



© Adobe Stock

## RESULTS CG

### Parallel Sessions - Corporate Governance (CG)

Chair: Annette Kämpf-Dern (Bauhaus-Universität Weimar)

Presenters: Bob Martens (Technische Universität Wien), Cay Oertel (Universität Regensburg), Kareel Sakh (Estonian University of Life Sciences)

**Since the CG session featured more diverse presentations, the results from the discussions are presented separately for each presentation. First, CG was discussed as a driver of company performance with results from an empirical study of the real estate sector. The second presentation was on how CG could be taught in real estate classes – and why. The third contribution on plagiarism served as a means for discussing ethical standards amongst students of real estate.**

# Corporate Governance as a driver of company performance - An analysis from the perspective of the real estate sector

(Cay Oertel, Universität Regensburg)

Corporate Governance (CG) is a "soft" and complex topic. This characteristic complicates the evaluation of its benefits and consequently impedes the implementation in companies. Still, the general hypothesis is that sound CG improves the performance and reputation of companies: it can increase shareholder trust, minimize risk of corporate scandal or civil and criminal liability and create a positive corporate image. The presentation referred to a research project at the University of Regensburg (Zeitler/ Bienert) about CG as a driver of company performance, focusing on the real estate sector. The following results were highlighted and led over to the discussion with the participants of the seminar:

**The practical CG performance drivers are widely recognized. Still more challenging is the actual operationalization and review of the effects of drivers and thus the concretization and implementation of CG-related changes.**

**Males still dominate supervisory boards, although a higher heterogeneity/diversity might increase the outcome.** The participants argued that diversity needs to go much further than gender, as mostly being discussed in Europe. It is also a question of field of study, culture, age etc.

**CG is not only "made", impacted or influenced by boards.** Many other stakeholders, such as customers, banks, regulatory bodies etc. (can) shape CG, which raises the issue of awareness and participation. Participation was seen as a crucial aspect of CG by the participants. The question, how to more and better include those other stakeholders into a more CG-oriented decision making process was not discussed further though it is obvious that reporting (see below) can only be one aspect of participation.

**The need for increased transparency conflicts with "information overload" which is often associated with real estate due to its "complex" nature.** Implementing greater transparency and compliance are recognized as significant challenges in the real estate sector. Manifold information is needed to make sustainable and compliant decisions. On the other hand, a key challenge is how to handle, to store and to process vast amount of data without getting lost in it.

Shortly, the question is how to increase transparency for a *targeted* communication. The participants discussed that the desired different board perspectives will call for a still broader range of information. To overcome the conflict between transparency and "information overload", the participants recommended the maximization of information density (less information, but all the relevant information) and avoidance or minimization of cognitive biases.

## Current approach to Responsibility – how and why to teach it?

(Kareel Sahl, Estonian University of Life Sciences)

Responsibility and professionalism are closely linked to each other. Responsibility means "A duty or obligation to satisfactorily perform or complete a task (assigned by someone, or created by one's own promise or circumstances) that one must fulfil and which has a consequent penalty for failure" (Business dictionary). To act responsibly in this sense requires a professional education. Looking at other professions, their organization, standards and education can give guidance for where to and how to develop real estate professionals. "Professionalism" as historically and actually defined in the new book "Professionalism for the Built Environment" from Simon Foxell can give guidelines for where to go and how to get there, especially regarding teaching and education.

A strong instrument of professions is to establish a shared identity and vision for practice and education, which should also be applied to real estate professionals. A real estate profession could orientate on **codes of ethics of other disciplines**. The participants of the seminar agreed that the medical profession is an appropriate example. Good practices from medical professions include the rich tradition of ethics and the requirement to hold a licence.

The education of "Real Estate Professionals of Tomorrow" requires a compliance between market needs and curricula. Real estate professionals need to learn to ask the right questions. Systematic and knowledgeable querying is challenging, e.g. to figure out user needs.

Three attributes of responsibility may guide educational measures and self-development through academic instructions and working practice:

- Thinking: ethical thinking, critical thinking
- Personality: know-how, skills
- Practice: sound practical experience

Discussing such methods and implementing these into the curricula was met with high approval by the participants. Besides the general issue of realigning real estate education and practice, individuals can set good examples by

- being a steward of the community, its resources and the planet – taking a broad view,
- understanding context and constraints – create a lasting value, while keeping options open for the future,
- doing the right thing, beyond an obligation to whoever pays an individual,
- developing trusting relationships, with open and honest collaboration,
- learning from personal actions and admitting mistakes – share ones' understanding openly and be honest about knowledge gaps,
- providing guarantee, e.g. by increasing available knowledge about building performance in use,
- bridging between design, project implementation and use – concentrate on the outcomes,
- bringing together practice, industry, education, research and policy making
- set industry-wide standards in order to practices that are not just legal protections but rather are derived from what is truly important regarding the purposes of real estate for their users, producers, investors, and the overall society.

Looking at ways to teach responsibility in real estate education, it is not just about doing this as a part of distinct subjects, e.g. real estate valuation or construction economics or even a special subject like "Ethical conduct in civil engineering". Rather lecturers have to inspire and set good examples broadly across subjects.

# Real Estate Education and Issues of Plagiarism

(Bob Martens, Technische Universität Wien)

Digitalization provides easier access to literature. At the same time, the **abundance of digitally available texts** involves a higher risk of students being tempted to "reuse" or paraphrase literature for their theses. Supervisors have a crucial role in minimizing this risk while facing excessive numbers of students and limited time for individual consultations. What bothers lecturers is the fear of being pushed into **the role of a "police guard" instead of teaching and coaching as their main domain**. Furthermore, there is the general issue that university administrations may tend to conceal plagiarism in fear of bad publicity. Some of the participants questioned the **backing from university administrations** in case of plagiarism. The backing is important when it comes to a dispute with students - in particular given a noticeably lower threshold for students to use legal advice.

Another growing issue is **self-plagiarism**, i.e. students or academics reusing former seminar works, theses, papers, or alike within their thesis or later work without marking it adequately. One reason may be the increased pressure to publish for academics as well as time-issues for students. There is a (future) need to redefine the scope and definition of plagiarism.

The participants of the seminar discussed and suggest the following recommended actions:

- General recommendation to students: **When in doubt, cite!**
- For coaches and supervisors: choose specific and precise topics for theses with explicit research questions to avoid the risk of plagiarism from the very beginning.
- To avoid self-plagiarism, supervisors should revisit bachelor thesis, term papers etc.
- Expert interviews: In case of doubt, contact experts cited in a project, paper or thesis to make sure that interviews really took place.
- Group work: Choose upon presentation time (and not in advance) which group member is to present which part of the work to make sure that all group members will have worked on the overall task or at least became sufficiently knowledgeable in all areas.
- Design studio classes: Let students deliver one to three ideas, the presentations

- Using detection tools to check documents regarding plagiarism, remember that these tools are only as good as their database.
- Check the origination information of the files (e.g. creation dates, original author, ...)
- Use the defence of the thesis as one possibility to identify ghost writing.
- Set clear rules and be consequent, state examples (**Signalling**).
- Take attempts of deception as an occasion to talk about plagiarism/responsibility in class; even bridge to practice (e.g. corruption).
- Explain "long-term consequences" to students: "You always meet twice in your life." Clarify that lecturers who have identified plagiarism/cheating or are in doubt will refrain from giving students a good recommendation ("gambled trust").
- Discuss the adaptation of the examination regulations with colleagues and university administration, especially with regard to electronic submissions/ electronic exams that will (need to) gain importance in the future.
- **Codes of conduct** (for the entire real estate sector) should be discussed and defined. Occupational bans in case of plagiarism should be considered.