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"ACCOUNTING ETHICS EDUCATION AND THE SOCRATIC METHOD"

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INTRODUCTION

The purpose of this paper is three-fold:

1. To indicate the perceived need to teach ethics to accounting students.
2. To explain the Socratic Method and how to use it.
3. To suggest a way the Socratic Method can be used to teach ethics to accounting students.

For more than twenty years there has been increasing emphasis given to the teaching of ethics to accounting students. The American Accounting Association Committee on the Future Structure, Content, and Scope of Accounting Education [The Bedford Commission] [AAA, 1986, p. 179] states that “professional accounting education ... must ... instill the ethical standards and the commitment of a professional.” The Report of the National Commission on Fraudulent Financial Reporting [The Treadway Commission, 1987, p.83] has stated that, “The independent public accountant’s responsibility and accountability to the public requires a much broader exposure to ethics. Business schools should include ethics discussions in every accounting course.”

In 1989 the partners of the then Big-Eight accounting firms issued Perspectives on Education: Capabilities for Success in The Accounting Profession [Perspectives..., 1989] a statement that also argues for the importance of ethics in the education of accountants. The Accounting Education Change Commission [AECC, 1990] states that one of the intellectual skills needed by accountants is the “(a)bility to identify ethical issues and apply a value-based reasoning system to ethical questions.” The AECC also states that as part of accounting knowledge accountants should know the “(e)ethical and professional responsibilities of an accountant.”
One of the backlashes of the Enron, WorldComm, and similar accounting/audit failures of recent times has been an even greater emphasis on ethics training for accountants and accounting students [e.g., Jennings (2004), Thomas (2004), Waddock (2005)]. The Texas State Board of Public Accountancy has initiated a requirement that all candidates for the CPA exam in Texas must complete a 3-hour college ethics course, to include materials and teaching methodologies that will stimulate independent thought on the topics of independence, objectivity, honesty, integrity, and responsibilities to the public. The National Association of State Boards of Public Accountancy proposed [though later rescinded] a six hour ethics course requirement for all member boards.

How might ethics be included in an accounting course? Langenderfer and Rockness [1989] suggest and describe a way to teach ethics by utilizing the case method. Loeb [1988] suggests that a variety of methods in addition to the case study method might be used including lectures, guest lectures (e.g., accounting practitioners), and role playing (i.e., role-playing based on specific case studies). There is as yet no empirical studies that indicate the superiority of one method over the others.

Bok [1976], then president of Harvard University, writing in the aftermath of the Vietnam War and Watergate adds emphasis to the need for the teaching of ethics when he states [p. 26] “It is also widely believed that most of the sources that transmit moral standards have declined in importance. Churches, families, and local communities no longer seem to have the influence they once enjoyed in a simpler, more rural society. ... If other sources of ethical values have declined in influence, educators have a responsibility to contribute in any way they can to the moral development of their students.” Regarding pedagogy, he states [p. 30]: ... instructors must know how to conduct a rigorous class
discussion that will elicit a full consideration of the issues without degenerating into a windy exchange of student opinion," and goes on to imply, at least indirectly, use of the Socratic Method. He concludes [p. 30]: “There is value to be gained from any course that forces students to think carefully and rigorously about complex human problems.” It has long been recognized that one aspect of the Socratic Method is that it forces students to think carefully and rigorously about the issue under consideration.

THE SOCRATIC METHOD

Any method of instruction that is highly effective is worthy of study and consideration by all teachers, regardless of their subject discipline. Teachers of any subject area where a student's understanding of why they believe as they do is important should find the Socratic Method to be of interest, since it illustrates a method of leading students to this awareness.

Definition

Webster [1981, p. 1095] defines the Socratic Method as: one "... of systematic doubt and questioning of another to reveal his hidden ignorance or to elicit a clear expression of a truth supposed to be implicitly known by all rational beings." In general the method utilizes dialectic, “a discussion and reasoning by dialogue as a method of intellectual investigation; specif: the Socratic techniques of exposing false beliefs and eliciting truth.” [Webster, 1981, p. 311]
Strength and Weakness

Though clearly more applicable to a small group seminar setting, for certain topics the method can be used even in lecture size classes (30 - 40 students) if classroom self-discipline is good. As explained below the method is very effective in leading the student to discover why they believe as they do. However, this effectiveness is gained at the sacrifice of efficiency - it is a time consuming, rambling method.

How The Method Operates

When I use the Socratic Method in my own courses I usually assign a set of readings to be discussed at a later class session; at that session I ask the students what they think about the readings. Of course, I usually have some goal in mind that I try and steer the discussion to reach, but I let the students ask, answer, and explain questions in getting there [this is not a pure application of the Socratic Method, however]. To grasp how a "pure" approach to the method might proceed the reader is referred to the German philosopher Nelson [1949]. The following quotes give a good indication of how a pure Socratic Method proceeds:

The Socratic method, then, is the art of teaching not philosophy but philosophizing, the art not of teaching about philosophers but of making philosophers of the students.

[Socrates] “questioned and examined and cross-examined” his fellow citizens, not to convey a new truth to them in the manner of an instructor but only to point out the path along which it might be found.

By analyzing conceded judgments we go back to their presuppositions. We operate regressively from the consequences to the reason.

One achievement is universally conceded to [Socrates]; that by his questioning he leads his pupils to confess their ignorance and this cuts through the roots of their
dogmatism. This result, which indeed cannot be forced in any other way, discloses the significance of the dialogue as an instrument of instruction.

The lecture, too, can stimulate spontaneous thinking, particularly in more mature students, but no matter what allure such stimulus may possess, it is not irresistible.

Only persistent pressure to speak one's mind, to meet every counterquestion, and to state the reasons for every assertion transforms the power of that allure into an irresistible compulsion. This art of forcing minds to freedom constitutes the first secret of the Socratic method.

Socrates, after this higher level of ignorance is reached, far from directing the discussion toward the metaphysical problems, blocks every attempt of his pupils to push straight on to them with the injunction that they had better first learn about the life of the weavers, the blacksmiths, the carters.

His greatness as a pedagogue is based on another invention: he made his pupils do there own thinking and introduced the interchange of ideas as a safeguard against self-deception.

...the essence of the Socratic method consists in freeing instruction from dogmatism; in other words, in excluding all didactic judgments from instruction.

The teacher who follows the Socratic model does not answer. Neither does he question. More precisely, he puts no philosophical questions, and when such questions are addressed to him, he under no circumstances gives the answer sought.

During such a session we may often hear the despairing appeal to the teacher: "I don't know what it is you want!" Whereupon the teacher replies: "I? I want nothing at all." This certainly does not convey the desired information. What is it, then, that the teacher actually does? He sets the interplay of question and answer going between the students, perhaps by the introductory remark: "Has anyone a question?"

...the essential thing is the skill with which the teacher puts the pupils on their own responsibility at the very beginning by teaching them to go by themselves - although they would not on that account go alone - and by so developing this independence that one day they may be able to venture forth alone, self-guidance having replaced the teacher's supervision.

What should the teacher do if there are no questions? He should wait - until questions come. At most, he should request that in the future, in order to save time, questions should be thought over in advance.
Once questions start coming - one by one, hesitantly, good ones and foolish ones - how does the teacher receive them, how does he handle them? He now seems to have easy going since the rule of the Socratic method forbids his answering them. He submits the questions to discussion.

All of them? The appropriate and the inappropriate? By no means. He ignores all questions uttered in too low a voice. Likewise those that are phrased incoherently. How can difficult ideas be grasped when they are expressed in mutilated language?

Many [of the questions] are confused or vague. Sometimes clarification comes with a counterquestion: “Just what do you mean by that?” But very often this will not work because the speaker does not know what he means himself. The work of the discussion group thus tends automatically either to take up the clear, simple questions or to clear up unclear, vague ones first.

Of course, the instructor will not submit every incongruous question to such protracted examination. He will seek to advance the discussion through his own appraisal of the questions. But he will do no more than allow a certain question to come to the fore because it is instructive in itself or because threshing it out will bring to light typical errors. And he will do this by some such expedient as following the question up with the query: “Who understood what was said just now?” This contains no indication of the relevance or irrelevance of the question; it is merely an invitation to consider it, to extract its meaning by intensive cross-examination.

What is his policy as regards the answers? How are they handled? They are treated like the questions. Unintelligible answers are ignored in order to teach the students to meet the requirements of scientific speech. Answers, too, are probed through such questions as:

“What has this answer to do with our question?”
“What word do you wish to emphasize?”
“Who has been following?”
“Do you still know what you said a few moments ago?”
“What question are we talking about?”

The simpler these questions, the more flustered the students become. Then, if some fellow student takes pity on his colleague’s distress and comes to his aid with the explanation, “He surely wanted to say . . .,” this helpful gesture is unfeelingly cut short with the request to let the art of mind reading alone and cultivate instead the more modest art of saying what one actually wants to say.

The bewilderment famed in the Socratic circle closes in. Everyone is at his wit’s end. What has been certain at the outset has become uncertain. The students, instead of clarifying their own conceptions, now feel as though they had been robbed of their capacity to make anything clear by thinking.
Thus, after our instructor breaks the spell of numbness by calling for a return to the original question, and the students trace their way back to the point from which they started, each must, by critical examination of every one of his steps, study the sources of error and work out for himself his own school of logic. Rules of logic derived from personal experience retain a living relation with the judgments they are to govern.

Of course, the student should know the details of the demands to be made on his will. They constitute the minimum required for examining ideas in a group. This means, first, the communication of thoughts, not of acquired fragments of knowledge, not even the knowledge of other people’s thoughts. It means, further, the use of clear, unambiguous language.

In following the Socratic Method, the teacher does not answer questions or ask them; he guides the students to discover their own beliefs and prejudices about the item at hand. Only in this way can the student understand why they believe as they do. It is this self-analysis that is applicable to the teaching of ethics.

**USING THE SOCRATIC METHOD TO "TEACH" ETHICS**

Though Thomas [2004] does not include the Socratic Method in his information rich paper on ethics and accounting education, logic suggests that this method would be ideal as a mechanism for inculcating ethical decision-making in students.

A person’s underlying beliefs form the reference for ethical decisions and no better method of discovering this exists than the Socratic Method. One might note that the word “teach” is indicated in quotes, indicating an illegitimate term. The Socratic Method does not teach; it permits individuals to discover and learn what they really knew all along about the issue at hand [for example, an ethical dilemma] but were unaware of it. Once a person is aware of the basis for their own beliefs, then that person can understand their own views of ethical decisions they may encounter.
Classification of Ethical Questions/Problems/Situations

- Personal/Professional
- Legal/Social

List of Topics for Socratic Dialogue

- Evidence stuffing
- Conflict of interest
- You work for crooks
- Whistle blower
- Time pressure, i.e., omitted procedures
- Insider info
- One big client and they want you to look the other way
- They want you to look the other way
- Less deserving than you get the rewards
- They tell you in confidence but now it applies to a different situation
- Take items from Texas State Board Report as examples
- NIGYYSOB
- Your audit co-worker has a _____________ problem [drinking, drug, etc]
- After their promotion your gentle co-worker becomes a tyrant
- Conflict resolution [xr Chuck Cummings]
- Your silence could harm another
- Your friend has made a mistake
- You made a mistake but no one else knows
- You made a mistake and someone else is blamed
- The boss you hate made a mistake
- The boss you hate is blamed for someone else's mistake and you know who that person is, or you know your boss did not do it
- Your friend omitted a procedure
- You are blamed for someone else's mistake
- You are blamed for someone else's mistake and they don't want to hear any of your excuses
- Let's talk about ______; they're not here
- Everyone's a crook; why not me
- Your co-worker is hitting on you
- Your boss is hitting on you
- Your co-workers are talking about ________ who is not present
- Your co-worker is telling you (or wants to tell you) all about _____, a co-worker (or the boss, etc)
REFERENCES


Waddock, S., "Hollow Men and Women at the Helm ... Hollow Accounting Ethics," Issues in Accounting Education (May 2005), pp. 145-150.