Hermann Josef Högel (Autor)

The influence of selected managerial quality and board composition variables on the performance of German cooperative banks – an analysis of age, gender, education and experience as well as board size and composition

https://cuvillier.de/de/shop/publications/8876

Copyright:
Cuvillier Verlag, Inhaberin Annette Jentzsch-Cuvillier, Nonnenstieg 8, 37075 Göttingen, Germany
Telefon: +49 (0)551 54724-0, E-Mail: info@cuvillier.de, Website: https://cuvillier.de

Table of contents

Abstract 2
Acknowledgements 4
Translations 5
Text matches 5
Abbreviations 6
Legal texts 6
List of Tables 13
Chapter 1: Introduction 16
1.1 Background and overview 16
1.2 Research context: German cooperative banks and board members 17
1.3 Factors influencing the sustainability of German cooperative banks 23
1.3.1 Factors over which the bank has no direct influence 23
1.3.2 Factors over which the bank has a direct influence 25
1.4 Reasons for the selection of specific factors 29
1.4.1 Possible new insights 29
1.4.2 Selection criterion: availability and collectability of data 30
1.4.3 Selection criterion: factors with direct influence 31
1.4.3.1 Manager quality variables 32
1.4.3.2 Board-related variables 33
1.4.3.3 Control variables 33
1.4.4 Ethical, legal and practical aspects 34
1.5 Research question, research aim and research objectives 36
1.5.1 The research question 36
1.5.2 The research aim 36
1.5.3 The research objectives 37
1.5.4 The unique theoretical and practical contributions of the current work 37
1.6 The structure of this thesis 39
Chapter 2: German cooperative banks 42
2.1 Introduction 42
2.2 The German banking landscape 42
2.3 A brief overview of the historical development of cooperatives 43
2.4 The unique nature of cooperative banks in the German banking landscape 45
2.4.1 Ownership structures 45
2.4.2 Number of head offices and branches 47
2.4.3 Business model 47
2.4.4 Other distinguishing features of cooperative banks 48

2.5 Bodies of German cooperative banks 49
2.5.1 The executive board (members) 50
2.5.2 The supervisory board 51
2.5.3 The general meeting 53
2.6 Summary 53
Chapter 3: Theoretical background 55
3.1 Introduction 55
3.2 Governance theories 56
3.2.1 Principal Agent Theory 56
3.2.2 Signalling vs. Screening Theory 61
3.2.3 Upper Echelon Theory 66
3.3 Manager qualities and competencies 68
3.3.1 Trait theory and social cognitive theory 68
3.3.2 Fundamentals of Fayol and Mintzberg 70
3.3.3 Boyatzis' manager competencies 73
3.4 Relationships between the theories 75
3.5 Performance and success 78
3.5.1 Definition of success and sustainable (bank) performance 78
3.5.2 Approaches to performance measurement 80
3.5.3 Measures of general financial performance 81
3.5.4 Measures of financial performance in banks 81
3.5.5 Specific aspects of measuring the performance of cooperative banks 82
3.5.6 Measures of performance: the operating result and the Gross Profit Margin 83
3.6 Manager specialisation 85
3.7 Summary 88
Chapter 4: Literature review and development of hypotheses 90
4.1 Introduction 90
4.2 Characteristics of the executive board 90
4.2.1 Executive board size and bank performance 90
4.2.2 Executive board composition, dual leadership and bank performance 93
4.3 Manager qualities 98
4.3.1 Management and qualities in general 98
4.3.2 Age and bank performance 98
4.3.3 Gender 101
4.3.3.1 Possible gender differences according to psychological models 102
4.3.3.2 Gender-specific management styles 102
4.3.3.3 Gender differences in career orientation 104
4.3.3.4 Gender and bank performance 105

4.3.4 Education and bank performance 107
4.3.4.1 Special features of education and training in the German cooperative bank sector 109
4.3.5 Professional experience and bank performance 111
4.4 Summary 116
Chapter 5: Research methodology 117
5.1 Introduction 117
5.2 Research philosophy 117
5.2.1 The ontological level 118
5.2.2 The epistemological level 118
5.2.3 The methodological approach 119
5.2.4 The axiological level 122
5.3 Research ethics 124
5.4 Data sample 125
5.4.1 Analysis type 125
5.4.2 Strategies regarding the scope of the quantitative data 126
5.4.3 Data gathering 127
5.4.3.1 Data sources for calculating the Gross Profit Margin 128
5.4.3.2 Criteria for data collection 128
5.4.4 Collecting manager and executive board data 130
5.4.4.1 Sources of data on boards and board members 131
5.4.4.2 Selection criteria: start and end dates of board membership 131
5.4.4.3 Supplementing dates of birth and start dates 132
5.4.4.4 Identifying female board members 132
5.4.4.5 Excluding executive board members due to bank mergers 132
5.4.4.6 Collecting outstanding data by means of a questionnaire 132
5.4.4.7 Collecting data on the insolvency rate, unemployment rate and gross value added 134
5.4.4.8 Consolidating and completing the collected data 135
5.4.5 Self-reported data 136
5.4.6 Classification of qualifications in an international context 137
5.4.6.1 Classification of qualifications in Germany 139
5.4.6.2 Using the classifications and levels for the purposes of this research 140
5.4.7 The operationalisation of manager qualifications 141
5.4.7.1 Approaches to developing a ranking for the education variable 141
5.4.7.2 Approaches to developing a ranking for the experience variable 145
5.4.7.2.1 Overview of components of professional experience 145
5.4.7.2.2 Summary of categories and overall view 147

5.5 Data variables –dependent, independent and control variables 149
5.6 Research methods 152
5.6.1 Statistical approach 152
5.6.2 Calculating the Gross Profit Margin and specifying the data-selection criteria 157
5.6.2.1 Excel formulas for calculating the gross profit and average balance sheet total 158
5.6.2.2 Checking data consistency 160
5.6.3 Qualitative content analysis 161
5.7 Summary 163
Chapter 6: Results 165
6.1 Introduction 165
6.2 Statistical methodology 165
6.3 Multiple linear regression analysis with the variables from Hypotheses 1–4 165
6.4 Small-scale bivariate and descriptive analysis with the variables from Hypotheses 5 and 6 170
6.5 Large-scale multiple linear regression analysis with the variables from Hypotheses 1–4 supplemented by the variables from Hypotheses 5 and 6 177
6.6 Control variables: unemployment rate, insolvency rate and gross value added 182
Chapter 7: Discussion and conclusions 183
7.1 Discussion of findings 183
7.1.1 Hypothesis 1: number of executive board members 183
7.1.2 Hypothesis 2: dual leadership 186
7.1.3 Hypothesis 3: age of board members 188
7.1.4 Hypothesis 4: female board members 189
7.1.5 Hypothesis 5: education of board members 192
7.1.6 Hypothesis 6: experience of board members 194
7.1.7 Interpretation of the results in connection with the theory 196
7.2 Complementing the tested hypotheses by qualitative statements 201
7.3 The limitations of the findings 202
7.4 Recommendations for future research 203
7.5 Practical implications and good practice recommendations 206
7.6 Answering the research question 210
7.7 Achievement of the research objectives 210
7.8 Concluding summary 212
7.9 Summary of key findings 213

Appendices 214
Appendix 1: Balance sheet and profit and loss account, providing basic financial information, according to the Deutsche Bundesbank 214
Appendix 2: Profit and loss account – Example “Raiffeisenbank Bühlertal” 224
Appendix 3: List of all cooperative banks in Germany as of the end of 2018 250
Appendix 4: Cooperative banks within Europe – Size, structure and importance 279
Appendix 5: Data sample 287
A. Analysis type 287
Strategies regarding the scope of the quantitative data 288
Data gathering 290
Data sources for calculating the Gross Profit Margin 291
Criteria based on the time period 296
Criteria based on percentage changes 297
Criteria based on merger processes 301
Final identification of the data required for the current work 302
Criteria within the profit and loss account for calculating the Gross Profit Margin 303
B. Collecting manager and executive board data 304
Sources of data on boards and board members 305
Selection criteria: board membership 306
Selection criteria: start and end dates of board membership 307
Supplementing dates of birth and start dates 307
Identifying female board members by first name 308
Excluding executive board members due to a merger 308
Collecting outstanding data by means of a questionnaire 308
E-mail and questionnaire 312
German version of the questionnaire 315
Collecting data on the insolvency rate, unemployment rate and gross value added 317
Consolidating and completing the collected data 318
Self-reported data 321
Classification of qualifications in an international context 322
Classification of qualifications in Germany 331
Using the classifications and levels for the purposes of this research 335
Calculating the Gross Profit Margin and specifying the data-selection criteria 336
Excel formulas for calculating the gross profit and average balance sheet total 346
Checking data consistency 348
Qualitative content analysis 356
Appendix 6: Ethical approval and ethics consent form 398

Appendix 7: Summary of good practice recommendations 429
Appendix 8: VIF values from the multicollinearity tests 430
References 432