

Accountancy Students Develop a Unique Code of Ethics

AS THE ACCOUNTING PROFESSION WRESTLES with how to restore its credibility, accounting students at some universities are taking the ethical issues into their own hands. Students at one university developed their own academic honor pledge and a code of conduct designed to guide their behavior as students and professionals.

Even before the Enron debacle and downfall of Arthur Andersen, a group of nine accountancy majors at Northern Illinois University drafted an honor pledge to provide guidelines for the type of behavior they felt should be expected from them and their classmates. As the events of Enron and Andersen unfolded around them, these students proceeded to draft a code of conduct to further direct the behavior of accountancy majors beyond the classroom into the workplace. Accountancy students from other universities are following suit and are developing their own unique pledge and/or code to represent the culture of their university's program. The development and strict adherence to these codes may very well produce individuals with the integrity and ethical behaviors desired in future accounting professionals.

Academic studies have shown that students from a university with an ethical commitment and effective honor code display higher ethical behavior in the workforce than those who were not exposed to honor codes during college. Given these findings, perhaps there isn't enough focus on preventative measures, such as honor and conduct codes, at the collegiate level. An ethical standard, either set or at least strongly reinforced during the educational process, seems to have lasting influence.

While there's certainly a tremendous amount of merit and value to what can be accomplished through mecha-

nisms like Sarbanes-Oxley, let's take a minute to see what can be accomplished at a university. The business press has described how so many executives spotlighted in the recent scandals thought that philanthropic activity was analogous to integrity and virtue. Enron, for example, was a huge supporter of philanthropic projects in Houston. Its high profile in these endeavors painted a persona that many equated to ethical behavior. It became so ingrained in individuals that because they were doing good things for the community, they felt it meant that they acted with integrity. All the while, these same individuals were misleading shareholders, lenders, and the general public about their firm's economic activities.

It seems that accounting professionals should evaluate when and how future business leaders are exposed to acceptable ethical behavior during their formative years. Honor pledges and codes of conduct at universities and colleges are a good starting point. As noted earlier, academic researchers have found low levels of academic dishonesty at institutions where the honor code environment made cheating socially unacceptable. The findings indicate that those institutions where students had a shared responsibility for the development of the honor codes also shared a strong sense of responsibility to the community to conduct themselves in an acceptable manner.

Faculty and university leaders can encourage and support students to develop and disseminate their own honor code. The following paragraphs describe my interactions with the Northern Illinois students who developed an honor pledge and code of conduct. They created a statement to embody the culture of the accountancy majors.

The students realized the importance of developing

THE CODE OF CONDUCT

- To abide by the Honor pledge, we establish this Code of Conduct of our values and culture.
- This Code of Conduct exemplifies the virtues necessary to continue our department's longstanding and well-respected reputation within the accounting profession.
- As future accountants, we must take responsibility for our learning, be accountable for our decisions, and consider the consequences of our actions.
- We have the responsibility to remember that each student is a representative of Northern Illinois University's Accountancy Program on campus, in the community, and in the workplace.
- We need to act with integrity, demonstrate academic honesty, and stand up for our beliefs.
- We conduct ourselves in a professional manner and maintain composure at all times.
- We achieve academic excellence by challenging ourselves, taking pride in our work, and striving for our best.
- We respect faculty, fellow students, our university, our profession, and ourselves.
- We commit to the life-long learning process.

something that would make all accountancy majors take pride in their chosen profession—a motto that they could rally around. They looked to examples such as the Pledge of Allegiance, the Boy Scout Motto, the Motto of the Jaycees, and the motto of the U.S. Marines. Each of these pledges embodies the spirit and culture of an organization. The result was a one-sentence statement for all accountancy majors to abide by: *“As students in the Accountancy Program at Northern Illinois University, we will uphold and promote the highest levels of integrity and professionalism while pursuing academic excellence.”*

The pledge begins with the characteristics the students felt were most important. They agreed that integrity, professionalism, and academic excellence were paramount. The group also believed that it should be every student's responsibility to not only believe in these attributes for themselves, but to also support and promote these attributes in their classmates as well. While neither the pledge nor code of conduct is “enforceable,” the students wanted something that would support individual accountability and

responsibility so that everyone would think before asking another student for proprietary information. The verbs “uphold” and “promote” help the pledge support a student's decision to say “NO!” when put in a compromising situation. The hope was to create an environment where high expectations are the norm and becoming a “free rider” or using the work of others isn't acceptable.

After completing the pledge, the group developed a code of conduct, a more challenging endeavor. The resulting code is values-based and was intended to describe what it means to be an accountancy major. It wasn't meant to be prescriptive as to what each student should or shouldn't do. The students intentionally linked the first sentence of the code to the honor pledge.

The students wanted the code to convey a strong sense of responsibility to each individual student. Initially the code was drafted with “I,” not “we.” They changed it to “we” because they knew it would take the students as a whole to make the intended impact on the existing culture.

The code is meant to convey a sense of individual responsibility and

accountability, both as students and budding professionals. The students recognized displaying integrity sometimes means standing up for what you believe in, even if it isn't the popular thing to do. They believed that professional conduct should start now and not when they graduate and that they should take on classroom challenges by putting forth their best effort at all times. The statement on respect reflects how a person must show respect to gain respect.

The Northern Illinois accountancy faculty and the department's Executive Advisory Board endorsed the honor pledge and code of conduct. The pledge and code are set forth on the website of the department and the faculty's syllabi. Both are presented to every student as they come into the program. It's amazing to see students sit up a little taller and walk a little prouder after realizing that this pledge and code of conduct are theirs.—*Pamela A. Smith, CPA*

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