

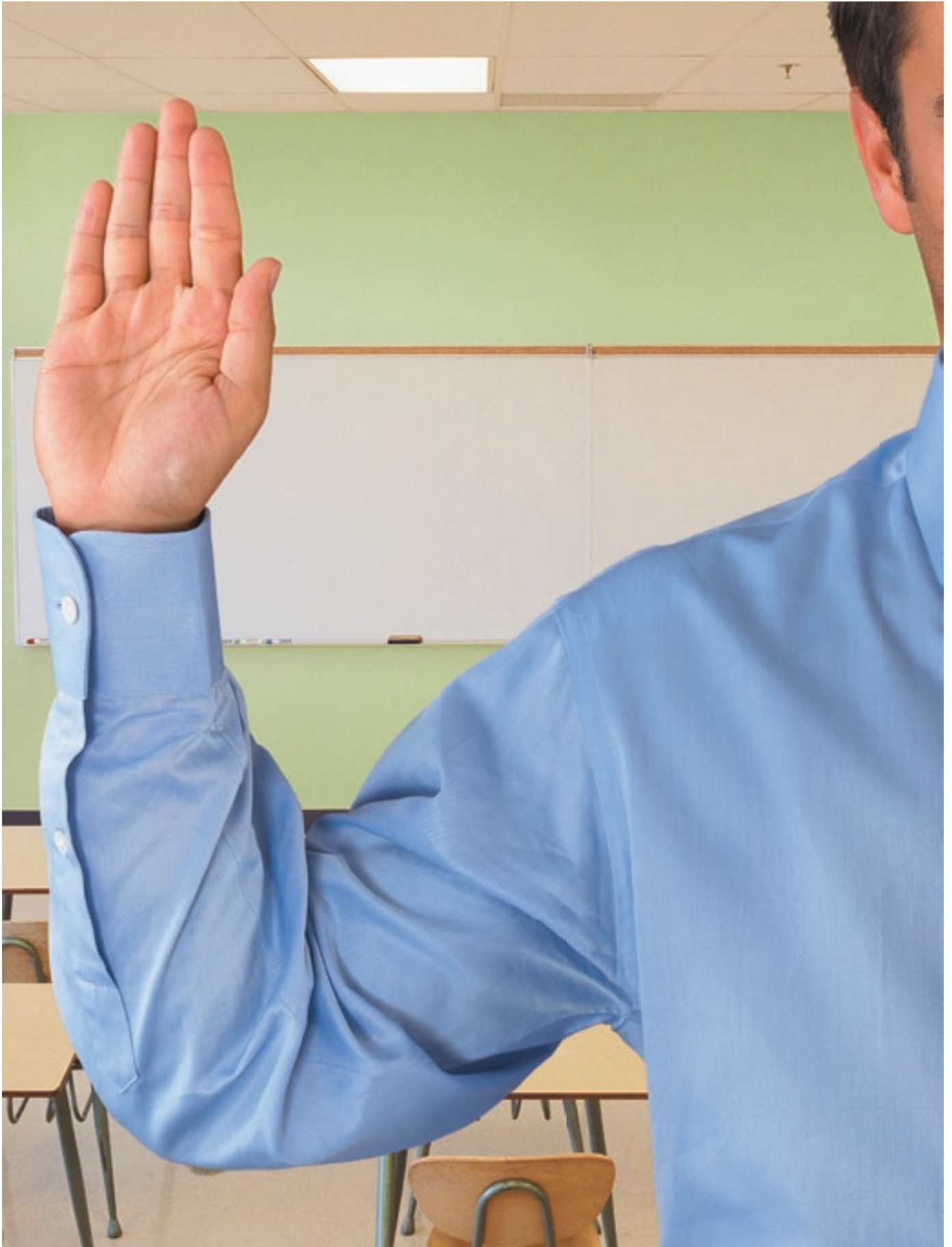
# On My Honor

Many business schools have instituted **honor codes** to encourage a shared ethical mindset among their students, faculty, and staff. Representatives from four schools with honor codes weigh in on their effects.

**B**-school cheating was highlighted in a 2006 study by Donald McCabe of Rutgers University, Kenneth Butterfield of Washington State University, and Linda Treviño of Pennsylvania State University, in which they found that more students in MBA programs reported cheating than those in any other discipline. Many business schools have reacted by adopting formally written and distributed honor codes, establishing honor councils, and devising procedures to deal with cheaters in their ranks.

But how effective are these honor codes in deterring student cheating and bolstering student ethics? Four authors describe how honor codes have affected their own institutions. Ángel Cabrera, dean of the Thunderbird School of Global Management in Glendale, Arizona, shares its code and his vision for a professional code of conduct. Blair Sheppard, dean of Duke University's Fuqua School of Business in Durham, North Carolina, describes the school's response when a cheating scandal involving 34 Fuqua students was the center of media attention last spring. Beth Ingram, associate dean of the undergraduate program at the Tippie College of Business at the University of Iowa in Iowa City, argues that the effectiveness of an honor code is only as good as the community support behind it. And Dawn Morrow, an MBA student at the Kenan-Flagler School of Business at the University of North Carolina at Chapel Hill, shares her view as the attorney general of its Graduate Business School Honor Court.

While it is impossible to completely eradicate cheating among all students, these authors note two important effects of an honor code. It provides a shared vision to steer students in the right direction. More important, it promotes a *culture* of honor, where students and faculty agree that it's not enough to avoid wrongdoing themselves. They must also speak out when they see others acting dishonorably.



It is now time for educators to take the next step and assume the **responsibility** that society expects from us and to articulate our professional ideology.

## The Case for a Professional Code



by Ángel Cabrera

In 2005, we at the Thunderbird School of Global Management decided to adopt a formal code of professional conduct in all of our graduate programs. We made a pact with the student-led Honors Council: If they worked with alumni, students, and

faculty to produce an honor code acceptable to our graduates, then we would try to incorporate the code into our curriculum and academic traditions.

After several months of debate, students, alumni, and faculty produced an honor code that made commitments in areas such as corruption, exploitation, human rights, and environmental sustainability. More important, it used language that underscored the status of management as an honorable profession. By the summer of 2006, the code had been unanimously endorsed by the faculty senate and formally adopted by the school's board.

### Why Stop There?

As we move forward with Thunderbird's code, I now must consider a crucial question: Why does business not have a shared professional code of ethics? After all, most business educators agree that business ethics should be a part of the core business curriculum. But we have yet to agree on what that requirement should mean in practice.

As early as 1959, Robert Gordon and James Howell argued that management should accept the responsibilities

### Thunderbird Professional Oath of Honor

*As a Thunderbird and a global citizen, I promise:  
I will strive to act with honesty and integrity,  
I will respect the rights and dignity of all people,  
I will strive to create sustainable prosperity worldwide,  
I will oppose all forms of corruption and exploitation,  
and I will take responsibility for my actions.  
As I hold true to these principles, it is my hope that I may  
enjoy an honorable reputation and peace of conscience.  
This pledge I make freely and upon my honor.*

that accompany any true professional discipline—specifically, to develop a scientific base of knowledge through academic scholarship and to prepare individuals to serve society. Business schools have been effective at building a scientific body of knowledge. Unfortunately, we have not been so eager to take on the second challenge. It took an Enron, an Arthur Andersen, and other dramatic failures in the early 2000s for our industry to react.

However, these failures could be a blessing in disguise. They compelled us to agree that ethics is a core component of the business curriculum. It is now time for educators to take the next step and assume the responsibility that society expects from us and to articulate our professional ideology. With a professional code, we make a commitment to serving the interests of society by educating professionals who can manage business corporations for the greater good.

### Accepting Responsibility

For philosophical or practical reasons, skeptics have argued that management education should not be burdened with teaching ideology or values. But education without embedded values is an illusion. As Sumantra Ghoshal so powerfully argued, when we teach agency theory, we perpetuate a view of managers as self-serving opportunists, not as enlightened professionals at the service of society. When we teach the five-forces model of strategic decision making, we suggest that good managers exert control over customers and suppliers and create barriers to competition, rather than partner with customers and suppliers to create value in innovative ways. The question is not whether or not we should convey values through our teaching, but whether the values we now convey are good enough.

Management may be younger than medicine or law, but it is mature enough to have produced schools of business in universities around the world. It has established academic disciplines and journals; professional associations; and the MBA, a degree that is widely accepted as a professional qualification. We need to accept that, like medicine and law, management is a true profession that serves society. As management educators, we are responsible for perpetuating not just technical knowledge, but also the values and service attitudes that should be driving business.

Some skeptics also doubt that it's possible to identify a set of universal principles for management practice, which has as many interpretations as there are human cultures. Yet, international organizations have shown that there are universal values that are acceptable to all cultures. Since 2000, the United Nations Global Compact has proposed ten principles

of corporate citizenship covering human and labor rights, environmental protection, and anti-corruption.

These principles are rooted in universal declarations and international law that have been accepted by the immense majority of the world. For this reason, we used international initiatives such as the Global Compact and the World Economic Forum's Global Citizenship Initiative as guides as we wrote the Thunderbird Professional Oath of Honor.

### **Transformational Effect**

The creation of our oath of honor has had a transformational impact in the life and culture of Thunderbird. Our code is included in promotional materials; it's recited at graduation ceremonies. Students now refer to our code in our classes and take pride in being part of a professional discipline that plays a central role in spreading prosperity.

A professional code of conduct could have that effect on the entire management profession. I believe that unless we agree on even a few principles of what is and what is not acceptable management practice, our graduates will be left to their own devices when it comes to making ethical decisions. Unless we commit to conveying those principles clearly and unambiguously to our students, their decisions may have grave business and social consequences.

It is true that one school alone can do little to change the world, but there is much we can and must do collectively as educators. There are signs that our industry may be at a tipping point, where it will choose to adopt a new attitude regarding our core responsibilities. Together, there is no doubt that we can change the world.

Ángel Cabrera is president of Thunderbird School of Global Management in Glendale, Arizona. He is presently a senior adviser to the UN Global Compact Office on Academic Affairs.

## **The Costs of Cheating Are Too High to Ignore**



**by Blair Sheppard**

The temptation for people to cheat is remarkable today, whether they're in sports, government, business, or education. Many athletes turn to steroids because they add dramatically

to performance but are hard to detect. If caught, some athletes are stripped of their medals, are forced to forfeit past income, or even face jail; others enter the Hall of Fame. Some politicians think it's a small matter to accept questionable donations from supporters because there's a relatively small chance of being caught. Some go to jail; others are elected to high office.

In both of these cases, the consequences of wrongdoing may be vague, but the costs to society are clear. Suddenly our children don't know whom to respect—how can they know whether today's honored athlete might be exposed tomorrow for cheating? Voters don't know whom to elect—how can they know who is trustworthy? Their faith in the political process is shaken.

The consequences of cheating in business are similarly vague—and the costs equally sinister. An executive may view the legal risk of committing fraud as inconsequential when compared to the astronomical amounts of money involved in many business transactions. But trust in contracts, trust in the capital markets, and trust in packaging are at the heart of efficient business. Just imagine if the corruption now found in the world's least efficient economies was prevalent in business everywhere. The entire system of enterprise would break down.

We must keep these realities in mind as we weigh the risks of cheating in our business school programs. Students know that their grades can determine which of them will work for the elite banks, pharmaceutical companies, and consulting firms, and which of them will have to find other options. Papers are easy to buy on the Web, and cheating is easy to do on take-home exams. Given that cheating is pervasive in academia, many students may ask, "Why not cheat?" The likelihood of getting caught is so small and a serious penalty so unlikely.

These students don't realize the huge costs of such behavior to society. Cheating in business school threatens the essence of learning—and the essence of business.

### **Learning from Experience**

Tragically, we at The Fuqua School of Business experienced the fallout of cheating when we found that 34 students had violated our honor code: They had inappropriately collaborated on a take-home examination and/or case assignments. In response, students were punished based on the severity of their transgressions, according to the requirements of our honor code.

As the incoming dean, I was not involved in these decisions, but I am proud of the actions taken. We reinforced

## It is unacceptable when schools do not require students to grapple with their own sense of integrity before they leave.

the important principles of our honor code by which each student pledges to abide upon enrolling at Fuqua. Alumni, fellow deans, recruiters, and trustees told me that they were pleased to hear that a business school was willing to enforce honor among its students.

But this acknowledgment rings hollow to me. The sad fact is that 34 of our students did cheat, and people believe that this behavior is rampant within business schools around the world. It illustrates the need for action that goes beyond addressing honor violations in our schools as they occur. It is simply unconscionable that business schools graduate students who do not understand the fundamental necessity of honor in business. It is unacceptable when schools do not require students to grapple with their own sense of integrity before they leave.

### Worth the Effort

In the Duke MBA program, we want to develop a more complete approach to engendering a sense of professionalism and honor in our students. Although we still have much more to do, we have in place four central principles that are continuing to evolve:

1. We must encourage our students to take primary responsibility for the culture of their school. Since this event occurred, I have been most proud of how our students have taken responsibility to create a culture of honor, courage, candor, and care. They realize they must sustain this culture not only by their own honorable actions, but also by their courage to call out a classmate who fails to acknowledge his or her role in sustaining Fuqua's integrity.

2. We must make a commitment to instilling a shared sense of honor among our diverse student body. The notion of honor translates across all cultures, but its meaning has subtle, yet significant, differences around the world. It is our task to be sure that the specific meaning of honor is clear within our own community.

3. We must make a sustained effort to engender a sense of honor in our students from admission to graduation and beyond. We must understand that honor is not a course, but a motif that pervades everything we teach and all that we do.

4. Finally, it's not enough for us, as teachers and leaders, to *be* honorable; we also must consciously and intentionally model honorable behavior. Too few of us, as educators, tell our students directly why we consider such behavior essential.

Given the pervasiveness of dishonesty, I cannot guarantee that we will be successful in only admitting honorable students. Neither will we inculcate a deep sense of honor in each and every student in our program. I will guarantee,

however, that we will always make the effort. And when we fail, we as a community will learn and get a little better every time.

Blair Sheppard is the dean of Duke University's Fuqua School of Management in Durham, North Carolina.

## Committed to Integrity



by Beth Ingram

Last fall, as a relatively new associate dean, I received a call from a professor in a large lecture course who had found that a group of students had cheated on a homework assignment. The students were given zeros on the assignment, and most received lower

final grades as a result. Most students simply accepted the penalty, but a few chose to appeal.

Under our honor code's appeals process, members of a student judicial board investigate the incident and forward their investigative report to a committee of students and faculty members. That committee decides whether to uphold the faculty member's sanction or to support the student's appeal. If the appeal fails, a student can make a further appeal to the associate dean.

In this particular case, none of the students won their appeals; the evidence was overwhelming. One student pursued a subsequent appeal to me. I also heard from the student's father, who was sure that his child was not a cheater. This appeal was also denied, but at a price. The student's younger sibling rejected our offer of admission in favor of another university.

What is important to note is that, in this case, the students and the faculty member supported the honor code and its procedures. The students followed the path of the appeal; and, with one exception, all parties were willing to accept the committee's decision. Moreover, because the faculty member trusted the system we have in place, he was willing to issue and enforce sanctions against a significant number of students, despite the time, effort, and documentation involved.

Neither the angry parent nor student was given a second hearing. Administrators supported the judicial committee's findings and stood behind the honor code and its procedures.

## Our code should not be hidden on a lengthy list of required politics, but made a **fundamental** part of the conversation with all students and faculty.

I believe this degree of cooperation stems in large part from the way in which our honor code was created and incorporated into the culture of Tippie College.

### **A Shared Vision**

Writing the honor code for the Tippie College of Business was a student-driven, team-building experience. Initially, open forums were held for students, faculty, and staff. Taking their input into account, students wrote the honor code, borrowing elements from other successful codes and modifying them to fit our academic environment. The student leadership council and elected faculty council then voted to adopt the code. Tippie's honor code presented a unique opportunity for the undergraduate, graduate, and MBA students to work together to define a code of ethics.

As Donald McCabe, Ken Butterfield, and Linda Treviño noted in "Cheating in Academic Institutions: A Decade of Research," the most effective codes are those created by students and faculty and reflect the individual culture of the institution. I couldn't agree more. We would not have resolved the incident last fall so successfully if our code had not been communally written to create a culture with a shared vision of integrity.

### **Challenges and Change**

With our code in place, we now face two main issues. First and foremost, most of our students transfer to the Tippie College from the College of Liberal Arts and Sciences as juniors. Although arts and sciences faculty enforce a code of student behavior that prohibits cheating, the college has no explicit honor code. This means that we begin communicating with students about our honor code relatively late in their academic lives.

Our second challenge is that our courses have increasingly been taught by adjuncts and lecturers. Because many of these adjuncts cycle in and out of teaching courses in the college, they may not be fully aware of the principles and requirements of our code.

In the future, we want to be more effective in communicating our fundamental dedication to academic integrity. For example, as we move to earlier admissions, we plan to create a more explicit signing ceremony for new admits that presents the honor code as a defining element of being a member of the Tippie community. In addition, we must emphasize our commitment to our honor code to our contingent faculty. We must make sure that our code is not hidden on a lengthy list of required policies, but made a fundamental part of the conversation with all students and faculty.

Our honor code is a living document. It is not perfect, and it requires constant revisiting. Yet, our nascent honor code has been very successful. I believe this is attributable to its origin. It was created as the collaborative effort of students, faculty, and staff from three different degree programs. It's hard to imagine a code imposed more distantly would have had the same effect.

Beth Ingram is associate dean of the undergraduate program and professor of economics at the University of Iowa's Tippie College of Business in Iowa City. Nancy Hauserman, professor of management and organizations, also contributed to this article.

## **Don't Lie, Don't Cheat, Don't Steal**



**by Dawn Morrow**

Integrity. Honor. Ethics. These concepts are found in nearly every business school's core values. However, a study last year found that 56 percent of graduate business students self-reported they had cheated at least once. This study demonstrates that

we are not living up to the standards that should form the foundation of our business education. The question, then, is what we can do about it?

One answer—establishing a shared code of ethics for management—is too often dismissed. Many argue that business is too diverse to adhere to one set of principles. But integrity cuts across all disciplines and all professions. Every business discipline shares basic core values: Don't lie. Don't cheat. Don't steal.

These principles form the foundation of the Honor Court at the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill. As an MBA student and the Graduate Business School Honor Court's first attorney general, I truly appreciate that the Court isn't just about punishment; it's also about education. Our business students come from different cultures and backgrounds. Not everyone knows how to cite a reference in a paper, and not everyone has been well-schooled in the definition of academic integrity. As attorney general, I work to close these gaps in students' ethical frameworks and help students

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carry their ethical behavior from our school into their professional lives.

### The Case for a Court

In place since January 2007, Kenan-Flagler's Graduate Honor Court operates under the umbrella of UNC's 120-year-old honor code. Most professional disciplines at the university—including pharmacy, medicine, nursing, and law—have their own honor courts, which meet their particular needs. We realized that business, like these other disciplines, has unique ethical issues to address and that our school required a graduate honor court that would face these issues head on.

Our court handles cases of academic dishonesty and dishonorable conduct in a way similar to that of judicial courts. Students at Kenan-Flagler apply to participate in the Honor Court, either as defense counsels, investigators, or court panelists. Students are chosen for the Honor Court by the court officers, which include the attorney general and the honor court chair, and are approved by the standing committee. Once chosen, students are trained to fulfill their roles through mock trials, group discussions, and study of the UNC honor code.

When individuals are suspected of violating the code, they first meet with me. As the attorney general, I explain their rights, present the evidence against them, and invite them to tell their side of the story. If I find a preponderance of evidence—that is, if I believe there is at least a 50 percent chance that the violation occurred—I make a formal charge. I then send the case into our Honor Court system.

Once a case is in the system, I assign a defense counsel to represent the student and an investigator to present the complainant's case. Meanwhile, the chair of our Honor Court chooses a panel from a pool of eligible students to hear the case. If the panel finds a student guilty of the charge, it imposes sanctions that have been laid out clearly in UNC's honor code. For a first offense, students receive a failing grade on the assignment or in the course and at least a semester of probation or suspension. For a second offense, students receive at least a two-semester suspension.

The court may also require students to write educational materials or complete community service. Our goal is to make sure that students who come before our court truly understand why their actions were an ethical violation and why they cannot commit that violation again. Moreover, we not only want to engage them in their own ethical education, but also enlist them in helping others learn the same lessons.


### A Common Ethical Vocabulary

Kenan-Flagler has developed a shared professional code and a systematic response to ethical violations—something I would like to see happen in business as a whole. When I look at the practice of management today, I become concerned that its approach to honor and ethics is haphazard at best. If business schools worked with industry to establish a common honor code for management education and the management profession, they would provide students and professionals with a more consistent and common vocabulary to discuss the ethical implications of their business practices. They also would help students maintain a consistent foundation for identifying and considering ethical issues, both in school and after graduation.

Before students even enter their degree programs, business schools should expose them to the professional code of honor. All applicants should write essays in which they analyze ethical situations; any prior ethical violations should be scrutinized. Their interviews should include questions about ethical dilemmas they faced and how they responded.

During orientation, all students should read the honor code and discuss its content. Students should be taught how to use proper citations when borrowing ideas from other sources. On the first day of every class, they should be informed how the honor code applies to that class, reminded of the consequences of code violations, and encouraged to ask questions if they are unsure of the boundaries. Ethics classes should provide students with a framework to work through ethical issues. Courses throughout the curriculum should engage students in hard questions and challenge them to think critically about real-world ethical issues.

Finally, if and when students violate the code, these incidents should be met swiftly and forcefully with a fair and fast hearing. Regular reports on honor code violations should be released internally so that students are aware of their performance as a group and are reminded that there are real consequences to their actions.

Through such requirements, management programs would develop professionals with a more concrete and comprehensive framework to help them work through ethical problems. Most important, these professionals would have a strong sense of integrity and understanding of their ethical responsibilities, which at their heart are pretty basic: Don't lie. Don't cheat. Don't steal. 

Dawn Morrow is the attorney general of the Kenan-Flagler Business School Graduate Honor Court and a member of its MBA class of 2008.

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