



Research Methods and Ethics in Banking and Finance

ETHC 3500 (3 credits / 45 hours)

SIT Study Abroad Program:
Switzerland: Banking, Finance, and Social Responsibility

PLEASE NOTE: This syllabus represents a recent semester. Because courses develop and change over time to take advantage of unique learning opportunities, actual course content varies from semester to semester.

Description

The Research Methods and Ethics in Banking and Finance (RME) introduces students to the conceptual and practical tools for gathering primary data and the knowledge and skills that are essential to forming constructive relationships with organizations and/or individuals, which are necessary for completing an academic project or an internship in the cultural context of Switzerland. In particular, the seminar enhances students' skills in gathering, recording, and analyzing primary data and writing a scholarly academic project or internship proposal.

The seminar also covers the financial code of ethics and addresses sustainable financing, socially responsible investment (SRI) issues, ethical banking, and legal and practical aspects of integrating environment, social justice, and corporate governance (ESG) issues to institutional investment. The seminar gives a detailed overview of major institutional actors, key players in European and global networks in the field of banking and sustainable financing, and the international standards in the fight against tax avoidance and money-laundering. This seminar incorporates visits to corresponding local financial institutions and international organizations or NGOs.

Ethical considerations related to conducting field research or completing an internship will be discussed. The overall aim is to help students in their experience-based learning processes and prepare them for the development of an Independent Study Project in Finance (ISPF), which is largely based on the data gathered from primary sources, or an Internship in Finance at a local organization.

Learning Outcomes

Research Methods and Ethics of Banking and Finance course comprises 45 class hours of instruction (3 credits). Upon completion of the course, students will be able to:

- Analyze and process primary data gathered in the field and draw valid and ethical interpretations and conclusions;
- Understand and apply econometric techniques to the analysis and modelling of financial data;
- Show understanding of the difference between the main sustainable financing instruments, like Socially Responsible Investment, micro-finance, impact investing, and philanthropy;
- Demonstrate knowledge of the business model of ethical and sustainable financing;
- Produce an Independent Study Project in Finance proposal that is in strict observance of ethical academic standards and local values and that includes a research question, sample review of the relevant literature, outline of the research methods, and anticipated ethical challenges and ways of addressing them OR an Internship in Finance proposal that includes a description of the host organization, an outline of tasks that will be performed, a proposed work timetable, and projected outcomes such as a paper or business plan.

Language of Instruction

This course is taught in English, but students will be exposed to vocabulary related to course content through in-country expert lectures and field visits in a wide range of venues and regional locales.

Course Schedule

*Please be aware that topics and excursions may vary to take advantage of any emerging events, to accommodate changes in our lecturers' availability, and to respect any changes that would affect student safety. Students will be notified if this occurs.

Module 1: Research Methods and Ethics in Banking and Finance in the Context of Switzerland

This introductory module is designed to introduce students to qualitative and quantitative field-based research in the context of Switzerland. While studying the French language and living with a local family, the qualitative field-research approach based on experiential learning helps students to pursue an Internship in Finance or complete an ISPF, learn and understand the Swiss culture and local business practices. Students learn about various econometric techniques used in the analysis and modelling of financial data and the ethics of data collection and analysis. The module addresses the analytical methods of exponential growth, calculations of interests and loans, and learn how to compare the calculation of loans in conventional banks and alternative banking such as Islamic financial institutions.

Session 1: Introduction to Research Methods and Ethics

This session highlights the characteristics of econometric techniques, as well as the main elements of conducting a qualitative research project. Attention will be given to the tentative ISPF proposal and the Internship in Finance. The focus will be on choosing and exploring and contextualizing the research topic. We will address effective ways to search for literature and the SIT guidelines for referencing. Brief attention will be given to formulating a tentative research question. Students reflect on conducting research and

collecting data in an ethical way in Switzerland and discuss key ethical questions when doing research in banking and finance.

Assignment:

Choose an ISPF topic and identify the main theories/concepts/literature/debates regarding this topic. Also, formulate a tentative research question.

Required readings:

Glesne, C. (2006). "Pre-study tasks: Doing what is good for you". *Becoming Qualitative Researchers (3rd Ed.)*. Boston: Pearson Education, Inc, 21- 36.

Silverman, D. (2005). Writing a research proposal. *Doing Qualitative Research*. Retrieved from <http://www.uk.sagepub.com/managementresearch/Easterby-SmithOnlineReadingLinks/Chapter2/Silverman,139-146>.

Session 2: Research Question, Literature, and Research Methods

The purpose of this session is two-fold. First, we will re-address the research topic (briefly) and research question, so as to prepare for the final ISPF proposal / Internship in Finance. Second, we will analyze the interconnectedness between the research question and the choice of the relevant literature, and appropriate qualitative research methods.

Assignment:

By the end of the week, you will have chosen the methods for conducting your research. This will be a first draft of your research design and the first step towards your ISPF or Internship in Finance proposal.

Required reading:

Glesne, C. (2006). Pre-study tasks: Doing what is good for you. *Becoming Qualitative Researchers (3rd Ed.)* Boston: Pearson Education, Inc, 36-48.

Session 3: Analyzing Data and Reporting Qualitative Research Findings

In this session we will look at various ways of coding and clustering your data and the various levels of data analysis, with particular attention to intersectionality as a tool for analysis. We walk through the ISPF / Internship in Finance rubric and the structure of a research report, management advice, or business plan.

Required reading:

Glesne, C. (2006). Finding your story: Data analysis. *Becoming Qualitative Researchers*. Boston: Pearson Educators, 147-170.

Recommended readings:

Bell, J. (2010). *'Writing the Report' Doing Your Research Project (5th Ed.)*. Berkshire: Open University Press, 21- 36.

Glesne, C. (2006). 'Writing Your Story: What Your Data Say. *Becoming Qualitative Researchers*. Boston: Pearson Educators, 173-192.

Session 4: Econometrics and the Modelling of Financial Data

This session focuses on the application of statistical methods and models representing the performance of financial assets and portfolios in businesses. Students will discuss models of exponential growth and will help them to perform in ISPF / Internship in Finance assignments.

Required reading:

Brown, R., Zima, P. (2011). "Compound Interest and Compound Discount", *Mathematics of Finance*. McGraw-Hill Education, 173-192.

Session 5: Calculation of Loans in Conventional Banks

In this session students will learn to calculate loans and interest rates by using Excel. This is a practical session which consist of series of exercises and will help them to perform in ISPF / Internship in Finance assignments.

Required reading:

Brown, R., Zima, P. (2011). "Amortization and Sinking Funds", *Mathematics of Finance*. McGraw-Hill Education, 124-152.

Session 6: Calculation of Loans in Islamic Financing Institutions

In this session students will learn to calculate loans in Islamic financial institutions by using Excel and compare them to the calculation of loans in conventional banks. This is a practical session which consist of series of exercises and will help them to perform in ISPF / Internship in Finance assignments.

Required reading:

Hassan, M. K., Kayed, R.N., Oseni, U.A. (2013). "Financial Instruments of Islamic Banking" *Introduction to Islamic Banking and Finance*. Edinburgh: Pearson Education, 76-98.

Session 7: Introduction to the ISPF and Internship: Student Positionality and Ethics

This session describes the ISPF and Internship in Finance processes and help students brainstorm ideas and set goals for their ISPF or Internship. It emphasizes the element of student positionality and ethics during the ISPF / Internship activity. The session includes a review and critique of past ISPF and/or Internship papers. Under the guidance of Academic Director, students will identify an ISPF advisor and secure an internship placement; One-on-one meetings with the Academic Director to discuss preliminary ISPF or Internship questions and ideas.

Session 8: Research Ethics and the HSR/LRB Process

This session uses concrete examples of social science research to address and discuss the ethical dimensions of doing research. We will look into ways of protecting the rights of research participants, such as their right to give or refuse consent, and their right to remain anonymous. Special attention is given to the protection of vulnerable research groups, such as minors and marginalized groups. In a similar vein, we will also discuss the issue of unequal power relations between the researcher and the researched, both during the research process as well as in representing research subjects in a final research paper. The session will also cover SIT's Human Subject Review Policy and the application for review of research with human subjects (the IRB form), the LRB process, the consent form, and the ethics form.

Required reading:

Glesne, C. (2006). But is it ethical? Learning to do right. *Becoming Qualitative Researchers*. (3rd Ed.. Boston: Pearson Educators, 129-146.

Recommended reading:

Bell, J. (2010). Ethics and Integrity in Research. *Doing Your Research Project (5th Ed.)*. Berkshire: Open University Press, 44-62.

Module 2: Ethical Banking and Sustainable Finance

This introductory module to ethical banking and sustainable finance allows students to discover the historical dimension of the concept, main fields, terminology, and examples for financial institutions that are functioning in an ethical way. The module gives an introduction to sustainable finance often described as “ethical” or “sustainable”. The module explores the principles and strategies of Sustainable and Responsible Investments (SRI), Economic and Social Governance (ESG), Corporate Social Responsibility (CSR), and Impact Investing.

Session 1: Banking and Ethics: What is Ethical Banking?

After an overview of the history of ethical banking, this session will provide students with a critical assessment of a sample of contemporary ethical banking practices which includes new bank, green bank, responsible bank, alternative bank, civil bank, and charity bank.

Required Reading:

Weber, O., & Remer, S. (Eds.). (2011). *Social Banks and the Future of Sustainable Finance*. London and New York: Routledge, 15-47.

Session 2: Finance and Ethics: What is Sustainable Finance?

The objective of this session is to give an introduction to the notion of what is often described as “ethical, sustainable, social, alternative, development, or solidarity” banking and financing. The lecture explores the principles of SRI, ESG issues, impact investing, charity, and philanthropy.

Required Reading:

US SIF Foundation. (2013). *The Impact of Sustainable and Reasonable Investment*. Retrieved from: http://www.ussif.org/files/Publications/USSIF_ImpactofSRI_FINAL.pdf, 15-47.

Module 3: Tax Avoidance, Money Laundering, and Ethics

This module tackles the challenges of authorities and governments facing tax avoidance, money-laundering, and ethical financing and introduces its global and European institutional regulations. While engaging in critical discussion around ethics in banking and finance, the students discuss the methodology of criminal investigation in Swiss financial institutions, in the prosecutor office and in court.

Session 1: Tax Avoidance and Global Financial Processes

The session introduces the global and European financial processes which monitor tax avoidance and discusses The Financial Action Task Force (FATF), Foreign Account Tax Compliance Act (FATCA) and World-Check.

Required Reading:

Force, F. A. T. (2012). *International standards on combating money laundering and the financing of terrorism & proliferation: the FATF recommendations*. FATF/OECD, 11-33. Retrieved from:

www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF_Recommendations.pdf, 90-93.

Recommended Readings:

List of Internet resources from the OECD directory:

Retrieved from: <http://www.oecd.org/cleangovbiz/toolkit/moneylaundering.htm>

Session 2: Case Study of Anti-Money Laundering Acts and Rules, and Criminal Investigation

This session focuses on Switzerland as a case study for established rules and regulations to address anti-money laundering. The lecture discusses the legal procedure and cases to trace criminal activities in financial institutions.

Required Reading:

Birchler, N. (2009). Swiss Financial Self-Regulation Mechanisms in the Fight Against Money Laundering and Terrorist Financing. In *Globalization and the Reform of the International Banking and Monetary System*. Palgrave Macmillan UK, 247-257.

Session 3: Review and Wrap-up of the Seminar

This session provides an overview of the main issues addressed in this course, including international financial institutions, financial crises and social responsibility. The discussion will be framed around key reflection questions that have been approached either through guest speakers' presentations, field visits, or assigned readings.

After completing Modules 1-3, students split into groups by ISPF or Internship, ISPF students will take Module 4a and Internship students will take Module 4b.

Module 4a: ISPF in the Context of Switzerland

These sessions prepare the student for the ISPF experience. They examine work-based norms and practices related to conducting research in Switzerland. Attention is also given to the importance of applied methodology in the ISPF experience and the expectations and responsibilities of the student.

Session 1: ISPF Proposal Presentation

This session takes place after the students have decided upon their ISPF topic and formulated a tentative research question. Students are asked to pitch their research for their fellow students and our guests. The aim is to improve the proposal and to explore resources (literature, relevant networks, organizations, and key individuals).

Session 2: Writing your ISPF - Workshop

In this session we will look into the various elements of a research paper and go over the ISPF Rubric. The workshop focuses on the complex relationship between the process of conducting research and the writing process.

Required Reading:

Bell, J. (2010). Planning the Project. In *Doing Your Research Project: A Guide for First-time Researchers in Education, Health and Social Science (5th ed.)*. Berkshire England: Open University Press.

Session 3: Project Proposal Development: Guidelines and Requirements

Based on learning and engagement in the preceding course modules, this session focuses on ISPF proposal development. The focus is on structure and requirements, the research question, introduction, and the approval process. Students also learn about the roles and responsibilities of ISPF advisors, documentation of data, and review ISPF proposals from past semesters.

Required Reading:

Please come to class prepared having read the ISPF proposal three stages requirements.

Recommended reading:

Flick, U. (2009). Chapter 22. *An introduction to qualitative research*. London: Sage.

Session 4: Libraries in Great Lemman Region: Collections, Services, and Facilities

Information on resources and databases of university and city libraries; Visit and guided tours to main libraries in Geneva.

Module 4b: Internship in Finance in the Context of Switzerland

These sessions prepare the student for the internship experience. They examine work-based norms and practices related to internships in Switzerland. Attention is given to the importance of ethics in the internship experience and the expectations and responsibilities of the student, the host institution, and the program.

Session 1: Preparing for the Internship

This introductory session prepares the students for their internship in Switzerland. The session covers a range of areas that include résumé and cover letter preparation, appropriate dress, student objectives for the internship, and stages of student growth in the internship. Students will review the internship rubric.

Required Reading:

Switzer, F. and King, M. (2013). *The Successful Internship: Personal, Professional and Civic development in Experiential Learning (4th Edition)*. Belmont, CA: Brooks/Cole, (chapters 2 and 3).

Session 2: Work-based Norms and Practices in Switzerland

This session explores work-based norms and practices related to internships and work in Switzerland, exploring such issues as how best to describe the internship experience and purpose to potential internship hosts and others, gender norms, issues of language, and workplace expectations.

Required Reading:

McLean, C. (2012). "Etiquette in Switzerland: Tips and Pitfalls".

Retrieved from: <https://www.thelocal.ch/20120725/3726>

Panazzo, Ch. (2016). "Living in Switzerland ruined me for America and its lousy work culture".

Retrieved from: <http://www.vox.com/2015/7/21/8974435/switzerland-work-life-balance>

Recommended Reading:

Expat Focus. "Switzerland - Business and Workplace Culture"

Retrieved from: <http://www.expatsfocus.com/expatriate-switzerland-business-culture>

Session 3: The Ethics of Participating in an Internship in Switzerland

Ongoing: One-on-one Meetings with the Academic Director or Internship Coordinator. The first session outlines the responsibilities of the student and the host organization for a productive and significant experience that can serve the objectives of both. The session also reviews best practices for a successful internship and exposes the student's positionality in relation to the organization.

Required Reading:

McDonald, F. (2011). "Ethical Use of Interns".

Retrieved from:

<http://www.prsa.org/aboutprsa/ethics/ethicalstandardsadvisories/documents/psa-17.pdf>

Evaluation and Grading Criteria

Papers will be graded on style and structure, depth of analysis, and synthesis of secondary and primary sources.

ISPF or Internship Assignments	10% (2x5%)
Practice Interview Assignment:	15%
Individual Project	25%
ISPF or Internship Proposal	40%
Participation	10%

Description of Assignments

ISPF or Internship assignments, practice interview, individual research, ISPF or internship proposal, and participation constitute the course requirements. In all exercises, students are asked to reflect analytically and to integrate the briefings, lectures, readings, and field visits.

Two ISPF or Internship Assignments (10%: 2x5%):

First assignment: Students use the information offered during class to first explore the research topic: What are the main issues of the topic? What is the relevant literature? What relevant theory, concept, model can be found? And based on this exploration: what could be a possible research question?

If students opt for an internship, they need to explore the field in which they are interested to work: What are the main organizations? What are their objectives and/or activities? And based on this exploration: What can I possibly contribute to this organization?

Second assignment: Students formulate their research question. They decide what sub-questions need to be answered and what methods are most effective to answer the sub-questions. This is the foundation of their research design.

Students who opt for an internship should reflect on their talk with the AD, and start to make a connection with an organization that they would like to work with.

Practice Interview Assignment (15%):

Students are asked to conduct a practice interview with one of the members of their host family. They are asked to write a small reflection (2-3 pages) about their role and attitude towards their research subjects, and the skills they brought to the interview to establish an ethical and safe environment for the interviewee. Students are also encouraged to explore how their own positionality along lines of gender, sexuality, race, and class affected the set up and wording of their questionnaire, and consequently the outcome of the interview.

Individual Project (25%):

Students will draft a short academic paper (1,500 words) on an issue related to ethics of banking and finance, and present it in class in the form of Power Point presentation (with visuals only). Possible topics and themes: history of social and ethical banking; sustainable finance, investment, social responsibility; legal framework of sustainable financing; actors in sustainable financing; UN system and sustainable development; tax avoidance and ethics (money laundering, financing of terrorism, WMD financing and proliferation); sustainable development and finance, environment, global warming (socially responsible investments, carbon finance); supply chain management and environment; future of social banking and sustainable finance (products, services, new clients, measurement of the impact of the social banking, lowering transaction costs, HR management, increasing benefits while respecting ethical codes of conduct), etc.

ISPF or Internship Proposal (40%):

Students write an ISPF or internship proposal in preparation of their ISP. In the initial proposal, students practice their skills in explaining their field of inquiry, formulating an initial research question, and explaining their initial research/internship set up. They are required to include at least 3 readings that reflect the broader field of research in which their own research is situated. In its final version, students further develop their ISPF proposal by working on a first draft introduction, choosing a focal point, establishing a research question, and describing their research design and methodology.

In the final proposal, students who do the classic ISPF, must include 5 readings that reflect their field of research and/or theoretical framework. Final ISPF proposals must be submitted with the application for review of ISPF research with human subjects.

Students who will do an internship, must include a theoretical framework for assessing the organization and its activities. Final internship proposals must be submitted with the application for review of ISPF research with human subjects. The proposal also needs to include an agreement that states the tasks and goals of the internship, signed by the organization and the student. If the student is to conduct research for the organization, than the AD must approve the research question.

Participation:

Attendance, punctuality, active involvement in discussions, and completion of reading assignments are absolutely essential for passing this seminar.

Grading Scale:

94-100%	A
90-93%	A-
87-89%	B+

84-86%	B
80-83%	B-
77-79%	C+
74-76%	C
70-73%	C-
67-69%	D+
64-66%	D
below 64%	F

Expectations and Policies

- Show up prepared. Be on time, have your readings completed and points in mind for discussion or clarification. Complying with these elements raises the level of class discussion for everyone.
- Have assignments completed on schedule, printed, and done according to the specified requirements. This will help ensure that your assignments are returned in a timely manner.
- Ask questions in class. Engage the lecturer. These are often very busy professionals who are doing us an honor by coming to speak.
- Comply with academic integrity policies (no plagiarism or cheating, nothing unethical).
- Respect differences of opinion (classmates, lecturers, local constituents we engage with on site visits). You are not expected to agree with everything you hear, but you are expected to listen across difference and consider other perspectives with respect.

Academic Policies

SIT prides itself on providing students with an experientially based program; we hold ourselves, and our students, to the highest of academic standards. Students are asked to refer to the **SIT**

Study Abroad Handbook for policies on academic integrity, ethics, academic warning and probation, diversity and disability, sexual harassment and the academic appeals process.

Disability Services: Students with disabilities are encouraged to contact Disability Services at disabilityservices@sit.edu for information and support in facilitating an accessible educational experience. Additional information regarding SIT Disability Services, including a link to the online request form, can be found on the Disability Services website at <http://studyabroad.sit.edu/disabilityservices>.