving the Management Course as a System" for further discussion of this topic.

Close attention was also paid to the preparation required to teach the course and to the actual teaching of the course. According to research, the preparatory work and the actual teaching of the class are part of a continual process of learning which depends on a number of important factors (Sherr & Schworer, 1995). Nothing can understate the importance of the course instructor knowing the teaching material very well and continuously engaging in research and service activities that help maintain knowledge in his or her field of expertise. They help to get the instructor become more enthusiastic about his or her subject area. Also, it is important for the instructor to make an attempt to know his or her students in terms of their backgrounds, their attitudes, and their preparation for the class in ways that are most helpful in facilitating their learning. This is where the concept of students as raw materials becomes relevant. Moreover, the instructor needs to clarify course objectives in terms of skills and knowledge that students will acquire over the course of the semester in line with their roles as products of the process. These objectives are stated in the course outline or the syllabus. The syllabus becomes an instrument through which a concrete or specific plan is developed to provide the link between the course objectives and materials and the students. The plan is acted on by preparing for and actually teaching the class. As much as possible, the instructor should pay individual attention to students in order to ensure that learning actually takes place.

### **Improving The Introductory Management Course**

In teaching the undergraduate management course, the instructor found the different perspectives of students (raw material, work-in-process, co-laborer, product, and customer) very useful. By applying the PDCA cycle to the process of teaching and learning every time the

course is taught by the instructor, the class has been able to achieve significant improvements over the course of several years in terms of course content and delivery. These improvements were validated by the results of student evaluation of course and teacher performance which have improved dramatically from a relatively low rating (below 3 on a scale of 1 to 5) when the class was first taught by the instructor to a relatively high rating (above 4 on a scale of 1 to 5) when the class was more recently taught by the same instructor. A number of the changes implemented in the class are documented below.

### **Classroom Technology**

Improvements in classroom technology are important because they have a significant bearing on learning and motivation. However, any technological change should be based on student need and technology availability. Originally, class lectures and discussions were supported by the use of a blackboard, an overhead projector, and TV/VCR equipment. As technology became feasible, computer technology (e.g. laptop computer, video projector, DVD) was used. The video projector and PowerPoint slides allowed the instructor to make changes and adjustments to the presentation materials. The instructor also used a course management system like WebCT which was later replaced by D2L (Desire to Learn) to deliver content materials to students online and to provide links to articles and news found in other websites. These links can be accessed both outside the classroom (via dial-up or wireless Internet access) and inside the classroom (via wireless Internet access). Besides providing links to other relevant websites, the D2L course management system also allowed for online quizzing and uploading of content materials like the course syllabus, PowerPoint slides, review sheets, and other materials related to various topics covered in class. Changes made to classroom technology were very helpful in managing class time effectively. The posting of PowerPoint slides and other content materials onto D2L reduced in-class note taking and allowed more time for class discussion and interaction. Furthermore, the web links accessed via D2L allowed learning outside the classroom by encouraging students to review useful class-related materials posted in other websites.

### **Classroom Instruction**

Classroom instruction provided the means through which the instructor communicated to students the importance of the subject matter. Students benefited from the time allocated in class to interact with their colleagues, to hone their presentation skills, to share

and discuss ideas, and to learn new things. Class meetings were also used for lectures, for testing, for project presentations, and for reminding students of upcoming assignments, quizzes, and other activities.

The class served as a focal point to establish rapport between instructor and students. The students appreciated the instructor's effort to know each student by name early on during the semester. They also appreciated the fact that he was excited about the class and was willing to work with each one of them on various issues pertaining to the course. Having high enthusiasm and a good sense of humor were found to be vital in fostering a vibrant classroom atmosphere.

Changes to classroom instruction were driven by data and technological development. The instructor took into account input from students and other professional sources with respect to the delivery of instruction. Student input was obtained from student evaluations and from quality improvement bonus projects, which were collected at the end of the semester.

### **Student Feedback**

When instructors learn to listen to student comments, criticisms, and suggestions about their courses, they get a real of understanding of their classroom processes. Taking feedback from students and acting on it conveys a message that feedback matters. It communicates to students that they are being perceived as customers and that their learning is important (Byrnes, Cornesky & Byrnes, 1994). Providing information and receiving feedback affect the motivation of students. This motivation comes from feedback that is rapid, consistent, and of high quality. This kind of feedback effectively demonstrates commitment and caring for students. It facilitates learning by correcting and reinforcing as appropriate.

Feedback from students in the introductory management class was solicited to determine their thoughts about the course design and presentation. Students were encouraged to submit suggestions in class, in the office, and via e-mail during and at the end of the semester. The instructor worked hard to respond to these suggestions promptly, consistently, and accurately. Answers to student-posed questions were provided in class, via e-mail, or via the course management site (D2L). For example, information about tests, exams, and other things were provided either in class or via D2L. Questions about grades were conveyed in class, in the office (in person or by phone), or via e-mail. For example, progress reports (grades and attendance records) were issued to students

at least twice during the course of the semester. Besides these formal reports, students were also able to obtain information about class performance at any point during the semester. This information could be obtained in person or via e-mail.

### **Assignments**

Class assignments serve as a process through which learning can occur outside the classroom. They are based on student needs and are designed to build and maintain knowledge. They help to reinforce concepts discussed in class. This process views students as co-laborers - that the course is a collaborative undertaking.

The management syllabus gave the students an opportunity to do a variety of assignments ranging from news article reports to movie reviews, chapter summaries, guest presentations, journal article reports, chapter closing case analyses, and research projects. The research project especially underscored the importance of relationships in learning, the value of student collaboration, and the effectiveness of student empowerment. The team structure helped students to take responsibility for their learning and to provide valuable feedback to the instructor. The number and nature of assignments were modified from time to time based on the quality of student outcomes and in line with the other requirements of the course so that they will not be perceived as mere busy work.

### **Grading and Evaluation**

The approach to grading and evaluation of students in the introductory management class was based on the assumption that there should be a reasonable balance between understanding of concepts and the application of these concepts in personal and professional life. The evaluation of student performance was divided into two general categories: 60% conceptual knowledge and 40% application of knowledge. In some years, the ratio was 50/50 depending on materials available. Understanding of concepts was gauged by means of quizzes, tests, and examinations. Application of knowledge was gauged by means of in-class participation, management article reports, applied assignments, and research projects. Students were encouraged to assess the fairness of the techniques employed for grading and evaluation and to suggest ways to improve them. The aim here was to involve students in the improvement process in order to tap new ideas and discover ways to improve existing processes. Many of the improvements done in the class could not have been done by the instructor alone. The approach

fostered student responsibility for learning which emerged as a significant by-product of this process.

### Improving the Management Course as a System

A system is a set of functions or activities within an organization or unit that work together for the aim of the organization or unit (Evans and Lindsay, 1999; Foster, 2007). The introductory management course is a system which consists of many smaller, interacting subsystems. These subsystems are self-evident simply by looking at the course syllabus. Some examples are the attendance subsystem, assignment subsystem, quiz subsystem, test and examination subsystem, grading and evaluation subsystem, class schedule subsystem, and other subsystems that operate outside the class but also affect the course. The components that make up the delivery of the course must work together if the system is to be effective. It is partly the responsibility of the instructor to optimize the course system by understanding the interrelationships among its components and by collaborating with its many other participants (students, other instructors, staff, and administrators). All who participate in this system can contribute to its improvement and in so doing enhance their joy of participating. Optimizing the course requires internal and external cooperation by all the participants.

We need to look at the course in terms of the forces in the system that affect it (Parker, Brown, & Kaldenberg, 1995). The introductory management class does not operate in a vacuum. Many external factors affect the quality of the process of teaching and learning. For example, teaching loads, class sizes, class times, semester lengths, and equipment configurations are determined by administrators who are also partly responsible for the teaching and learning process. The extent to which students have the appropriate skills to take the management course, which is an upper-level course, are determined by other faculty members who teach prerequisite classes at the lower level. The adequacy of and access to the library business collections are determined by the college/university librarians. The quality of students attending the university is determined to a certain extent by the institution's student recruitment services. The quality of classroom and laboratory facilities depends in part on the generosity of donors and the availability of funds for equipment purchase. It is therefore important for the course instructor to have a good grasp of the big class picture, to understand its overall goal, to be aware of the factors that affect it, and to know the effects of administrative decision making and related actions on the quality of the teaching and learning process.

### Implications For Teaching In General

The process of continuous improvement has implications that go beyond the introductory management course. In a single course, it means continual updating and improving of course content and delivery. But it also means improving the process of learning and applying the lessons learned (i.e., best practices) to the entire system of higher education. Continuous improvement involves developing and improving teaching that encourages active learning, responsibility, and excitement in students which translates into productive fun in the class. As stated early in this paper, the data-driven PDCA cycle provides a constructive process through which students can be significantly involved in the teaching and learning improvement process. The process of continuous improvement provides the instructor an incentive to be a catalyst for learning where every effort is made to collect data from the class and from other sources to find ways to make the class better. This shift in perspective on how to improve the introductory management class as a system and applying the lessons learned to the system of teaching as a whole will benefit both current and future students not only in the class but in the entire system of higher education as well.

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**WALKING THE TIGHTROPE:  
THE IMPACT OF TEACHING AND SERVICE ON  
SCHOLARLY PRODUCTIVITY FOR ACCOUNTANTS**

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**ABSTRACT**

*This study investigates the relationships among research productivity, teaching and administrative service based on individual-specific information from 467 academic accountants. Responding to an online survey, these accountants provided information regarding their teaching and service commitments as well as personal and institutional information. The publication record of each respondent was then obtained by searching three academic databases. Together, these data constitute a rich field for the systematic study of research productivity.*

*Results of a Tobit analysis reveal much about the nature of research productivity, underscoring, for instance, the importance of coauthorship, presentations at conferences, and institutional support. Among the more important findings from this analysis is that both teaching and administrative service commitments have a significantly negative impact on the research productivity of academic accountants. Taken together, the results provide interesting insights into the roles of academic scholars, teachers and colleagues.*

**Introduction**

Essential to the character of the accounting professor is the need to balance the relation among those primary duties of the academic, namely to teach, conduct research and provide service. Intuitively, we know that walking the tightrope requires managing conflicting demands on our time, for the time we spend teaching cannot be spent in research or service. Tensions also exist among these responsibilities -- teaching and administrative service require our daily commitment, yet scholarly activity is often the measure of our success.

While many studies have examined the degree to which departments or individuals are successful or productive in their research, few have painted a comprehensive picture of the determinants of research productivity and the trade-offs among duties for the academic accountant. The current study bridges that gap by investigating the personal and institutional determinants of research productivity and by examining the opportunity costs incurred when academics focus on teaching and administrative service.

This study analyzes individual-specific information obtained for 467 academic accountants. Responding to an online survey, these accountants provided significant information regarding their teaching and administrative service commitments as well as personal and institutional information. The publication record of each respondent was then obtained from three databases, completing a rich data set for the systematic study of research productivity and its trade-offs.

Results of a Tobit analysis reveal much about the nature of research productivity, underscoring, for instance, the importance of coauthorship, presentations at conferences and institutional support. In addition, this analysis suggests that both teaching and administrative service commitments significantly reduce the research productivity of academic accountants. Taken together, the results provide interesting insight into the roles of academic scholars, teachers and colleagues.

**The Study**

Taylor et al. (2006) provide a theoretical model to examine scholarly productivity of economists. Their model

assumes that research productivity is a function of time devoted to teaching and administrative duties, institutional mission, years of experience, coauthorship and other control variables such as race and gender. As discussed in the following paragraphs, this current study tailors their model to the study of accountants.

### The Survey and the Subjects

A web-based survey was conducted to collect information about accountants. Using addresses obtained from Hasselback (2002), an e-mail was sent to accountants at American colleges and universities in January, 2004, inviting them to go to a secure web page which posted the survey. Approximately 26 percent of the original emails were returned undeliverable, yielding a population of 4,190. Questionnaires were completed by 600 accountants yielding a participation rate of 14.3% percent. Of the 600 responses received, a number of them were ultimately excluded from the study.<sup>1</sup> After making these adjustments, 467 usable responses were available for analysis.

The survey asked for a variety of information related to accountants' human capital and workplace characteristics. Many of the time-varying characteristics were limited to the 5 year period from 1998 through 2002. For example, questions about research support and service were couched in terms of the most recent 5 year period. While this time period is somewhat arbitrary, it is a sufficient period to reflect conditions over time without being so long as to make recall difficult and thus reduce the survey response rate.

### Measuring Research Productivity

Refereed journal articles are the primary outlet for scholarly research in the field. Several researchers<sup>2</sup> measure research productivity by counting the number of

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<sup>1</sup> Seventy-five responses did not include adequate information to link the individual to his or her publishing information. Additional observations were dropped if they represented individuals with unusually heavy administrative burdens (e.g., university presidents, directors of research centers). Persons with two years experience or less were also omitted. These individuals have had little time to push research through the pipeline, making it difficult to separate very productive researchers from unproductive ones. Finally, persons classified as instructors were omitted.

<sup>2</sup> (Bazley and Nikolai 1975; Andrews and McKenzie, 1978; Dwyer 1994; Hasselback and Reinstein 1995; Hasselback et al. 2003; Wilkinson et al. 2003)

publications. Thus, the publication record (including peer-reviewed journal articles and notes, but excluding comments and replies) for each respondent from 1998-2002 was gathered from three databases, EconLit, Ingenta, and EBSCO Host. Using this information, the number of publications is employed as the baseline measure of research productivity.

One issue that consistently arises when counting publications is the impact of coauthorship. While some researchers give each author of an article full credit for that article, others adjust productivity downward for coauthorship, giving partial credit to each author. The "right" approach here really depends on "the institution's mission and the goals of the faculty or administrators" responsible for assessing productivity (Hasselback, et al. 2003). As a result, scholarly productivity is analyzed twice, giving both full and partial credit for co-authored publications. Where partial credit is given, the number of publications was divided by C, where C is the total number of coauthors. For example, a person with one article and one coauthor was given credit for .5 published articles.

Full and partial-credit publications were further adjusted for (1) quality and (2) consistency over time. Using the most recent rankings of journal quality ratings obtained by Ballas and Theoharakis (2003), rankings were obtained for 40 North American publication outlets. These rankings ranged from 3.9 to 89.5.

Given the large number of journals included in the three databases under review, there were several journals that have not been previously rated or ranked. To recognize the publication value of these articles while conservatively weighting the quality of these journals, a nominal value of 2 was assigned to these data points. Based on the arguments of Bodenhorn (1997) the quality weighting used in this study was the square root of the weighting.

Finally, the sum of each individual's quality-adjusted publications giving both full and partial credit for coauthorship was averaged over the number of active years during the five year period under review. Thus, a person working each year from 1998 through 2002 was considered to be active for five years while someone working from 1999 through 2002 was considered to have four active years. The final result is quality-adjusted publications per year from 1998-2002 giving both full and partial credit for co-authorship.

The productivity index for number of publications (PIP) giving full credit for coauthored papers in equation 1 and partial credit in equation 2 is calculated as:

$$PIP_i = \left\{ \sum_{j=1}^n [a_{i,j} * q_i] \right\} / y_i \quad [1]$$

$$PIP_i = \left\{ \sum_{j=1}^n [a_{i,j} * q_i] / C_{i,j} \right\} / y_i \quad [2]$$

Where:

- a = the number of publications
- q = the square root of the quality weighting
- C = the number of authors per article
- y = the number of active years
- i = individual
- j = journal

### Measuring Personal Characteristics

A dummy variable for gender is included (1 for males, 0 for females) to represent the impact of gender on productivity. Dwyer (1994) finds that during the period from 1983-1988, female accountants published significantly fewer articles than their male counterparts. Streuly and Maranto (1994), however, find no significant differences between the research productivity of male and female accountants for publications from 1960-1992. Rama et al. (1997) echo these findings in their examination of the publication records of faculty promoted between 1989 and 1994. As a result, the impact of gender is uncertain *a priori*.

The coauthorship variable included in the model, anticipated to have a positive sign, is measured as the number of coauthors in the five-year period. The variable enters the equation both directly and squared to reflect diminishing returns to coauthorship. Department chairs encourage collaboration as a way to maximize “one’s productivity and research quality (Nathan et al., 1998, p.88).” Welsh and Bremser (2005) note that the primary expectation of accountants who collaborate is to receive research guidance.

It is perhaps intuitive that those members of the faculty who are most well prepared and ambitious will be more successful scholars. Since doctoral programs typically prepare one to conduct and publish research, having a doctorate (DBA or Ph.D) may be a predictor of future scholarly productivity. Wilkinson et al. (2003) affirm that having a Ph.D. is a significant indicator of accountants’ research productivity. These authors also note that ambition should positively influence research

productivity. Since ambition is a difficult construct to measure reliably it can be proxied by how quickly one completes the doctoral program, where those who are more ambitious finish quicker.

Presentations at professional meetings is used to proxy professional motivation to succeed in publishing in peer reviewed journals. Given that presentations provide an important avenue for feedback and impose deadlines for the completion of manuscripts, the variable is assumed to have a positive sign. The Presentations variable is measured as the average number of presentations made at academic conferences per year.

The very nature of the tenure and promotion process places a premium on the fast-tracking academic, the one who publishes early and often. Extrinsic motivation to publish is provided by the notion of keeping one’s job in the first six years of employment and becoming tenured, followed by the motivation to seek the top status in the profession—Professor. Thus, as the number of years since completing the doctorate increases, extrinsic motivation to publish decreases. Accordingly, an experience variable, defined as the number of years since completion of the Ph.D., is included in the model.

Some academic accountants may also engage in activities that cater to the more practical nature of accounting rather than their scholarly efforts, such as consulting. Little, if any, research exists to indicate the effect of consulting on research productivity. While it may be arguable that consulting activities support research productivity, the theory of opportunity cost tends to suggest that consulting competes for the academic’s time and reduces research productivity, indicating that consulting activities will negatively influence research productivity.

Finally, some accountants may direct their efforts towards authoring textbooks. While the institutional mission may define whether these efforts “count” towards promotion and tenure, evaluation, etc., it does seem clear that time spent on authoring books detracts from one’s ability to publish in peer-reviewed journals. Accordingly, we expect that authoring books will negatively influence research productivity.

### Institutional Characteristics

Christensen et al. (2002); Read et al. (1998); and Schultz et al. (1989) posit that the resources available to and the research expectations of faculty at doctoral granting departments would generate higher productivity than their colleagues at undergraduate departments. Assum-

ing that similar logic would hold for faculty at master's granting institutions, we include two variables, Doctoral Degree and Master's Degree, to capture the research expectations of the department.

The degree to which the departmental research climate is supportive of scholarly activity is expected to influence individual publication rates as well. This construct is proxied by two variables, the first of which is the granting of summer stipends to support research. Such grants reduce the need to teach in the summer for supplemental income and are an indication of departmental research support. Cargile and Bublitz (1986) note that faculty recognize additional compensation, such as a summer stipend, as an important facilitator of research.

Another indicator of a department's research environment is the number of peers who publish. The presence of scholarly active peers is expected to increase productivity as it enhances both formal and informal collaboration and may produce a competitive environment of 'keeping up' with one's colleagues. Cargile and Bublitz (1986) note that accounting researchers rate the ability or quality of fellow faculty members as one of the most important facilitators of research, positing that these fellow researchers provide opportunity for collaboration. Similarly, Dwyer (1994) observes that the lack of collaborators may result in lower productivity.

### Teaching and Administrative Service

While there may be some complementary aspects between teaching and scholarship, there are strong arguments that in the short run research and teaching are substitutes. Time spent teaching cannot be used for research. Cargile and Bublitz (1986) report that regardless of the type of institution at which they are employed, accounting faculty indicate that reduced teaching loads and committee assignments are among the most important facilitators of research productivity. Similarly, Manakyan and Tanner (1994) find correlation between increased research productivity and reduced teaching loads. Thus research productivity and hours spent teaching are expected to be negatively related.

While there may arguably be some synergies between research and service to a professional organization such as the American Accounting Association or the American Institute of Certified Public Accountant, it is difficult to see that there are any synergies between administrative service to the department or institution. Accordingly, research productivity and administrative service are also expected to be negatively related.

## Results

The average annual productivity for all respondents in the sample is .78 partial credit (1.53 full credit) quality adjusted publications with a standard error of 1.42 (2.72). Approximately 40 percent of the sample respondents published nothing in the five year period under review.

Table 1 presents descriptive statistics for the independent variables. The first column presents percentages for those characteristics measured using dummy variables. The remaining columns present means, standard deviations and ranges for all other variables.

In terms of gender, 73.66 percent of the sample is male. Individuals in the current sample have an average of 0.82 coauthors, suggesting that the average scholar has a coauthor on four of five published papers. Most (86.72 percent) of the respondents have terminal degrees, and the average time to complete the degree for those individuals is slightly under five years (4.98). Individuals in this sample averaged 1.35 presentations per year and have been working 16.45 years since completing their Ph.D.

With respect to employment, approximately 33 percent are employed in departments which offer the terminal degree in accounting, while roughly 40 percent work in departments whose highest degree is the master's. On average, respondents indicated that 62% of their departmental peers were active scholars. The respondents in this study reported receiving an average of 1.19 summer stipends over the timeframe of the study.

With respect to teaching and administrative duties, respondents in this sample teach an average of 11.24 undergraduate and 4.06 graduate hours per year. In addition, these respondents serve on about 3.5 administrative committees per year. During the five year period under review, the respondents served about one year as department chair.

### Empirical Model

To isolate the impact of institution and person-specific factors on research productivity, multivariate statistical techniques are used. Since roughly 40 percent of the respondents have published nothing in the time frame under review, the dependent variable in this analysis (the index of research productivity) has a great number of observations equal to 0. For these individuals, data is available for the independent variables, but the dependent variable is censored. In this situation, Ordinary

Least Squares is not a viable estimation tool because it would produce biased and inconsistent coefficients (Judge et al., 1988). Rather, Tobit estimation is the appropriate technique for analyzing dependent variables that cannot take values below a particular limit (Tobin, 1958).

### The Impact of Personal and Institutional Characteristics

Research productivity was measured as number of publications first with full credit and then with partial credit for coauthored work. Estimated coefficients from the Tobit model are reported in Table 2 with absolute t-statistics in parentheses below the coefficients. Columns one and two report quality adjusted publications giving partial credit for coauthorship and quality adjusted publications giving full credit for coauthorship, respectively.

In order to evaluate hypothesized relations, we examine the coefficients in Table 2 for sign and significance. Note that, with the exception of serving as department chair, the main differences between column 1 and column 2 of Table 2 relate to levels of significance. With regard to personal characteristics, gender shows no significant effect. Significant effects of the expected sign are observed for all variables except for experience and consulting.

With regard to institutional characteristics, all coefficients are of the expected sign, but only working at a doctoral granting institution and receiving summer stipends are statistically significant. Working at a masters' granting institution and having peers who publish are of the expected sign, but do not achieve statistical significance.

Both teaching and administrative service characteristics demonstrate some negative impact on research productivity as expected. Undergraduate teaching load and committee service both significantly reduce research productivity. Note, however, that graduate teaching load has no significant impact on productivity. Serving as a department chair has a significant and negative impact on productivity when measured giving partial credit for coauthored publications, but has no significant impact on productivity when measured giving full credit for coauthored publications.

### Marginal Impact on Research Productivity

The Tobit coefficients in Table 2 can be examined for expected sign and significance, but their magnitude carries no easily interpreted meaning because the de-

pendent variable is measured as an index and because the Tobit coefficients capture two distinct effects on the dependent variable. A single Tobit coefficient in this research setting incorporates (1) the impact of the independent variable on research productivity for individuals who have published *and* (2) the impact of the independent variable on the probability of publishing for individuals who have no publications. McDonald and Moffitt (1980) note that a common mistake made when interpreting Tobit coefficients is to treat them as effects of the independent variables on the dependent variable for cases that are not censored (i.e., for those individuals who have published in the timeframe under review).

To resolve the problems with interpreting Tobit coefficients, the marginal impact on expected research productivity after increasing the value of each independent variable is given in columns 3 and 4 of Table 2 for both partial and full credit, quality-adjusted publications respectively. Thus, these columns in Table 2 report the change in the dependent variable (in percentage terms) given a specified change in the independent variable – or the marginal effect on research productivity when changing one of the intervening factors. Standard errors calculated by bootstrapping are reported in parentheses. Note that the percentage changes presented in Columns 3 and 4 are only relevant for those independent variables found to significantly impact research productivity as reported in Columns 1 and 2.

Considering the influence of personal characteristics on research productivity, the coefficient estimates for the sample suggest that working with coauthors pays off in terms of significantly higher productivity though there is a diminishing impact as revealed by average coauthors squared. Given this significant relation, Columns 3 and 4 reveal that increasing the number of coauthors by 1 increases average annual research productivity by 18.19 percent (partial credit) or 25.69 percent (full credit).

Other personal attributes involving how aggressively one pursues one's scholarly career can also influence research productivity. Those in the habit of making presentations at professional conferences will see their productivity increase as noted in Columns 1 and 2. Whether due to the external deadlines imposed by conferences and/or the feedback provided by conference participants, Columns 3 and 4 reveal that one additional paper presentation per year increases the productivity index by roughly 23.04 percent (partial credit) or 22.82 percent (full credit).

The departmental research *gestalt* also influences the individual's scholarly activity. Referring to the institutional characteristics presented in Table 2, accountants

in doctoral granting programs publish 37.31 percent (partial credit) or 50 percent (full credit) more relative to their peers at institutions which offer only the undergraduate accounting major. Similarly, one additional summer stipend in the time frame under review increases research productivity by 13.79 (partial credit) or 16.87 (full credit) percent.

**Opportunity Costs of Teaching and Service**

As anticipated, there is a significant opportunity cost of teaching and administrative service commitments. Time devoted to teaching during the academic year significantly reduces research productivity. Teaching an additional 3 credit hour, undergraduate class during the regular academic year reduces research productivity by 10.68 (partial credit) or 10.33 (full credit) percent. Recall that the relation between teaching a graduate class and research productivity was insignificant.

The other primary workplace competitor for time is administrative service to the department or institution. One additional administrative committee assignment per year results in a 5.63 (partial credit) or 5.74 (full credit) percent decrease in productivity. Finally, one additional year of service on average as department chair or program director will reduce the productivity index by 27.89 percent (partial credit); this additional year of

service does not, however, significantly affect the full credit measure of research productivity.

**Conclusions and Opportunities For Further Research**

The purpose of this study was to empirically investigate the determinants of research productivity, as well as to examine the opportunity costs associated with teaching and service. Using individual-specific data obtained from 467 academic accountants, this study created an uniquely rich data set from which to explore these relations, to examine the personal and institutional factors that affect productivity, and more importantly to understand the inherent tensions between the daily commitments to teaching and service and the scholarly activity that often determines the ‘success’ of the academic accountant.

Using a Tobit analysis, the study highlights those personal and institutional variables that affect research productivity, for example coauthorship, having a doctoral degree, presentations at conferences, and institutional support. By calculating the marginal impact of those significant variables, this study provides meaningful data about ways in which research productivity can be altered. The study indicates some real concessions intrinsic to the duties of the academic accountant, i.e. teaching and administrative service negatively impact research

**Table 1. Descriptive Statistics for Independent Variables Used in the Study**

	Dummy Variables	Continuous Variables			
	Percent	Mean	Standard Deviation	Minimum	Maximum
<b>Personal Characteristics:</b>					
Gender (Male=1)	73.66				
Average Coauthors		0.82	1.01	0.00	10.00
Has Doctorate	86.72				
Years to Ph.D.		4.98	2.03	2.00	14.00
Presentations		1.35	1.35	0.00	10.00
Experience		16.45	8.99	3.00	43.00
Consulting	28.05				
Books		0.79	1.99	0.00	16.00
<b>Institutional Characteristics:</b>					
Master's Degree	40.26				
Doctoral Degree	32.98				
Peers Who Publish		62.32	30.37	0.00	100.00
Summer Stipend		1.19	1.75	0.00	5.00
<b>Teaching Characteristics:</b>					
Undergraduate Hours		11.24	7.71	0.00	30.00
Graduate Hours		4.06	4.38	0.00	24.00
<b>Administrative Service Characteristics:</b>					
Committee		3.57	1.94	0.00	11.00
Department Chair		1.08	1.73	0.00	5.00

productivity. It also notes, however, that research productivity can be strategically improved by, for example, active participation in presentation opportunities and cultivating relationships with coauthors. Clearly, these results highlight the nature of the tightrope academic

accountants walk, delicately balancing research productivity, teaching and service in decisions involving the use of faculty members' time.

**Table 2. Tobit Model Parameter Estimates and Impact of a Change in Independent Variables**  
(Absolute Value of T-Statistics/Standard Errors Reported in Parentheses)

	Publications - Quality Adjusted		Change in Independent Variable	Percentage Change in Quality Adjusted Publications (B)	
	Partial Credit (1)	Full Credit (2)		Partial Credit (3)	Full Credit (4)
<b>Personal Characteristics:</b>					
Gender (Male=1)	0.06 (0.31)	0.03 (0.07)	Male (relative to female)	5.11 (16.34)	1.16 (17.01)
Average Coauthors	1.35 ** (8.38)	3.15 ** (11.09)	1 additional coauthor	<b>18.19 *</b> (5.39)	<b>25.69 *</b> (7.05)
Average Coauthors Squared	-0.15 ** (5.99)	-0.31 ** (6.98)			
Has Doctorate	0.72 ** (2.01)	1.10 ** (1.74)	Has doctorate (relative to not)	<b>83.12 *</b> (64.44)	<b>69.61 *</b> (57.32)
Years to Ph.D.	-0.12 ** (2.55)	-0.19 ** (2.23)	1 additional year to obtain Ph.D.	<b>-9.48 *</b> (3.66)	<b>-8.41 *</b> (3.99)
Presentations	0.27 ** (4.22)	0.47 ** (4.18)	1 additional presentation per year	<b>23.04 *</b> (10.79)	<b>22.82 *</b> (10.69)
Experience	0.01 (0.39)	0.01 (0.60)	1 additional year	0.38 (1.09)	0.59 (1.09)
Consulting	0.07 (0.33)	0.10 (0.26)	Practices consulting (relative to not)	5.82 (18.98)	4.52 (19.70)
Books	-0.07 * (1.49)	-0.16 ** (1.96)	1 additional book	<b>-5.43 *</b> (4.10)	<b>-7.15 *</b> (3.86)
<b>Institutional Characteristics:</b>					
Master's Degree	0.09 (0.38)	0.20 (0.47)	Master's Degree (relative to Baccalaureate)	7.89 (18.67)	10.01 (18.82)
Doctoral Degree	0.41 * (1.48)	0.91 ** (1.88)	Doctoral Degree (relative to Baccalaureate)	<b>37.31 *</b> (32.71)	<b>50.00 *</b> (32.85)
Peers Who Publish	0.00 (1.20)	0.00 (0.47)	An additional 10 percent of peers publish	3.36 (2.95)	1.33 (2.81)
Summer Stipend (A)	0.84 ** (3.47)	1.78 ** (4.20)	1 additional summer stipend	<b>13.79 *</b> (5.04)	<b>16.87 *</b> (4.96)
<b>Teaching Characteristics:</b>					
Undergraduate Hours	-0.05 ** (2.79)	-0.08 ** (2.66)	3 additional hours of teaching	<b>-10.68 *</b> (3.51)	<b>-10.33 *</b> (3.57)
Graduate Hours	-0.00 (0.00)	-0.10 (0.23)	3 additional hours of teaching	-0.03 (6.01)	-1.30 (5.89)
<b>Administrative Service Characteristics:</b>					
Committee	-0.07 ** (1.65)	0.13 (1.65)	1 additional committee	<b>-5.63 *</b> (3.09)	<b>-5.74 *</b> (3.20)
Department Chair (1)	-0.39 * (1.42)	-0.55 (1.12)	1 additional year as department chair	<b>-27.89 *</b> (18.05)	-22.68 (19.20)
Pseudo R-squared	0.1835	0.1919			
Log Likelihood	-595.11	-735.38			

\* Significant @  $p < 0.10$  (1 tailed)

\*\* Significant @  $p < 0.05$  (1 tailed)

(A) These regressors have been averaged over the number of years of active service.

(B) Calculated as the percentage change in the dependent variable due to the attribute (for dummy variables) or due to the specified change in the independent variable (for quantitative variables).

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# TEACHING ETHICS

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## ABSTRACT:

*Significant research has been conducted and literature published on teaching ethics including related issues such as fraud and earnings management. This paper will address reasons supporting why both undergraduate and graduate degree programs in business schools should teach ethics. The differing methods of teaching ethics will also be discussed.*

## Introduction

Significant research has been conducted and literature published on teaching ethics including related issues such as fraud and earnings management. This paper will address reasons supporting why both undergraduate and graduate degree programs in business schools should teach ethics. The differing methods of teaching ethics will also be discussed.

## Support for the Teaching of Ethics

### Historical Perspective

In the recent past there are numerous examples of the lack of ethics. The impact of lapses in ethical judgment has been significant and includes the collapse of companies like Arthur Andersen, LLP (*U.S. v Arthur Andersen, LLP*). Arthur Andersen, LLP was a global company and one of the world's leading public accounting firms. Arthur Andersen was indicted on criminal charges for its role in obstructing the government's investigation into Enron's accounting practices. As a result, Arthur Andersen now ceases to exist.

The absence of ethical judgment was one of the factors that caused other companies to file for bankruptcy. Kmart improperly accelerated accounting recognition of vendor allowances shortly before filing for reorganization (Litigation Release No. 18989 and Litigation Release No. 19353). Enron did not follow required accounting practices and hid significant debt in off-bal-

ance-sheet entities (*In re: Enron Corp., et. al. v People for the State of California*).

The dearth of ethical decision making has also had significant impact on companies like Tyco International Ltd., KPMG LLP, Tyson Foods, Inc. and Wal-Mart Stores, Inc. Dennis Kozlowski and other former executives of Tyco International Ltd. committed fraud by granting themselves multi-million dollar, low interest or interest-free loans from the company and forgiving tens of millions of dollars in outstanding loans. All of these transactions were undisclosed to company directors, shareholders as well as and the Securities and Exchange Commission (SEC). These transactions (and other fraudulent transactions not listed here) were hidden by these executives even though the federal securities laws required their disclosure (Litigation Release No. 17722). Donald Tyson, former Chairman and CEO of Tyson Foods, Inc., subverted internal controls and failed to disclose over \$1 million in perquisites, thereby violating federal securities law and perpetrating fraud in relation to the 1997 thru 2003 proxy statements filed with the SEC (Litigation Release No. 19208). Joseph T. Boyle, a former partner with KPMG, was the relationship partner on audits of Xerox Corporation for 1999 thru 2000. Boyle did not report improper accounting to Xerox's Audit Committee or take other steps to disclose the fraud. Xerox had overstated revenues by at least \$3 billion and earnings by approximately \$1.5 billion during the period 1997 thru 2000 (Litigation Release No. 19208). Former vice chairman of Wal-Mart, Tom Coughlin, pleaded guilty to tax evasion and fraud charges related to financial mismanagement. Tom Coughlin

was receiving money under the table from suppliers (Zimmerman, 2006).

Poor ethical decision making can destroy individuals, companies, and their reputations, having significant negative impact on all stakeholders involved. Retirees can lose their pension funds, employees can lose their jobs, the community and government can lose tax revenues generated by the business, and investors can lose their investments. Meanwhile, taxpayers are funding the resources for the SEC's investigations of these unethical public companies. Taxpayers are also funding the passage and enforcement of additional regulations related to public companies. For example, in response to the above-mentioned events, Congress passed the Sarbanes-Oxley Act of 2002. This Act created the Public Company Accounting Oversight Board (PCAOB), which consists of a chair and four other members and reports to the SEC. The purpose of the board is to oversee the audit of public companies that are subject to securities laws. The objective of the Board is to protect public investors and to ensure that public accounting firms comply with the provisions of the Sarbanes-Oxley Act of 2002.

An individual's ethical development is impacted by a number of different organizations and other individuals throughout their lifetime. Therefore, all organizations and individuals have a duty to their constituents for their individual role and responsibilities in the area of ethical and moral development. The significant quantity of unethical business behavior sounds the alarm that now is the time for a major overhaul in the area of awareness, education, and training of our business leaders. All stakeholders that are involved in ethical and moral development have to change. They have to make significant improvement, and they have to ensure that they are as effective as they can be in their respective roles and responsibilities as parents, role models, governmental regulators, corporate trainers and educators. This historical perspective illustrates the need for change, the need for ethical education within business degree programs.

### **Business School Responsibilities**

Parents, churches, elementary and secondary schools, colleges and universities, businesses, communities and corporations are all making an effort to improve ethical decision making. These efforts include implementing and improving training, awareness and education, as well as instituting codes of conduct. Sumantra Ghoshal, a respected business academician, argued that the way MBA students are taught freed them from any sense of

moral responsibility for what they subsequently do in their business lives (Ghoshal, 2005). Ghoshal would have a winning argument if business schools were not including ethical education within required coursework. Most business schools are integrating ethical decision making within the required core courses of all business majors as well as requiring a separate business ethics class. Business schools are giving a balanced picture that you can both make money and keep your moral standards, that success and ethics are not mutually exclusive. Ghoshal's argument shows that business schools do have to develop ethical decision making skills in their students. Business colleges and universities need to balance the instruction of business skills with the teaching of business ethics. Omission of ethics within the business curriculum will lead students and others to the conclusion that business schools are guilty by omission of abdicating their responsibilities in the area of ethical behavior. Integrating ethics into the business school curriculum will truly change an important dimension of the learning process for the student. Business schools need to be part of the collaborative effort of restoring ethics to the business world as well as improving the image of business professionals. Another argument for teaching ethics as part of the business curriculum is that it is the beginning of the student's business career (Merritt, 2003). Therefore start fresh with an ethical perspective and maintain this perspective throughout your professional career.

### **Ethics - the Science of Morality**

Webster's dictionary defines ethics as the rules of conduct recognized in respect to a particular class of human actions, moral principles of an individual. Daniel Callahan, the Director of the Hastings Center, delineates that teaching ethics is to instill good moral habits, to help students arrive at correct moral judgments, to lead them by precept and by example and by exhortation (Callahan, 1987). By far the largest impact that we as educators will have on our students is by example. Therefore, our interactions with students, both inside and outside the classroom, should be conducted in an ethical and moral manner. Our words and deeds should be good examples.

### **Ethics Studies - an Imperative**

The study of ethics in business schools has increased since the American Assembly of Collegiate Schools of Business (AACSB) advocated the incorporation of the study of ethics into curriculum in the mid 1970's (Bishop, 1992). Dean William Christie of Vanderbilt states that, if courses in ethics are not part of a business

school's curriculum, they had better be soon (Merritt, 2002). Professor Larry Churchill states "The absence of these [moral] values in teaching constitute fundamental ethical problems in education" (Churchill, 1982). The report of the American Accounting Association Committee on the Future Structure, Content, and Scope of Accounting Education (The Bedford Committee) recommended a program of general professional accounting education both to develop technical skills and to instill the ethical standards and commitment of a professional (AAA, 1986). With all the recent scandals, it is clear that academia has a responsibility, as does the rest of society, to shoulder their share in the collaborative effort of helping to prepare business professionals for ethical decision making throughout their careers. In the long run, individually and as a society, we will benefit from improved ethical decision making in business. Now that we agree that the teaching of ethics is an imperative, how do we go about achieving this goal?

### Differing Methods of Teaching Ethics

#### Stand Alone Ethics Class vs. Integration

If we are to develop the skills necessary for individuals to make life-long ethical decisions, ethics needs to be taught in both a separate ethics class as well as integrated in the individual business-area classes, (e.g., finance, accounting, management, etc.). The separate ethics class should be a program requirement. If this class were simply an elective, the implied message would be that the course topic is not important or essential. The ethics class would both teach philosophical principles and have broad-based discussions of ethical issues. Meanwhile courses in finance, accounting, marketing and others should focus on ethical issues unique to their respective areas. This all-inclusive coverage will emphasize that ethical decision making is equally as important as being financial successful. The absence of ethical education in the business curriculum sends the message that only making money is important even at the expense of excluding other objectives and stakeholder interests. In his survey of business students, Frederick Crane found that students felt business ethics can be taught and that a required course in business ethics should be part of the business curriculum (Crane, 2004). Ed McLaughlin, professor of marketing at Cornell University, says that both approaches (i.e., imbedded ethics in all classes and a required class dedicated to business ethics) are important (Coupe, 2006). Let us now look at various techniques that can be used with both the stand-alone and integrative approaches.

#### Electronic Games and Videos

University of Texas at Austin Business School and Enspire Learning has collaborated to create an online game of management decision making. The online game uses scenarios that require balancing of ethical demands with other competing business objectives (i.e. maximizing scarce resources) (Bird & Bayer, 2004). Videos are another mode of engaging students in ethical development. William Thomas has compiled an inventory of support materials for teaching ethics including videos (Thomas, 2004).

#### Prisons, Ex-Convicts and News or Current Events

University of Maryland's Robert H. Smith School of Business has MBAs visit federal prisons and talk with white-collar inmates that are former high-level executives with MBAs. These inmates have been convicted of everything from securities fraud to skimming funds. Stephen E. Loeb is the Maryland professor who leads the scared-straight program (Merritt, 2004). Tuck School of Business has an ex-convict come every year and speak with their MBA students of the negative consequences of his (or her) unethical decision making (Ghoshal, 2005). News articles are a ready source of both good and bad ethical behavior or decision making examples.

#### Cases—Hypothetical and Role Playing

Since ethical issues or dilemmas are usually complex, one of the best approaches to teaching ethics is with case studies. The cases should be focused on real world examples and include the fact that the government enforces consequences on both businesses and the business executives that break the law. Such was shown in the introduction of this article. Most business classes incorporate real business cases or a hypothetical situation (i.e., a theoretical fact pattern) as part of the course work with favorable learning outcomes. However, cases studies should not just look at the negative consequences of scandals but include positive examples of everyday ethical choices that are part of the decision making of managers and individuals. There should be classroom discussion of the cases reflecting on choices, the motivations for the choices and their impact on stakeholders. Alternative strategies should also be discussed. Case studies could also involve role playing, placing the student in an ethical situation that has conflicting objectives. The student can then develop his skills by viewing the situation from different stakeholder perspectives.

## Faculty

To be effective in teaching ethics, faculty may need to be trained in teaching ethics as well as supported in conducting ethical research. Faculty training should include the importance of teaching the subject, its basic philosophical principles, different methods of teaching and presenting ethics, and available supporting resources. As stated earlier, William Thomas has compiled an inventory of support materials for teaching ethics (Thomas, 2004). Currently, professors teaching ethics at the college level teach ethics as a secondary area in addition to their primary area in which they were educated. This issue points to the added level of support that faculty need in the area of ethics. To support faculty research in the ethics area, a plan should be developed to collaborate with the business community on ethical projects. For example, a center focused on leadership and corporate social responsibility could be developed.

## Best Practice Sharing

A conference could be held on a periodic basis (e.g., annually) at the college supporting faculty training and include discussion of issues related to training and educating students in the area of ethics. Participants should include all faculty involved in teaching and/or researching ethics, corporate social responsibility and leadership. An objective of the conference could be to develop (or review and update) an overall mission statement or goal of the college in the area of ethical education and research. Other topics might include developing a code of ethics or an honor code for students and faculty. Another possible idea for discussion could be a more thorough screening of business college applicants. For example, have prospective students write a paper on an ethical dilemma that they have encountered in their life and how they dealt with it as part of the admission screening process. Another best practice sharing can be the development of a student orientation session before students begin their academic careers. The student orientation should have ethical component. For example, there could be a team building exercise involving situations that require ethical decision making. Students could also develop a personal mission statement including core values as part of the student orientation. Part of best practice sharing would include research to determine what works best at other colleges.

## Conclusion

The overall objective of a business school is to provide students with the knowledge and skills necessary to be successful leaders and business decision makers in today's dynamic global business world. An essential element of leadership and decision making is ethical judgment. Decisions that lack ethical judgment are very costly to all stakeholders as multiple business collapse, bankruptcies and indictments have shown. Academia has a responsibility to prepare business professional for ethical decision making including improving the image of the business profession. There are many different methods and resources available for teaching ethics at both the graduate and undergraduate levels. Many text books provide ethical hypotheticals that can easily be incorporated into course work and there are many real life business case and court case examples that can be analyzed and discussed. It is imperative that business schools be part of the solution to the recent rash of unethical business decision making. Integrity and success can be achieved concurrently. We need to prepare our future business leaders for the ethical dilemmas they will face.

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# THE USE OF PERMANENT STUDENT TEAMS IN A LOCK-STEP COHORT GRADUATE PROGRAM

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## ABSTRACT

*Most organizations, including businesses, use teaming as a tool. Higher education also uses teaming as a learning tool. However, in most cases, team members do not receive any training, monitoring, or teaching in being effective teams, which we consider to be an essential life skill. This paper describes how Kennesaw state university teaches the theory behind teaming, trains its EMBA students in teaming, uses team coaches to monitor and develop teaming, and uses teaming in general learning endeavors. We finish with lessons we have learned from using permanent student teams in our lock-step cohort Executive MBA programs.*

## Introduction

Current studies suggest that 85% of companies with 100 or more employees use some type of work teams (Cohen & Bailey, 1997). Yet, while academic courses often use teams or study groups are, few educational programs make learning how to team a core competency. In contrast, teaming, including International Teaming, together with Coaching, is one of the core competencies that we teach in the Kennesaw State University Coles College of Business EMBA program. We consider teaming to be an essential skill that all our graduates should have, as leaders in today's business environment. Therefore, along with the usual business acumen subject matter common to any MBA program, our program also teaches the essential skills required to create high performance teams.

This paper first discusses some past research on teaming in higher education; then describes how we use teaming in our two executive format MBA graduate programs. We have two programs at present, an open enrollment program at our purposely designed facilities (2 classrooms and 8 break-outs rooms plus offices and store rooms) and an in-house AT&T program held mainly at AT&T office buildings. In the past we also had special an EMBA program for physicians.

This paper then relates the history of teaming in the program, the details of how teaming is taught and man-

aged, and lessons learned about using teaming in a lock step cohort graduate program.

## Previous Research

Michaelsen, Watson, and Black (1989) showed that in their experiments, teams outperformed individuals in decision making. They also pointed out the importance of the reward system for effective teams and gave tools to promote team effectiveness. Walker and Angelo (1998) examined the promotion of high performance in student teams. Roebuck (1998) based her business communications on team learning. Her course was 80% team activities and included peer feedback to get over the problem of the "free rider", someone who uses the team to avoid work and learning. Montebello and Buzotta (1993) pointed out the importance of teaming to business using Tuckman and Jensen's (1977) four stage model of team development; forming, storming, norming, and performing. Michaelsen and Black (1994) produced detailed instruction on how to run team learning in higher education. They covered course design, instructional activity sequence, instructor feedback, developing team assignments, performance evaluation, and forming teams, for effective team based learning. Lizzio and Wilson (2005) pointed out that in student teams that while much can go right, much can go wrong if not managed well. They considered that the right training is very important for effective learning teams. Portz (2006) considered it essential that student team

members consider how their team is operating as well as the task that the team is working on.

### Description of Teaming in the EMBA Program

The EMBA program is a cohort program with students going through multiple non-optional courses over a nineteen or twenty-one month period. Since the 1990's, we allocate all our students to permanent teams before they start the program and normally keep them in the same team until they graduate or leave the program. In addition, the open enrollment program forms International Teams (described later) with students from the EMBA program at ASEBUSS in Bucharest, Romania, and used to form them with students from the Helsinki School of Economics.

### Selection of Teams

The initial teams usually consist of six or seven members. This team size allows for two important aspects of teaming. First, the team is small enough to require each team member to learn about and undertake all the various roles required by a high performance team. Second, across the years we have learned that there will usually be some attrition across the life of the program due to a variety of factors ranging from personal issues, e.g. divorce or death of a family member, to professional issues, e.g. downsizing or promotions requiring moves out of the area, to academic. Thus this size of team allows for the possible attrition of one or two members without destroying the team.

The number of teams in each class varies from two to ten depending on the class size (8 to 64). We base the initial selection of team members on their existing skills rather than on psychological profiles. For example, we try to have a finance person in each team, as well as other key skill sets such as experience in sales, marketing, and human resources. In addition, we seek to form teams that demonstrate diversity through having both male and female members. We also avoid having superiors and subordinates on the same team, and in the open enrollment class, having people from the same organization on the same team. This mimics how organizations normally allocate team members to a team in the real world, using their knowledge and experience rather than personality.

### Team Coaches

As the pedagogical outcome for teaming is to learn not only the theory underlying teaming but also to experi-

entially become part of a high performance team, we attempted to build into the program a support system for each team. Originally this was done through assigning one of the faculty members to each team as an advisor. However, this proved to be impractical due to the workload of the faculty. Thus, beginning with the class that would graduate in 2007, we introduced the use of "team teaming coaches" to facilitate the learning of the students about this topic. Each team coach is a graduate of our program that volunteers to take on this responsibility with a team for the duration of the class.

At the core of this approach is a model that one of the authors and a colleague (Brock, Roebuck, & Barrow, 2006) developed that identifies a clear distinction between mentoring and coaching, which is important for the team coaches to understand. The model defines mentoring is a "strategic approach to developing an employee by pairing him or her with a more experienced employee who will teach, counsel, sponsor, and encourage the individual" (Brock, Roebuck, & Barrow, 2006). Thus mentoring is similar to the guild process of the Middle Ages where a "master" took on apprentices and taught them the skills necessary to become a journeyman and subsequently a master craftsman themselves. Such an approach makes use of the "master's" experience and expertise. Since the team coaches are graduates of the program, who volunteer to coach a team throughout the life of a cohort's experience, there is a tendency for the coaches to mentor a team rather than coach a team. We deliberately wanted to avoid this process, since most team members would then be tempted to simply use the "coach" to get better grades on assignments rather than learn about teaming per se.

Coaching, on the other hand, "is a helping relationship where one person, using a proven model of human development ... works with others [an individual or a team] to discover, access, and leverage their abilities to enhance personal and professional performance" (Brock, Roebuck, & Barrow, 2006). Thus the role of the coach is not to serve as a subject matter expert helping his or her team in ways that will improve their grades, based on the coach's personal experience in the program or other knowledge. Rather, the role of the coach is to focus on helping the team members to coalesce into becoming a high performance team. The team teaming coach's responsibility is to facilitate the teaming process and dynamics. Thus, despite the fact that the coaches are alumna of the program, their task is not to "teach teaming" but rather to support the experience of teaming as a learning experience. Their job is to support the translation of teaming theory from the classroom into a life experience.

Upon selection as a team coach, the individuals go through an orientation to team coaching that one of the authors leads. At this meeting, we introduce the coaching model and identify the various responsibilities of the team coach. These include attending a minimum of one team meeting per month, as well as reading the journals of their team members each month. These journals consist of monthly reflection assignments from virtual courses that span the entire program and focus on the theme of personal, professional, and career development. By monitoring these assignments, the team coach gains additional insights into individual team members and how he or she might improve their function as a team member. In addition, team coaches meet quarterly, throughout the life of the program, as a group to discuss their experiences and to gain further training in team dynamics and coaching.

### Initial Teaming Experience

Since teaming is a core competency being taught in the program, participation in a team begins with the first day of the opening residency. One of the earliest modules concentrates on helping individual students, many of whom have not been in a formal educational experience for many years, to understand their unique approach to learning. Using a "Learning Styles" assessment, students identify which of four approaches they personally like to take in learning a subject. The team uses this information, in turn, to go through an initial interaction, in which they share this information with their team mates and determine how their various styles of approaching learning may impact their work together. We reinforce this experience of identifying the unique strengths and vulnerabilities of each team member many times throughout the program using a variety of assessments; including a "Five Factor" personality tool, the Herrmann Brain Dominance Indicator, an emotional intelligence instrument, a conflict styles tool, and a 360° Instrument called the Leadership Practices Inventory. After the introduction of each assessment, we ask the team to examine the implications for their function as a team and to use these insights to achieve continually improved performance.

During the latter part of the opening residency, the teams play an accounting game, called Income/Outcome (a team based simulation), that, as well as teaching the basics of financial accounting, is the first experience the teams have of operating as team. . During this game, team coaches observe the dynamic interaction of the team members and begin the process of giving ongoing feedback to the team and inviting them to make decisions as to how to work together more effectively. One

of the final modules in the opening residency teaches them basic teaming theory, including the stages of team development that they are likely to experience. It then has them go through a series of experiential exercises that lead to the creation of their team name, vision and mission statement, as well as a team motto and song. Finally, we introduce the teams to their first teaming assignment, which is the creation of a "team charter" [see appendix].

### Team Charter

The team charter is the document which the team uses to guide its operation throughout the program. The team coach oversees the steps in forming a team charter so that the team is continually receiving feedback about their performance. They need to address that feedback in their charter on an ongoing basis. Since most teams are initially in the "forming" phase, where "members tend to be polite and tentative with each other" (Levi, 2001), most teams do not consider this assignment to hold much value. It is the role of the team coach during this assignment to facilitate a deeper dialogue, concerning the various elements of the charter, than might otherwise occur. Again, it is not the coach's responsibility to judge the writing or the elements that go into the journal. Rather he or she is there to illumine the team dynamics for the team as they compose their charter and to ask the hard questions that might otherwise be ignored. The result is a charter that addresses the following; team vision, team purpose, team values and behaviors, team norms, team member roles, team meeting times, team communication routes, and team discipline (including firing team members). As the program progresses, and we teach further teaming theory (about 24 hours of class room time), the team will come back again and again to their charter for revisions. We have found that the team charter to be an essential component for successful teaming. In each instance, the coach will provide an environment of support for the learning that takes place.

### International Teaming Experience

An important learning around teaming occurs for the open enrollment cohort during their involvement in our international experience. Since more and more companies are global enterprises, learning how to function on a "virtual team" is becoming a critical skill. In addition to having to deal across time and geographic boundaries, there is also the major issue of dealing across cultures. Indeed, Duarte and Snyder (2001) identify culture as one of the most significant issues that virtual teams must resolve. Again, it is important to underscore

the importance of combining theory and experience in learning the skills required to function as a virtual team. Beginning with two modules [each four hours long], we introduce our classes to the theory of virtual teaming. This is followed by travel to our partner school, ASE-BUSS, in Bucharest, Romania. There our students join students from this EMBA program to form international teams composed of several Romanians and several Americans. These teams will work together over the succeeding eight months. Following this initial face to face encounter, these teams will work on the creation of a joint research project that concludes with a team presentation in the United States. During the intervening eight months, the teams must use various means of communication, e.g. video conferencing and the use of a platform such as SharePoint to distribute their individual research and integrate the results into a single presentation. Once we integrate more theory into the experience to allow for the greatest learning. At the present time these teams use faculty advisors (both American and Romanian) as team coaches.

### **Teaming Activities as Part of the Academic Classroom Program**

About 40% of the graded assignments throughout the program are team assignments, where everyone on the team gets the same team grade. These include written reports, simulations, and case write-ups. In addition, teams have to present three major 30 minute team presentations before the whole class, concluding with a question and answer session about the material that they presented. The first is on a real business, whose strategy and execution they have to present and critique, with their recommendations for improvement. The second major presentation is on doing business in a selected overseas culture, the third is a business plan for a new product or service launch, either in an existing business or as a new business, in front of real venture capitalists. In each instance students learn how to present as a team rather than simply making six individual presentations sequentially. Once again, theory and practice are integrated to enhance the learning.

Another teaming assignment occurs as the teams operate a virtual company in a computer simulation called Capstone. Here teams compete against other teams within their class. The game asks them to work collaboratively to integrate all the learning that they have achieved from their courses on business acumen while functioning as a high performance team.

An additional aspect of their teaming experience is found as they work on individual assignments. As they

work on these, students are expected to go to their team mates for help before approaching faculty. This allows each student to access and leverage the expertise of their team mates in ways that parallel to what they need to be doing in their workplace teams. Conversely, subject matter experts in a team such as CPAs are expected to share their expertise with their team mates that have not mastered that subject matter. Finally we expect teams to discuss beforehand and prepare for all in-class case discussions.

### **Team Meetings**

While most teams meet weekly, either in person (the most common), or virtually, we encourage teams to have regular times together outside of their educationally focused meetings. The reason for this is that it has been demonstrated that there are three primary elements required for truly high performance teams: task performance, maintaining social relationships, and the personal benefit to the individual from being part of a team (Hackman, 1987). The need for developing social relationships with team mates outside the academic requirements of the program has proven to be especially important since our program is so concentrated. The impact of this concentration is felt in a loss of life balance with job, family, and school all demanding attention. The social relationships developed within the team provide a strong support system for the individual as they face the ever changing environments in which they live. Our experience indicates that almost 50% of any given class will go through a job change during the 18 months and there are inevitably the births, deaths, weddings, and divorces that are a part of our normal social world. Team members have provided significant support to their members as these experiences have been encountered and this has often extended beyond graduation.

In support of these teaming activities, we provide facilities for team meetings for those teams who wish to meet at our facilities and software (video-conferencing, SharePoint, and Lotus Notes) to assist in virtual teaming. Many teams use a combination of both with missing team members telephoning into the physical meetings. Teams use these meeting to catch members up on materials that were missed do to absence from a class, as well as to assist in academic learning.

### **Team Peer Feedback.**

An additional element to assist in learning about teaming and to lessen the free rider problem comes in the form of peer feedback at the end of most semesters. Team mem-

bers are required to give feedback to their team mates. This peer feedback consists of two parts. One part is a numerical rating of their team mates on various aspects of teaming. The average of their team mates' ratings on them is 10% to 20% of their individual grade for these courses. A second part of the feedback consists of written examples of positive behavior and areas for personal improvement. We teach the use of a formal style of giving such feedback called BET and BEAR. BET stands for Behavior, the Effect of that behavior and Thank you. BEAR stands for Behavior, the negative Effect of the behavior, the Alternative behavior that the person giving the feedback suggests, and the Result of that new behavior on the team. Twice in the program, we grade the quality of these BETs and BEARs to ensure that they are focused on behaviors and not on attitudes or personalities. These quality of feedback grades then form another 10 to 20% of the individual's course grade.

### Teaming Problems

Because students are on the same team for 20 months (open enrollment program) or 22 months (AT&T program), teams find it difficult to sweep any interpersonal problems under the mat. Some teams have problems right at the start because certain individuals do not have good social skills. While our entrance requirements make it clear that teaming is a core competency we will be teaching, there are individuals who are not able to team and who slip through the cracks until they confront just how much teaming is an underlying part of our program. When these individuals are revealed, we work to help them to transition to a more traditional type MBA program at our university.

Most teams however pass through a forming stage and do not really storm until the second semester, when mere politeness no longer works and they are beginning to know each other a lot better, especially as to reliability and work effort. Personality clashes also occur more at this stage, and most people cannot hold back their irritation with personality traits for more than 3 to 4 months. It is at this point that the charter emerges as an important tool for enabling a team to work through their issues and the true value of the team coach is made evident. The team charter assignment included a process for progressive discipline that was identified by the team in its initial stages. That process can now become a key element in dealing with the storming among team members. The following is typical of most team charter disciplinary processes.

### First stage

The teams first try to discuss and sort out problems amongst themselves using their team's charter and procedures that they have learned in class. Since we teach teams how to manage conflict in class sessions, most teams resolve most problems at this stage. During this time of discussion, the team coach functions in his or customary role as a facilitator of the dialogue making full use of the values and behavioral norms of the team charter.

### Second stage

If these discussions do not resolve the issues, then the team coach gets more deeply involved in leading the team through various problem solving techniques. These might include anything from helping the team create alternative scenarios of solutions to dealing outside the team with a face to face discussion with an individual team member. In this situation, the team coach draws upon his or her previous teaming experience as well as his or her team coach training. He or she may also share the problem with other team coaches for their input. Typically most issues are resolved at this stage.

### Third stage

If the team coach is unable to help the team resolve the issues, then our teaming faculty and, if need be our department chair, get involved in trying to resolve the problems. Some issues require the presence of the authority of a faculty to resolve the issue. Our teaming faculty can provide more counseling, point out alternative answers, recommend resolutions, or at times, enforce a solution that will result in a needed learning. Our teaming faculty have had several years experience of resolving team problems both within academic and business organizational settings. One of them is a licensed therapist, who may diagnose problems for which outside professional help is needed and provide recommendations of qualified individuals who can meet that need.

### Fourth stage

In certain rare instances, team member issues with a given team member have escalated to the point that a member can not remain on the team. In such instances, the ultimate solution to team problems is to change the composition of the team. In our program, that can happen in one of two ways. First, if the team charter has a well defined disciplinary process and that process has been followed, a team can fire a member under their team charter rules. Such a firing must be achieved

through a unanimous team vote plus approval of the faculty that there is no alternative solution. Or, second, a team member may resign from a team. If an individual does resign, they must solicit on their own another team in their class to accept them as a member or leave the program. When this has happened in the past, we normally transition that student to our evening MBA, where teaming is not as important. These processes have discouraged teams from firing members and students from casually leaving their team. Rather they have encouraged teams to work hard at finding ways through whatever conflicts arise between team members.

### Lessons Learned

#### Temporary Teams versus Permanent Teams

Our first learning from using teaming as we do in our EMBA program is that teaching teaming as a core business skill is best done using teams that exist for the duration of the program. The evening MBA program at Kennesaw State University forms temporary teams for each course. Students complain about this as they may be in up to six different teams at the same time. This results in numerous issues, such as trying to find a time to meet with multiple teams, and means team members are never encouraged to try various team roles or to bond since they know the team is temporary. These teams also have no one to help them with team problems, especially the free rider problems, and receive no training in teaming. We consider temporary teams an ineffective method to teach teaming to students.

Thus we place students in one team for the whole program. In addition, we engage the teams in a significant number of team assignments as well as individual assignments thereby requiring them to learn how to work together as a cohesive unit. They establish regular meetings with only one group of students, thereby reducing the confusion of being part of multiple groups. In turn, the team assignments and regular meetings with the same individuals encourage them to bond with each other. Being together for an extended time allows them to create and use a charter involving shared values and norms to guide them in dealing with each other. The size of the team gives each member the opportunity to learn from taking on all the various roles required by teaming. In fact many of our teams continue meeting years after they graduate because of the social bonds that they formed in the class. A team from our 1999 class is still meeting monthly to help each other professionally and for social reasons. Some of international teams keep in touch after graduation, and some students go back

again to Romania to keep up their contacts with their former international team mates.

#### Team Coaches

A second major learning from our experience is the value of team coaches. Initially we did not have team coaches but sought to address all the various teaming issues that emerged with the two faculty that were trained in and taught teaming in the program. As a result, this policy overloaded this faculty and often left teams trying to deal with critical developmental issues on their own. We then sought to use our entire program faculty as team coaches. While this did mean that each team had a support system, many of our faculty did not feel qualified to act as team coaches nor did they have the additional time required to coach effectively. As a result we experimented with using alumna as team coaches. These team coaches receive team coaching instruction before starting the job, and meet regularly with our teaming faculty and each other to discuss problems and what to do. We have no problem getting volunteers from our graduates to do this job, and can select what we consider the most suitable graduates to do this duty. The outcome of this approach is that we have a singular support system in place for each team for the duration of the program. Teams and coaches come to know each other and bond as the coach serves to facilitate the development of the members from a group of strangers into a high performance team. A consequence of this is that we have had fewer major interpersonal problems on teams, and those that have occurred have been used as learning experiences for all concerned. It is our experience that teams tend to move faster through the forming, storming, norming, performing stages and achieve higher levels of performance overall.

#### Teaming cannot be taught as an abstract concept.

A third major learning is that teaming is something that one must ultimately experience rather than learn from a textbook. When learning is limited to being “about teaming”, the result is a collection of ideas that sound far too idealistic and “touchy-feely” for the pragmatic student in search of his or her MBA. Only as students are immersed in the actual experience of wrestling with all the issues required to generate a high performance team, can the concepts and theories take on meaning. We have had numerous students leave the program with a whole new commitment to teaming in the workplace. This means a determination not to allow the work groups in their organization to achieve anything less than becoming high performance teams. Such commit-

ment comes only from having “been there” and knowing from the inside out what it takes and means to become a true team.

### Conclusions and Recommendations

From our experience over the last few years we have concluded the following;

- 1) One should not expect students to team successfully without integration of theory and personal experience.
- 2) That permanent, long term teams provide the best environment for learning what teaming really is about.
- 3) Team members need academic instruction, supportive guidance from faculty in designing team assignments, and coaching
- 4) That teaming is not easy and some students will not be able to team successfully.
- 5) That using alumna as team coaches helps deepen even further their own understanding of teaming as well as helps existing students. An additional side benefit is that it helps build further the bonds between the alumni.
- 6) Teaming is a set of specific skills that is applicable in nearly all professions, not just business. We have seen students using teaming in almost every professional and business setting from the fields of medicine to manufacturing to the service industries. Teaming is a ubiquitous methodology for improving organizational performance.
- 7) Teaming has the additional benefit in an educational setting of assisting in the learning process beyond just teaching about teaming.
- 8) That a graduate cohort program is the most effective environment for teaching teaming.

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## Appendix: Instructions on Writing a Team Charter

Patrick Lencioni, in his book *The Five Dysfunctions of a Team* (2002) identifies five key elements that must be present to generate a High Performance Team. At the foundational level, teams must be made up of people who trust each other. A trusting team feels cohesiveness, solidarity, a “we feeling,” a general sense of cooperativeness, a sense of belonging, and a team identity. Competition is friendly and is channeled to the success of the team, not exclusively to any one team member. Members have a collective purpose where each member, as the primary goal, seeks the success of the team. Each individual’s interests should tie positively to the team, not in opposition or indifference to it. Thus, **building trust** is the first element of teaming that a team must work on.

As your team **builds trust** among your members, you are forming a contractual bond about how to complete your assignments and tasks. A **team charter** is a set of agreements that clearly states what the team wants to accomplish, why it is important, and how the team will work together for results. The charter defines how the team will deal with conflict and hold each other accountable while working together. As pressures build and difficulties arise, the charter serves as a reminder to help keep your team focused on its agreements and the end results. Your team charter will document the common understandings of your team members about how your team will operate. It will provide you with a shared vision for going forward as a team, a sense of why the team exists, what it is trying to accomplish, and how it will go about doing so. Common features of a team charter include a team vision, purpose or mission statement, values, behavioral norms, roles, and operating guidelines. A charter represents a shared agreement about how the team will manage their task and maintenance work and behaviors.

The following sections provide guidelines for completing each part of your team’s charter. Please make sure that you discuss each section thoroughly before committing any ideas to your document. Discussion will assure that each team member understands the meaning and consequence of each decision that the team makes about including some element in the charter. Experience by teams that have gone through this program previously has demonstrated that the creation of your team charter is one of the most important assignments you will be doing. Avoid assigning parts to individuals, having them generate the content, and then simply editing.

Talk through each part before asking anyone to write anything. In addition, after you have completed your charter, review the charters of other teams in your class to compare and make you aware of what might be missing in your own document. After you have done this, **and only after you have done this** ask to see charters from other classes. Perhaps your team coach can provide you with one or two to consider. But I can not over emphasize the importance of doing the hard work of thinking through each section thoroughly before you begin writing

### Team Vision

A vision provides a results-oriented picture of your team operating in an ideal way. It is an end state sometime in the future. Your team vision provides the context for defining your purpose and clarifying your shared goals. If your team has a compelling vision, all team members can commit and seek to achieve it. The vision provides the drive and motivation to constantly move your team forward. Your team can use the following questions to guide you in creating your team’s vision.

- What do we want to accomplish as a team?
- How does our learning organization benefit from the work of our team?
- What makes our team so successful and effective?
- What are others in our learning organization saying about the work of our team?

### Team Purpose/Mission Statement

So that all of your team members understand what they are supposed to do and what is or is not the team’s responsibility, your team should develop a clear team purpose statement. Your team’s purpose statement defines the reason for your team’s existence. It states:

- What the team does
- For whom
- Why

Spending time at the beginning of your team’s journey to clearly define your mission will pay dividends in the long run. Your team’s purpose statement should reflect your team’s values and provide a framework for setting goals.

## Team Values and Norms

Values are the enduring beliefs or principles your team will use to guide behavior with each other and those outside your team. Your team values define what is right or fundamentally important to your team as they will guide your team's choices and actions. Values are the core principles that should never be compromised for short-term gain or expediency.

Some examples of values include honesty, openness, creativity, agility, integrity, relationships, excellence, empowerment, diversity, learning, or citizenship. But values are only guiding principles and to make them operational ***you need to define your values in terms of specific behaviors!*** These behaviors become the operating norms for your team. For example

Value:	<b><i>Integrity</i></b>
Definition:	Doing the right thing for the team and the other members of our learning organization.
Behaviors:	Completing tasks on time as committed to do.  Accepting responsibility for our actions and admitting when we've made a mistake.  Doing process checks to make sure the team members are following the team's charter.

Norms provide a mechanism for holding each team member accountable for agreed-upon behavior. Behavioral norms provide a general understanding of what is and is not allowed for your team members as you work together. As you identify the norms, you should keep in mind that "behavioral norms" define something that can be "seen". To say that you will treat each other with respect ***is not*** a behavioral norm. You have to define what "respect" looks like, for example--not interrupting when another team member is talking and not having side bar conversations while others are talking. Your norms need to be clearly defined so that anyone outside the team could clearly identify when your team was acting according to your norms.

## Operational Guidelines

### Assignments

Research on teams suggests that to perform well; teams must develop a collective understanding of and focus on their tasks. Socializing needs to be part of your team's activities as it will contribute to team cohesiveness. However, the team's ultimate purpose is to achieve the goals of the team, which includes various assignments.

Agreement on the scope and method for doing team assignments should never be taken for granted. Your team must pay conscious attention to the formation of a consensus on how to complete assignments, how much effort it will take to do a high-quality job (which should not be taken for granted as a goal of each member), the steps necessary to do the assignments, and most of all how much effort each member thinks projects will require. How you will do this each time you have an assignment is something you need to define in your charter. **At this point you will not know all of this precisely; however, you should discuss how you think your team will handle assignments at this stage as a starting point. Remember that the charter you are creating now will be a living document and will need revisions later.**

From our experience as team coaches, once the actual work has begun, it is more difficult to alter different understandings about an assignment. Different understandings about what needs to be done and by whom, can lead to unnecessary conflict as people get entrenched in their own point of views. These differences are best uncovered and resolved before the assignment is started.

**As you individually prepare to discuss these issues with your team, answer the following questions.**

1. How will we develop a collective understanding of our assignments and responsibilities?
2. How much effort will it take to do a high-quality job?

### Team Member Roles

Team effectiveness is the responsibility of each member of your team. To assure that this happens, each member of the team needs to clearly understand his or her role at any given moment. In order to improve your team's functioning while developing team members' skills, roles need to be rotated across the program. Allowing each team member an opportunity to work in each role

at some time in the program will allow each person to gain personal learning about their abilities. Your charter needs to determine what roles you want on your team, descriptions of responsibilities for each of the roles, and how the team will determine who will fill them and when.

Some examples of team member roles follow:

- Team Facilitator
- Team Leader
- Scribe
- Processor
- Recorder
- Timekeeper
- Team Communicator
- Project Tracker

Team Member [critical to define behavioral expectations for all members, e.g. attending meetings, having assigned tasks completed on time, etc. Work to be clear and thorough.]

#### Team Coach

The advantages of assigning team roles and dividing the labor should be apparent to your team, since teams can accomplish much more work than individuals. Members usually have complementary skills and different styles of thinking. One member might find a task straightforward or interesting while another would perceive it to be difficult.

**As you prepare for this discussion, write down your individual responses to the following questions and come prepared to discuss them at your team's meetings.**

1. What knowledge, skills, and abilities do I bring to this team?
2. What is my learning goal in being a part of a team? What do I want to learn about teaming?
3. What do I enjoy doing?

4. What do I need to do to increase my leadership and professional development?
5. What suggestions do I bring for how our team should go about completing our tasks and assignments?
6. How will we decide what each member of the team should do?
7. How do we know that the division of labor we have made is fair? What is our standard of fairness?
8. How do we prevent certain members from:
  - Complaining all the time about their busy schedules and never meeting with the team.
  - Saying, "You go ahead and decide what you want me to do and then just let me know."
  - Stating, "I offered to help but nobody asked me."
  - Doing everything themselves to make sure everything gets done a certain way. If someone else offers to help, these individuals will tell them not to worry and everything is under control. Other team members have little input because these individuals would rather do things themselves than turn them over to someone else because they might not do as good a job.
  - Insisting on doing things his or her way even when others in the group disagree.
  - Taking over and handing out assignments suited only to their interests.
  - Being too quiet to talk or give input. Typically, they just mutter or nod in acceptance about whether or not they think the assignments are fair.
9. How will we assign roles or work?
10. How will we keep track of the overall direction of our projects?

11. How will we keep team motivation and morale up?
12. How will we plan tasks?
13. How will we measure individual performance and contribution to the team task?

When you have completed this section of your team Charter, each member of your team should have a definite understanding of the roles the team will be using and how the team will be determining who does what for each assignment in the program. In addition, no alterations of standards or assignments should be made without team discussion of the issue and trying to reach a consensus decision.

At times you may want to draw on the specific skills of a team member for a particular role. While this may be useful on occasion, please remember that the goal of these roles is learning and each member of the team should assume each one at some time in the program. Out of your initial division of labor will come a better understanding of the capabilities of each member and a better sense of your team's overall knowledge, abilities, skills, and potential.

In an area as sensitive as team roles and division of labor, be certain that too vocal or domineering types do not take over and hand out assignments suiting only their interests. Be certain that quiet members actually talk in detail, not just nod in acceptance about whether or not they think the assignments are fair. In this way, it is hard for disgruntled or concerned quiet members to disguise their genuine reactions and perhaps to blow up about equity issues later. As with all elements of the team charter, talking about, elaborating on, arguing over, and negotiating the roles and division of labor adds to the trust of the members and contributes to the formation of the team. Above all else, do not gloss over discussing what is fair. If you gloss over issues, your team risks later destructive conflict over equity issues.

### **Meeting Guidelines**

Teams generate their work through meetings. Most successful teams in our program meet on a regular basis, often weekly. While some of these meetings may be held virtually, you are strongly encouraged to meet face to face as often as possible. Research has demonstrated that a certain number of face to face meetings greatly increase team performance. There are a number of issues to be resolved in order to hold effective meetings. In your charter you must decide:

1. Where and how often you will meet.
2. Who is responsible for generating the agenda?
3. How will we have regular evaluation of our meetings in order to improve and, if so, when and what will be do to assure a thorough evaluation?
4. Who is responsible for notification of the meeting?
5. How will minutes be kept and distributed?
6. How will we determine the need for special meetings?

### **Communication**

Given that communication is the lifeblood of your team, your communication strategies will greatly affect your team's success. The sharing of information is necessary for empowerment, commitment, involvement and informed decision making. You should think about and determine who beyond the team needs to be kept informed of the team's work. (**Hint: Team Coach**)

### **Consider the following as you discuss this issue**

1. What will be the primary way we will communicate with each other?
2. How will we use the Course Room for communication purposes?
3. Are there any special circumstances where we must communicate? For example, when someone is running late to a meeting or can not make a meeting? Others?
4. Will we have a communication chain? If so how will that work?
5. Is communication while we are at work OK? Not OK?
6. When is face to face communication required?
7. Who needs to be communicated about what? For example, your Team Coach, faculty?
8. How will the team use ongoing feedback to achieve continuous improvement?

Answers to these questions and others you may think of need to be thoroughly discussed and protocols developed and clearly delineated in your charter.

### Decision Making

Working on a team requires countless decisions. The guidelines for these need to be developed based on the conclusions you have reached thus far, e.g. using your values and behavioral norms, the roles you have described, and how you will communicate with each other.

**In order to complete this section of your charter, discuss the following:**

1. **What is consensus and when is it required?**  
[Note: while the faculty encourages you to *work for consensus in all situations first*, there may be occasions when that is not possible. The team needs to clearly understand these times and they should be very few in the program]
2. When consensus can not be reached, what alternative method will we use? There are many alternatives and you might want to consider using different ones for different occasions, e.g. voting, mediation, luck of the draw, leader makes the decision, etc.

### Conflict Resolution

In the course of any teaming experience there will be conflict. Sometimes this is between just two individuals on the team. At other times it is between various factions that develop. And at other times it is between the majority of team members and one other member of the team.

**Consider the following questions and define how you will deal with them.**

1. When conflict is between one member and another member? Consider how the team will respond to this when the situation is not resolved?
2. When the team breaks into subgroups and there is a clear difference of opinion between the groups?
3. What happens if the majority of the team are in conflict with a single member?

### Discipline

Lencioni's work makes it clear that one of the key elements of a High Performance Team is the ability of team members to hold each other accountable. While, in many instances this can be done through simply giving feedback to each other, in some cases, that will not resolve the issues. Therefore, developing clear, specific procedures for dealing with the team disciplining a member are required.

**NOTE: Teams in our program have the power to dismiss a member from the team. Doing this must be done through a unanimous decision and faculty approval. The consequences of this decision will be the expulsion of the individual from the program so this is a very serious action. As is true in the business world, such a dismissal must have considerable and thorough documentation of repeated offenses. In writing your disciplinary process, there needs to be several steps prior to voting on dismissal. These steps need to be sequential and involve SMART action plans for potential rectification of the issue by the offending person. Past experience has shown that this is one of the most important sections of your charter so that taking the time to discuss this thoroughly is critical. In preparing this section consider the following:**

1. What is considered an action that needs disciplinary action by the team? What is not such an action but requires simple feedback for improvement?
2. What steps does the team believe need to be put in place?
3. How will you use your Team Coach in this process?
4. When will you seek faculty involvement?
5. Can a team member who reaches the final stage of the process choose to resign rather than be dismissed? **[While this is a step allowed by the administration, it puts the student at risk since they have to find another team in the class who will accept them as a member. Failure to find such a team will result in their leaving the program.]**

While you should have discussed and defined team expectations for performance in clear behavioral terms in the section on Roles, be sure at this point that you have

described these expectations in behavioral terms that are measurable. For example, it is better to include an expectation that states: "We expect members to have their work completed by 3:30 p.m. on September 9, 2005." than to say: "We expect members to do their work." Another example might be: "We expect all team members to proofread an assignment and confirm in writing that they have done so." as opposed to: "We expect members to write well." In the first case, there is something you can measure. In the second case, writing well is subjective and can mean different things to different people. If at all possible, try to reach a consensus on which expectations to include in your team's charter.

At this point in your team's development, creating such standards and protocols may seem silly or a waste of time, and we are sympathetic with that reaction. However, our experience, as team coaches, has shown the value of writing them down especially since members know each other slightly and thus have expectations but little knowledge of each other's abilities and work styles. These norms and guidelines must be shared and understood by all team members. A general understanding of what is and is not allowed of a team member should be developed early in team meetings. Without this understanding, confusion over the scope of tasks, assignments, rules, rights, and responsibilities is likely to occur in high-anxiety or high-uncertainly points in the team's work.

### Team Coach

Each team in our program has a Team Coach to help the team work effectively toward becoming a High Performance Team. The Coach is a graduate of our program and so is familiar with many of the expectations of teaming held by the faculty. However, as the curriculum goes through a constant revision process because of our commitment to continuous improvement, the Team Coach may not be familiar with some of the particular assignments you will face. **Also the Team coach is not there to tell you how to do an assignment to get an "A". He or she is there as a resource for you in working as a team and will give you periodic feedback about your team dynamics and performance. They may, at times, critique your work and offer insights into things for you to consider, e.g. during your preparation for team presentations, but again they are not there to assure you a particular grade.**

**Your Team coach will present to you a copy of a contract to be established between the coach and the team. In it you need to negotiate what you want from**

**your coach. This document should be appended to your charter.**

### Additional Issues to Include

You need to design a process for revising the charter and include that in your charter. You may want to include forms you will use for meeting agendas, tracking roles, disciplinary forms, etc. All of these can be in the appendix of your charter. It is up to you to decide what you want to create and include.

The grading of your team charter will involve both you and the faculty member assigned to this assignment. 12% of your grade is based on your self-evaluation of the participation of each of your team members. 88% of your grade is based on the evaluation done by the faculty member.

The charter will be evaluated using the attached grading rubric;

### Team Charter Document Rubric 100 Points

#### Team Self-Evaluation worth 12 points.

1. Did the team, as a whole, discuss each section of the charter directions before composing that section?
2. Did all members contribute to the process?
3. Did the team members listen to each other?
4. Did the team members work to resolve issues for the benefit of the whole team?
5. Did the team members exhibit behaviors that supported team consensus building?
6. Did the team work with the team coach to achieve mutual understanding of his or her role?

#### Faculty Evaluation worth 88 points.

1. Does your team charter provide a clear vision of success? What it will look like and feel like?
2. Does the team charter define the purpose and mission by which the team will achieve its vision.

3. Does the team charter clearly define the team values and norms in behavioral terms?
4. Are there clearly defined protocols for how the team will work together on assignments? Is there a clear strategy for how tasks and assignments are made?
5. Does the charter clearly describe all the roles to be played by team members and how it will be determined as to who does what when?
6. Does the team charter clearly define the guidelines for conducting meetings?
7. Does the charter make it clear as to how team members will communicate with each other? Does the team charter identify different communication channels and systems for use under various circumstances, e.g. when a team member can't attend a meeting at the last minute?
8. Does the section on Communication define clearly how the team will use feedback to achieve continuous improvement?
9. Does the section on Decision Making make it clear as to how decisions will be made under different sets of circumstances? Does the team charter identify several methods of decision making and when they will be used?
10. Does the team charter discuss how the team will resolve and manage conflict?
11. Does the team charter address how team members will be held accountable for their behaviors and define a plan for progressive discipline, including the possibility of being dismissed by the team?
12. Does the team charter address how the team will communicate with its coach? How often the team will meet with the coach? When and where these meetings will take place?

**Final Total** \_\_\_\_\_

BET (Behavior Effect Thank you) Feedback:

BEAR (Behavior Effect Alternative behavior Result) Feedback:

# BUSINESS ETHICS EDUCATION: THE SERVICE QUALITY PERSPECTIVE

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## ABSTRACT

*Functioning in a highly competitive marketplace of educational services and trying to stay true to their missions and visions while serving the changing needs of their constituents, business schools need domain-specific analytical tools that can help them in strategic planning. For instance, how can a business school determine the optimal amount of business ethics education to be delivered within the broader framework of its curriculum? There are many potential reasons for business schools' search for the answer to this question. Some schools might wish to enhance their business ethics education offerings in order to align their curricula with their mission statements and strategic objectives (Owens, 1998). Others might try to boost business ethics education in response to the society's concern over recent cases of unethical behavior of business professionals (Malone, 2006). This raises the question: once the new courses are designed and changes are implemented, which criterion should be used to determine if the changes helped to reach goals? The American Assembly of the Collegiate Schools of Business (AACSB) promotes the importance of ethics in business education but does not provide specific quantitative guidelines for determining the amount of business ethics education to be offered by each individual school (McAlister, 2004). Therefore, each business school will need to decide for itself if the changes were successful and if further actions are needed.*

*In our opinion, business school faculty and administration could benefit from having access to an assessment tool that would allow them to measure the perceived quality of the business ethics education that they currently provide. Development of such a measurement instrument will open the possibilities for benchmarking, historical comparisons, and other methods of strategic analysis. Systematic measurement of perceived quality of business ethics education will allow business faculty and administrators to make necessary adjustments to their educational programs. For instance, if a business school becomes aware that certain student populations express greater need for ethics education, then ethics curriculum can be tailored to the needs of these groups so that additional elective courses are offered. A measurement instrument will also be of use in identifying the factors contributing to students' perceptions of quality. Overall, an ethics education assessment tool can be used to direct business schools faculty and administrators' efforts in developing better business ethics programs and preparing generations of ethical business professionals.*

## Objectives

This study seeks to develop a practical and applicable assessment method for measuring students' perception of the quality of business ethics education. The research objective of this study is twofold. First, we present the development of a working instrument for the assessment of the perceived quality of business ethics education. Second, we use the empirical data to test the influence of two factors, commitment to moral self improvement and the amount of business and non-business ethics education received at the university level, on students' perceptions of quality.

## Theoretical Background

We used the marketing concept as an overarching theoretical approach to developing an assessment tool for measuring the perceived quality of business ethics education. When a business school uses the marketing concept, it commits to tailor its business ethics curriculum to the expressed needs of an important customer of its educational product, that is, the student.

Specifically, this study uses the marketing-based SERVQUAL methodological approach to assess the quality of the business ethics education. The SERVQUAL approach views service quality as "a degree

and direction of discrepancy between consumers' perceptions and expectations" (Parasuraman et al., 1988, p. 17). The resulting score is usually referred to as the "gap score". In addition to the "gap scores" which are used most widely in the SERVQUAL stream of research, the use of perception and expectation scores can also be justified depending on the purpose of the study.

The SERVQUAL approach is one of the most extensively used measures of service quality (e.g., Asubonteng et al., 1996; Mehta and Durvasula, 1998) which has been applied to various industries (e.g., Donnelly et al., 2006; Gounaris and Dimitriadis, 2003; Kilbourne et al., 2004). However, having been developed within the retailing context (Parasuraman et al., 1985), SERVQUAL has limited applicability to the very specific domain of business ethics education.<sup>1</sup> That is why, rather than attempting to adapt the original SERVQUAL scale to the needs of our study, we opted for the development of a new domain-specific measure of the perceived quality of business ethics education. Although other approaches were used in the past to assess business students' attitudes about ethics education (e.g., Shannon and Berl, 1997), we advocate the use of the SERVQUAL approach on the grounds that it provides methodological advantages in detecting quality problems. For instance, if an assessment shows less-than-favorable results, the SERVQUAL method allows to determine whether it was poor perceived performance or heightened students' expectations, or both, that contributed to students' evaluations of ethics education.

The items for the measure developed for this study were generated within the ethics context using a four-component model of morality (Rest et al., 1999) as a theoretical basis. The four-component model (Rest et al., 1999) posits that four inner psychological processes (moral sensitivity, moral judgment, moral motivation, and moral character) interact to give rise to ethical behaviors (Rest et al., 1999, p. 101). Moral sensitivity is the process of interpreting the situation in moral terms and being aware of a moral problem when it exists. Moral judgment can be described as deciding which action is the most justifiable in a moral sense. Moral motivation is defined as the degree of commitment to ethical behaviors and valuing moral values over other values. Finally, possessing moral character means overcoming fatigue and temptation and persisting in a moral task.

1 Consider the following items from the original SERVQUAL (Parasuraman et al., 1985; 1988) scale: "Their [companies'] physical facilities have to be visually appealing," "Their employees should be visually appealing," "It is okay if they are too busy to respond to customer requests promptly," etc.

The pool of "expectations" items generated for this study included statements intended to capture what students expect business schools to do to foster each of the four aforementioned inner psychological processes. The "perceptions" items intended to measure how well business schools are actually performing on each of these criteria, were developed in a similar fashion. The process of measure development is described in greater detail further in this paper.

A review of numerous empirical studies revealed the general consensus that ethics education improves the morality of education recipients (Rest et al., 1999). From the academic perspective, university educators generally support the integration of business ethics into the curriculum (Moore, 2004; Owens, 1998), and advocate for the improvement of teaching business ethics (Malone, 2006; Shannon and Berl, 1997).

Therefore, we expect that exposure to greater amounts of ethics education received at the university level will convince students that universities actually provide them with a solid background in ethics, thus leading to improved "perceptions" scores and reduction of the "gap" between students' expectations and perceptions. Since business ethics education can take place within a broader non-business (university-wide) ethics curriculum, we feel that the influence of both types of ethics education needs to be examined.

H1: The amount of both non-business ethics and business ethics education will be negatively related to the "gap" between students' expectations and perceptions of business ethics education by positively affecting students' perceptions.

We expect that some personality variables affect people's perceptions of the quality of business ethics education so that different respondents will judge the same business ethics education coursework differently. In this study we chose to focus on respondents' differences on commitment to moral self-improvement. Based on the theoretical foundation of Blasi's (1983) model of moral functioning, commitment to moral self-improvement (CMSI) is a construct that represents the motivational and aspirational facet of moral identity, the facet indicative of a person's moral growth potential (Kurpis et al., forthcoming). In other words, CMSI represents an individual's willingness to pursue moral growth. Applied to the domain of ethics education, CMSI can be described as "openness to ethics education."

We reason that a person for whom moral growth represents a cornerstone of her identity will have higher than

average expectations of ethics education, thus increasing her “expectations” scores. At the same time, high-CMSI students will also have higher “perceptions” scores because they will be more attuned to ethics content in their college coursework. However, since high-CMSI respondents, by definition are actively pursuing moral growth and are not settled with what they already have, it is likely that their “expectations” scores will continue to exceed their “perceptions” scores, thus increasing their “gap” scores:

H2: Higher levels of commitment to moral self-improvement (CMSI) will increase the “gap” between expectations and perceptions of business ethics education by raising students’ expectations to a greater degree relatively to the increase in their perceptions.

### Method

*Subjects.* Two hundred and eighty seven undergraduate business students from a small religiously-affiliated private university in the Pacific Northwest participated in this study for extra course credit. Respondents’ age range was from 18 to 44, with a mean of 21 years, 39.6% being female. Respondents’ academic status ranged from sophomores (40.1%) to juniors (33.5%), and seniors (26.4%).

*Procedure.* The survey was administered via paper-and-pencil questionnaires in classroom settings and asked respondents to express their opinion about business ethics education.

### Independent Variables

*Perceived Amount of Ethics Education.* The amount of ethics education completed by the respondents was assessed with two subjective measures. First, respondents indicated the total number of ethics classes taken at the university level which were not offered through the school of business (henceforth referred to as “non-business ethics” education). Secondly, they indicated how many classes that they took at the school of business “had a significant ethics component, e.g. had a lecture on ethics, discussed cases of ethically challenging business situations, etc.” (these classes are henceforth referred to as “business ethics” education). Responses to both questions were recorded on a scale with the following response options: none, 1-2 classes, 3-4 classes, 5-6 classes, 7-8 classes, over 8 classes.

*Commitment to Moral Self-Improvement.* Respondents completed a five-item measure of Commitment to Mor-

al-Self-Improvement (CMSI) (Kurpis et al., forthcoming) and recorded their answers on a nine-point scale from (1) completely disagree to (9) completely agree. The five CMSI items (see Appendix A) explained approximately 46% of variance and had sufficient reliability ( $\alpha=0.8$ ).

### Dependent Variables

*Perceived Quality of Business Ethics Education.* Following the methodological approach developed by the authors of the SERVQUAL scale (Parasuraman et. al, 1985), we developed a working measure of the Business Ethics Education Quality (BEEGAP) specifically for this study. The development procedure followed the guidelines recommended in the literature (e.g., Bagozzi, 1994; Churchill, 1979). As discussed earlier, fifteen items were developed for the “expectations” questionnaire to reflect the four psychological processes of Rest’s model of morality (Rest et al., 1999). For each of the “expectations” statements, a corresponding “perception” statement was developed by re-wording the original “expectation” statement. For example, an “expectation” item required respondents to express agreement or disagreement with the following statement: “Business schools should teach students how to recognize whether a business situation involves an ethical dilemma”. The corresponding “perception” item stated: “[Name of University] Business School teaches students how to recognize whether a business situation involves an ethical dilemma.” All responses to “expectations” and “perceptions” statements were recorded on the same nine-point scale from (1) completely disagree to (9) completely agree.

The items were examined using reliability and factor analyses. On the basis of the unrotated factor loadings and the scree plot analysis, both “expectations” and “perceptions” measures were interpreted to be unidimensional (46.5% and 48.8% of variance explained, respectively). The factor analysis led to the elimination of two items with low loadings (cutoff point 0.5). The resulting 13-item “expectations” and “perceptions” measures had high reliability ( $\alpha=0.921$  and  $\alpha=0.925$ , respectively). The retained items and their factor loadings are presented in Appendix B.

The individual “perception” scores for each item were then subtracted from the corresponding “expectation” scores in order to assess the “gap” between students’ expectations and perceptions of business ethics education forming. Positive “gap” values were indicative of respondents’ expectations exceeding the amount and quality of business ethics education that was actually delivered at the university level. In contrast, negative “gap” values

indicated that respondents' expectations regarding business ethics education were exceeded.

The final thirteen-item "gap" measure was interpreted (on the basis of factor loadings, eigenvalues, and the scree plot) as to be unidimensional, explaining 44.9% of variance, with high reliability ( $\alpha=0.91$ ). The thirteen "gap" items were averaged to form the overall measure of the gap between students' expectations and perceptions. The mean of the resulting BEEGAP variable was 1.41 with standard deviation of 1.4, indicating a fairly neutral assessment of the studied university's performance on delivering business ethics education. The individual respondents' BEEGAP scores ranged from -2.08 to 5.69.

## Results

### Effects of Ethics Education

Overall, the majority of the respondents (90.9%) took one or more non-business ethics classes at the university level. Most respondents (90.2%) also felt that one or two classes from their business school experience had a significant ethics component. At the same time, a relatively small percentage stated that they had taken over five ethics classes at the university level (9.8%) or in the business school (11.5%). The complete breakdown of respondents' experience with ethics education can be seen in Table 1.

<b>Number of Classes</b>	<b>Ethics (Non-Business) Classes at University Level</b>	<b>Business Classes with Significant Ethics Component</b>
0	9.1	9.8
1-2	54.0	51.8
3-4	27.1	26.9
5-6	6.3	7.7
7-8	2.1	3.1
Over 8 classes	1.4	0.7

Hypothesis 1 predicted that the overall amount of ethics education will be negatively related to the perceived "gap" by positively affecting students' perceptions of business ethics education. The effects of the amount of ethics education were analyzed by regressing the BEE-

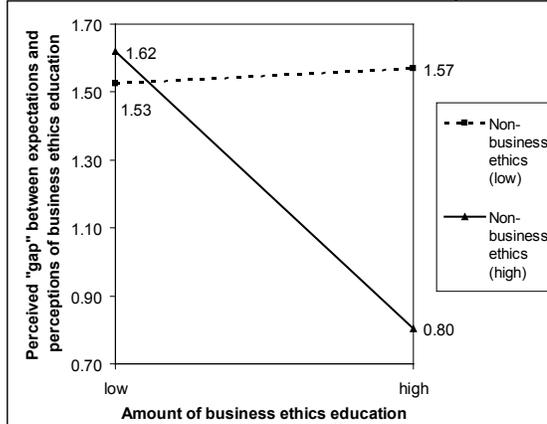
GAP variable on two variables: the amount of non-business ethics education and the amount of business ethics education. The regression model was significant ( $F(2, 283)=7.58, p<0.01$ ), explaining 5.1% of the variance in the dependent variable. Both non-business ethics education ( $\beta=-0.13, t(283)=-2.1, p<0.05$ ) and business ethics education ( $\beta=-0.14, t(283)=-2.18, p<0.05$ ) were significant predictors of BEEGAP. Although the predictor variables were correlated ( $r=0.4, p<0.001$ ), examination of standardized residuals and further diagnostics (tolerance 0.84) showed that collinearity did not represent a significant problem for these data (Pedhazur, 1997, p. 298).

The second part of Hypothesis 1 predicted that the amount of ethics education will reduce the perceived gap by improving perceptions of actual business school performance in delivering ethics curriculum. The "perceptions" score was calculated by averaging the thirteen "perceptions" items. The "perceptions" score was then regressed on the measures of non-business and business ethics education. This regression model was also significant ( $F(2, 283)=16.41, p<0.001$ ), with both non-business ( $\beta=0.18, t(283)=2.94, p<0.01$ ) and business ( $\beta=0.2, t(283)=3.31, p<0.01$ ) ethics education being significantly positively related to students' perceptions. Greater amount of business education, therefore, resulted in more positive perceptions of business school performance in this domain. In contrast, the amount of ethics education did not affect students' expectations ( $F(2, 283)=0.462, n.s.$ ).

These results fully support Hypothesis 1 of our study. Delivering more business ethics education at the university level reduces the discrepancy between students' expectations and perceptions by improving perceptions of business school performance in this educational domain.

To achieve further insight from these findings, we performed a median split of the non-business and business ethics education variables and ran a two-way ANOVA on the data, with the "gap" scores being the dependent variable. The overall model was significant ( $F(3, 283)=4.44, p<0.01$ ). The interaction between business and non-business ethics education ( $F(1, 283)=6.06, p<0.05$ ) was significant, indicating that the effect of business ethics education on BEEGAP scores depended on the amount of non-business ethics education received by the respondents. The effect of business ethics education ( $F(1, 283)=4.91, p<0.05$ ) was significant as well, and the effect of non-business ethics education was marginally significant ( $F(1, 283)=3.68, p=0.06$ ). The mean scores

**FIG. 1**  
**MEAN “GAP” VALUES BY LEVELS OF NON-BUSINESS AND BUSINESS ETHICS EDUCATION (N=287)**



for each of the resulting ethics education groups are shown in Fig. 1.

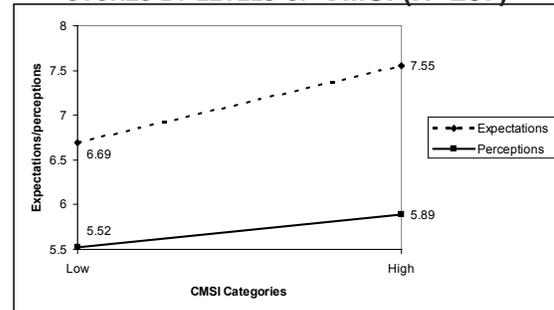
The means of BEEGAP scores presented in Fig. 1 provide evidence that when the level of non-business ethics education was low, greater amounts of business ethics education did not reduce the “gap.” However, when the level of non-business education was high, greater amounts of business ethics education were effective in reducing the “gap” between students’ expectations and university’s perceived performance in the area of business ethics education.

### Effects of CMSI

Hypothesis 2 predicted that higher levels of commitment to moral self-improvement (CMSI) will increase the “gap” between expectations and perceptions of business ethics education by raising students’ expectations to a greater degree relatively to the increase in their perceptions. To test this hypothesis, first we regressed the BEEGAP variable on the CMSI variable. The model was significant ( $F(1, 285)=18.15, p<0.001$ ), explaining 6% of the variance. The CMSI variable ( $\beta=0.25, t(285)=4.26, p<0.001$ ) was significantly positively related to the perceived “gap” between expectations and perceptions.

To test the second part of Hypothesis 2, we regressed the “expectations” scores on the CMSI variable. The resulting model was significant ( $F(1, 285)=90.56, p<0.001$ ), explaining 24.1% of the variance in students’ expectations regarding business ethics education. The CMSI variable ( $\beta=0.49, t(285)=9.52, p<0.001$ ) was significantly positively related to students’ expectations. The model regressing “perceptions” scores on the CMSI variable was also significant ( $F(1, 285)=6.99, p<0.01$ ),

**FIG. 2**  
**MEAN “EXPECTATION” AND “PERCEPTION” SCORES BY LEVELS OF CMSI (N=287)**



explaining 2.4% of the variance. The CMSI variable remained a significant predictor in this regression as well ( $\beta=0.15, t(285)=2.65, p<0.01$ ).

To obtain better understanding of the influence of the CMSI variable on students’ expectations and perceptions of business ethics education, we used a repeated measures analysis of the variance. Since expectations and perceptions measures were collected from the same respondents using corresponding pairs of statements we treated the expectations and perceptions as a repeated measure. We performed a median split on the CMSI data and used it as a categorical predictor variable in this analysis. Most notably, this analysis revealed a significant interaction between the CMSI categorical variable and the “expectations/perceptions” factor ( $F(1, 285)=9.04, p<0.01$ ). The significance of this interaction indicates that although the CMSI variable affected both expectations and perceptions of students, this influence was different for expectations than for perceptions. The effect of CMSI was significant ( $F(1, 285)=38.84, p<0.001$ ). The effect of the “expectations/perceptions” factor ( $F(1, 285)=294.66, p<0.001$ ) was significant as well. Graphical representation of the estimated means of expectations and perceptions scores can be seen in Fig. 2.

As the repeated measures analysis suggest, greater levels of commitment to moral self-improvement (CMSI) increase the expectations as well as the favorableness of perceptions of business school performance in delivering business ethics education (see Fig. 2). However, increase in expectations exceeds the increase in favorableness of perceptions, leading to a greater “gap” experienced by the high-CMSI respondents.

## General Discussion

Building on two established theoretical perspectives: the SERVQUAL (Parasuraman et al., 1985, 1988) method of measuring perceived service quality and the four-component model of morality (Rest et al., 1999), we developed and tested a practical and applicable measure for assessing the perceived quality of business ethics education (BEEGAP). The measure consists of two thirteen-item “expectations” and “perceptions” sets of corresponding items. Each set was characterized with consistent unidimensional structure and high reliability in our sample. The “gap” scores capturing the perceived quality of business ethics education were calculated by subtracting the scores for each of the thirteen “perceptions” items from a corresponding “expectations” item and averaging the results to form the BEEGAP variable. The resulting BEEGAP variable captures the discrepancy between students’ expectations and perceptions of business ethics education.

The results of this study provide evidence that two variables, the amount of ethics education and the commitment to moral self-improvement, affect the BEEGAP scores. First of all, the amount of both non-business and business ethics education was negatively related to the perceived “gap” between students’ perceptions and expectations (lowering the BEEGAP scores). This influence occurred via improvement in respondents’ perceptions. Apparently, both non-business and business ethics education play a role in “gap” reduction. Our data suggest that for those students who did not receive much non-business ethics education, greater amounts of business ethics education did not reduce the “gap” between their expectations and perceptions. On the other hand, for those students who were exposed to large amount of non-business ethics education, additional amounts of business ethics helped to diminish the “gap” between their expectations and perceptions.

Secondly, individuals’ commitment to moral self-improvement (CMSI) was positively related to the BEEGAP variable. The CMSI variable was positively related to the simultaneous increase in students’ perceptions and expectations of business ethics education. The increase in expectations exceeded the gains in perceptions for the high-CMSI respondents. As a result, the “gap” between expectations and perceptions was greater for the high-CMSI respondents. The observed effects of CMSI on the BEEGAP variable are consistent with the theory and support the hypotheses of this study.

Our results underscore that business schools should consider business ethics education within the broader context of the university-wide (non-business) ethics curriculum and make efforts for better integration of the two components. Business schools should also be aware that the “gap” between expectations and perceptions might be wider for some populations of students depending on their background and personality variables. For instance, our study showed that high-CMSI students experience greater “gap” between expectations and perceptions of business school performance in delivering business ethics education. This suggests that more intense business ethics programs need to be developed for high-CMSI populations (e.g., for students with higher levels of intrinsic religiosity (Kurpis et al., forthcoming)) in order to fully meet their expectations.

## Future Research

Future research could explore a number of relationships between BEEGAP and other variables. For instance, the effects of BEEGAP on students’ overall satisfaction with the university education could be measured. Likewise, the influence of a broader range of variables potentially capable of influencing BEEGAP should be explored. Students’ previous work experiences, as well as their volunteering record are just some of the variables that could influence students’ BEEGAP scores. The BEEGAP

## APPENDIX A

### ITEMS USED TO MEASURE COMMITMENT TO MORAL SELF-IMPROVEMENT (CMSI)

1. I would like to become a more ethical and moral individual.
2. I would like to receive more ethics instruction as part of my university education.
3. I think that I could benefit from receiving more ethics education while I study in a university.
4. I think that it is my obligation to continue improving my moral self throughout my life.
5. No matter how highly moral you are, there is always opportunity for improvement.

<b>APPENDIX B</b>	
<b>ITEMS USED TO MEASURE EXPECTATIONS AND PERCEPTIONS REGARDING BUSINESS ETHICS EDUCATION</b>	
<b>“Expectations” Items</b>	<b>“Perceptions” Items</b>
1. Business schools should teach students how to recognize whether a business situation involves an ethical dilemma (0.65)	1. [University] Business School teaches students how to recognize whether a business situation involves an ethical dilemma (0.66).
2. Most of the courses offered in business schools should discuss some issues pertaining to business ethics (0.73).	2. [University] Most of the courses offered at [University] Business School discuss some issues pertaining to business ethics (0.65).
3. Business school professors should provide students with examples of ethically charged situations (0.73).	3. [University] Business School professors provide students with examples of ethically charged situations (0.77).
4. Business schools should increase students’ awareness of ethical and social dimensions of business decision making (0.80).	4. [University] Business School increases students’ awareness of ethical and social dimensions of business decision making (0.79).
5. Business schools should develop students’ abilities required to deal with ethical problems in their professional life (0.77).	5. [University] Business School develops students’ abilities required to deal with ethical problems in their professional life (0.80).
6. Business schools should develop students’ analytical skills for resolving ethical issues (0.79).	6. [University] Business School develops students’ analytical skills for resolving ethics issues (0.81).
7. Business schools should expose students to the complexity of ethical decision making in the business world (0.78).	7. [University] Business School exposes students to the complexity of ethical decision making in the business world (0.79).
8. Business schools should stimulate students’ moral imagination by encouraging them to make public statements of how they would behave in certain ethical situations (0.57).	8. [University] Business School stimulates students’ moral imagination by encouraging them to make public statements of how they would behave in certain ethical situations (0.59).
9. Business schools should nurture students’ commitment to moral values over material values (0.63).	9. [University] Business School nurtures students’ commitment to morals values over material values (0.72).
10. Business schools should teach students to take personal responsibility for moral outcomes of their professional decisions (0.74).	10. [University] Business School teaches students to take personal responsibility for moral outcomes of their professional decisions (0.74).
11. Business schools should cultivate in students an attitude of a “sense of moral obligation” and social responsibility (0.79).	11. [University] Business School cultivates in students the attitude of the “sense of moral obligation” and social responsibility (0.76).
12. Business schools should encourage their students to make ethically responsible business decisions, even if making such a decision goes against student’s self-serving interests. (0.67)	12. [University] Business School encourages students to make ethically responsible business decisions, even if making such a decision goes against student’s self-serving interests (0.70).
13. Business schools should familiarize students with their respective professional codes of ethics (0.64).	13. [University] Business School familiarizes students with their respective professional codes of ethics (0.62).

measure could be used to compare relative effectiveness of various methods of teaching ethics (e.g., lectures vs. case studies vs. community involvement projects, etc.) In addition, testing BEEGAP across a broader range of institutions (e.g., state universities vs. religious affiliated universities) could be beneficial both for validating the proposed measure and as a means of establishing possible benchmarks.

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# INTEGRATING GARDNER AND LARSON'S (1987) CLASSROOM-AS-ORGANIZATION PEDAGOGY AT MULTIPLE LEVELS

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## ABSTRACT

*The classroom-as-organization teaching pedagogy has been used and written about numerous times over the past thirty years (e.g. Cohen, 1976; Clare, 1976; Obert, 1982). One particular variation of this method was presented by Gardner and Larson in 1987. They modified earlier iterations of the pedagogy to produce an excellent guide for teaching management courses. In the current paper the authors describe their successes and failures in implementing this pedagogy for students at both the junior course level (Principles of Management) and at the senior level (Capstone Simulation).*

The classroom-as-organization teaching pedagogy has been used and written about numerous times over the past thirty years (e.g. Cohen, 1976; Clare, 1976; Obert, 1982). One particular variation of this method was presented by Gardner and Larson in 1987. They modified earlier iterations of the pedagogy to produce an excellent guide for teaching management courses. In the current paper the authors describe their successes and failures in implementing this pedagogy for students at both the junior course level (Principles of Management) and at the senior level (Capstone Simulation). In order to obtain a clear understanding of the classroom-as-organization teaching pedagogy, the work of Gardner and Larson (1987) will be briefly reviewed. Following the review, the article discusses the authors' early adaptation of the pedagogy at a large public university and later adaptations at a small private university. Additionally, the paper discusses implementation of this pedagogy at the senior (Capstone Simulation) level and lastly offers areas for further application and development in using this pedagogy.

### Overview of Gardner and Larson (1987)

Gardner and Larson (1987) proposed using the classroom-as-organization (CAO) pedagogy in a "typical" undergraduate organizational behavior (OB) course. The heart of their proposal was dividing the class into work groups or teams. Each of the six to eight teams would have between four to six members per team. Each team would be guided by a group manager who would report directly to the CEO (course instructor). The CEO (instructor) had multiple responsibilities

including but not limited to: manager selection, communication of expectations for group functioning and performance, task assignment and evaluation.

Gardner and Larson's (1987) CAO pedagogy also required students, based on the job descriptions offered in their syllabus and course packet, to "apply" for membership on a team as either a manager or a subordinate. These applications took the form of a resume, with students seeking a managerial position required to submit a cover letter containing relevant information about the applicant and their managerial style. Students who were not selected as managers and those who applied for a subordinate position were then selected onto teams via a draft method where the manager had input as to which student was selected for their respective team.

The CAO pedagogy as specified by Gardner and Larson (1987) also offered specific guidance for performance appraisal of the entire project, peer evaluation of the contribution of each group member towards team accomplishments, and evaluation of the manager's performance. The Gardner and Larson (1987) pedagogy also provided helpful instruction on resolving conflict within the team. They offered three primary conflict resolution procedures: grievance procedures (complaints would first be addressed by the manager and if the resolution was not deemed satisfactory, by the CEO), subordinate termination (managers, after proper documentation of performance evaluation problems, may "fire" negligent team members – these terminated members had an opportunity to seek employment with another group) and

lastly, leadership changes (a majority of group members could request a leadership change from the CEO).

The CAO pedagogy prescribed by Gardner and Larson (1987) and overviewed here was adopted by one of the authors while at the University of Mississippi. While Gardner and Larson (1987) offered specific guidance on the implementation of their pedagogy, modification and alteration of the pedagogy was done to fit the teaching style and resource needs of the instructor. The following paragraphs explain this initial implementation.

### Initial Implementation

As with Gardner and Larson (1987), initial adaptation occurred in an undergraduate section of Organizational Behavior. This class was a core business class, meaning that all undergraduate business majors and minors had to take the course. Each section taught using this pedagogy had sixty undergraduate students, almost all of whom were Junior or Senior standing academically. This is likely the maximum number of students in a section that this pedagogy can effectively accommodate. The class was easily divided into twelve groups or teams. Each team consisted of one manager and four team members.

Manager selection followed the same method as Gardner and Larson (1987) with potential managers required to submit a cover letter in addition to their required resume (all students had to submit a resume). Managers then conducted in-class interviews of each of the potential subordinates. This is a deviation of the Gardner and Larson (1987) CAO pedagogy but it was offered in response to an issue that they saw as a challenge of the pedagogy – only knowing the potential subordinates “on paper” and not personally. This change also provided the manager and applicant with, for some, the first taste of what a real job interview would be like.

Two one hour fifteen minute class periods were dedicated to the interview process. Students were directed to dress as they would if they were interviewing for a post graduation job. This was intentionally left open ended. Some came in full business attire and some wore tee shirts and ball caps. In early iterations of the interview process the instructor scheduled each of the interviews into brief two minute time intervals. This caused a great deal of stress and confusion and led to a change in the interview process. The instructor directed students that they must visit (on their own) each of the 12 managers. Managers were instructed to be cognizant of their time requirements and the need to see all of their classmates for interviews. Interviewees had to bring twelve copies

of their resume, one for each manager to have “on file.” Early iterations had students inadvertently producing “fake” resumes (for many of these students it was the first resume that they had produced. In subsequent semesters students were told that the resumes had to include only factual information; one offender had listed that they had experiences as a pharmaceutical sales representative for Eli Lilly). With such a large class size, managers were instructed to diversify their team across majors (Management, Marketing, Finance, Accounting, Management Information Systems, Economics, and Insurance / Risk Management). Their goal was to secure a cross functional work team.

The instructor met with the managers and provided some suggestions for questions that the managers might want to ask their fellow students. These questions dealt primarily with outside activities / scheduling, personality, and study habits. Once the interviews had occurred, the instructor met with all of the managers to select the teams. This was conducted in some respects like the draft of a professional sports league such as the National Football League (NFL) or National Basketball Association (NBA). The selection order was determined multiple ways: some semesters choices were made alphabetically by manager last name, while in other semesters random drawing of manager names was used to determine the selection order. The real key was how subsequent rounds would be selected. Would it be a replication of the first round where a manager with the first pick in the first round also received the first pick in the second round? Would it be a reverse ordering where the manager with the last pick in the first round would have the first pick in the second round? A final option was to have completely random picks for each round. As with Gardner and Larson (1987), the instructor stressed that the confidentiality of the draft process must be maintained by all of the managers.

Following team formation, the teams were given direction as to which organization they were to study. The assignment was not case based as with Gardner and Larson (1987), but rather an organic examination of the current problems of an organization. Their only limit was that they could not use organizations that had been used the previous semester. Some sample organizations included the City of Memphis (TN) Light Gas and Water, Indiana University (and their decision to fire basketball coach Bob Knight), and seemingly every airline that faced trouble following 9/11. The teams could select private companies that they knew (through family or friends), closely held entities, publicly traded companies, or governmental / not for profit agencies. The group was tasked with assuming the role of a management consult-

ing team that would 1) identify problem areas, 2) decide on one key problem and 3) offer solutions on how that key problem could be resolved. All of this was done within the context of applying the text / lecture topics to the organization of choice. The assignment was worth 100 out of 450 total points or approximately 22% of their total grade. The assignment consisted of an 8-10 page paper and a 20 minute presentation in class. Scoring was divided equally between the paper and presentation (50/50).

As noted earlier, most teams consisted of five members (one manager and four team members). There were semesters when some groups had four members and some groups had six members. Regardless of how many total members were on a given team, each member evaluated each of their fellow teammates. Using the five member composition example noted above, in evaluating one's fellow group members an individual would have 400 points to distribute as they deemed appropriate (written explanations / justification of the point distribution was also required). Conceivably a group member could be scored a 0 by his / her peers. Those 100 points would then be spread across the other three group members as the evaluator deemed appropriate. This was done as a means of reducing social loafing and free riding while simultaneously exposing all group members to the evaluation process in a "practice" situation before they were faced with evaluating others and being evaluated in the "real world." The individual group members had the opportunity to provide an honest assessment of their fellow members (these ratings were only provided to the instructor).

The manager was awarded between 1 and 5 % bonus points for their efforts, with a guarantee of at least 1%. The managerial bonus was computed as a simple average of the member's ratings of the manager's performance. Just as with the peer evaluations, the managerial bonus scores had to be accompanied by a detailed justification for the bonus points awarded. As with the peer evaluations, only the instructor saw the individual scores – the average score was provided to the manager to help them compute their final grade for the course.

### **Integration at Samford University**

#### **Principles of Management**

After leaving this large public University, the first author was hired as a faculty member at a smaller private institution. The opportunity to integrate the classroom as organization pedagogy was presented in a Principles

of Management course rather than an Organizational Behavior course. This difference in courses has proven to be an insignificant factor in the success and application of the pedagogy. While the class sizes were considerably smaller (2 sections of approximately 30 students per section). This change in pedagogy at the institution took some period of adjustment. Previously the principles of management course had been more of a "current events in management" course that lacked a theoretical basis for instruction.

While the core of the pedagogy remained, there were minor adjustments of note. At Samford, peer evaluations were initially capped at an 80% decrease without instructor consultation. This was done to prevent grade inflation of spreading the other 20 points to other team members. This policy was quickly adjusted. In the initial example, a student had 400 points to spread over his or her four team members – now ratings do not have to add up to a certain point total. An evaluator has the option of giving scores of 90, 75, and 80 for example, but no one receives a score greater than 100. All evaluation scores must be accompanied by written comments to justify the rationale for the peer evaluation.

Additionally, the manager bonus was raised to 2-7%, again with comments required by the group members to justify their scores. The group assignment is now 15% of the total grade for the course. The group presentation of their findings / suggestions is now more of a final assessment of their ability to communicate their problems and solutions effectively. It is not a stated percentage of the project grade (i.e. 20 %) but serves rather to provide a final impression of the group's performance. For example, their presentation may serve to raise their final grade from a B to a B+ or lower it from a B to a B-. The paper is currently a 5-8 page typed double spaced paper.

During the Spring semester of 2006, a new strategy faculty member was hired by Samford. This provided an opportunity to change how the Capstone Simulation and Business Strategy courses were delivered. Subsequent conversations between the first and second author ensued which resulted in the second author adopting and implementing the CAO pedagogy into his Capstone Simulation course starting in the Fall of 2006.

#### **Capstone Simulation**

The second author adopted a version of the pedagogy for a one-credit capstone simulation course taken by graduating seniors. The instructor required all students to submit an employment application packet for one of two positions: team President or team worker. The instructor

would choose the eight to ten team Presidents, and the Presidents would then choose their subordinates using the application packets (usually four or five per team.) [Note: because some students submitted resumes with sensitive non-public information such as their GPA, the instructor required each student to include the following sentence in their cover letter: "I hereby consent to allowing team Presidents (who are other students) to view the material contained in this application packet."]

In both semesters using this scheme, there was one fewer application than there were positions. Students were warned that they could be conscripted for presidential duty, so additional candidates were chosen without incident.

Presidents were promised 20 points (out of 1000) in "base pay" which would be given to them except if they were fired or quit. They could earn an additional 50 points depending on their team's financial performance and the evaluations of the team members. This pay scheme has failed to produce enough applicants for two semesters. Students expressed reluctance to make application for President given the perceived level of activity in their final semester coupled with uncertainty about the incremental work and undesired visibility associated with the position.

Because of time limits imposed upon this course (only one credit hour), there were no interviews conducted. Unlike the first author's experience, all of the President application packets were of professional quality.

The selected Presidents then met to draft their teams in a method similar to earlier descriptions. Each President had copies of all application packets for their review. The draft order was randomly changed after each round for fairness. After all students were chosen, "player for player" exchanges were allowed for a brief period of time. Finally, those teams with five members (most had only four) were given the option of trading away one of their members for whatever compensation they could negotiate. One trade occurred during this round for no compensation.

The instructor was well aware of students' general aversion to team activities. In an informal survey, a near-universal dislike of teams was the possibility of the "free rider." To mitigate this effect, the second author gave Presidents broad discretion in sanctioning their team members by permitting them to assign differential grades for team activities. Biweekly, each President made written evaluations of their subordinates and recommended a percentage of the full credit for each team's graded

event. The Presidents were given authority to go as low as zero percent. The instructor reinforced this provision stating that, while the final grade decision rested with him, he was predisposed to accept the recommendations of his Presidents.

To further vest responsibility in the Presidents for the team's performance, the instructor gave them the authority to fire any of his/her subordinates for cause. Students who are fired from their teams have a well-specified grievance process that is outlined in the syllabus. But assuming the termination is sustained, the student then submits job applications to the Presidents of the remaining teams. They are under no obligation to hire him/her. If the student fails to find "gainful employment" s/he receives a failing grade in the course. (In reality, the instructor would probably make such offenders a team of one and thus offer at least the possibility of passing the course.)

To prevent abuses of power, the instructor also included a provision for team members to petition the instructor to remove their President. If removed, the President becomes a worker for that team, and the remaining team members may apply for the vacant job. The displaced President forfeits all compensation for the office.

This structure has been a qualified success. On the positive side, student complaints of team problems have dropped substantially with only one incident this semester. And, in this one situation, the structure worked well. A "free rider" revealed himself early in the term by missing several team meetings and failing to do the work assigned him. The instructor coached the President how to document the infractions, how to deal only with actions and avoid emotional reactions, and how to confront the offender. When faced with the possibility of being fired, the offending student quickly changed his habits and soon became a star contributor.

Another positive attribute of the structure is its perceived fairness. The instructor carefully crafted various grievance and termination processes that assured students that they would be treated equitably, and the instructor spent one class reviewing those processes. The team drafting process ensured each team had an equal chance at drafting quality personnel.

However, weaknesses remain. There are not enough applicants for the position of President as yet. Adjusting the compensation plan seems to be an obvious fix, but attaching too much compensation to that role may have the adverse effect of attracting students more interested

in getting a few bonus points than in performing as the leader of a team.

A further weakness of the present structure is that Presidents do not receive much in the way of active training or education in managerial techniques. The instructor relied on students to request assistance when and as needed. Future iterations will include several Presidents' roundtables to include discussions, role plays, and other experiential exercises dealing with management and leadership issues.

The "player for player" trades at the end of the process will be dropped. This provision had the unintentional side effect of allowing students to swap strangers for friends or former work partners. The lesson of learning to work with new people was lost on those teams.

There are opportunities to extend the Gardner and Larson pedagogy across the entirety of a student's undergraduate career. The Introduction to Business course, usually taken in the freshman year, would be an ideal setting to first introduce business students to this approach. Currently, they form teams and go through an easier version of the senior simulation. If Presidents were chosen and empowered as described above, it would have a beneficial effect on the students whenever student teams were employed. Care must be taken, however, to properly train and guide these new managers so that they learn the proper managerial skills. If undertaken at the freshman level, a substantial portion of the course should be devoted to team building and management concepts and skills.

We believe that using the CAO pedagogy has strengthened both courses. Additionally, the junior year (Principles of Management) pedagogy serves, in some respects as a ramp up for the students' senior year capstone experience. We also believe that there are potential downstream applications of the CAO pedagogy in introduction to business courses. As Gardner and Larson stated, "experience is the best teacher" - we believe that the experiences offered using the CAO pedagogy have resulted in a richer learning environment for both courses.

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# TWO APPROACHES TO INTEGRATING ETHICS INTO THE BUSINESS CURRICULUM

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## ABSTRACT

*Recent American business scandals have encouraged students, faculty and employers to place increased value on the teaching of ethics in the business curriculum. This paper describes how two California professors integrated the study of ethics into business courses and responded to the challenges of teaching ethics to a culturally diverse student population. We first review the theoretical and empirical literature on teaching ethics and provide evidence against the skepticism that ethics cannot be taught. We argue that ethics can, and should, be taught, even though it presents many different challenges to instructors. We then discuss how we each tried to overcome these challenges through different instructional strategies in teaching our own courses. The paper proceeds with a description of the fieldwork that illustrates specific challenges and the results of our experiences as instructors in this field. Next, we detail our individual applications of the demonstrative and the constructivist approaches to curriculum design for our undergraduate courses incorporating ethics. Our students report high satisfaction with both approaches. We conclude that student population cultural diversity is a characteristic that can contribute to learning about ethics in the classroom and that needs to be embraced. We hope our experiences illustrate effective techniques which can be used in teaching ethics-based curricula and encourage other instructors to further develop pedagogy for student engagement in ethics discussions.*

## INTRODUCTION

American business scandals, such as the collapse of Enron, Tyco, WorldCom, and the jailing of Martha Stewart for obstructing justice and lying to investigators, highlight the need for ethics education in business schools. Some of the key figures in these scandals had MBAs from very prestigious schools. As a result, public confidence in business degrees and the institutions providing them has diminished. Consequently, the Association to Advance Collegiate Business Education (2005, p.11) stresses the importance of ethics in business education by listing as one of the criteria for accreditation: "The institution or the business programs of the institution must establish expectations for ethical behavior by administrators, faculty and students."

A survey of New England business school graduate students (Crane, 2004) showed that 83% of the respondents thought a required ethics course should be taught and 85% thought that they would learn something of value from this course. Following the same trend, business schools have lately been using stricter and more

thorough background checks in admitting students to their MBA programs, with the goal of weeding out candidates with flexible morals. Falsifying material on one's application and resume is grounds for denial of admission to the best business schools. Similar kinds of ethics questions are being emphasized in job interviews to help recruiters disqualify candidates with dishonest inclinations (Alsop, 2006). According to a Wall Street Journal/Harris Interactive recruiter survey, 74% of respondents rated personal integrity and knowledge about corporate ethics as "very important", while 24% said they are "somewhat important" (Alsop, 2006). Thus, it would appear that students, faculty, and employers are all placing increased value on the teaching of ethics in the business curriculum.

The nature of ethics is commonly structured as an answer to Socrates' question "how ought one to live?" As such, the characteristics of ethical behavior are normative and culturally relative. This paper explores the challenges faced by two California professors who set out to integrate the study of ethics in their business curricula. Their educational processes were complicated by the cultural diversity of their student population, the

success-focus of the local business environment, and the cognitive propensity of their students to multitask.

The paper proceeds as follows. First, the pedagogical literature surrounding ethics is reviewed. Then, the strategies employed by the two instructors are described. Fieldwork uncovers the challenges and successes each instructor experienced in their approach to teaching and describes how each instructor modified his/her curriculum over time. Finally, conclusions are drawn and the implications of this study are discussed.

### Literature Review

Williams and Dewett (2005, p. 109) have reiterated an often stated claim: "you can't teach business ethics." They noted three common reasons for this skepticism: (1) values are formed prior to higher education, (2) ethics are irrelevant in a business context and (3) teaching business ethics does not work (Williams & Dewett, 2005, pp.110-112). However, Williams and Dewett also noted that there was empirical evidence to counter each of these claims.

It is often thought that students have formed their ethical values prior to entering business school. However, King and Mayhew's (2002) review of studies using the Defining Issues Test identified 29 studies showing that college education was positively associated with moral development. Evidence from studies measuring differences between academic disciplines is inconclusive; but the implication of King and Mayhew's (2002, p. 266) study is that colleges can offer an excellent context for the stimulation of moral development.

Williams and Dewett (2005, pp. 110-111) counter the claim that ethics are irrelevant in a business context by arguing that social responsibility is embedded in the self interest of all business professionals. They note that Friedman (1975), Smith (1776, p.111) and others believe that "both self-interested behavior and ethical behavior are essential for societal wealth maximization." Norman and MacDonald (2004) reiterate this argument saying that the idea of triple bottom line is not novel, but rather synonymous to corporate social responsibility.

Skepticism about the ability to teach business ethics stems from recent publicity of the unethical conduct of American companies such as Enron, WorldCom, and Tyco. Many key employees in these companies had MBA degrees from top schools. The public is attributing at least part of the reason for the moral collapse of the companies on the ineffectiveness of ethics education in these business schools. However, Trevino (1986)

has proposed that ethical decision making is a complex interaction of cognitive factors and individual moderators, as well as situational moderators. Trevino's model draws on the work of Kohlberg (1984) which shows that the reasoning for moral decision making becomes more complex and sophisticated as the individual's intellectual capacity develops (Trevino, 1986, p. 604). This model suggests that the reasoning for ethical decision-making can be improved by teaching guidance for moral judgment.

While the arguments presented by Williams and Dewett (2005) have overcome the skeptical claim that you can't teach business ethics, a secondary concern has developed over the difficulty of teaching this subject. Sims (2004, p. 201) has pointed out an issue which is not addressed in Williams and Dewett's (2005, pp.110-112) critique of ethics education: Many of the issues addressed in teaching business ethics can generate powerful emotional responses from students. This is particularly true when dealing with a student body from a multi-cultural environment with little knowledge of business practice. Nill and Schibrowsky (2005, p. 68) note that the ethical behavior of a person is grounded in his or her socialization. Their research shows empirical evidence supporting a model in which the perceived moral intensity, the corporate culture and the reward system drive ethical decision making. Students from differing cultures will have differing perceptions of the moral intensity of ethical situations. Moreover, undergraduate students have very little exposure to corporate culture. As a result, the ethical decision making of students is likely to be driven primarily by the reward system of the organization in which they find themselves. This leads to many students perceiving a trade-off between profitable and ethical corporate behavior. Students also seem to believe that real-world situations are different from classroom situations in terms of their ethical implications.

Sims and Brinkman (2003, p. 69) noted that business ethics is essentially a self-criticism of business practice. Thus, business ethics cannot be taught in a vacuum, but rather must be contextualized into a larger discussion of business practices. Sims and Brinkman (2003, p.78) recommend that business ethics should be integrated into all courses of a business curriculum. Unfortunately, this ideal is not common practice in business schools. Thus, professors who attempt to integrate ethics into their curriculum are faced with the challenge of teaching both their course material as well as criticisms of this same course material.

This summary shows some of the difficulties that can be expected by instructors when trying to incorporate

a strong ethical basis into their teaching. In this section, we have described the underlying assumptions of the general notion that ethics cannot be taught. While we acknowledged the difficulties in teaching ethics, we argued that ethics not only *can* be taught but also *should* be taught in business schools, and we discussed empirical evidence supporting our claim. The balance of this paper describes how we addressed and overcame these difficulties in our own teaching of ethics at California State University, East Bay.

### Instructional Strategies

Dr. Brian McKenzie has taken a constructivist approach in the design of his curriculum for Environmental Marketing. The topic of environmental marketing is generally seen by scholars as ethically based (Coddington, 1993; Tokar, 1987). To overcome students' multi-tasking cognitive bias, McKenzie asked the class to develop their own course syllabus. Topics chosen by the students for their syllabus included history of environmental marketing, current ethical business environment, core values of environmentalism, creating environmentally friendly products, strategic environmental marketing and societal marketing. To address the cultural diversity of the student population, student projects included learning journals, research projects, field trips and class leadership exercises. Students addressed the success-focus of the local business environment by discussing alternative life-paths such as the simple living movement.

Dr. Berna Polat has utilized a demonstrative approach in her course syllabus for Business, Government, and Society. In this curriculum, students' multi-tasking bias is intensified by the success-focus of the local business environment. Consequently, students have sometimes misperceived ethics-based classes as being over taught. To address this issue, Polat used exercises, readings, news stories, and real-life cases/vignettes that demonstrated the need for ethics-based curricula and for business objectives more expansive than profit maximization. In-class and online discussions were critical in allowing the course to develop along student interests. Discussions also ensured that cultural diversity contributed to the class content by exposing less popular perspectives, thereby providing more complete analyses of issues.

### Fieldwork

This paper demonstrates the complexity of fulfilling the mandate created by AACSB to inculcate expectations for ethical behavior in the business curriculum. It also reveals effective techniques which can be used in the creation of ethics-based curricula. The follow-

ing section describes the field experiences of Professors McKenzie and Polat at California State University, East Bay as they set out to incorporate ethics instruction into their business curriculum.

### Brian McKenzie's Experience

In 2004, McKenzie was asked to teach an undergraduate course in environmental marketing. While McKenzie had prior experience teaching courses in environmental entrepreneurship, he did not have a solid theoretical or conceptual grasp of environmental marketing. Environmental entrepreneurship has, at its core, the notion of change. However, it appeared that the notion central to most environmental marketing texts was either that of apology or perception change. The underlying question that remained after much research into the topic was "what is environmental marketing?" McKenzie chose to pose this question to his students in the form of a constructivist approach to curriculum creation.

Constructivist education was introduced to the students in the first class of each offering of the course through a brief history of the development of universities in the twelfth century. The opposing models of University of Bologna in Italy and the University of Paris in France were described. The University of Paris centered on Chartres Cathedral. After a struggle between the church, townspeople and scholars, the university finally won the power to regulate student life and to determine the criteria for the degree. The Papal Bull of 1231 insured the faculty's right to control examinations and licensing of teachers. The University of Bologna began as a number of student associations. These associations negotiated with the teachers guilds concerning fees and set up the rules for teaching. McKenzie suggested to the students that most or all of their previous courses followed the Parisian model. However, this course was going to follow the Bolognese model. Students were to develop their own curriculum and could decide whether or not to keep McKenzie as their professor.

An unexpected difficulty was encountered in overcoming the student's apparent lack of belief in their own empowerment. Students reacted with demands like: "we don't want any exams" and "we don't want to have to buy a textbook". McKenzie's reaction to these demands was "sure, if you don't want exams (textbooks), then we won't use exams (textbooks)". However, McKenzie also countered with the challenge of forcing the students to state what they *did* want. The answer to this question was surprising: The students wanted discussion, field trips, and guest speakers. After three class sessions, the

syllabus was drawn up, voted on, and accepted by all students.

The task and responsibility of creating their own curriculum assisted students in developing critical awareness. This critical awareness extended into the key elements of a student's business life: the management of assignments and the development of a fair grading system.

In the three years that McKenzie taught this course, the student syllabus consisted of discussion and weekly research for discussion, weekly learning journals, participation in a class leadership exercise, and participation in a presentation describing fieldwork. Discussion was focused around weekly topics, such as what environmental marketing is; the history of environmental marketing; current business environment; core values of environmental marketing; creating environmentally friendly products; strategic environmental marketing; societal marketing; and applying environmental marketing. Each student agreed to post information that he or she had researched to a discussion board on the Blackboard course management site. Students also agreed to post weekly learning journal entries to their professor. This use of Blackboard democratized the traditional autocratic use of course management software, reflecting the students' feeling of empowerment. McKenzie was surprised to discover that students assigned themselves writing and research load equivalent to 40 pages of text in a ten week term. Each week, a group of students took on leadership of classroom discussion. The format of classroom discussions ranged from traditional lectures to open ended discussions. Students used a Blackboard forum to organize field trips. These field trips ranged from a visit to the district Environmental Protection Agency branch to a tour of a local automaker.

Students developed a unique method for outcomes assessment. For example, in the second year of McKenzie's facilitation of this course, assignments were classified into two groups: core assignments and scholarly assignments. This grouping recognized that there were two types of students in the class, those who just wanted to pass and those who wanted to get "A" grades. The core requirements included attending all Monday and Wednesday sessions, completing all discussion submissions, completing weekly learning journals, participating in a class leadership exercise and participating in a presentation describing fieldwork. The scholarly requirements comprised of attending Friday sessions and the development of four research briefs.

Student assignments were graded on a scale of (E) excellent, (S) satisfactory, and (U) unsatisfactory. One

modification was found to be necessary to the student grading scheme: the inclusion of redemption. Redemption meant that a student who received a U grade on one assignment could use an E grade on another similar assignment to bring each to an S level. McKenzie felt this was a necessary condition to avoid unnecessary penalties to students who missed or misunderstood any one particular assignment.

In the second running of this course, fourteen students out of a class of 45 opted for the scholarly program. These students met each Friday morning throughout the quarter and engaged in a program of rigorous research. This research involved surveying the literature, developing a theoretical perspective on environmental marketing and critiquing other students' theoretical perspectives. Since this group was not hampered by the social pressures of a larger class, they performed at a very high level.

In all three years, the students performed at a better than satisfactory level, both in terms of the grading scheme they developed and relative to comparable Marketing classes taught by McKenzie. Class averages stood at the C+ to B- range found throughout the College. Students' reactions to the course were uniformly positive. McKenzie received comments such as:

I enjoyed the class. I learned more by discussing the concepts in class than standard class teaching

The method the instructor used to make the class an educational and engaging experience really shows his talent and personality

Great method for getting students involved in the topic. Very fun class. The professor always made it exciting

Student evaluations for the quality of instruction in the course were 1.23 and 1.03 on a scale where 1 is the highest evaluation possible and 5 is the lowest evaluation possible.

McKenzie enjoyed the experience of teaching this course and received a great deal of insight both into the subject matter and into the effectiveness of a reflective approach to teaching. The constructivist curriculum design encouraged reflection on the fundamental elements of teaching. This reflection facilitated new understanding and curriculum change in all of McKenzie's courses.

The reflective nature of teaching this course also offered important new insights in research, which have led to theoretical and pedagogical academic papers.

### Polat's Experience

Polat has used a student-centered approach, primarily based on discussions and case studies in the development of the curriculum of her Business, Government, and Society course. The course was a general survey class with the underlying themes of ethics, moral development, and social responsibility, and included topics about how firms interact with the rest of society and the government. Polat took a critical management studies approach for this undergraduate core course. Polat had taught this course previously at another institution and had also participated in the development of a "best-practices" curriculum for the instruction of the course at that institution. She designed the California State University course to fit the needs of the student body while incorporating the best practices into her teaching.

Polat started out the course by talking about the need for ethics education in the business curriculum. This was absolutely necessary to make the students aware of their own judgments and biases coming in to the class. As mentioned above, some students view ethics as an over taught subject and they need to be convinced of the need for ethics education at this level by getting insight into how the course can help them in their professional lives. To overcome this student bias, the course incorporated current news stories about companies the students knew about or had heard of in their daily or professional lives. Polat felt that if the cases or subject companies were those the students could relate to or which evoked an emotional or controversial response, then recall and student engagement would be greater. A major objective of active learning designs is student engagement to facilitate understanding of the material. Polat used a modified Socratic method of active learning by leading discussions while she kept questioning and drawing from students their understanding of the concepts.

The focus of the course was on skill development and improvement of self-awareness as well as topical knowledge and understanding of issues and compliance. Polat set out to achieve this by developing a framework for identifying and considering the broader implications of business decisions in society and on stakeholders. In the first few sessions, Polat explained how class structure and design would contribute to students' understanding of topics. For example, the instructor pointed out the experiential value in group processes in terms of learning to manage diversity, making decisions with

everyone involved, reaching consensus (and not necessarily agreement), dealing with tradeoffs, and handling problems. The group setting provided invaluable lessons for learning in this context. The issues were brought up and discussed in class and online (Blackboard) discussions. The online discussion board was a great supplement to class discussion. Students continued discussions they had started in class, bounced ideas off each other, provided context, commentary, or links on issues, or just freely exchanged material and opinions. In order to stimulate contribution on Blackboard, the instructor evaluated online content similar to class participation.

The Business, Government, and Society course was developed using an evolutionary, strategic, and global perspective. An evolutionary approach makes sense since for most content included in this course; the past has shaped the present, and most likely the future. For example, in order to understand issues of discrimination in the workplace, we need to know how American history has shaped this issue, beginning with the Civil War. Other course topics followed the same logic. Students first built a foundation with by exploring different models of the business-government-society relationship, as well as the chronology and historical context of how these models were developed. After learning about the forces in the external environment of business, the internal context of the firm was investigated. Issues of corporate governance, power, and social responsibility were examined. Building upon this foundation, the students next turned their attention to narrower topics that studied the relationship of business firms with individual components of their external environment, such as the government, politics and the political system, the natural environment, employees, and customers.

Polat had the main objective of exposing the students to critical perspectives on the ethical and moral concerns surrounding business firms. This objective was accomplished through in-class activities and assignments that allowed the students to question the assumptions and the biases of case authors and managers in the cases, as well as integrating information and applying knowledge to real-world examples. At the end of the quarter, students seemed to have a heightened awareness of the ethical content of managerial decisions, as well as some of the issues on the public agenda at the time. Students had developed an understanding of the necessity of balancing the goals of business with socially and legally responsible corporate behavior.

A secondary objective of the course was to provide a forum for the students to practice discussing ethical and moral issues. In companies that have an unethi-

cal climate, the corporate culture seems to be a major contributor to why things get out of hand (Velasquez, 2006). "Moral muteness" (Steiner & Steiner, 2006), or lack of communication on ethical concerns, can very well lead to ultimate deterioration of the moral climate in the firm, as well as discouraging whistleblowers from exposing the situation. The best way to combat this lack of communication is to give future business leaders the vocabulary and skills to communicate on these issues. This objective was accomplished in Polat's pedagogy by emphasizing discussion both in the classroom and online, and by using group activities. For example, classroom debates presented an opportunity for students to practice building and defending a point of view, and to question the assumptions and the validity of an opposing argument. These methods enabled the instructor to run the class more like a liberal arts course rather than a business course. Getting students to think and write critically and analytically through debates, class and online discussions, and position statements gave them the skills they could use in their work to discuss ethical issues.

Complicating the pedagogy for this course was the diverse make-up of the student body. The challenge was to realize that methods and techniques that worked brilliantly in one quarter might produce a lackluster response the next. Polat understood the need for the instructor to be very well prepared, yet extremely flexible in changing and adapting one's approach to best fit the particular students' needs. Discussions, for example, were critical to Polat's course design since they allowed her to learn about her students' interests, as well as empowering the students to construct part of their own learning experience. Student feedback demonstrated that the methodology enhanced students learning in a significant way over traditional methods such as lecturing. The diversity in the classroom contributed to the enrichment of the discussion. Since students brought in a variety of perspectives and experiences, they added to each other's learning.

The class size of the Business, Government, and Society course was 55-65 students in each quarter the course was offered. Student grades averaged in the C+ to B-range found throughout the College. Even though this was a required course and the course was rated difficult by many of the students, course evaluations pointed to a high level of student satisfaction. For Fall 2004 and Spring 2005, the first two times the instructor taught the course, evaluations were at 1.64 and 1.20 on a scale of 1-5 where 1 is the highest evaluation possible. Polat also had very positive comments from the students re-

garding the topic, the instructor, and the overall learning experience in the class:

The course was fun and a great learning experience.

The instructor was great. She made the class really interesting.

This was one of my most challenging classes but I learned a lot.

I like the fact that she gets her students to really think about the issues! She doesn't just lecture but wants her students to apply the issue.

### Conclusions

This paper has described the experiences of two California professors, who set out to integrate the study of ethics in their business curricula. Both professors found that the educational process was complicated by the cultural diversity of their student population, the success-focus of the local business environment, and the multi-tasking cognitive propensity of their students. The fieldwork examples show that different approaches can be used to successfully teach business ethics. Dr. McKenzie's constructivist approach in the design of his curriculum for Environmental Marketing demonstrated how students could be empowered to bring critical management thinking into the classroom. Dr. Polat's use of a demonstrative approach in her course syllabus for Business, Government, and Society revealed how the natural propensity for students to multi-task could be utilized to bring out the complexity of ethical decision-making.

The success which both instructors achieved in the classroom demonstrates both that ethics can be taught and that students can and do enjoy the process of ethics training. Both instructors found that successful ethics training was based on the need to expand business objectives beyond the scope of profit maximization. Both instructors also found that the cultural diversity of their classroom contributed to the class content by exposing less popular perspectives, thereby providing more complete analyses of issues. It appeared that students were very open to discussing non-conventional business models and alternative life-paths such as the simple living movement. The multi-tasking cognitive propensity of the students was used to advantage by both instructors by including on-line discussion in their course requirements. This use of media allowed students to incorpo-

rate analysis of ethical situations into their active intellectual lives, as well as informing the instructors of the needs and interests of the students and allowing them to customize the courses accordingly.

Both instructors found that they could take courses, whose syllabi were not specifically designated as ethics courses, and mold them into ethics-based training. The success in both cases is demonstrated in the positive student comments and the high ratings received by the instructors for the course evaluations.

### Discussion

The authors of this paper have described two very different approaches that they have used to incorporate ethics into their business curriculum. They do not intend their experiences to be used as models for ethics training, but rather hope that their examples will encourage other instructors to experiment in the development of ethics in the business curriculum. The success of these two instructors should be seen as an indication of the opportunities that are available to develop exciting and relevant student participation in ethics discussions.

It should be noted that the students and the teaching environment of this California State University are relatively unique. The culture of the San Francisco Bay community is one of tolerance of diversity of opinion. In fact, Hayward, the city in which this University is located, has the motto: "no room for racism". The university has no ethnic majority and most of the students are from first generation immigrant families. This demographic encourages embracing student diversity through openness of discussion and tolerance for the opinions of others. Both instructors have tried to incorporate this diversity into their course designs using different techniques of customization and interactivity.

The examples set out in this paper offer a broad range of settings for the inclusion of ethics training into the business curriculum. It is hoped that this range will serve as an example of what is pedagogically possible in this field.

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## INTEGRATION OF KNOWLEDGE AND APPLICATION WITH CAPSTONE ASSIGNMENT

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### ABSTRACT

*In this paper, I will describe the objectives of what we consider to be unique concerning the mission of the College of Business Administration at Butler University and how the capstone project in the six credit hour sophomore course in law and ethics furthers those objectives. Specifically, those objectives are to:*

- *Integrate the business curriculum and also incorporate the liberal arts into that integration.*
- *Operate under the theme of real life, real business.*
- *Require critical thinking by the students as an integral part of the course and capstone project.*
- *Develop ability in students to analyze current events and relate such events to the curriculum.*
- *Demonstrate the value of networking in real life.*
- *Teach students to communicate with decision makers as a key factor in the capstone project.*
- *Experience problem solving methods employed by decision makers applying the knowledge learned in law and ethics by having to critically analyze what was done or not done.*
- *Understand the reasoning process of determining what is ethical and what is not.*
- *Learn the essentials of our legal system and how ethics drives the law in our governmental system in the United States of America.*

The specific capstone assignment is that each student must identify a decision maker (or makers) with two distinctly different situations. One of the situations must be an ethical dilemma in which the decision maker really didn't know what was the correct course of action. The other situation must be a problem to which the correct result was known but the decision maker wasn't sure at all of the methodology that was needed to accomplish the desired result. One of the two situations must involve group brainstorming in arriving at the solution. About one student in twenty will ask if he/she can use a third situation for the group brainstorming since the best two situations that the student wishes to write about did not include group brainstorming. The request is always honored if such a request seems to be reasonable. Actually, in answering student questions about possibilities, we openly acknowledge this latter situation as viable.

The interviewee cannot be a university person or a close relative. In determining what is allowable, the IRS rules regarding related taxpayers are employed. By midterm, the student must submit a proposal, qualifying the person and the situation. This step was added as a result of student suggestions when the initial version of the

course was being piloted. This puts discipline into the process with the early identification but also aids the student in getting on a track for success. These proposals are evaluated with critical comments resulting in individual dialogue with the student.

The final paper is due approximately two weeks before the end of the semester with incentives offered for early submission. The student is required to use a minimum of six references, use footnoting and provide a bibliography in the final paper. We specify four of the six references and give suggestions for the other two when students need assistance. The student is required to describe the situation, the interviewer's rationale and then to critically analyze the solution in relationship to the course material. This analysis proves to be very challenging to most of the students but the two faculty involved in this team-taught course encourage individual conferences in which one (sometimes both) provide guidance to the student, usually with challenging questions to be answered through the application of course concepts.

The process of identifying interviewees is usually the students' first attempt at networking. In a sense, the students learn to do by doing, but then realize the value

of the process. The most interesting initial feedback comes from the interviewees. Several have gone out of their way to compliment the process. We've had CEO's, judges, senior lawyers, and others tell us that they wished someone had required this when the interviewee was a sophomore in college. Family members and university persons assist the student in finding the interviewee and, here again, is a group of people who have been greatly impressed with the assignment. We find that the students appreciation doesn't really set in until about graduation time and continues to grow during the first few years in the workforce.

During the last class meeting, one or two of the more interesting situations described in the papers are chosen for class presentation. This latter step was added when student feedback suggested all the papers be presented and shared. Physically, this just isn't possible due to time constraints but this latter step seems to bring closure to the process and develops appreciation in the students more so than simply getting his/her paper back with a grade and comment.

There have been some interesting situations developed, analyzed and presented. The most recent occurred in April of 2007. The brother of the Unabomber spoke on the Butler campus. One of our best students was able to get acquainted with him and was granted an interview for the required dilemma. The description and analysis in the paper was captivating. Also, this illustrated vividly the value of networking and the application of numerous concepts for the content of the course. It was obvious that every student in that class was extremely impressed.

Another intriguing situation was an attorney interviewee who claimed a dilemma on how he had been wronged by a client. The student gathered the information including the attorney's handling of the situation. The student came for help in analyzing the solution from both the ethics faculty member and the law faculty member. Probing questions were asked since it seemed to the faculty members that the attorney had been unethical in his handling of the case.

The student returned for a follow-up interview only to find that the attorney had been summoned for an ethics hearing. This had occurred independent of the student's initial interview. In the second interview the attorney sounded off about the ethics panel calling him to task. After the semester, the student learned that the attorney lost and was sanctioned for unethical behavior.

These two situations were extremely interesting and illustrates the type of situations students are required to analyze. As one might conclude, these two students were challenged to:

- Apply reasoning of course material to real situations that had serious ethical and legal challenges.
- Required the students involved to do some real serious communications with "real world" interviewees.
- Think through real problems and evaluate the described solutions.
- Reason through course concepts, document these concepts to philosophical and legal reasoning.
- Gain an appreciation that there are real world challenges to be faced that require application of what has been learned in the classroom.

In conclusion, both faculty members involved in this course feel that this capstone project accomplishes the objectives set forth in the introduction to this paper.

**“YES, WE COVERED IT,”  
A REVIEW OF AUDITOR TRAINING RESEARCH  
PRIOR TO THE TURN OF THE LAST CENTURY  
ACCOUNTING SCANDALS**

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**ABSTRACT**

*This paper is a comprehensive analysis of auditor training research, as represented by papers published over four decades. The analysis will include a comparison of two distinct clusters of auditor training research, a longitudinal analysis of how auditor training research has evolved, and an analysis of this research in the light of the Sarbanes-Oxley Act of 2002 (SOX).*

**Introduction**

The training of auditors is an aspect of accounting pedagogy essential to the accounting cycle. The controversies arising from the dotcom bubble and accounting scandals of the late 20<sup>th</sup> and early 21<sup>st</sup> centuries underscore the importance of the audit function, and the task of auditor training. Hence, a consideration of how auditor education has evolved is important to any comprehensive perspective on accounting education.

In this paper, the aforementioned objective will be achieved by a comprehensive analysis of auditor training research, starting with the first paper to treat auditor training, published over four decades ago (Trueblood, 1963). The analysis will include a comparison of two distinct clusters of auditor training research, a longitudinal analysis of how auditor training research has evolved, and an analysis of this research in the light of the Sarbanes-Oxley Act of 2002 (SOX).

The scope of this paper will include all papers dealing with auditor training published in selected accounting journals, up until 2003, the first complete year in which the Sarbanes-Oxley law had existed. Two distinct groups of research papers will be considered, those published in journals of the Rutgers University Accounting Research Database (ARD), and those papers published in the Journal of Accounting Education (JAED). The ARD is a database that catalogues topical and methodological characteristics of research papers in financial accounting, auditing, accounting history, accounting information systems, and the interaction of accounting with socio-political institutions, but does not specifically tar-

get accounting education (Badua, 2003). On the other hand JAED's stated purpose is to stimulate research in accounting education, and to promote the exchange of ideas, opinions, and research results among accounting educators (<http://www.elsevier.com>).

**Comparing Auditor Training Research:  
ARD vs. JAED**

There have been 47 papers devoted to auditor training since the first paper, Trueblood (1963). Not surprisingly, whereas the ARD, which represents general purpose accounting research, has 13 of these papers, JAED, which specifically covers accounting education, supplies 34 papers. Other differences in research method, mode of reasoning, school of thought, information, and foundation discipline exist.

Research method and mode of reasoning are taxonomic categories that characterize the methodology of a research artifact. Research method describes which particular data gathering technique was employed by a particular paper, or whether the author chose to argue the paper's findings deductively, rather than empirically, without recourse to data. Mode of reasoning, on the other hand, characterizes what particular statistical data analysis technique was used, or if the author argued the papers findings through mathematical or literal reasoning.

ARD papers mostly used data gathered through primary archival sources, such as original works or documents. This was true of 31% of ARD auditor training papers. A sizeable proportion of papers used surveys

(23%), and an equal proportion of papers did not have recourse to empirical data, but rather employed internal logic (23% of ARD papers) to argue their conclusions. JAED papers on the other hand were characterized by a heavy dependence on case studies, usually fictionalized histories of actual audit engagements selected because of their relevance to a particular audit concept (50% of JAED papers). The next most used research method was internal logic (27%), which is slightly larger than the proportion of similar ARD papers.

Modes of reasoning were also different between ARD and JAED papers. ARD papers employed a significant amount of qualitative, literal argumentation to establish their conclusions (39%). ANOVA and nonparametric statistics, both quantitative statistical techniques that establish differences between distinct groups of respondents, made up the next highest proportion of modes of reasoning (15%). JAED papers used mostly qualitative reasoning (65%), overwhelmingly much more than the next most utilized mode of reasoning, descriptive statistics (12%).

The other taxonomic categories, school of thought, information, and foundation discipline capture topical characteristics of the research. School of thought defines the general topical area that a paper studies. Information characterizes the specific topic, such as a certain transaction, behavior, or accounting structure. Finally, foundation discipline represents the academic field in which the paper is grounded, and includes disciplines as far removed from management and accounting as psychology, the humanities, and technology and telecommunications.

Both ARD and JAED studied HIPS (human information processing) more intensively than other schools of thought, with 31% of ARD papers and 32% of JAED papers falling in this category. However, JAED pursued human behavioral topics further, as can be seen in the next most studied school of thought, other behavioral topics (27% of papers). On the other hand, ARD scholars chose to study institutional topics (23%), which was the next most researched school of thought in their research cluster. These findings reveal that much of the auditor training literature is behavioral in orientation, but with the JAED cluster being somewhat more behaviorist than the ARD cluster.

Analysis of the information taxon confirms the behaviorist slant of both ARD and JAED researchers, with respectively 54% and 56% of their papers devoted to auditor behavior. The stronger interest of the JAED in behavioral topics relative to the ARD journals is con-

firmed by the finding that a further 27% of its papers are devoted to group behavior. The ARD researchers chose to study other/ mixed topics (23%) after auditor behavior.

Both clusters used accounting as a foundation discipline more than other subjects (ARD=39%, JAED=56%). Nevertheless, the two research clusters diverged in their choices of other foundation disciplines. In spite of its stronger predilection for behavioral topics than the ARD, the JAED researchers did not use psychology as a foundation discipline, and in fact, chose allied technology and telecommunications as their next most utilized foundation discipline (21%). ARD researchers used psychology as a foundation discipline 23% of the time, which made it the second most frequently employed foundation discipline in that cluster. This apparent contradiction implies that whereas ARD researchers contextualized their behavioral research in classical psychological terms, JAED behaviorists chose to view behavioral phenomenon through other academic prisms, perhaps as mere accounting functions.

Drop-line statistical analysis, a graphical exploratory data analysis technique, is used to summarize these findings, and may the results are found in the Appendix.

## Longitudinal Evolution of Auditor Training Research

### ARD

ARD papers were divided into earlier papers (published up to 1991) and later papers (1992 to 2003). This dichotomy represents the difference between more recent research, current within the last decade, and earlier research.

Within the ARD cluster, research methods have evolved from a state wherein archival sources (38%), and surveys and internal logic (each 25%) predominated, to a perfectly even distribution among five data gathering methods (archival, case, internal logic, lab, survey). This evolution may imply that auditor training scholars are abandoning old research paradigms and testing new ones more appropriate to current data sources and research questions.

ARD papers have shifted from using predominantly qualitative argument (50% of earlier papers, but only 20% of later papers) to nonparametric statistics (40% of later papers). This change in modes of reasoning implies a more empirical approach evolving in the ARD cluster, reflecting the maturity of earlier theoretical research

into paradigms with testable hypotheses, or the increased availability of or expertise with sources of data.

The HIPS school of thought which formerly shared first place among topical areas with institutional and other topics (each 25%) had come to dominate ARD papers (40% of later papers). This finding implies that among ARD papers, researchers have begun to focus on a particular topic, namely the way in which auditors process and react to information, and the way in which this information is presented to them. However, while the proportionate share of HIPS papers has increased, the actual number of these papers has remained the same (two papers in both time periods), meaning that the increased focus comes at the cost of decreasing the total amount of auditor training research. This finding may imply that ARD researchers are being diverted from studying auditor training, but those that remain find that HIPS is the most viable research segment of HIPS.

Analysis of the information taxon shows that auditor behavior has consistently remained the leading topical focus in ARD papers. It increased its share from 50% of earlier papers to 60% among later papers.

Accounting remains the dominant foundation discipline among ARD papers, comprising around 40% of both earlier and later papers. However, allied humanities, which used to be the second most utilized intellectual basis at 25% of earlier papers, had been replaced by psychology with 20% of later papers. This development may imply that the behaviorist paradigm is becoming even more entrenched among ARD researchers.

Drop-line statistical analysis summary results are found in the Appendix.

## JAED

JAED papers were divided into earlier papers (published before 1993), and later papers (published 1994 to 2003). Again, this dichotomy represents the difference between research, current within the ten years, and earlier research.

Within the JAED cluster, research methods had evolved so that most papers were using case studies to gather data (33% in earlier papers to 63% of later papers). This shift displaced internal logic as the primary research method (40% of earlier papers and 16% of later papers). In spite of the greater share of case studies, the number of data gathering modes actually increased from 3 (internal logic, case, survey) to 5 (case, internal logic, survey, archival, lab). This suggests that while researchers have explored

several alternative research paradigms, the case study has become dominant because of its appropriateness to the research queries asked and the availability of data.

Qualitative argument remained the dominant mode of reasoning increasing its share from 47% of earlier papers to 79% of later papers. Descriptive statistics, which formerly was the second most utilized mode of reasoning (27% of earlier papers) disappeared completely among later papers. In the light of the earlier finding about the evolution of research methods, this development does not imply an abandonment of empirical work in favor of theory building, but rather points to the emergence of a research paradigm that utilizes textual content analysis, a technique that is appropriate to cases studies, as quantitative comparisons and correlations are less useful in the intensive study of a single data point.

Human information processing remained the dominant school of thought (27% of earlier papers, 37% of later papers). A change has occurred in the shift away from institutional and information systems topics (both 20% of earlier papers) to other behavioral topics, which tied HIPS for the most studied topic area among JAED papers. This finding confirms the deepening entrenchment of the behaviorist paradigm in auditor training research.

The increasingly behaviorist focus is also apparent in the analysis of the topical taxon information. This analysis reveals that while in earlier papers, group behavior (40%) and auditor behavior (20%) already constituted the majority of topics studied, later papers also exhibit an even more pronounced behaviorist slant, with papers focusing specifically on auditor behavior (74%).

Accounting is the dominant intellectual foundation of JAED auditor training papers, as revealed by analysis of the foundation discipline taxon. Earlier papers used accounting 53% of the time, and later papers depended upon this discipline even more, using it 58% of the time. Telecommunications remained an important foundation as well, used 27% of the time in earlier papers, and in 16% of later papers. Perhaps the most significant change was the increase in the use of allied mathematics as an intellectual basis, rising from 7% in earlier papers, to 16% of later papers. This last observation may imply that new theoretical models are being created, and may presage the rise of new research paradigms to succeed the current behaviorist paradigm.

Drop-line statistical analysis summary results are found in the Appendix.

## **Evolution of Auditor Training Research Topics**

### **Papers with Unique Topics**

The first paper classified as an auditor training study was Trueblood (1963). As might be expected of early research, this work did not conform to any of the schools of thought that would eventually develop within auditor training research. However, it is not alone in having a topical area that is different from other auditor training papers. This work was followed by Frakes (1987), Young (1988), and Yardley (1989), all of which have unique topical foci, or have several, and so are not classified under any recognized school of thought.

A number of these papers bear a superficial resemblance to other schools of thought. For example, Trueblood (1963) and Frakes (1987) treat the issue of what a university ought provide an accountant or auditor in terms of formal training. Nevertheless, because neither an actual university nor accounting regulatory body is the object of study, these papers cannot be comfortably classified as institutional studies. Young (1988) deals with the issue of the CPA exam, but attacks the problem from unusual angles, such as modeling its relationship with economic activity and the market for auditors, rather than studying its content or evaluating preparation techniques. Finally, Yardley (1989) considers pedagogical approaches to explaining the audit risk model, an issue that touches on information processing, probability theory, and accounting.

### **Papers Dealing with Institutional Topics**

With the publication of McRae (1965), the first school of thought to be initiated in the auditor training area was the institutional study. This paper began a tradition of studying social, political, legal, and professional structures that affected auditor training. Other papers pursuing this school of thought are Gavin (1987), Richardson (1988), Schmidt (1993), Coenenberg (1999), Grant (2002), and Nelson (2003). These papers evolved into a number of distinctive groups. For example, McRae (1965), and Coenenberg (1999) offer perspectives on how other nations train accountants and auditors. Similarly, Richardson (1988) compares the relationship between professional knowledge and social rewards in different countries. Other papers (Schmidt, 1993; Grant, 2002; and Nelson, 2003) study how specific changes in the accounting curriculum have affected auditor and CPA candidate performance. Finally, Gavin (1987) studies auditor litigation and the legal environment in

which auditors exist. Foundation disciplines included law, allied humanities, and accounting.

### **Papers Dealing with General Behavior**

Kreiser (1977) marked the birth of the other behavioral school of thought. This paper was followed by Dinius (1987), Hassell (1989), Shaub (1994), Arnold (1995), Dillon (1997), Schwartz (2001), and Peterson (2002 and 2003). These papers focused on auditor and group behavior, with particular emphasis on decision making. While most papers in this area studied the dynamics of auditor decision making in the context of choosing between alternatives in an audit, particularly in deciding whether or not a fraud took place, there are some distinctive subsets of papers. One subset is concerned with auditor recruitment, with papers like Dinius (1987) and Hassell (1989), which identify several characteristics that Big Eight firms considered decisive in making hiring decisions. Papers with unique foci include Kreiser (1977) which surveyed CPAs and users of CPA prepared financial statements to examine their reactions to proposed changes in auditor training, Shaub (1994) which studies determinants of moral reasoning in auditors, and Peterson (2002), which discusses issues about behavioral and performance effects of the computerization of licensing exams. Foundation disciplines included the humanities, math, telecommunications, and accounting.

### **Papers Dealing with Human Information Processing Behavior**

Waller (1984) was the first of a long line of papers devoted to HIPS (human information processing), and was followed by Anderson (1985), Felix (1985), Vasarhelyi (1985), Bainbridge (1986), Craig (1989), Groff (1989), Groomer (1991 and 1999), Bonner (1991), Nelson (1991), Green (1994), Crockett (1996), Paquette (1996), Oxner (1996), Jenne (1998), Viator (1998), Earley (2001), Nelson (2003), and Baldwin (2003). This school of thought studied the way various groups processed information, but focused mainly on either auditors or students in auditing courses. The papers regarding practicing auditors focus on learning and experience effects on the performance of audit tasks. However, the majority of papers studied the cognitive functions of students in auditing courses, specifically, the effects thereon of various pedagogic techniques. Foundation disciplines included humanities, telecommunications, psychology, and accounting.

### **Papers Dealing with Statistical Models**

The next school of thought to evolve was other statistical models, which is comprised of Bamber (1984), Dykxhoorn (1984), and Drake (2000). All these works were concerned with auditor behavior, and used math as a foundation discipline. Bamber (1984) reviewed attribute sampling instruction in the light of SAS No. 39. Dykxhoorn (1984) examined the problem of the lack of standard terminology in statistical audit sampling and suggested a possible solution. Finally, Drake (2000) introduced students to the use of Benford's Law and Digital Analysis as an analytical procedure and fraud detection tool.

### **Papers Dealing with Accounting Theory**

The accounting theory school of thought was initiated with the publication of Dirsmith (1985), and was followed by Crockett (1987) and Lee (1999). These works did not report empirical findings, but rather used internal logic to predict or explain auditor behavior and internal control structures using accounting and math as theoretical bases. Dirsmith (1985) outlined the philosophical assumptions that underlie auditing thought, criticizing the lack of a comprehensive theory of the audit function which at that time "remained to be articulated and examined (p.47)." Crockett (1987) reviewed auditing theory and professional standards describing the relationship between internal accounting control systems and substantive audit testing. Lee (1999) modeled the effect of the 150 credit hour rule upon the audit market, and finds that according to the model, audit fees are higher, audit quality may be lower, and audit clients are worse off, under the new rule.

### **Papers Dealing with Information Systems**

And in 1985, a cluster of papers (Anderson, 1985; Felix, 1985; and Vasarhelyi, 1985) launched the expert/information systems school of thought. These three papers were followed later by Nieschewitz (2002) which, like the earlier works, investigated the use of software packages as teaching tools. Anderson (1985) described the use of the Statistical Analysis System (SAS), a widely-available statistical analysis software package, in an auditing classroom setting. Felix (1985) discusses how a computer simulation software, the Simulated Case for Audit Decisions (SCAD) could be used to demonstrate audit planning and execution decisions in a realistic environment to students. Vasarhelyi (1985) reports on an interactive generalized audit software package that has been used to illustrate various audit cases. And Nieschewitz (2002), describes a series of assignments that allow

an instructor to bring a meaningful application of generalized audit software to the undergraduate auditing classroom.

### **SOX and Auditor Training Research**

It is difficult to determine if the way in which auditors were trained in the decades leading up to the late 20<sup>th</sup> and early 21<sup>st</sup> century accounting scandals contributed to these spectacular failures. But, it is possible to determine if issues relevant to accounting failures, such as fraud detection and ethics, were covered by those researchers considering the state of auditor training leading up to the recent tumults. Furthermore, it is possible to evaluate the extent to which the issues thought relevant to those failures, as highlighted by the SOX reforms, correspond to those issues covered in auditor training research. The degree of dissonance or consonance between these two sets of issues might provide a proxy for evaluating the auditor training programs in place before the accounting scandals.

It is definitely true that ethical considerations were on the minds of auditor training researchers. As early as 1977, Kreiser reported the need for stated codes of ethics among accountants. Shaub (1994) pursued moral matters further, by trying to find correlates to better moral reasoning among auditors and accounting students.

Janvrin (2003), Peterson (2003), Green (1994), and Drake (2000) studied accounting frauds, both from the perspective of detecting them, and identifying factors that contributed to them. Indeed, the first three papers present a variety of case studies that illustrate various management and internal control factors that might contribute to frauds, while Drake goes even further, subjecting firms to sophisticated mathematical analyses in order to detect possible fraud.

SOX provisions focus on many issues relevant to auditors. Two specific issues in particular have been highlighted, these being auditor independence, and internal controls.

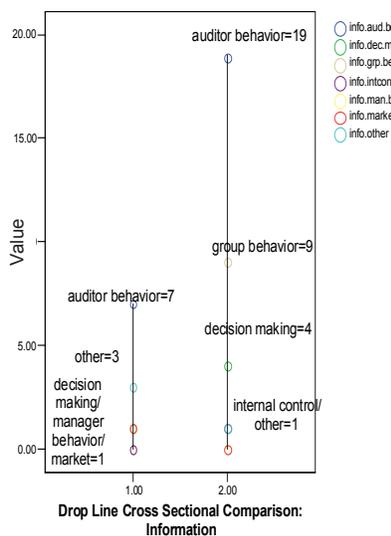
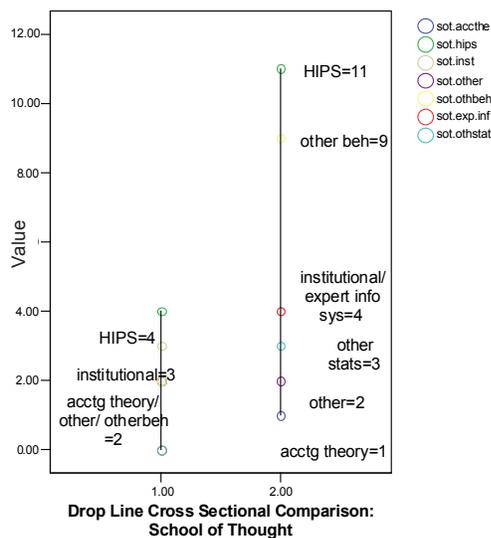
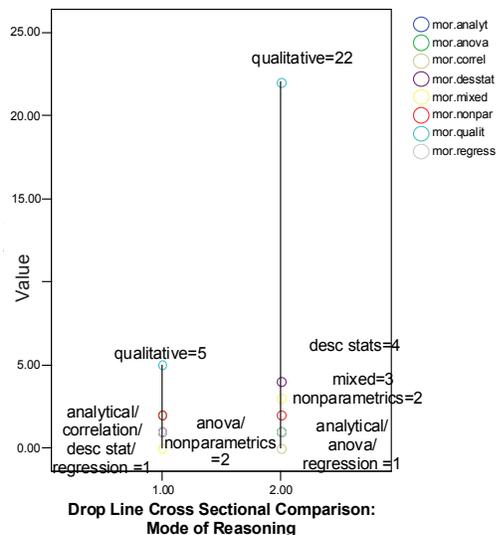
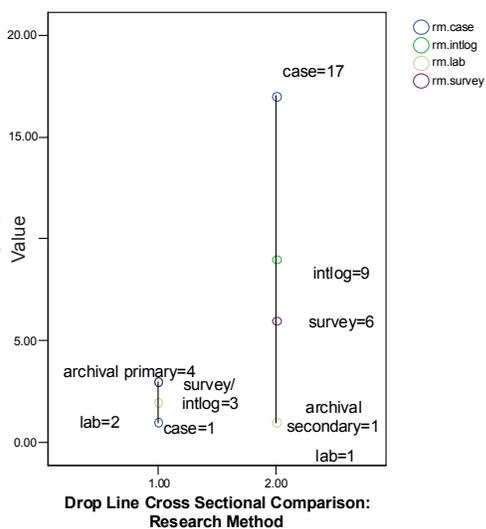
The literature on controls is quite extensive, and include works already mentioned in the discussion on fraud (Janvrin and Peterson), because of the intimate nexus between the controls and fraud prevention or detection. Furthermore, there are papers that deal exclusively with controls, such as Bainbridge (1986) which links audit objectives with controls, and Viator (1998), which investigates training and experience effects on auditor assessments of controls.

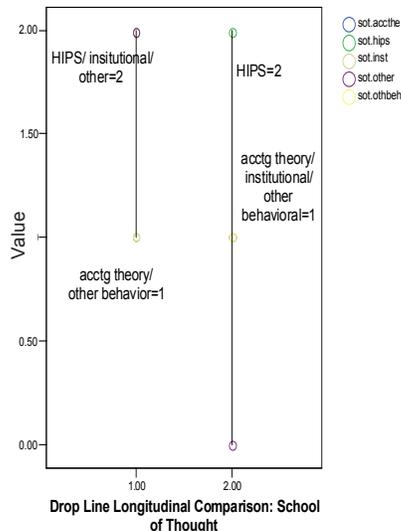
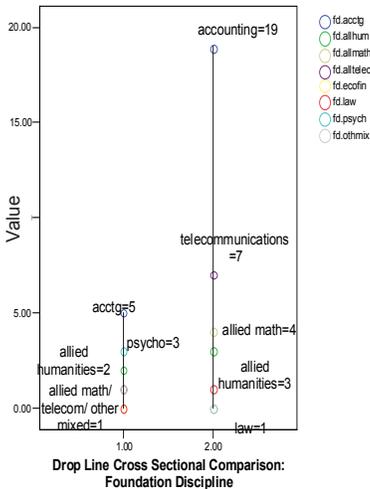
The literature on auditor independence, is perhaps the weak link. There is only one auditor training paper that deals with this topic, Arnold (1995) which describes an actual case wherein a CPA firm was subject to litigation over issues of auditor independence and client acceptance. Nevertheless, it would be inaccurate to say that the topic was completely excluded from the auditor training literature. Clearly, researchers did consider this issue, though perhaps not as extensively as others.

In summary, while there must have been many failures of pedagogy and moral edification along the road that lead to the accounting failures of the late 1990s and early 2000s, a review of research dealing with auditor training does reveal that accounting scholars were on the right track. Criticism is justified, and for the thoughtful accounting academic, welcome, but one cannot fairly characterize the research community as being asleep at the wheel. In many cases, the answer to questions about whether or not accounting research considered issues that would prove so relevant later on is: "Yes, we covered it."

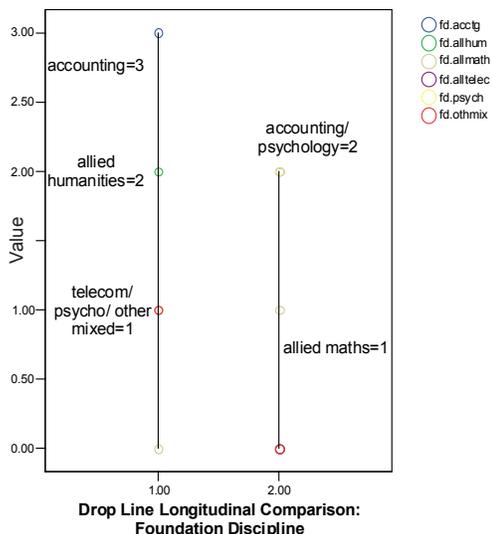
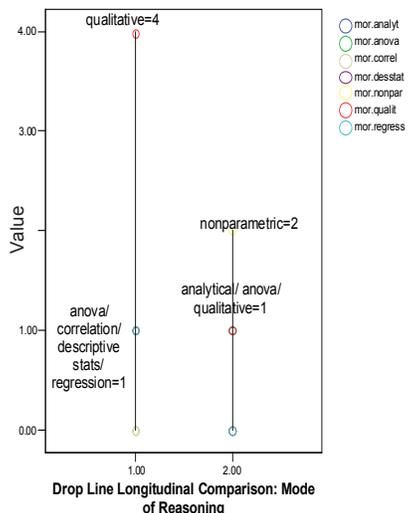
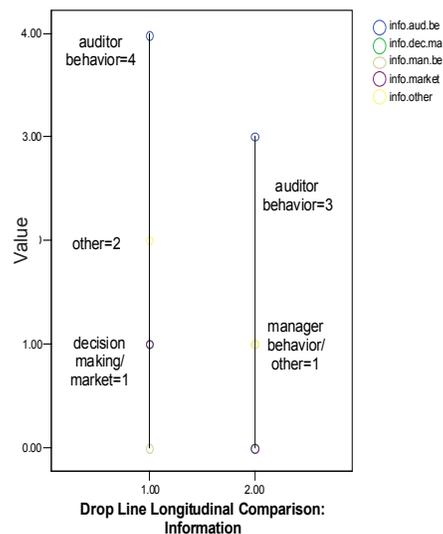
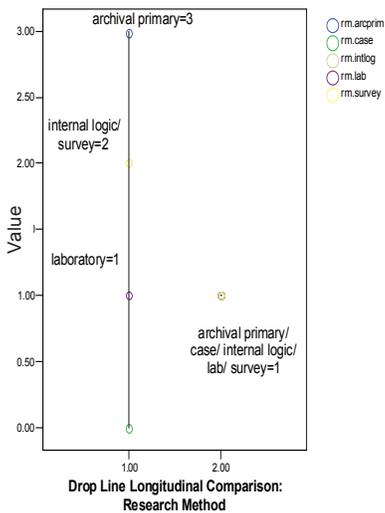
**APPENDIX**  
**Drop-Line Results for**  
**ARD vs. JAED Comparisons**  
**APPENDIX**  
**Drop-Line Results for**  
**ARD Longitudinal Analysis**

Value



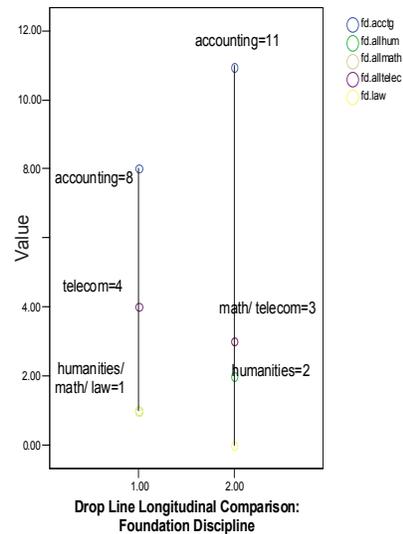
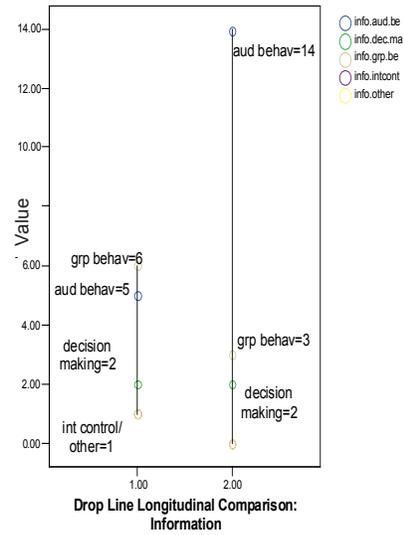
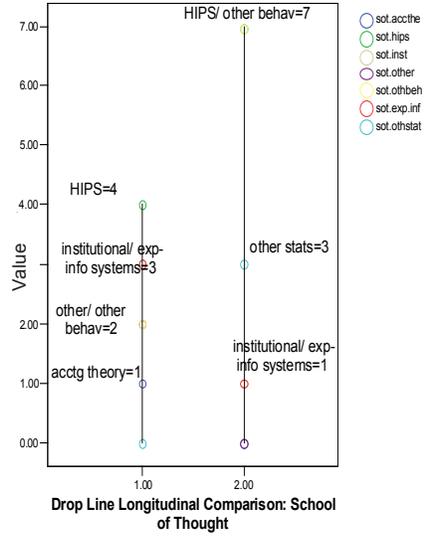
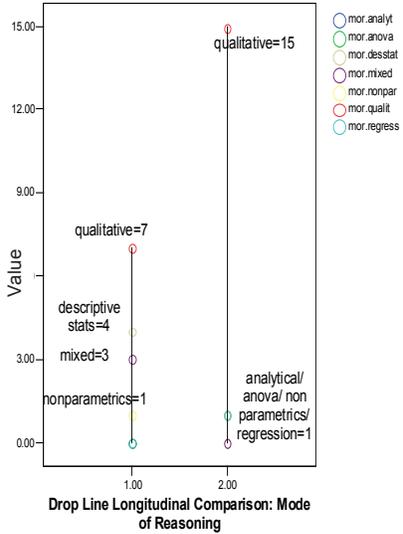
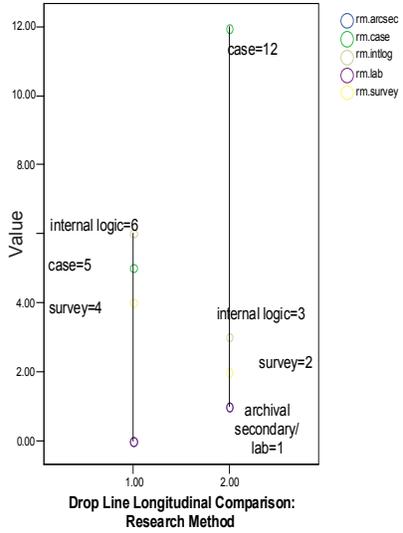


APPENDIX  
Drop-Line Results for  
JAED Longitudinal Analysis



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