HOW BACHELOR STUDENTS PARTICIPATE IN AN INTERNATIONAL TEACHING INNOVATION ACTIVITY. BUSINESS ETHICS, CASE STUDY

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Abstract

“FdE Ethics” project is a teaching innovation initiative of the Faculty of Economics in the University of Valencia (Spain). It aims to raise awareness on ethical values, in general, and business ethics, in particular. The project finds its international roots in the cooperation with Nottingham Trent University and their “Oath Project” initiative.

The teaching innovation activity presented here, seeks to take advantage of active learning and cooperative methodologies. In this way, the article analyses synergies arising from the resolution of case studies on business ethics within the framework of the cooperation between universities at international level.

It demonstrates how overstepping the boundaries of local or national analysis of case studies provides students with a wider and plural range of approaches and stimulate them to conceive the incidence of cultural and demographic issues on business ethics.

First of all, it’s provided a brief description of the international experience through its design, implementation and results, taking notice of cultural patterns. It is analysed at what extent cultural precepts and conception shifts between groups may influence how students solve the case. Conclusions present a critical view through both organizational procedures and objectives delimitation. Likewise, the final remarks’ section stresses the role of new technologies along with the international dimension of the activity.

Keywords: active learning, cooperative learning, learning by doing, ethic, case study.

1 INTRODUCTION

The activities described here are imbricated in a global teaching innovation project within the Faculty of Economics of the University of Valencia (FdE-UV) called “FdE Ethics” and the Nottingham Trent University (NTU) “Oath Project” [1].

The “FdE Ethics” finds its roots in the interest of applying ethical principles to the FdE Faculty of Economics as an organization, as well as to imprint those principles on the students as future professionals, which means the need to consider people own actions while developing their career and being part of an organization. Similarly, NTU “Oath Project” is an extracurricular activity managed by students with similar intention as the “FdE Ethics”. While the FdE project started this year, NTU had previous experience on its project.

“As far as organizations are managed by people, when leaders have high ethical standards, it encourages everyone involved with the activities of the organization, as well as with its results, to try and achieve that same level. Those who have this capacity are able to manage an organization thus satisfying with their performance not only internal stakeholders but also society. That is the reason why it is considered important to teach what ethics are, and to concern not only students but the whole faculty with the importance of its daily use in professional life and promoting that leadership capacity among the students has been the main focus of the teaching innovation activity described here” [2].

The international scope has been in the roots of both projects, “FdE Ethics” and “Oath Project”, the creation of a joint international activity turned out as a natural consequence of the design of the whole teaching project. NTU students are very used to active learning methodologies while FdE students are more familiar with traditional teaching techniques although they are also aware of the benefits of the
active ones. As a result of the co-working activities between both groups in Spain and UK, respectively, NTU proposed a joint seminar via skype and “case study” was chosen among other methodological alternatives.

The aim here was to generate collaborative dynamics between both groups, as it was intended that the students built their own knowledge by following a set of guidelines. The challenge was to align those dynamics with the objectives of the projects as well as with the competences that should be acquired by the students [3] [4].

2 CASE STUDY: THEORETICAL FRAMEWORK

The case study method is an active learning technique in which groups of students analyse situations and problems of real life and reach common conclusions. It is based on a collaborative discussion process between the group members.

Each student has to individually work on the case, identifying the problems and the different alternatives. Then, they have to compare their points of view with the rest of the group members and reach a common solution. It concludes with a debate about all the different results that the participating groups have obtained.

It was first used in 1914 at the Harvard University's School of Law as a strategy of professional training. The idea was that each case study would have a different solution according to the social and human context, the case characteristics and the group member’s personality and background. Then, the students’ debate would be a very enriching experience because of the exposition of multiple points of view [5].

This pedagogic method promotes the active participation of all students and it is recognized as a long-lasting learning technique. Team-work helps participants to train their abilities to communicate with others, defend their own arguments, settle disputes and make decisions, as well as to develop its critical thinking. All these skills are required in real professional life, so the case study is a good opportunity to put them into practice.

In order to be appropriate as a learning tool, the case study has to be an authentic professional problem which require a solution and which students can evaluate. Besides, they have to present all the information needed, without room for confusion, suppositions or uncertainty, and deal with a specific field of study. It is advisable to add basic questions at the end, which may help students to focus their analysis.

Although it requires a higher effort and dedication from the teacher and the pupils in comparison to other traditional methods, the results are quite more rewarding for both. The case study method has been extended to many knowledge fields and is nowadays commonly used in areas such as business, psychology, medicine or even ethics.

The case method consists of several stages:

1 Preliminary phase: read, analyze and study the problem to make decisions in the individual work.
2 Phase of expression of opinions and judgments: Think, reflect each member of the group.
3 Contrast phase: Analyze all the members of the group the case and put together the ideas that we have analyzed before.
4 Theoretical reflection phase: The members of the groups have a debate to share ideas.

A case can be a situation of everyday life, such as teaching, etc. In education, you can be a student, the director. This "lived principle" expresses a social relation.

In addition, the cases are chosen according to the professional field. It is necessary to avoid explaining the case in a way that may produce an erroneous interpretation of what is meant.

Every method of the case has a phase called "active conceptualization", that is, to formulate practical rules to understand the different cases.

These practical principles are formed at the end of the group work, in the debate, according to the decision taken to solve the situation. Each case is assimilated, not memorized; the problem is studied to understand the situations. Furthermore, all situations that have already happened throughout
history, have solutions, but the case must be studied from the beginning individually and then with the members of the groups put it in common.

This method of study is a form of learning in which students learn to analyse situations. In addition teamwork is promoted, having different opinions [5] [6] [7]. The case method develops the skills of the students.

3 INTERNATIONAL EXPERIENCE

3.1 Objectives

The objectives that were set at the meeting are the following ones:

- To prove “precepts and conception shifts between groups may influence how students solve the case”.
- Students develop analysis, synthesis and evaluation of information skills.
- Empower critical thinking and foster teamwork.
- Encourage students to connect knowledge with business reality.
- Get the students involved, so they reflect on what worked in the classroom.
- Guide the students through a process with which they come to their own conclusions.

3.1.1 Targeted bachelor students

The seminar was mainly addressed for the students participating in the "FdE Ética" project and those of the NTU "Oath Project", although it was open to anyone who could be interested.

There were 24 students from the NTU and 14 from the FdE, what fits within the parameters for which the format of the seminar was designed, this is about 20 people in each team.

3.2 Design

The design of the event was a result of a brainstorming of ideas with the members of the project students committee during the co-working sessions between NTU team and FdE Team that took place in Nottingham during October 2016.

![Co-working session. Nottingham, UK. October 2016.](image)

At the end the students decided that a joint case study resolution via Skype call with the FdE team would be the most effective, dynamic and attractive way for students to learn about an unethical accounting practice at the same time they learn the differences in culture in regards to an ethical dilemma.

3.3 Implementation

Before the session, which was appointed for March 6th took place, a Skype call was made in order to arrange the settings and check the equipment was working properly.
The NTU team was in charge of choosing an international case study and elaborate the questions to find the answers about the unethical accounting practices and ethical approach from different culture perspectives. The documentation of the case study was sent to the Spanish organization team to share with the participants at the Faculty of Economics of the University of Valencia.

Each team had to find the appropriate resources for the joint session: a room with the technical equipment needed to make the connection via Skype.

The promotion of the event was made:

- Via emails to professors and students.
- The Community managers of each team promoted as well the event on Facebook and Whatsapp groups.

On the day, an attendance list with student’s names was passed around and the event started.

Once the session had begun, the students sat at the tables forming groups of four, so as to create a debate about the problems and questions introduced in the case study. It was designed to be twenty minutes discussion each team in their respective universities. Once a consensus was reached in the group, the conclusions were drafted and a representative of each group was appointed in order to share the conclusions later.

![Figure 2: Joint Seminar participants. March 2017.](image)

The remaining time the second skype call was made, beginning the discussion period -40 minutes- with both teams about their responses while the committee took notes about the different responses searching for differences in ethical approach.

For each of the questions, UK students and UV students took turns to respond to contrast the answers given. When the call ended, a conclusion was made about the event and the project.

3.4 Results

3.4.1 Agreements and disagreements:

<table>
<thead>
<tr>
<th>Ideas discussed</th>
<th>NTU</th>
<th>FdE – UV</th>
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<tbody>
<tr>
<td>There was general agreement with the fact that it was fair for Rolls Royce to only pay a fine as a consequence of the bribery activities. The common reason was that Rolls Royce is very important for the British economy and the bribery action taken by one group of people could affect other people not involved in the action if a more severe punishment to the company was applied.</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>However, some argue that this affects the ethical dilemma of ignoring what happened which might imply that other companies repeat the action without sanction.</td>
<td>✓</td>
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</tbody>
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It was shown agreement in the fact that both parties involved in the bribery should get a fine, not only Rolls Royce.

Teams pointed that there should be international rules where ethical issues in business are set while respecting other cultures.

However, they were also aware of the difficulties in implementing this because is very difficult to put limits in ethical behaviour without affecting a culture traditions.

Clients should get aware of the issue about Rolls Royce however, they think that although their perspective might change and would be more cautious, they will still buy a car from Rolls Royce.

They also think that investors will still invest in the company regardless the fine, as it would slightly affect the stocks of the company.

Source: Own Elaboration.

### 3.4.2 Remarks

As a result of the academic relationship between the NTU and the FdE, the opportunity for studying the extent of effectiveness of the case study method in a seminar was tested.

In this way, it was possible to observe the way in which two groups of students with cultural and language differences solved the proposed case study simultaneously, sharing the result in a session via Skype.

From this study it could be understood how culture influences the way of solving a case study, and if the presence of synergies derived from the resolution of the case study could be found.

The possibility of analysing the role of new technologies and their application to innovative teaching methods need to be taken into account.

### 4 CONCLUSIONS

Once the teaching innovation activity has been introduced, we have analysed the motivations, objectives and procedural matters, and we have joined it together with how it has been implemented, we are now going to analyse the results paying special attention to the cultural issues.

Conclusions may be dissected in cultural patterns, role of new technologies and a critical view on organisational procedures and objectives delimitation.

Firstly, the fact it has been carried out as an international case study resolution, has clearly provided agents involved with a broader image of how ethical concepts are being interpreted among different cultures.

Behaviour of people is influenced by cultural, social, personal and psychological aspects. Inside the cultural ones: the culture, subculture and social class to which they belong, play a crucial role.

Through the case studio, we have had the chance to overview that the learned values, perceptions, wants and behaviour of students from different countries make them to respond differently about issues on ethics [8].

Moreover, the role of new technologies is a key point when thinking of implementing this type of activities. Online communications, including video and voice transmission has served us to prepare a dynamic, one to one, interaction.

Finally, it’s worth mentioning to have a clear delimitation of the objective, which has been to break down cultural patterns while learning ethics in a teaching innovation project, is the first step from which to part when accomplishing projects at that stage.

It has been a really rewarding activity both from an educational and a social view. Students have faced a new way of learning, with the case study methodology, in a liberated scenario where they have acted as independent agents and also collaborated to develop statements and agree conclusions.
Furthermore, from the educational view, it’s an outstanding way of learning. To face real case studies enhances student’s motivation and makes them to remember better the outcomes learned while also inspiring their critical judgement.

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REFERENCES


ANNEX: CASE STUDY DOCUMENTATION

“Joint International Seminar in Business Ethics, Rolls Royce case study”

(DISPONIBLE TRADUCCIÓN AL CASTELLANO AL FINALIZAR EL DOCUMENTO)

Authorities began an investigation in 2012 into alleged company malpractices in various countries.

Last year, British media leaked documents and testimony that suggested the company used an international network of agents to secure lucrative bribe-making contracts.
British motor company Rolls-Royce Holdings announced today that it will pay 671 million pounds (760 million euros) to authorities in the United Kingdom, the United States and Brazil to resolve bribery and bribery charges it is accused of, Efe reported Dow Jones.

The company will pay 497 million pounds to the British authorities (561 million euros), 169 million dollars (178 million euros) to the United States and 25.6 million dollars (24 million euros) to the Brazilian.

The agreement between the SFO and Rolls-Royce is known as a deferred prosecution agreement (DPA).

It is only the third such agreement that the SFO has struck since they were first introduced into UK law in 2014.

They allow organisations to pay huge penalties, but avoid prosecution, if they freely confess to economic crimes such as fraud or bribery.

"These are voluntary agreements that result in the suspension of a legal process provided that the company meets certain requirements, including the payment of a financial penalty," added the automotive company.

The cases of suspected corruption or bribery detailed by the SFO included:

- In Indonesia, senior Rolls-Royce employees agreed to pay $2.2m and give a Rolls-Royce Silver Spirit car to an intermediary. There was an "inference" that this money was a reward for the intermediary "showing favour" to Rolls-Royce in respect of a contract for Trent 700 engines, used in airplanes, the SFO said.

- In China, Rolls-Royce staff agreed to pay $5m to CES, a state-owned Chinese airline, while negotiating the sale of T700 engines. The SFO said some of the money was intended to pay for employees of the Chinese airline to attend a two-week MBA course at Columbia University, and enjoy "four-star accommodation and lavish extracurricular activities".

- In Thailand, Rolls-Royce agreed to pay $18.8m to regional intermediaries. Some of the money was for individuals who were "agents of the State of Thailand and employees of Thai Airways", the SFO said. These agents "were expected to act in Rolls-Royce's favour with respect to a purchase by Thai Airways of T800 engines".

- In India, the cases relate to a time when the use of intermediaries in connection with Indian government defence contracts was restricted by the Indian authorities. "The terms of some Rolls Royce defence contracts contained undertakings that intermediaries had not been used," the SFO said. But the company continued to use an intermediary and said the payments were for "general consultancy services" rather than commission.

CASE STUDY

1. Do you think that it is fair and ethical for Rolls Royce to only face a fine, after years of false accounting and corruption? Should they face any further consequences?

2. Should the companies accepting the bribes deal with any consequences?

3. Can cultural differences effect how “bribery” is perceived? In China, gifting companies for their work is seen as normal, so could Chinese company’s involvement in the bribes still be considered as bribery or normal business practice?

4. If you know that Rolls Royce is corrupt, will this affect how you view the company and your buying decision with that company?

5. After 25 years of bribery, do you think there is a possibility of there still being aspects of bribery which still exist within the company which weren’t discovered, to this day?

6. How would you tackle these issues as a future leader?

REFERENCES


Las autoridades iniciaron una investigación en 2012 sobre presuntas malversaciones de compañías en varios países.

El año pasado, los medios británicos filtraron documentos y testimonios que sugirieron que la compañía utilizó una red internacional de agentes para obtener lucrativos contratos mediante soborno.

La compañía británica de motores Rolls-Royce Holdings anunció hoy que pagará 671 millones de libras (760 millones de euros) a autoridades del Reino Unido, Estados Unidos y Brasil para resolver cargos de soborno de los que está acusada, informó Efe a Dow Jones.

La compañía pagará 497 millones de libras a las autoridades británicas (561 millones de euros), 169 millones de dólares (178 millones de euros) a Estados Unidos y 25,6 millones de dólares (24 millones de euros) al brasileño.

El acuerdo entre la OFS y Rolls-Royce se conoce como un acuerdo de enjuiciamiento diferido (DPA, del inglés Deferred Prosecution Agreement).

Es sólo el tercer acuerdo de este tipo que la SFO (del inglés Serious Fraud Office) ha realizado desde su creación en 2014.

Permiten que las organizaciones paguen enormes sanciones, pero evitan el enjuiciamiento, si confiesan libremente delitos económicos como el fraude o el soborno.

“Estos son acuerdos voluntarios que resultan en la suspensión de un proceso legal siempre y cuando la compañía cumpla con ciertos requisitos, incluyendo el pago de una sanción financiera”, agregó la compañía automotriz.

Los casos de sospecha de corrupción o soborno detallados por la SFO incluyen:

- En Indonesia, los empleados senior de Rolls-Royce acordaron pagar 2,2 millones de dólares y entregar un automóvil Rolls-Royce Silver Spirit a un intermediario. Hubo una "sospecha" de que este dinero era una recompensa para el intermediario "mostrando favor" a Rolls-Royce con respecto a un contrato para motores Trent 700, usados en aviones, dijo la SFO.

- En China, el personal de Rolls-Royce acordó pagar 5 millones de dólares a CES, una compañía estatal china, mientras negociaba la venta de motores T700. La SFO dijo que parte del dinero estaba destinado a pagar a los empleados de la aerolínea china para asistir a un curso de MBA de dos semanas en la Universidad de Columbia, y disfrutar de "alojamiento de cuatro estrellas y lujosas actividades extracurriculares".

- En Tailandia, Rolls-Royce acordó pagar 18,8 millones de dólares a intermediarios regionales. Parte del dinero era para individuos que eran "agentes del Estado de Tailandia y empleados de Thai Airways", dijo la SFO. Se espera que estos agentes "actúen a favor de Rolls-Royce con respecto a una compra por Thai Airways de motores T800".

- En la India, los casos se refieren a una época en que el uso de intermediarios en relación con los contratos de defensa del gobierno de la India estaba restringido por las autoridades. "Los términos de algunos contratos de defensa Rolls Royce contenían compromisos de que los intermediarios no habían sido utilizados", dijo la SFO. Pero la compañía continuó usando un intermediario y dijo que los pagos eran para "servicios generales de consultoría" en lugar de comisión.
CASO DE ESTUDIO
1. Después de años de falsa contabilidad y corrupción Rolls Royce se enfrenta a una multa ¿Piensa que es justo y ético? ¿Deben afrontar otras consecuencias?
2. ¿Crees que las empresas que aceptan los sobornos también deberían afrontar las consecuencias?
3. Las diferencias culturales entre países, ¿pueden influir en cómo se percibe el “soborno”? En China, por ejemplo, la participación de las empresas en los sobornos todavía se consideran como práctica comercial habitual.
4. Si sabes que Rolls Royce está dañado, ¿afectará esto a tu percepción de la empresa e influiría en tu decisión de compra?
5. Después de 25 años de soborno, ¿crees que existe la posibilidad de que dentro de la empresa haya casos de soborno que todavía no se han descubierto?
6. ¿Cómo abordaría estos temas como un futuro líder?

REFERENCIAS (Algunas referencias alternativas en castellano)
Un vídeo que resume el caso 1,15 minutos (antes que Rolls Royce pactara con la SFO):
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La noticias en la prensa económica española cuando ya salió la resolución de la SFO:
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