Perceptions of college and university codes of ethics

Michael A. Yahr
Robert Morris University

Lois D. Bryan
Robert Morris University

Kurt Schimmel
Robert Morris University

ABSTRACT

Recent pressures for better corporate governance and greater accountability have spurred business organizations and academic institutions to reexamine their codes of ethics. The creation of an ethical code demands an assessment of its effectiveness. The literature suggests that key influences on ethical decision making include stakeholder involvement, code design, code implementation and enforcement, and organizational culture. Using those criteria, a survey instrument was developed and administered to university and college faculty and administrators for the purpose of assessing their perceptions of their institutions' codes of ethics. This article presents a conceptual framework for code evaluation; a description of the survey; and results of the survey examining how faculty members and administrators perceived their institutional codes.

Keywords: Ethical codes, survey, code design, code enforcement, code implementation
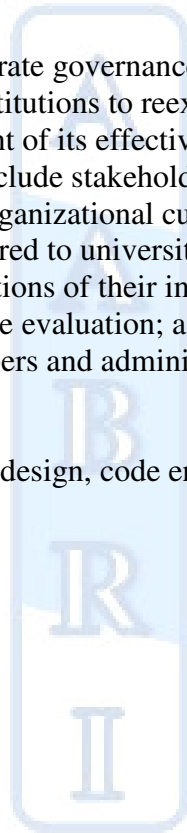
INTRODUCTION

Better corporate governance and greater accountability have once again surfaced as exigent issues. Organizations continue to recognize the value of an ethical culture. One recent survey found that 94% of employee respondents strongly stated the need for an ethical employer and that 36% said they have left a job in disagreement with a company's ethical standards (LRN Ethics Study 2007). The Sarbanes-Oxley legislation and scandals at Enron, Global Crossing, WorldCom and other large corporations, have spurred organizations to reexamine how they conduct business. Likewise, at colleges and universities, trustees, accreditation bodies and other stakeholders have prompted changes in codes of conduct and the pedagogy of ethics. Rezaee, Elmore and Szendi found that more than 70% of their surveyed universities and colleges reported having ethics codes (2001).

Previous ethics-related studies in academia are voluminous. They have addressed faculty behaviors, student behaviors, perceptions of classroom activities, the nature of morality, scandals, codes of honor, codes of ethics and more (e.g., Treviño, Weaver and Reynolds 2006; Davies, Moen and Dykstra, 2009; Papp and Wertz, 2009; Tucker, Stathakopolous, and Patti, 1999). This research examines faculty and administrative perceptions of the effectiveness of codes of ethics. For this research an ethics code is defined as a published document containing moral expectations for employee behavior.

THE EFFECTIVENESS OF CODES

The literature presents a variety of arguments in favor of codes of ethics. Molander offered a thorough discussion of business codes. He posited that ethical codes are intended to compensate for deficiencies in the law and market mechanism. They mitigate executive dilemmas; proscribe unethical behavior; provide guidance to employees; foster a desired corporate climate; validate disciplinary action; and generate external confidence in business (1987). In another study university financial administrators strongly agreed that codes "can demonstrate the university's commitment to a set of standards that society expects them to meet" and that ethical standards are needed to resolve ethical dilemmas in academic institutions" (Rezaee et. al. 2001, 176-177). Ford and Richardson noted that the existence of codes and rewards and sanctions were positively related to ethical behavior (1994). Navran prescribed codes as one of twelve elements of a best-practices approach to organizational behavior (1997). McKay, Kidwell and Kling found that universities and colleges with ethical codes were different from those without codes in their perceptions of ethical implications of faculty behaviors; the presence of a code increased sensitivity to ethical behaviors but the frequency of unethical behaviors was not found to be statistically different (2007).

The existence of an ethical code may not be the most salient factor in influencing employee behavior. Ethical codes of conduct cannot resolve or cover all ethical problems. Verschoor cited a survey of ethics officers who, in the majority, felt that ethical training would not have made any difference in the Enron debacle. Verschoor asserted that the corporate climate is a major factor affecting governance behavior (2002). Likewise, Brien argued that for professionals, direct methods of attaining ethical conduct (e.g., codes of ethics or deterrence) can be less successful than an indirect pursuit of ethical behavior via a culture of trust (1998). Farrell, Cobbin and Farrell pointed out the difficulties in measuring code effectiveness. In their study of Australian firms they found that the strongest ethical culture affecting behavior was not that of

an individual company but the culture of a larger and external source (2002). In a study of 108 large corporations, McKendall et. al. did not find that ethical codes and ethical programs reduced Occupational Safety and Health Administration breaches (2002). Wood and Rimmer pointed out that the success of codes requires a commitment at all levels (2003). Weaver, Treviño and Reynolds asserted that the modeling of ethical values appears to be more effective than control attempts emphasizing compliance to policies (Treviño, Weaver and Reynolds 2006, 970).

Codes are subject to limitations in design and implementation (Molander 1987). While code effectiveness is dependent upon several factors, some of the drawbacks can be eliminated or minimized with proper design and implementation of the codes. Noting the purposes of ethical codes presented above, Molander cautions that codes that are too specific may not apply to certain situations. With codes that are too general, it may be difficult to know when a code has been violated. An organization needs to openly discuss and prioritize ethical expectations (1987, 623-624).

Stakeholder involvement is critical in code design. Gray asserted that attaining stakeholder commitment was one of five steps for building a viable code (1996). One study suggested that faculty members were not as involved as the president or vice-president of academic affairs in code preparation; greater faculty involvement was recommended for consensus building (Rezaee et. al. 2001). Faculty involvement should transcend all levels of rank. McKay et. al. cited a study that found differences in attitudes among information systems faculty that affected conduct (2007, p.107). With regard to the prevention of academic dishonesty, Kibler pointed out the importance of stakeholder involvement; effectiveness of honor codes is enhanced when faculty members play key roles (1994).

Code effectiveness is also influenced by its implementation which includes reporting, enforcement and follow-up processes. Whether or not ethical breaches are reported is a complex issue. McKay, Kidwell and Kling recommended that universities track the frequency of behaviors and how they are perceived by stakeholders (2007, 120). As implied above, patterns in compliance and non-compliance may become evident; but the organization needs a process that gathers and analyzes that data. Adams, Tashchian and Shore (2001) suggested that enforcement or its absence can affect code efficacy. As implied above, patterns in compliance and non-compliance may become evident; but the organization needs a process that gathers and analyzes that data.

Whether or not a code breach is reported is a complex issue. Nitsch, Baetz and Hughes cite a 2003 study by the Ethics Resource Centre that found that 44% of non-management employees failed to report observed ethical lapses. Ferrell and Gresham (1985), and Adams, Tashchian and Shore (2001) suggest that enforcement or its absence can affect code efficacy (in Nitsch et. al. 2001). A Schwartz and Cragg study (2000) cited by Nitsch, Baetz and Hughes revealed multiple reasons for non-reporting including, but not limited to, whether: the offender was a friend; others knew of the breach; or retribution was likely. Research conducted by Nitsch and associates examined student behaviors in non-reporting and conceptually categorized their rationales; students claimed actual or perceived non-responsibility, felt that the costs of reporting outweighed the benefits, or didn't trust the enforcement system. The researchers pointed out that some negative outcomes from non-reporting (e.g., frustration and cynicism) can affect the organizational climate and the person who fails to report (2001).

DISCUSSION AND METHODOLOGY

The discussion above suggests that the effectiveness of an ethical code is, in part, a function of its design and implementation. The assessment of a code should begin with a conceptualization of the code and its purposes (stated above). Accrediting bodies often provide conceptual frameworks for academia. As one instantiation, the Association to Advance Collegiate Schools of Business, AACSB International, requires business institutions or programs to establish expectations for ethical behavior by administrators, faculty, and students and the AACSB's Ethics Education Task Force, encourages faculty members and administrators to rethink how they provide ethics education (AACSB 2007). Among the twelve best ethical practices suggested by Navran were an ethics code, an ethics committee, a communication strategy, a training program, a help line and a system for monitoring and tracking (1997).

Neither the code nor the process of evaluation should be so complex that it fails in its intentions. The promotion of ethical conduct requires that a stakeholder can differentiate between ethical and unethical behavior. Dreilinger argued that stakeholders need to understand the reasoning behind code rules or else they may not know how to behave in situations that are not explicitly covered by the code (1994). What if a stakeholder needs guidance? The institution's education process should clarify to whom an individual should go to seek that guidance (e.g., department heads, deans, etc.).

As the code development process evolves, the critical questions will be: 1) *Have the stakeholders bought into the design and process, i.e., do they trust it? 2) Does the code process promote ethical behavior? and 3) If not, then why not?* While open discussions of these queries are welcome, a confidential stakeholder audit may be necessary to ascertain accurate data. What follows is a series of questions derived from the previous discussion that can be applied to the evaluation of a code.

Conceptualization and Design
Who is the code intended to cover?
Have all relevant stakeholders (including the supply chain) have provided input?
What practices will be covered?
Are covered values consistent with the current culture?
What approach (proscriptive and/or proactive) best satisfies their purposes?
How should the code's content be organized?

Distribution
How are the stakeholders apprised of the code? How often?
Have education sessions been provided?
Are stakeholders fully cognizant of reporting and follow-up procedures?

Implementation and Follow-up
Are the complaint-takers (if any) skilled?
If there is an Internet or email reporting procedure, are reports managed in a timely way? Is there just one person receiving calls/emails?
Does the reporting procedure insure privacy?
Is the reporting system anonymous and secure?
Can the system identify patterns?
Is there a procedure to identify the number of non-reporters?

Are faculty members involved in the judicial aspects of enforcement?
Are any external organizations involved in the judicial process?
Are penalties/enforcements consistent over time?

In the fall of 2008, a survey, grounded in the questions above, was electronically sent to faculty and administrators at AACSB accredited colleges and universities. Out of 2,443 sent, 2,005 surveys reached their targets and 397 surveys (approximately 19%) were submitted and analyzed. Over one half (50.5%) of the institutions surveyed were very large with enrollments of 15,000 and over. The majority were non-religious (88%), public (71.2%), and doctorate-granting (74.4%). The mean tenure of the respondent was 15.1 years.

RESULTS

Comparable to the findings of Rezaee, Elmore and Szendi above, that more than 70% of their surveyed universities and colleges reported having ethics codes, 71.8 % of respondents indicated that their institutions had written codes of ethics. Interestingly, 17.2% did not know if they had a code and only 72.8% had read it. About 65% of respondents indicated that their codes covered faculty; 57.5% covered staff; 58% covered administrators; 63.6% covered faculty; and 14.5% and 4.5% respectively covered trustees and external stakeholders.

The following tables present the percentage of the respondents indicating that level of agreement or disagreement with the items, the means and the standard deviations. In the tables and text SD represents "Strongly Disagree", D represents "Disagree", SWD represents "Somewhat Disagree", SWA indicates "Somewhat Agree", A represents "Agree" and SA represents "Strongly Agree".

Table 1 presents the results for the shareholder input questions. Both questions; "Relevant stakeholders have been given an opportunity to provide input to our code's design" and "Relevant stakeholders have been given an opportunity to provide input to the implementation process had mean scores (4.19 and 3.86 respectively) indicating agreement with the statements. Two-thirds of the respondents indicated SWA or A regarding stakeholder input for design. Stakeholder input for the implementation process was centered on SWD (36%) and SWA (25.8%), suggesting that there was less perceived input to the implementation process.

Table 1
Descriptive Statistics for Input Variables

	SD %	D %	SWD %	SWA %	A %	SA %	Mean	Std. Dev.
Relevant stakeholders have been given an opportunity to provide input to our code's design	4.9	3.0	7.5	44.0	24.0	16.5	4.29	1.208
Relevant stakeholders have been given an opportunity to provide input to the implementation process	4.9	3.0	36.0	25.8	17.8	12.5	3.86	1.260

Table 2 presents the results for the items regarding the design of the code. The mean responses indicate a positive attitude toward the codes themselves. The highest mean supported the codes consistency with the culture of the institution (4.76) and the lowest dealt with the explanation and education regarding the code (3.99). The items dealing with design, consistency with culture, the organization of the code and the differentiation between ethical and unethical behaviors all had more than 50% of the respondents in the A and SA categories.

Table 2
Descriptive Statistics for Design Variables

	SD %	D %	SWD %	SWA %	A %	SA %	Mean	Std. Dev.
Our code is well-designed	4.5	1.5	8.5	27.1	39.2	19.1	4.52	1.201
Our code is consistent with our institution's culture	3.0	1.5	5.0	25.0	38.5	27.0	4.76	1.132
Our code differentiates between ethical and unethical behaviors	6.6	1.5	12.2	25.5	36.2	17.9	4.37	1.316
Our code's content is well-organized	6.1	1.5	8.2	26.5	37.8	19.9	4.48	1.283
Our institution has provided sufficient explanation and/or education about the code	9.1	4.0	20.2	24.7	29.3	12.6	3.99	1.411

In Table 3 the responses to the variables dealing with the reporting of violations are examined. The respondents indicated mean agreement with all of the items: the reporting procedure clarity (4.15); the process itself (4.03); both the privacy of the accused and the reporter (4.46 and 4.28 respectively); the timeliness of the process (4.10); and that the code promotes ethical behavior (4.45). The majority of the respondents fell between SWA and A on all of these items.

Table 3
Descriptive Statistics for Reporting Variables

	SD %	D %	SWD %	SWA %	A %	SA %	Mean	Std. Dev.
The procedure for reporting potential code violations is clear	11.6	2.5	15.6	21.6	27.1	21.6	4.15	1.556
The process for dealing with code violators is clear	13.1	3.5	14.1	23.2	28.8	17.2	4.03	1.566
If I need guidance about the code I know the person to contact	12.1	2.5	14.6	16.2	31.8	22.7	4.21	1.592
Reported violations are handled in a timely manner	7.6	3.8	13.0	34.1	30.3	11.4	4.10	1.311

	SD %	D %	SWD %	SWA %	A %	SA %	Mean	Std. Dev.
Our violation reporting process insures the privacy of the alleged violator	5.9	2.2	8.1	25.3	41.4	17.2	4.46	1.265
Our violation reporting process insures the anonymity of the reporter	7.7	3.3	9.9	29.1	32.4	17.6	4.28	1.372
Our code promotes ethical behavior	4.5	2.0	11.6	26.3	36.9	18.7	4.45	1.236

Table 4 provides the respondents' perceptions of the enforcement of the code. The assignment of responsibility for handling alleged violations is clear to the majority of the respondents with over two-thirds indicating either agreement or strong agreement with the statement and a mean of 4.61. There was also strong agreement that faculty and administrators are involved in the judicial process with both items receiving more than 70% of the responses as either agreement or strong agreement and having means of 4.84 and 4.80 respectively. Perceived student involvement in the judicial process was only slightly less strong with a mean of 4.43. There was weak support for the perception that staff people are involved in the judicial process with a mean of 3.70. Respondents indicated that trustees and other outsiders appeared not to be involved in the judicial process as more than two-thirds indicated SD or D. These items had means of 2.59 and 2.37 respectively.

Table 4
Descriptive Statistics for Enforcement Variables

	SD %	D %	SWD %	SWA %	A %	SA %	Mean	Std. Dev.
Specific persons have been assigned to handle alleged violations	5.4	3.2	8.6	17.7	38.2	26.9	4.61	1.340
Faculty members are involved in the judicial process	3.6	2.6	3.6	18.6	40.2	31.4	4.84	1.197
Administrators are involved in the judicial process	4.6	3.1	3.1	17.5	40.2	31.4	4.80	1.266
Students are involved in the judicial process	9.8	2.1	10.4	19.2	30.1	28.5	4.43	1.530
Staff are involved in the judicial process	12.7	11.1	19.6	20.6	21.7	14.3	3.70	1.580
Trustees are involved in the judicial process	24.9	28.1	21.6	16.2	6.5	2.7	2.59	1.336
Outsiders are involved in the judicial process	26.6	35.9	21.7	6.5	8.2	1.1	2.37	1.234

The administration of the code, actual tracking, penalties, and method of reporting are examined by the variables categorized as administration and are presented in Table 5. With regard to institutional tracking of ethical breaches and reporting them by email, over 40% of respondents indicated SWA and A combined. The respondents perceived that their institutions do not report violations through the Web with over 70% of the respondents indicating some level

of disagreement with the statement. Over 60% indicated some level of agreement that penalties have been consistently applied.

Table 5
Descriptive Statistics for Administration Variables

	SD %	D %	SWD %	SWA %	A %	SA %	Mean	Std. Dev.
The institution tracks types of code violations	13.2	8.6	15.5	25.9	21.8	14.9	3.79	1.574
Our institution allows alleged violations to be reported by email	16.3	16.3	16.9	21.5	19.8	9.3	3.40	1.585
The institution allows alleged violations to be reported to a Web site	23.3	30.7	19.9	11.4	8.0	6.8	2.70	1.486
Penalties for violations have been consistently applied	11.4	5.7	19.9	35.8	22.2	5.1	3.67	1.333

Table 6 presents the results of the questions dealing with the limitations of the code. Faculty and administrators perceived that their codes were neither too general nor too specific. The respondents indicated disagreement with the item "Our code is too specific" with a mean of 2.36 and slightly over 50% reporting either disagreement or strong disagreement with the statement. The next item "Our code is too general" had more than 50% of the respondents indicating some level of disagreement and a mean of 3.26. The respondents indicated agreement with the statement that "many code violations go unreported" with a mean of 3.95. The last item, that that code lacks examples also found some support with a mean of 3.72.

Table 6
Descriptive Statistics for Limitations Variables

	SD %	D %	SWD %	SWA %	A %	SA %	Mean	Std. Dev.
Our code is too specific	35.1	15.1	32.4	14.6	1.6	1.1	2.36	1.208
Our code is too general	18.1	12.2	22.3	25.0	17.6	4.8	3.26	1.474
Many code violations go unreported	9.2	5.9	16.8	31.4	22.2	14.6	3.95	1.431
Our code lacks examples	13.2	9.5	18.5	21.2	25.9	11.6	3.72	1.554

Presented in the tables above are perceptions across colleges and universities. Perceptions at individual institutions may differ. This survey and framework of questions will be useful to schools for developing their assessment instruments. Further research will examine the survey data for differences between public and private institutions; large and small ones; and religious-based and secular schools.

CONCLUSIONS AND RECOMMENDATIONS

Organizations, including universities and colleges, employ codes of ethical conduct to define and promote ethical behaviors. Their effectiveness is a function of their design, distribution, and implementation. It should not be assumed or expected that a code covers all intended practices and behaviors; codes evolve, and, as living documents, must be redesigned and implemented. Codes that are not assessed for effectiveness may be merely window dressing. A confidential audit of an institution's code of ethics may shed light on the following critical issues of code ownership and effectiveness. Codes do not guarantee desired outcomes and they cannot operate without the support of and interaction with other cultural elements. Successful implementation might be improved through mentoring, live educational sessions or e-tutorials. Recalling or being reminded of a code of ethics may help. Ariely discovered in his experiments, that reminders of ethical benchmarks can promote honesty; without those reminders people are more likely to be dishonest (2008).

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