

Research Methods and Ethics in Banking and Finance ETHC 3500 (3 credits)

Switzerland: Banking, Finance, and Social Responsibility

This syllabus is representative of a typical semester. Because courses develop and change over time to take advantage of unique learning opportunities, actual course content varies from semester to semester.

Course Description

The Research Methods and Ethics in Banking and Finance (RME) gives a detailed overview of major institutional actors, key players in European and global networks in the field of ethical banking and finance, and the international standards in the fight against tax avoidance and money-laundering. It 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. Special attention is given to the Covid-19 health crisis and its effects, on the local society, economy and finance.

The seminar enhances students' skills in analyzing primary data and writing a scholarly academic project (ISPF) or internship proposal in finance. 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.

This seminar incorporates visits to corresponding local financial institutions and international organizations, think-tanks, NGOs and start-ups in Switzerland.

Learning Outcomes

Upon completion of the course, students will be able to:

- Analyze and compare the process of primary data gathered in the field of finance by using interviews and draw valid and ethical interpretations and conclusions;
- Understand and apply econometric techniques to the analysis and modelling of financial data;
- Demonstrate and apply concepts of socially responsible investment, micro-finance, impact investing, and philanthropy in financial projects;
- Explain and validate business models by using criteria developed in ethical banking and sustainable finance such as SRI / ESG;

- Produce an Independent Study Project in Finance proposal that is in strict observance of ethical, academic standards and local values. The proposal includes a research question, sample review of the relevant literature, outline of the research methods, and anticipates ethical challenges and ways of addressing them. Or, alternatively, to write an Internship in Finance proposal that includes a description of the host organization, an outline of tasks that will be performed, a proposed timetable, and outcomes such as an academic paper.

Language of Instruction

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

Instructional Methods

SIT's teaching and learning philosophy is grounded in the experiential learning theory developed by Kolb (1984; 2015) and informed by various scholars, such as Dewey, Piaget, Lewin, among others. Experiential learning theory recognizes that learning is an active process that is not confined to the formal curriculum; "knowledge is created through the transformation of experience" (Kolb, 2015, p. 49). Learning involves both content and process. Learning is holistic and happens through various life experiences upon which students draw to generate new ways of knowing and being. Learning involves a community and is a lifelong endeavor. Learning is transformational. The suggested four step-cycle of a *concrete experience, reflective observation, abstract conceptualization, and active experimentation* embedded in the experiential learning model is not linear and might not always happen in that specific order, as any learning is highly context dependent. These stages of taking part in a shared experience; reflecting on that experience by describing and interpreting it; challenging their own assumptions and beliefs to generate new knowledge; and ultimately applying new knowledge, awareness, skills, and attitudes in a variety of situations and contexts are important for students to engage in to become empowered lifelong learners.

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 module is designed to introduce students to qualitative and quantitative field-based research in the context of Switzerland. While studying French and living with a local family in de Canton de Vaud, the qualitative field-research approach based on experiential learning helps students to pursue an Internship in Finance or complete a Independent Study Project in Finance (ISPF), learn and understand the Swiss cultures 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.

Session 1: Introduction to Research Methods and Ethics

This session highlights the main elements of conducting a qualitative research project. Attention will be given to the tentative ISPF proposal and the Internship in Finance proposal. 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 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 Text:

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

Potential List of Independent Study Projects in Finance:

1. Awareness level on sustainable finance issues among bank workers and consumers
2. Profit-generating potential of ethical bank products versus classical bank products
3. Role and efficiency of multistakeholder initiatives in the field of ethical investment
4. Gaps in the existing sustainable finance regulatory system
5. Alternative ways of financing, new initiatives, and their risks (crowdfunding, etc.)

Session 2: Doing Research on Finance/Banking in Switzerland

This session provides a comprehensive overview of field research techniques with a particular focus on qualitative research in a cross-cultural context and research methods in business. The focus is on research and interviewing techniques in Geneva and the challenges of connecting with professionals at banking institutions and international financial organizations.

Required Texts:

Quinlan, Ch. (2015). *Business Research Methods* (1st Edition). Cengage Learning, Hampshire, UK. (Chapter: "Beginning the Research Process"), 85-208

Session 3: The Ethics of Fieldwork in Finance

The session provides an in-depth introduction to ethical issues in research and obligations to human subjects. The session also introduces SIT's policy on ethics and research on human subjects.

Required Texts:

Bolt-Lee, C. and Moody, J. (2010). Highlights of Finance and Accounting Ethics Research. Retrieved from: <http://www.journalofaccountancy.com/Issues/2010/Oct/20102896.htm>

Human Subjects Review (HSR)

All ISPF proposals must reflect a thoughtful and culturally appropriate consideration of the effects of the inquiry on the participants in the project, with an eye to the highest standards of academic scholarship. Any questions or concerns that cannot be resolved at the program level (through the Local Review Board) are forwarded to SIT's Institutional Review Board for review. If the Academic Director believes

that you have not sufficiently addressed the concerns of this policy, he/she may ask you to revise your proposal. Standards for this review are developed in country and reflect local academic practice.

If a student's research has been funded by a US government agency or if she/he plans to take this research back to his/her home school or community for further dissemination, then the student must follow more stringent standards, i.e., not only those of the host community, but also those of the Office for Human Resource Protections, with which SIT is registered. Any questions or concerns are forwarded to SIT's Institutional Review Board for review.

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 Text:

Brown, R., Zima, P. (2011). "Compound Interest and Compound Discount", *Mathematics of Finance*. McGraw-Hill Education, 41-69.

Session 5: 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.

Module 2: Ethical Banking, Financial Reporting and Social Responsibility

This module 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". 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 Text:

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

Session 2: Corporate Social Responsibility

This session focuses on how the private sector integrates international norms and ethical standards through self-regulation into its business model with the aim to increase long-term

benefits and shareholder trust and minimize risks by promoting socially responsible action within the corporate sector. CSR strategies encourage the company to make a positive impact on the environment and stakeholders including consumers, employees, investors, and communities. The lecture explores the principles of SRI, ESG issues, impact investing, charity, and philanthropy.

Required Text:

Tai, Fang-Mei and Chuang, Shu-Hao. (2014). "Corporate Social Responsibility." *iBusiness*, 2014 (6), 117-130. Retrieved from: http://file.scirp.org/pdf/IB_2014091916083406.pdf

Session 3: CSR: From Financial to Integrated Reporting

The session introduces the financial processes which monitor tax avoidance and money laundering practices.

Required Text:

PwC: It's not just about the financials. The widening variety of factors used in investment decision making. Retrieved from: <https://www.pwc.com/gx/en/services/audit-assurance/assets/the-widening-variety-of-factors-used-in-investment-decision-making-pwc.pdf>

Recommended Texts:

List of Internet resources from the OECD directory: Retrieved from:

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

C. Adams, A. B. Coulson, T. Emmelkamp, G. Kluth, and M. Nugent. (20112). 'Capitals background paper for IR', International Integrated Reporting Council. [Online].

<http://integratedreporting.org/wp-content/uploads/2013/03/IR-Background-Paper-Capitals.pdf>

Integrated Reporting. (2013). The International Framework. Retrieved from:

<http://integratedreporting.org/resource/international-ir-framework/>

Integrated Reporting (2015). Materiality in Integrated Reporting, Guidance for the Preparation of Integrated Reports. Retrieved from:

<http://integratedreporting.org/resource/materiality-in-integrated-reporting/>

SAP. (2016). Integrated Report. Retrieved from: <http://www.sap.com/investors/sap-2016-annual-report-form-20f>

Coca-Cola. (2016). Sustainability Report. Retrieved from: <http://www.coca-colacompany.com/stories/sustainability-reports>

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: Money Laundering and Investigation of Criminal Funds

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 Text:

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: <https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>, 90-93.

Module 4: Review and Wrap-up of the Seminar

This session provides an overview of the main issues addressed in this course. 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 1-4, students split into groups by ISPF or Internship, ISPF students will take Module 5a and Internship students will take Module 5b

Module 5a: Independent Study Project in Finance 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 guest speakers. The aim is to improve the proposal and to explore resources (literature, relevant networks, organizations, and key individuals).

Session 2: Writing your ISPF

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 Text:

Bell, Judith. (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. Please come to class prepared having read the ISPF proposal three stages requirements.

Required Text:

Flick, Uwe. (2009) *An introduction to qualitative research (4th Edition)*. London: Sage, (chapter 22), 293-304

Module 5b: Internship in Finance in the Context of Switzerland

The module prepares the student for the internship experience. 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 Text:

Switzer, H.Frederick. and King, Mary A. (2013). *The Successful Internship: Personal, Professional and Civic development in Experiential Learning* (4th Edition). Belmont, CA: Brooks/Cole, (chapters 2 and 3), 31-84

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 Texts:

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 Text:

Expat Focus. (2018) "How To Integrate Into Life In Switzerland"

Retrieved from: <https://www.expatsfocus.com/podcast/how-to-integrate-into-life-in-switzerland-5395/>

Assignments and Evaluation

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

Description of Assignments

The Practice Interview Assignment, ISPF or Internship Proposal, Written Exam/Test, 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.

Practice Interview Assignment (30%)

The Interview assignment (1'000-1'200 words) consists of four parts:

Part 1:

During their study trip in Switzerland, students conduct interviews with Swiss citizens on their views of the current COVID-19 health crisis and its impact on the economy and finance. Students use the qualitative research techniques learned in class to explore firsthand the effects of the health crisis on the lives of ordinary citizens. Based on this exploration, students reflect on what could be a possible research question.

Part II:

Students define a tentative research topic and formulate their research question(s). They decide what further sub-questions need to be discussed and what methods are most appropriate to deal with the questions raised (qualitative and quantitative). They draft a working hypothesis of their project in the form of statement, series of questions, or combination of both. This represents the foundation of their research assignment.

Part III:

Students reflect about their positionality to Swiss citizens experiencing the health crisis, as American students enrolled in the study abroad program in the Canton de Vaud studying the Swiss society on the ground.

Part IV:

In their bibliography, students reference primary sources, secondary sources and media sources.

ISPF or Internship Proposal (60%)

Students write an ISPF or Internship in Finance proposal (max. 2'000 words) in preparation for their research project/internship proposal. 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. Their ISPF or Internship in Finance proposal each consists of four parts.

ISPF

Part I:

Students doing the ISPF 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(s)?

Part II:

Students formulate their research questions in the form of a working hypothesis. They decide what sub-questions need to be answered and what methods are most effective to answer the sub-questions. They test their working hypothesis by using data and arguments. This represents the foundation of their future ISPF.

Part III:

In their bibliography, students reference and discuss primary sources, secondary sources and media sources. They describe and analyze their selected sources and explain which other sources they will consider including in their ISPF. The bibliography should contain at least 10 references (a combination of primary and secondary sources, and media documents). The reading materials and documents should reflect their field of research and/or theoretical framework.

Part IV:

The final ISPF proposals must be submitted with the application for review of ISPF research with human subjects.

Internship in Finance

Part I:

Students who opt for an Internship in finance need to explore the field in which they are interested to work in: What are the main institutions? What are their objectives and/or activities? And based on this exploration: What can I possibly contribute to this organization? Students further develop their Internship proposal by working on a first draft introduction, choosing a focal point, and describing their research design, qualitative approach and methodology. Students start to make a connection with an institution they would like to work with.

Part II:

What is the relevant literature? What relevant theory, concept, model can be used to analyze the institution and its core activity in the Swiss and international context? And based on this exploration: What could be a possible research question / questions?

Part III:

Students include a theoretical framework for assessing the organization and its activities. They can use various tools to assess the success of that institution (such as SWOT). Students who do the Internship in Finance, must include at least 10 reading materials (combination of primary and secondary sources, and media documents) reflecting the broader context in which their research is situated.

Part IV:

Final internship proposals must be submitted with the application for Human Subjects Review. The proposal also needs to include an agreement that states the tasks and goals of the internship, signed by the organization, the student and the AD. If the student is to conduct research for the organization, then the AD must approve the research question / working hypothesis.

Participation (10%):

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

Assessment

Practice Interview Assignment	30%
ISPF or Internship in Finance Proposal	60%
Participation	10%

Attendance and Participation

Due to the nature of SIT Study Abroad programs, and the importance of student and instructor contributions in each and every class session, attendance at all classes and for all program excursions is required. Criteria for evaluation of student performance include attendance and participation in program activities. Students must fully participate in all program components and courses. Students may not voluntarily opt out of required program activities. Valid reasons for absence – such as illness – must be discussed with the academic director or other designated staff person. Absences impact academic performance, may impact grades, and could result in dismissal from the program.

Late Assignments

SIT Study Abroad programs integrate traditional classroom lectures and discussion with field-based experiences, site visits and debriefs. The curriculum is designed to build on itself and progress to the culmination (projects, ISP, case studies, internship, etc.). It is critical that students complete assignments in a timely manner to continue to benefit from the sequences in assignments, reflections and experiences throughout the program.

Example: Students may request a justified extension for one paper/assignment during the semester. Requests must be made in writing and at least 12 hours before the posted due date and time. If reason for request is accepted, an extension of up to one week may be granted at that time. Any further requests for extensions will not be granted. Students who fail to submit the assignment within the extension period will receive an 'F' for the assignment.

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

Program Expectations

- 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 accordingly 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 engaged with on the 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.
- Storing Your Work: Keep several copies of your work as back up and keep one copy accessible to you through an online forum, such as an attachment in your email, the course learning management system, or cloud-based storage. This way your work will always be available to despite technical issues. Lost files, deleted drives, or computer crashes are not excuses for late, missing work.
- Personal Technology Use: Cell phones and other personal electronics can be used for taking notes and other class activities. Off-task usage is not acceptable. You may be marked as absent for habitually using them for something other than classroom activities.
- Course Communication: Course documents and assignments will be posted on the learning management system, Canvas. Although the course calendar provides a broad overview and the general sequence of work and assignments for the course, what we accomplish in class will vary, and revisions to the calendar will be posted at the course site. You will need to check the course site regularly. You are responsible for letting me know about any network-related problems that prevent you from accessing or submitting assignments.
- Content Considerations: Some texts and activities you will encounter in this course delve into sensitive topics that may be emotionally and intellectually challenging. Our classroom is a space where we can engage with challenging ideas, question assumptions, and navigate difficult topics with respect and maturity. As possible, I will flag content and activities that are especially graphic or intense, so we are prepared to address them soberly and sensitively. If you are struggling to keep up with the work or participate in the course because of the nature of the content and activities, you should speak with me and/or seek help from counseling services.
- Classroom recording policy: To ensure the free and open discussion of ideas, students may not record classroom lectures, discussion and/or activities without the advance written permission of the instructor, and any such recording properly approved in advance can be used solely for the student's own private use.

SIT Policies and Resources

Please refer to the [SIT Study Abroad Handbook](#) and the [Policies](#) section of the SIT website for all academic and student affairs policies. Students are accountable for complying with all published policies. Of particular relevance to this course are the policies regarding: academic integrity, Family Educational Rights and Privacy Act (FERPA), research and ethics in field

study and internships, late assignments, academic status, academic appeals, diversity and disability, sexual harassment and misconduct, and the student code of conduct.

Please refer to the SIT Study Abroad Handbook and SIT website for information on important resources and services provided through our central administration in Vermont, such as [Library resources and research support](#), [Disability Services](#), [Counseling Services](#), [Title IX information](#), and [Equity, Diversity, and Inclusion](#) resources.