Professional development online: Ethics education for accountants and business managers

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The teaching of business ethics is well-documented in the literature. However, in nearly all studies participants were undergraduate or postgraduate students without professional work experience, with little information on the professional development of practising professionals. This research, sponsored by the Australian National Institute of Accountants, goes some way toward addressing this gap. Students in this project were professional accountants and business managers studying the course *Business and Professional Ethics* online, in which a community of learners approach was central. Results from a pre- and post-course questionnaire designed to measure students' ethical sensitivity and attitudes showed improved understanding of their responsibilities as professionals and greater sensitivity to three of five aspects of the Code of Ethics for Professional Accountants. Furthermore, students were highly satisfied with the course. This study, whilst not generalisable, provides a case study that may be transferable to professional studies in other disciplines.

Keywords: business ethics, community of learners, online, distance education, vignettes, professionals

Introduction

There is substantial evidence that business and professional ethics can be effectively taught in the classroom to both undergraduates and postgraduates (e.g. Dellaportas, 2006; Hiltebeitel & Jones, 1992; King & Mayhew, 2002), but our literature review failed to identify any studies specifically addressing either the effectiveness of teaching business ethics to professionals or the effectiveness of teaching business ethics online. Our study is a first step towards filling this gap. This short paper reports key results from a larger study of student opinions and attitudes to business and professional ethics.

Effective teaching of ethics requires a mix of theory and discussion of topical ethical issues (Felton & Sims, 2005; McDonald, 2004). In the context of *Business and Professional Ethics*, a distance education course, an online discussion board was provided as a forum for students to discuss topical issues, with theory presented through topic notes, readings and a textbook. The learning design aimed to develop a community of learners (COL) centred in the online discussion board. As almost all students were working full-time and studying to enhance their career opportunities, the COL would only develop if students found participating would promote learning and be relevant to their own workplace.

The COL approach has its basis in Lave and Wenger's (1991) community of practice, successfully applied in the online environment by Matusov, Hayes and Pluta (2005) and Danaher, Hickey, Brown and Conway (2007). The COL approach brings together the diverse student body to promote social learning that occurs when people who have a common interest collaborate to share ideas and find solutions to particular problems. In this instance, it also allowed students to achieve a balance between individuality and social connectedness (Feldman, 2000) in an on-line environment.

Garrison and Anderson (2003, pp. 29-30) identify three dimensions of a community of enquiry (analogous to our COL): First, cognitive presence (a process of critical thinking) was demonstrated in our COL by information exchange, connecting ideas and the application of new ideas. Specific views were articulated, critiqued and revised as an iterative process. Second, social presence (when learners engage in the community of enquiry) was demonstrated by the expressions of emotion and sharing of first-hand

experiences in a collaborative environment. Finally, teaching presence included developing the curriculum, facilitating and focusing the discourse and, where required, providing direct instruction.

Pedagogy

Business and Professional Ethics is a core subject in the MBA and a compulsory subject in the Graduate Certificate of Professional Accounting and Master of Commerce (Professional Accounting). In addition to the challenges associated with a compulsory subject, we also faced significant variety in skills, work and study experiences of students. MBA students typically take the subject towards the end of their degree and so have an understanding of the expectations and skills required for successful tertiary study. In contrast, students enrolled in the Graduate Certificate may be studying at university level for the first time, having completed a TAFE accounting program and several years' work experience. For many, this was their first study experience requiring critical engagement with the materials in order to form their own opinions about the plausibility of theories and concepts.

The COL was initiated by encouraging students to participate in an 'ice breaker' involving an introductory discussion posting identifying an ethical issue that had occurred recently in their workplace. After the first few postings were made, many other students contributed and in some instances commented on earlier postings. During this discussion, the teacher identified the relevant topics where the ethical issues raised would be studied, demonstrating the practical focus of the subject. At this point, students were introduced to the structure and use of the various discussions with a clear separation of topic areas for social purposes, administration and those that focused on learning. This allowed students to quickly identify the relevant area of the discussion board.

Each week, a new discussion relating to that week's learning activities was created. Students could seek clarification of concepts and theories and post responses to the learning activity questions. After several direct responses to the activity questions, later postings expanded, questioned or offered alternative responses. Each week, at least one of the activity questions asked for examples of particular theories or concepts 'in action'. These examples allowed students to contribute a rich and practical range of information. The discussions frequently continued for several weeks, with continued access allowing students to make use of the community generated summaries of key concepts and theories. The discussions devoted to assessment tasks also attracted a lot of participation, with students again encouraged to provide the responses. The discussion continued after the assessment tasks were marked thereby stimulating further critical engagement with the relevant study materials.

Our experience in using the COL approach over several years confirmed that student participation is maximised when the teacher facilitates and stimulates discussion rather than provides answers (Mazzolini & Maddison 2003). This encourages building of mutual trust and respect over the trimester. In this environment, students make detailed responses to questions and discussions posted by others, resulting in mutual benefit and deep learning.

Research design

We were specifically interested in identifying whether students' sensitivity to ethical issues (ability to recognise an ethical issue) and attitudes concerning ethical standards commonly encountered in the business environment altered over the trimester. A mixed methods approach was used involving a questionnaire that collected quantitative responses and extensive student comments from the questionnaire and discussion board.

Investigations were conducted into validated instruments used in ethics studies. The most commonly used instrument is the Defining Issues Test (Rest, 1979), used to measure ethical reasoning (deciding how to deal with an ethical issue). This test has been thoroughly validated through numerous studies, and used extensively (Dellaportas, 2006; Eynon, Hill, & Stevens, 1997; Ford & Richardson, 1994; Lan et al., 2008 amongst others), but unfortunately did not address the requirements of this study. Ethical sensitivity has been less widely researched, with a single standard instrument developed by Schwarb, 1989 described in the literature (Chan & Leung, 2006). The instrument presents a scenario and respondents are asked to identify the various ethical issues involved. A commonly used alternative to any particular standard instrument is the use of vignettes. Vignettes are popular because they can be written to address issues specific to the research situation and can be tailored for between groups comparison (e.g. Elias, 2006; Emerson et al., 2007; Finegan, 1994). Hiltebeitel and Jones' (1992) research is particularly relevant to this study, as their vignettes were designed to address principles of ethical conduct in accounting.

Students in the *Business and Professional Ethics* subject study part-time by distance education and nearly all also work full-time, so the questionnaire was kept as short as possible to encourage a high response rate. We therefore used a combination of vignettes and statements to which students were asked to indicate their level of agreement or disagreement. A five point Likert scale was used with an option to provide comments. The final survey instrument consisted of three parts. Part 1 consisted of 8 business related ethical statements. Part 2 consisted of five vignettes which addressed items in the Code of Ethics for Professional Accountants (the Code), and Part 3 consisted of a series of demographic questions.

The questionnaire was delivered online to students in the first two weeks of the trimester and again in the exam period. Survey administration, data collection and data analysis were undertaken by the university's evaluation section to ensure complete separation from the teaching staff. This allowed for data to be matched by individual student, thereby eliminating any variation caused by changes in demographic factors in the before and after data sets and providing increased statistical power in all analyses. Results from the pre- and post-course questionnaires were compared. This summary paper presents quantitative results only. Ethics approval was obtained from the University of New England's Human Research Ethics Committee HE08/050.

Results

A total of 108 questionnaire responses were received at the start of trimester, and 120 at the end, of which 76 (31% of 242 enrolments) could be matched by individual student and were used in this analysis. Of these, 22 responses (40% of 55 enrolments) were received from MBA students with the remaining 54 (29% of 187 enrolments) from students in the Professional Accounting degrees. While a 31% response rate is somewhat less than desirable, the ability to correlate the before and after responses by student gives the results higher statistical power over what could be achieved with a higher response rate with unmatched responses. The respondents approximately reflected the class as a whole in degree enrolment, gender balance, and grade. Respondents had significant work experience (86% more than 1 year in their field, 60% more than five years), were mature age (90% aged over 30) and came from a variety of organisation types and workplace sizes.

The two attitude statements resulting in the largest change across the trimester were "I am familiar with the theories and concepts that are relevant to the formal study of ethics" (Familiarity) and "People who belong to a profession are expected to uphold higher standards than people in other occupations" (Professionalism). The attitude statement showing the least change was "In a business context, the ends (or outcomes) justify the means" (Outcomes).

Table 1: Change in attitudes: Largest and smallest

	N	Mean – Initial	Mean - Final	Change	p
Familiarity	72	2.74	3.93	1.194	<.001
Professionalism	71	3.10	3.83	.736	<.001
Outcomes	75	2.15	2.16	.01	.896

Results are based on a 5 point Likert scale where 1 represents strongly disagree, 3 neutral and 5 strongly agree. The initial mean for familiarity therefore indicates a position on the disagree side of the scale, increasing by 1.194 (p<.001) by the end of trimester. The change in professionalism is also large, with agreement increasing by .736 (p<.001). No change was seen for outcomes, with most students maintaining their initial viewpoint.

Ethical sensitivity was gauged through five vignettes. The vignettes considered particular aspects of the Code such as the primary obligation to the public interest, integrity, professional competence, confidentiality and professional behaviour. The questions were phrased such that a decrease in the mean (negative change) indicates a more ethical position. In each case, the change in mean indicated a more ethical position; however, results from only three of the five vignettes were significant (p<.05). The largest and smallest changes only will be discussed.

The largest change relates to the primary obligation of accountants to the public interest. In the pre-course survey, students made comments that summarised their general attitude, such as "only to the extent that advancing the employers interest can be done ethically". In the post-course survey, however, the rating change is reflected in comments mentioning the Code "An accountant being a professional has additional

obligations and expectations of ethical behaviour, e.g. the interest of the public as stated by the code of ethics."

Table 2: Change in ethical sensitivity

	N	Mean - Initial	Mean - Final	Change	p
Public interest	74	2.77	2.29	-.479	<.001
Confidentiality	74	3.34	2.97	-.370	<.05
Professional competence	74	2.90	2.63	-.274	<.05
Professional behaviour	72	2.33	2.11	-.214	.075
Integrity	74	1.82	1.81	-.014	.909

In contrast, integrity showed no significant change. In this vignette, students were asked to comment on a friend who was being pressured to misrepresent accounts. In the pre-course survey, student comments mentioned the illegality of the action: "This is a potential criminal offence" and personal ethical standards "... he is compromising his principles", while expressing sympathy and pragmatism: "He didn't do the right thing, but in his circumstances it was understandable." This same range of views were replicated in the post-surveys, but with comments about illegality supplemented with references to the Code: "She violated the principle of Integrity (APES 110)."

Conclusions

Results from a pre- and post-course survey showed the online community of learners approach was effective in teaching ethics to our students, who are managers and accounting professionals. Students expressed an increase in familiarity with the concepts and theories of ethics and increased understanding of the ethical standards of the accounting profession. Increased ethical sensitivity was demonstrated through responses to a series of vignettes relating to five key aspects of the Code of Ethics for Professional Accountants. The largest increase in ethical sensitivity was for responsibility to the public interest, with no significant change seen for integrity.

We were excited to build a successful online community of learners in which students shared their broad range of experiences and supported each other. We believe this was due to developing a safe and stimulating environment over the trimester supported by relevant learning materials. Students actively participated in the online discussion and, through this, developed shared summaries of content, which continued to be accessed after that portion of the course was completed. Furthermore, students enjoyed the approach, with 94% rating the subject positively in the student satisfaction survey.

This community of learners approach could be adapted to many teaching contexts where students have significant work experience and tuition is online. This makes it ideal for professional organisations wishing to offer extended continuing professional development programs.

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