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**London
South Bank
University**

The correlation between values-
based leadership and economic
success:

An empirical evaluation within
selected German cooperative
banks and related
policy implications

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ments of London South Bank University for the degree
of Doctor of Business Administration

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‘Der Personalbereich ist einer der wichtigsten Bereiche in einem erfolgreichen Unternehmen des nächsten Jahrhunderts. Das haben allerdings die wenigsten bemerkt.’

‘The HR department is one of the most important departments in a successful enterprise of the next century. However, very few have noted this.’

Dr. Thomas Kleine, Baumgartner and Partner (1999)

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Declaration

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

Signed..........(Candidate)

Date: 30th June 2022

STATEMENT

This thesis is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by references. A bibliography is appended.

Signed..........(Candidate)

Date: 30th June 2022

Abstract

We are living in a society which is characterised by a permanent developing knowledge culture. The emergence of this megatrend among others, in combination with the financial crisis started in 2007 is the basis of the discussion about values and their impact on economic success. This study explores the links between values, which promote leadership, especially cooperative values, and economic success.

The thesis is based on an online survey with all cooperative banks in Germany with an individual balance sheet totals over 1500 million Euro. These banks represent the greatest cooperative banks in Germany and their employees were invited to answer a questionnaire in order to analyse if cooperative values are part of everyday leadership and are perceived accordingly. The examined values were fairness, confidence, certainty, competence, reliability, individuality, common ground, respect, partnership, responsibility and solidarity. These values were set in correlation to financial figures: capital adequacy, asset quality, management efficiency, earnings quality and liquidity management. In addition to that the questionnaire of the online survey contained questions about performance appraisal systems including feedback systems for executives.

The concept of values-based leadership and economic success measured in Key Performance Indicators formed the conceptual framework as presented in the literature review. Beyond that, this research follows the fundamental philosophy 'critical theory', because critical theory as a social theory is oriented toward critiquing society as a whole or like in this research project a part of our society.

The study shows first small indications about the relationships between cooperative management values and business key figures.

Correlation analysis was one of the main statistical analysis method of the study, because it measures the relationship between two items. In this case values and financial figures. In addition, various regression analyses were carried out. The aim of regression analysis is to determine the relationships between a dependent variable (financial figures) on the one hand and several explanatory variables (cooperative values) on the other.

The elaborations in this study indicate that values-based leadership might have a positive influence on economic success. Organisations could be able to improve their results if they follow the concept of values-based leadership or even the cooperative values management style. The findings of this study might have important implications for those training, coaching or selecting executives, those intending to take a leadership position or who already are leaders, the organisations within values-based leadership is put into focus and for other researchers who want to build on the results.

Thus, this study contributes to both practice and knowledge.

Key words:

Cooperative values

Leadership

Economic success

Policy implication

Acknowledgements

This work is dedicated to my son Tristan Stefan Oskar
and my wife Daniela.

You are my home.

List of Abbreviations

ABG	Academy of Bavarian Cooperatives
BSC	Balanced Scorecard
BVR	The National Association of German Cooperative Banks
CEO	Chief Executive Officer
DAX	German stock exchange index
DGRV	The National Association of German Cooperatives
DIN	German Institute for Standardization
e. g.	for example
eG	registered cooperative
etc.	et cetera
HBR	Harvard Business Review
HBM	Harvard Business Manager
HR	Human Resources
HRM	Human Resource Management
i. e.	that is
incl.	inclusive
KPI	Key Performance Indicators
SME	Small and Medium Enterprise

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1 Introduction

This first section will introduce the reader into the thesis by presenting the research question and relevance of the topic, the model of cooperatives, the methodology and methods, aims and objectives of the study. It will close with a synopsis of the thesis structure and a summary.

1.1 Relevance of Topic

The aim of this study is to carry out research into the links between perceived cooperative values which promote leadership and economic success.

Against this background, these two central terms are defined in the context of this doctoral thesis before the current framework conditions will be considered.

‘Values-based leadership is the exercise of influence to make a difference in relationships, teams, organizations and communities through choices and decisions guided by explicit and consistently practiced values that serve the common good’ (Institute for Values-Based Leadership, 2012).

In this context, the present study focuses on cooperative values. These values, which are considered and described in more detail in the following, are:

Fairness, confidence, certainty, competence, reliability, individuality, common ground, respect, partnership, responsibility and solidarity (Mandl et al., 2012).

Economic success in terms of this work are the following key figures, which are also described in detail in the further explanations. These key figures are based on the CAMELS rating system:

Table 1a: Description of the parameters and sub-parameters of CAMEL Model

CAMEL Parameters	Denotation	Sub-Parameters	Acronym
Capital Adequacy	C1	(Tire-1 Capital+ Tire-2 Capital) /Risk-weighted Assets	CAR
	C2	Total Equity /Total Assets	TE/TA
	C3	Total Debt/Total Assets	TD/TA
	C4	Govt. Securities/Total Investment	GS/TI
Asset Quality	A1	Financial Assets/Total Assets	FIN-A/TA
	A2	Total Investment/Total Assets	TI/TA
	A3	Non-performing Loans/Total Loan	NPL/TL
	A4	Fixed Assets/Total Assets	FA/TA
	A5	Loan loss provision/Total Loan	LLP/TL
	A6	Total Loan/ Total Assets	TL/TA
Management	M1	Profit Per Employee	PPE
Efficiency	M2	Business Per Employee	BPE
	M3	Funds Borrowed/Total Asset	FB/TA
	M4	Cost /Income	OI/OE
Earnings Quality	M5	Total Loan/Total Deposit	TL/TD
	E1	Net Profit(Loss)/Total Assets	ROA
	E2	Net Profit(Loss)/Total Equity	ROE
	E3	Operating Profit/Total Assets	EBIT/TA
	E4	Net Interest Income/Total Assets	NII/TA
Liquidity	E5	Non Interest Income/Total Assets	NON -II/TA
	L1	Liquid Assets/Total Assets	LA/TA
Management	L2	Liquid Assets/Short-term Liabilities	LA/SL
	L3	Liquid Assets/Total Deposit	LA/TD
	L4	Govt. Securities/Total Asset	GS/TA

Source: International Journal of Economics and Finance Vol. 10, No. 1, 2018

The global banking and financial crisis that began in 2007 as part of the global economic crisis has accelerated the trend that companies are increasingly focusing on costs as well as their earnings. In 2019, more than ten years after the start of the global financial crisis, according to the head of the Austrian Financial Market Authority, Helmut Ettl (2018), despite all the activities, definitely not all problems and risks in the underlying financial market sector have been resolved, the global trade dispute, the conflicts in the Arabian world, the Brexit and the crisis of multilateralism, which is being replaced

by multi-nationalism, are all signs of a new 'geopolitical recession'. In addition to this, the corona pandemic and the dramatic occurrences in the Ukraine are keeping the whole world in suspense and the long-term consequences cannot be estimated yet. The reduction of personnel appears in many cases to be the only solution to get out of this difficult economic situation as personnel costs represent the largest cost block, especially in service companies such as banks. Parallel the trend can be observed that it will be more and more challenging to find suitable staff while the demographic situation is getting worse. The so-called 'war for talents' is omnipresent. At the same time most of the enterprises forget to pay necessary attention to and use appropriate leadership for the major capital of the business, the employees. The author believes that the companies need executives who do not regard their employees only as workforce but as individuals that have to be lead with regard to their entire personality. He bases his opinion on, among other things, his own experience and observations from over 15 years of activity as a manager and management consultant. This leadership approach appears to be difficult, but in view of the fact that there are some important - especially cooperative - values, which might provide a helpful orientation, executives could be supported. This could be a benefit for the entire enterprise. The author of this work has focused on these values because he is the third generation to work in the cooperative world and wants to investigate more closely what influence these values could have on economic success.

Hekimian and Jones (1967) focused on employees who might be able to have several duties and responsibilities within their companies and for this reason offer a special value to the firm. Due to the fact that they are only doing one duty they create opportunity costs. Employees who are not able to do so are not considered. This approach

was a first step to the topic of human capital but there was no connection to the treatment with the personnel by the leaders.

The question now is: How will society manage to get out of this difficult economic situation described above and find mechanisms to avoid these critical incidents in the future?

The business model of cooperative banks could be an answer. The financial crises discovered one issue. The strategy of Volksbanks and Raiffeisenbanks with their vision: 'Strong members, strong network, for a strong region' in connection with their cooperative values as mentioned above has guided them into a solid economic situation as you can see in the annual report (Appendix A). The cost-income rate, for example, was 65.4 percent in 2020. From this background the acceptance of (cooperative) values and their effect on sustainable economic success has grown. More and more authors are engaged with this correlation.

'I know that many people connect their specific economic behaviour with ethical and religious values. I would like to encourage these people to follow up this way - because economy is more than the exclusive striving for money and power'

(Hemel, 2005).

This is the intention of Hemel (2005) by publishing his book 'Value and Values; Ethics for managers – a practical guideline'. He approaches this aim by looking at ethics in daily life, politics and economics. His result is that ethics is very usable in every day company life and will lead to more than money or power without losing economic strength.

Huber (2005) begins his book with this quote and examines the topic 'excellent performance due to mind- and values-orientated management'. His basis is the thesis, that the human being is the most important resource for lasting successful companies. There is no need for new management technics or extensive reorganization processes.

A German Father (Grün, 2009) also offers an interesting approach to this topic. He published a book with the title 'Leading with values: to act ethical – to get over the challenge'.

In addition, one of the most interesting research projects on the relationship between ethics and business success is delivered by Peus and Mattausch (2011). These authors show that acting ethical does not contradict any economic achievement. **Peus and Mattausch (2011) even go deeper and show an overview about 'empirical studies examining the relation between ethically-oriented leadership and objective performance.'** These results are examined in more detail in Section 2.3. Another part examines the relation between corporate culture and corporate success with the result that there is a relation.

An additional remarkable approach is presented by Harry M. Jansen Kraemer Jr. (2011) by writing 'From values to action – The four principles of values-based leadership'. These principles are self-reflection, balance and perspective, true self-confidence and genuine humility. He defines leadership as the ability to influence others and underlines that values-based leadership takes it to the next level. Kraemer's approach will be presented more detailed in one of the following sections.

In 2012 Pircher-Friedrich introduced her book 'With mind and meaning towards lasting success: A guide to values and value-based leadership.' She carves out, that the actual basic conditions demand for executives and employees to have passionate professionalism and

humanity. The human being with its ability to be orientated to sense and values will be the important value driver with lasting effect to successful enterprises.

Also in 2012 the famous German newspaper 'Frankfurter Allgemeine Zeitung' published a book with a combination of articles from science, economics and culture about the actual debate about values. In conclusion, these articles underline the fact if somebody claims for values today, he can directly link to the increase of a company value.

Von Fournier (2012) offers in his book 'value due to values' an overview about the value of values. He examines the following questions:

What are values? Where do they come from? Why do values lead to more value? Why is it very difficult to act based on values? Who is able to come up with values?

By answering those questions, he concludes that the title of his book is correct. Value can arise out of acting based on values. He also underlines this result with examples from different enterprises.

One of these examples is the German cooperative bank 'Volksbank Mittweida eG.' The Volksbank Mittweida stands up for companies and private clients. The financial figures are above average, although the business conditions are very challenging. This demonstrates a sustainable business policy. The bank itself points out that their business culture is the critical success factor. It is a mixture of confidence and performance.

In 2014 Tor Bush and Alex Murdock published 'Value-Based Leadership in Public Professions'. These authors build an integrated model of value-based leadership with consideration into public, societal and professional context.

Gamb (2018) states that values-driven organizations are considered by some to be the most successful on the planet. They have high

levels of engagement, generate higher earnings, and are more profitable by having an inclusive, multi-tiered strategy.

At this point one of the last publications by Fletcher (2021) should also be quoted: 'I encounter multiple business owners who genuinely want to scale their businesses, but for various reasons growth evades them. In most cases, their cultures are getting in the way.'

1.2 Model of Cooperatives

This part will give a short introduction into the business model of cooperative organisations in general and into the situation of cooperatives – especially cooperative banks – in Germany due to the fact that this research project took place there. Friedrich Wilhelm Raiffeisen and Hermann Schulze-Delitzsch were the founding fathers of the German credit cooperatives in the mid-19th century. They had a keen eye for economic emergencies, were marked by Christian social values.

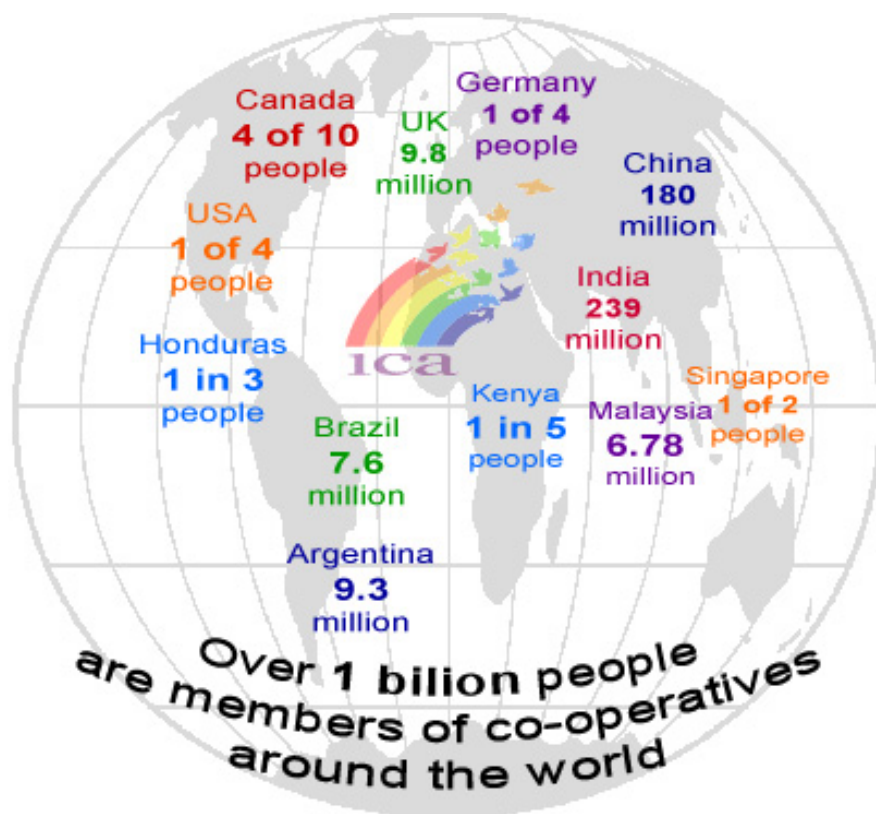
Both shared the conviction that there is a professional way of dealing with these needs: the cooperative. Raiffeisen said: 'In my firm conviction, there is only one way to improve social and especially economic conditions, namely to promote Christian principles in free cooperatives.'

Raiffeisen and Schulze-Delitzsch were born in a century of upheaval. It was a time of unimaginable social need. From 1816 to 1890, five million Germans migrate and seek their fortune or, in most cases, only the bare survival in the 'new world'. Both have only one goal: never more hunger and hardship. The way? Help for self-help. This business model has proven to be successful to date (see again annual report in appendix A).

'Cooperatives are businesses owned and run by and for their members. Whether the members are the customers, employees or residents they have an equal say in what the business does and a share in the profits. As businesses driven by values not just profit, cooperatives share internationally agreed principles and act together to build a better world through cooperation.'

Successful cooperatives around the world are allowing people to work together to create sustainable enterprises that generate jobs and prosperity and provide answers to poverty and short term business practices' (International Co-operative Alliance, 2012).

Figure 1: Cooperatives around the world



Source: International Co-operative Alliance (2012)

Today at least 12% of people on earth is a co-operator of any of the 3 million (three times more than in 2012) cooperatives on earth (International Co-operative Alliance, 2022).

The German cooperative system comprises 5,071 cooperatives, regional and national central enterprises as well as cooperative associations at regional and national level (DGRV, 2022).

814 of them are cooperative banks (BVR, 2022).

The vision and the strategic goals of the Volksbanks and Raiffeisenbanks are not formulated as the one and only goal like in many DAX listed companies:

The maximisation of shareholder value.

They have the following vision:

'Volksbanks and Raiffeisenbanks - Strong members, strong network. For a strong region.'

The strategic goals for all cooperative banks are:

1. Number one in member and customer satisfaction.
2. Securing of sustainable economic efficiency in dealing with customers.
3. Number one in employee identification and quality.

The bases of the these banks are the four basic cooperative values:

1. Individual responsibility.
2. Autonomy.
3. Subsidiary.
4. Solidarity.

1.3 Aims of the Study

The aim of this study was to carry out research into the links between perceived cooperative values which promote leadership and economic success.

In order to get closer to this goal, the 120 largest cooperative banks in Germany were asked to take part in a survey. Against the background that the selected research topic is a - sometimes very sensitive - one, namely the management culture in cooperative banks, the willingness to participate was rather reluctant. Insofar one could also say that the survey was more like anonymous expert interviews.

For this research project cooperative values have been isolated that could be important for the link between leadership and economic success. Furthermore, these values are an important basis in the history of cooperatives in Germany and it appears that they haven't been examined in this way until now.

These values are:

- a) Fairness
- b) Confidence
- c) Certainty
- d) Competence
- e) Reliability
- f) Individuality
- g) Common ground
- h) Respect
- i) Partnership
- j) Responsibility
- k) Solidarity (see also 2.1.4.3 Cooperative Values)

1.4 Objectives of the Study

1. To examine the correlation between cooperative values-based leadership and economic success.
2. To identify the impact of every value on economic success figures.

cooperative values:

Table 1b: Definition of cooperative values

Cooperative value	Definition
1) Fairness	The quality of treating people equally or in a way that is right or reasonable.
2) Confidence	Trust or belief in someone's ability.
3) Certainty	Something which cannot be doubted.
4) Competence	A cluster of related abilities, commitments, knowledge, and skills that enable a person (or an organization) to act effectively in a job or situation.

5) Reliability	The ability of an apparatus, machine, or system to consistently perform its intended or required function or mission, on demand and without degradation or failure.
6) Individuality	The qualities that distinguish one person etc. from others.
7) Common ground	Shared interests, beliefs, or opinions between two people or groups of people who disagree about most other subjects.
8) Respect	Admiration; good opinion.
9) Partnership	People playing together in a game or working together in an enterprise on a level playing field.
10) Responsibility	Something which a person has to look after, do etc..
11) Solidarity	The uniting of the interests, feelings or actions (of a Group).

Source: internal document BVR, 2012

Financial figures:

The financial figures were taken from the official financial statements of the corresponding banks. They are published on the websites of the banks and the Electronic Federal Bulletin. The figures are

normally used to measure the economic success of the cooperative banks. Please find the consolidated financial statements 2020 of the Volksbanks / Raiffeisenbanks, Cooperative Financial Network as an example in appendix A. In order to evaluate and compare the performance of the different cooperative banks, one of the most effective supervisory techniques, CAMELS rating system has been used to rank the banks based on their performances. The system will be presented more detailed in Section 2 (International Journal of Economics and Finance Vol. 10, No. 1, 2018).

Table 2: Description of the parameters and sub-parameters of CAMEL Model

CAMEL Parameters	Denotation	Sub-Parameters	Acronym
Capital Adequacy	C1	(Tire-1 Capital+ Tire-2 Capital) /Risk-weighted Assets	CAR
	C2	Total Equity /Total Assets	TE/TA
	C3	Total Debt/Total Assets	TD/TA
	C4	Govt. Securities/Total Investment	GS/TI
Asset Quality	A1	Financial Assets/Total Assets	FIN-A/TA
	A2	Total Investment/Total Assets	TI/TA
	A3	Non-performing Loans/Total Loan	NPL/TL
	A4	Fixed Assets/Total Assets	FA/TA
	A5	Loan loss provision/Total Loan	LLP/TL
	A6	Total Loan/ Total Assets	TL/TA
Management	M1	Profit Per Employee	PPE
Efficiency	M2	Business Per Employee	BPE
	M3	Funds Borrowed/Total Asset	FB/TA
	M4	Cost /Income	OI/OE
Earnings Quality	M5	Total Loan/Total Deposit	TL/TD
	E1	Net Profit(Loss)/Total Assets	ROA
	E2	Net Profit(Loss)/Total Equity	ROE
	E3	Operating Profit/Total Assets	EBIT/TA
	E4	Net Interest Income/Total Assets	NI/TA
Liquidity	E5	Non Interest Income/Total Assets	NON -II/TA
	L1	Liquid Assets/Total Assets	LA/TA
Management	L2	Liquid Assets/Short-term Liabilities	LA/SL
	L3	Liquid Assets/Total Deposit	LA/TD
	L4	Govt. Securities/Total Asset	GS/TA

Source: International Journal of Economics and Finance Vol. 10, No. 1, 2018

From this background the following **hypotheses** were formulated:

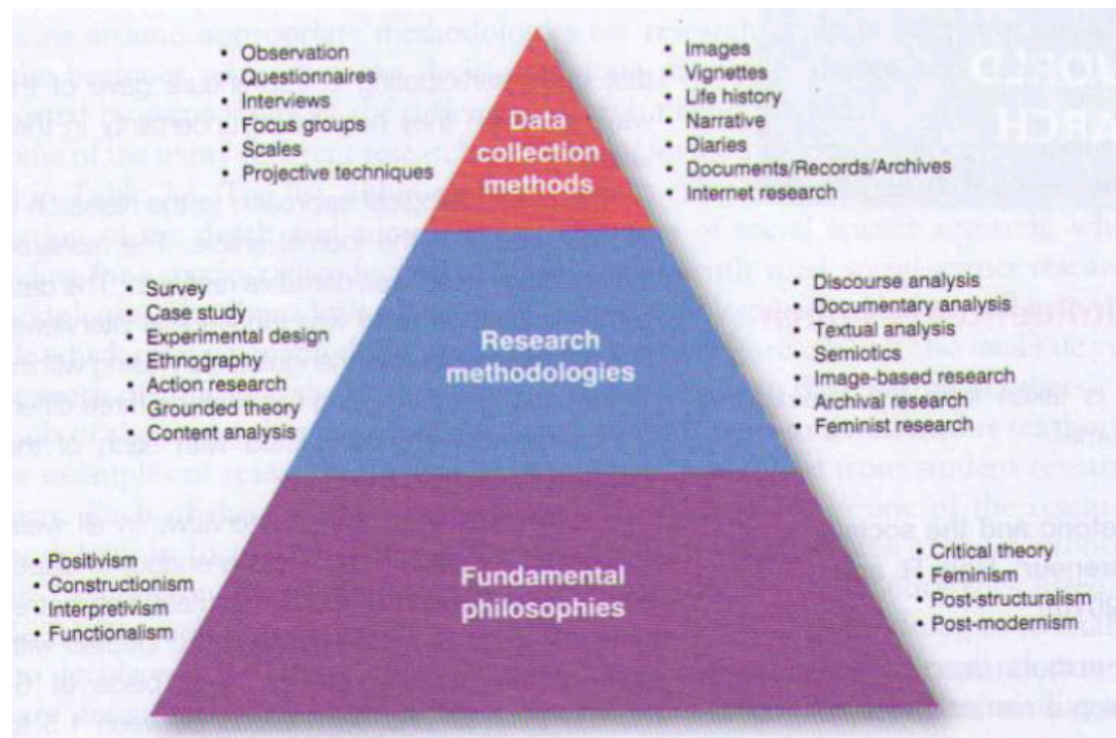
- 1) Fairness in leadership is significantly correlated with economic success as measured by C1) to L4) above.
- 2) Confidence in leadership is significantly correlated with economic success as measured by C1) to L4) above.
- 3) Certainty in leadership is significantly correlated with economic success as measured by C1) to L4) above.
- 4) Competence in leadership is significantly correlated with economic success as measured by C1) to L4) above.
- 5) Reliability in leadership is significantly correlated with economic success as measured by C1) to L4) above.
- 6) Individuality in leadership is significantly correlated with economic success as measured by C1) to L4) above.
- 7) Common ground in leadership is significantly correlated with economic success as measured by C1) to L4) above.
- 8) Respect in leadership is significantly correlated with economic success as measured by C1) to L4) above.
- 9) Partnership in leadership is significantly correlated with economic success as measured by C1) to L4) above.
- 10) Responsibility in leadership is significantly correlated with economic success as measured by C1) to L4) above.
- 11) Solidarity in leadership is significantly correlated with economic success as measured by C1) to L4) above.

1.5 Methodology and Methods

This research follows the **fundamental philosophy** 'critical theory', because critical theory as a social theory is oriented toward critiquing society as a whole or like in this research project a part of our

society. It is the examination of society, with a view to exposing systems of domination through a focus on values and norms (Quinlan, 2019).

Figure 2: The methodological pyramid



Source: Quinlan C., 2019

As **methodical framework** the thesis orientated itself at the research methodology 'survey'. Surveys tend to be quantitative research projects or largely quantitative research projects that is quantitative with some qualitative element. In general, the **data collection methods** that tend to be used in surveys are 'questionnaires' or scales (Quinlan, 2019).

The survey of this research project started at the beginning of February 2018 and ended in the middle of March 2018. The size of the partial census was 120 banks with balance sheet totals above 1500 million Euros and there were chosen because on one hand they

represent an important part of the cooperative banks in Germany and on the other hand it was a handy group with view to data collection and data analysis. The whole population is represented by 915 banks and 146.500 employees in total at the time of the survey. As scale of possible answers within the questionnaire a five stage Likert scale was used for the single items. The questionnaire was presented in German and for this reason there had been a double cross translation exercise undertaken by a professional translator. The sampling process was organized by an online survey with questionnaire in order to find out if cooperative values are part of everyday leadership and which effect they have on financial figures of the corresponding bank.

In addition to that, there were questions concerning performance appraisal systems and feedback systems for executives in order to get information about how the executives get controlled in the way they lead their personnel.

Correlation analysis was one of the main statistical analysis method of the study, because it measures the relationship between two items. In this case values and financial figures. In addition, various regression analyses were carried out. The aim of regression analysis is to determine the relationships between a dependent variable (financial figures) on the one hand and several explanatory variables (cooperative values) on the other.

1.6 Synopsis of Thesis Structure

The study consists of five elements:

1. Introduction
2. Literature Review
3. Research Methodology

4. Findings

5. Discussion and Conclusions

The '**Literature Review**' consists of three parts. The first part examines the extant literature on values-based leadership including an extensive discussion on the concept / theory of leadership and the various related aspects of the literature on leadership in general. The second part deals with the literature on economic success especially on Key Performance Indicators including CAMELS rating system. Both parts of the second main section start with an overview of the relevant extant topic literature and then focus on critical examinations of the literature. Sub-section three focuses on the current state of the literature in connection to studies in which values-based leadership is examined in relation to economic success of the organization. The final part of the literature review summarises the three bodies of literature and highlights areas for examination. This forms the study's conceptual frame.

The concluding part of the literature review identifies possible relationships between perceived cooperative values-based leadership and economic success. It highlights the key questions that have emerged from the literature that form the basis of the investigation and discussion. As there is only limited real body of literature that has examined this relationship before, the bridges connecting these two extant literatures are not always clearly defined. The researcher has attempted to guide the reader in an as clear way as possible through the literature to signpost the possible relationships between perceived cooperative values-based leadership and economic success.

The '**Research Methodology**' section is a detailed examination of the philosophy underpinning the research design and the actions

taken in data collection and analysis. Some time is spent detailing each aspect of the methodology and methods applied in this study. This is to give the reader confidence in the rigour in terms of the study's validity and reliability. The section also highlights limitations of the method applied followed by the fourth main section '**Findings**'.

The '**Discussion and Conclusions**' section includes 'factual', albeit the researcher's interpretation of the facts, account of the study's research. As far as possible, this was done whilst trying to avoid any potential researcher bias. The section also includes discussion that examines the research findings in terms of the extant literature and theoretical frame presented around the central research question and objectives. The focus of the discussion is on how cooperative values-based leadership could lead to economic success. The discussion, however, also explores other emergent themes that may not have direct bearing on the study but will inform wider discussions on the topic. This last section incorporates six elements: Summary of Main Findings; Discussion about Theoretical and Practical Framework; Critical Assessment of Own Work; Further Areas for Research; and, Concluding commentary. In this connection the last section offers a reflection on the relationship between the different literatures and the findings from the fieldwork.

1.7 Summary: Introduction

This introductory section has provided an overview of this research thesis and a generalised prologue to the subjects of values-based leadership and economic success. It has sought to place in context the position of this research relative to the background in which it has been written. The thesis now presents a review of the extant literature on values-based leadership and economic success.

2 Literature Review

The literature review, the second main section, presents a systematic review of the literature on the topic of interest in this dissertation. This main focus is on the literature about values-based leadership including an extensive **discussion on values / cooperative values** and the various related aspects of the literature on **leadership** in general and **economic success**. It will underline the problem statement and the research questions. At the end of the review, the reader should be able to see the **point of departure in managerial/ theoretical thinking** and how the current study proposes to add the limited publication.

At this point, the procedure including the individual steps of the literature research is briefly presented. This also includes the limits that arose during the search. The literature research consists of three parts. While the first two sub-sections provide an initial framework for the research topic, sub-section three focuses on the current state of the literature in connection to studies in which values-based leadership is examined in relation to economic success of the organization. The following points had to be considered:

1. inclusion/exclusion criteria
2. search terms
3. search engines/databases inclusive timeline

In analogy to Peus (2010), the system described below was used as a methodological approach and has been supplemented accordingly in the sense of this doctoral thesis.

Method:

A comprehensive search was conducted in the relevant databases, that is, PSYCHINFO, PSYINDEX, and ECONLIT in January of 2010 [extended to January 2022, author's note]. Search criteria stipulated that the studies had to be published in peer-reviewed journals from 1990 to 2009 [extended to 2021, author's note]. Furthermore, in order to identify studies on the relation between ethically-oriented leadership and objectively measured performance, each type of ethically-oriented leadership (i.e., transformational, ethical, authentic, spiritual, and [values-based, author's note]) was entered as a search term in conjunction with the following terms as indicators of organizational performance (i.e., performance, profit, profitability, earnings, return on investment (ROI), return on assets (ROA), return on equity (ROA), earnings before interest and tax (EBIT), venture growth, and [economic-success, author's note]). These indicators of organizational performance had been taken from textbooks of economics and management as well as interviews with experts from these areas and organizational psychology. In addition to the articles resulting from the search itself reference lists of articles found as part of the search were screened for additional relevant articles.

Four criteria were used to decide upon inclusion of studies in the review. First, the study must have used a clearly objective measure of organizational performance (such as profit, number of sales, return on equity, etc.). Second, the study must have been carried out within a commercial organization (privately or publicly owned), that is, laboratory studies or studies in the area of athletics or music were excluded. Third, the leader must have been rated by his/ her subordinates (i.e., studies in which leader ratings were based on archival information or media reports or in which other stakeholders rated leader behaviours were excluded). Fourth, the leadership behaviour assessed in the study must clearly fall under the category of

ethically-oriented; that is, only studies which assessed ethical, authentic, spiritual leadership, transformational leadership or [values-based, author's note] (defined as comprising an explicitly ethical component in the measurement) were included.'

An overview of the studies that met these criteria is presented in subsection 3.

2.1 Values-based Leadership

The concept of values-based leadership will be shown in the next section. First, the relevant terms will be defined including a part of **cooperative values**, followed by the presentation of the full concept and end with a summary. The section includes also a view on Human Resource Management (HRM) in general, because it is part of the conceptual framework.

2.1.1 Introduction

'If you want to build a ship, don't drum up the men to gather wood, divide the work, and give orders. Instead, teach them to yearn for the vast and endless sea' (Antoine de Saint-Exupéry, 1900-1944, French author and pilot).

2.1.2 Human Resource Management

Before treating the topic of values and leadership, this section will lead into the area of Human Resource Management. HRM is the conceptual framework. Leadership is a sub-discipline of HRM.

At the outset Watson (2006) delivers some approaches / definitions to this management field:

- 'A more fashionable name for personnel management.
- All managerial activity that involves relationships between the organisation and its employees.
- Area of academic study, integrating industrial relations, personnel management and organisational behaviour.
- Umbrella term for new/post-modern management practices.'

With reference to the explanations in 'Human Resource Management', 4th edition, by Alan Price (2011) a key concept is that of Hard and Soft HRM:

'Storey (1989) has distinguished between hard and soft forms of HRM, typified by the Michigan and Harvard models respectively. 'Hard' HRM focuses on the resource side of human resources. It emphasizes costs in the form of 'headcounts' and places control firmly in the hands of the management. Their role is to manage numbers effectively, keeping the workforce closely matched with requirements in terms of both bodies and behaviour. 'Soft' HRM, on the other hand, stresses the 'human' aspects of HRM. Its concerns are, among others, communication and motivation. People are led rather than managed. They are involved in determining and realizing strategic objectives.'

In addition to this background it is observable that HRM is getting more and more in the organizational scope and recognized as a

strategic factor. This observation is also valid for **values** which will be considered in the following.

2.1.3 Values

The term 'value' comes originally from the Latin word 'valere', which means to be strong, to be well' (Pons, 2018).

Table 3: Values

Author	Definition
Hillmann (2001)	Values are products of human coexistence, especially in the context of the naturally given and also the socially entrenched inequality of people.
Noll (2002)	Values document what an individual, a group or a society regards as desirable. Consequently, values are opinions about reality, more precisely: about the quality of reality. They thus influence the choice among possible action goals, means and ways of acting.
Giesecke (2005)	Values are general principles that social action should be based on, if not in each individual case, then in a strategic sense.
Schulz (2008)	Values are moral standards of behavior that everyone should follow.
Gabler (2018)	Structures of normative expectations that develop in the course of reflected experience (tradition, socialization, development of a world view).

On the one hand, values must be delimited from norms that are defined as invitations to perform certain actions in certain identical situations or to produce specific effects (Gabler, 2018), and on the other hand to attitudes that are responsible for affective reactions to an attitude object, that means, for its positive or negative evaluation (Einwiller, 2003).

According to Hillmann (2001), values are products of human coexistence, especially in the context of the natural and socially fixed inequality of people.

For Wielander (2010), this definition is only partially correct. Hillmann (2001) sees values as a kind of 'chance product' of human interaction and a tool to eliminate inequalities between individuals. It does not address the generality to which the concept of values claims nor the action-giving effect.

Noll (2002) defines the concept of value differently: 'Values document what an individual, a group or a society considers desirable. Values are therefore views of reality, more precisely: about the quality of reality. They thus influence the choice among possible action goals, means and actions (Noll, 2002).'

Noll (2002), in contrast to Hillmann (2001), sees values as universal wishes that decisively influence concrete actions. Wielander (2010) considers this definition particularly correct.

According to Giesecke (2005), values are general guiding principles, according to which social action, if not in every individual case,

should be orientated at in a strategic sense. Giesecke (2005) leaves a certain room for manoeuvres in comparison to Noll (2002) and also Schulz (2008) as far as the validity of values is concerned, emphasizing that values do not have to be action-oriented in every case. This is too inaccurately defined in the opinion of Wielander (2010). If Giesecke (2005) states that values are not valid in every case, he must also state which guidelines apply to the assessment of these situations.

For Schulz (2008), values are moral behavioural standards that everyone should follow. Wielander (2010) believes that this definition, like Giesecke's (2005) definition, is too broad. Schulz (2008) does not explain who 'everyone' is. He emphasizes that values are standards of behaviour, i. e. benchmark.

Values are described in the Gabler business Lexicon (2018) as 'structures of normative expectations that emerge as a result of reflected experience (tradition, socialization, development of a world view).'

Wielander (2010) is of the opinion that this definition fits the character of values very well, as it points to cultural differences, i. e. that values develop differently in every society and therefore have generality only within that specific society.

Based on the previous definitions, Wielander (2010) introduces her own definition:

'Values are normative / collective expectations and desires of an individual, a particular group or society that serve as

moral standards, which in turn decisively influence action goals, means to achieve those goals, and actions.'

This definition also corresponds to the ideas of the author of this thesis.

The following is a closer look at the **cooperative values**.

2.1.4 Cooperative Principles, Brand Essence and Values

The next part presents the cooperative principles, brand essence and values which is very important in order to understand the **basics of cooperative management attitudes**.

2.1.4.1 Cooperative Principles

The identity principle: Members are in multiple relation to the cooperative (users of services, carriers of will formation and control and as an investor). Strictly interpreted: ideally only members make use of the service offered by the cooperative (identity of owner and customer) – This was determined by amendment of the cooperative law in 1973.

The self-help principle / The funding principle: The joint business allows help for self-help. This self-help or membership promotion is a primary goal: The lasting individual economic benefit for the member. This member promotion means gaining or increasing the profit of a member or making a profit or earning a salary in cooperative business operations so that it can better fulfil its sponsoring duties towards the member.

The subsidiarity principle: The self-governance and self-regulation means self-organization (managed by the members themselves). Derived from this self-government is the principle of democracy which means one man, one vote.

The principle of self-responsibility refers to the member liability.

The solidarity principle: That means collaboration to achieve common economic, social and societal goals through mutual assistance and support (collaboration for mutual benefit).

The members strive to increase the competitiveness of stakeholders while maintaining their independence (Walther, 2011).

2.1.4.2 Cooperative Brand Essence

The brand essence describes the character traits of the brand. It is the brand's credibility framework, forcing it to copy its own characteristics rather than foreign characters.

The values of the brand essence are allied, robust, subsidiary, supportive, powerful, down to earth, self-fulfilling, compassionate and member-committed.

The values 'member-obligated' and 'self-fulfilling' distinguish the Volksbanks and Raiffeisenbanks from the Sparkassen (savings banks). The value 'compassionate' offers no differentiation today, but the potential for it. If excellence of these values is expanded, this offers the potential for differentiation.

This results in the positioning statement and the one-word value:

'As the only financial group in Germany, the Volksbanks and Raiffeisenbanks are committed to the life goals and desires of their local members.'

'Compression: members Committed'

Basis are the values, the § 1 of the Cooperative Law and history. From this, the brand core is derived, which opens in the positioning set. This positioning set has to be filled with life in the bank and be experienced by the members (Internal document BVR, 2012).

2.1.4.3 Cooperative Values

Friedrich Wilhelm Raiffeisen and Hermann Schulze-Delitzsch were the founding fathers of the credit cooperatives in the mid-19th century. They had a keen eye for economic emergencies, were marked by Christian social values.

Both shared the conviction that there is a professional way of dealing with these needs: the cooperative. Raiffeisen said: 'In my firm conviction, there is only one way to improve social and especially economic conditions, namely to promote Christian principles in free cooperatives.'

Raiffeisen and Schulze-Delitzsch were born in a century of upheaval. It was a time of unimaginable social need. From 1816 to 1890, five million Germans migrate and seek their fortune or, in most cases, only the bare survival in the 'new world'. Both have only one goal: never more hunger and hardship. The way? Help for self-help.

Cooperative banking is based on a philosophical core that is intrinsically and substantially predetermined by it: regionalism.

Regionalism means people's aspirations for a liveable environment in every respect - embedded in a region with positive prospects for the future, as well as the appreciation and application of the principle of subsidiarity, which should ensure the highest degree of self-determination for people in the regions.

The cooperative banking group is thus absolutely decentralized.

This relates both to the individual Volksbanks and Raiffeisenbanks, which are looked after and checked by the higher-level regional associations, and to the individual banks on site, which in turn can establish a close relationship with customers and members. This is considered in more detail below.

The rootedness in the regional economy brings an exact knowledge of the regional market and the regional customer needs with it. In addition, there is a personal customer contact on site. Employees know the region, are at home there and speak the language of the people.

People from the region, as supervisory board members, control the work of the bank management boards and thus the business policy of the institutions represented in the area.

This closeness to the customer guarantees extensive protection for the cooperative banks without legal pressure. The customer takes centre stage in all financial transactions.

The cooperative banks pursue two goals analogous: the well-being of the individual member and the customer on the one hand, and at the same time advantages for the community of members, thus the owner in the region - which requires a high level of customer orientation.

Volksbanks and Raiffeisenbanks are an important employer, trainers and taxpayers in their region. A Volksbank or Raiffeisenbank takes on social responsibility even in difficult economic times.

Section 1 of the Cooperative Law sets out the objective of the Volksbanks and Raiffeisenbanks - not to maximize profits, but to promote members: 'companies of non-closed membership whose purpose is to increase the acquisition or the economy of their members or their social or economic interests promote cultural interests through joint operations (cooperatives), acquire the rights of a 'registered cooperative society' in accordance with this Act.'

The core of cooperative values includes self-help, personal responsibility and self-employment.

The value of the individual - individuality - and its social relation to others - sociality - are equally taken seriously.

The self-help takes up the democratic principle of subsidiarity.

The self-responsibility and independence correspond to the modern, democratic image of mankind, which is deeply rooted in the biblical Christian tradition (Internal document BVR, 2012).

Cooperative values are more topical than ever today:

'When, if not now, in a time of uncertainty, values include trust, closeness, solidarity, self-responsibility, reliability. Our actions on the basis of the cooperative values form our basis of meaning. And sense convinces and creates trust. Trust is a privilege of inestimable value in these days of banking crisis' (Horst Alsmöller, Board Member of VR Bank Pinneberg on June 30, 2010).

Having this in mind a study commissioned by the GIP Institute (Bavarian Cooperative Association) carried out in cooperation with the Ludwig-Maximilians-University in Munich was published in 2012 (Mandl et al., 2012). They point out again that **cooperative values**

are an important unique feature of the Volksbanks and Raiffeisenbanks. This marks an important difference according to other banks.

From this background, **cooperative values are an important goal of the training and further education of managers and employees of the Volksbanks and Raiffeisenbanks.**

The objectives of the study were:

- Where do we want to go?

Recording the significance of cooperative values (Target).

- Where are we standing?

Recording the implementation of cooperative values (actual condition).

- What contribution does cooperative training make in the implementation of cooperative values?
- What are the recommendations for strengthening cooperative values through further education?

The issues were:

1. How important are cooperative values in the Volksbanks and Raiffeisenbanks from the point of view of executives and employees? (Target)
2. To what extent does the implementation of cooperative values occur in the Volksbanks and Raiffeisenbanks? (actual condition)
3. What is the contribution of cooperative training in the implementation of cooperative values in the Volksbanks and Raiffeisenbanks?

The study considered the following **cooperative values in education** of the cooperative bank network:

Help for self-help, regional proximity, fairness, confidence, certainty, competence, reliability, individuality, common ground, respect, partnership, responsibility and solidarity (Mandl et al., 2012).

In addition to the survey there were in-depth interviews.

In the interviews, the questions of the previous questionnaire survey were examined in detail.

In-depth was asked about:

- Assessment of the future of values.
- Concretization of values.
- Wishes and ideas for the implementation of values in further education.

The summary of the findings of the interview study underpinned the findings of the online survey:

- High value of the cooperative values was confirmed.
- In the opinion of respondents, cooperative values will continue to be important in the future.
- Need for specification of cooperative values:
 1. With free mention of cooperative values of respondents were relatively few called.
 2. Specific case examples of values are hardly mentioned.
- The interviewees could name little concrete need for development in terms of cooperative values.
- Wishes and suggestions:

Particularly desirable are practical examples and recommendations for action in the field of values:

- Illustration of values in further education.
- No pure theoretical input.
- It is emphasized that role models should exemplify the values.

These results tracked in the following recommendations for action.

Recommendations for cooperative education:

Recommendations on work-related measures:

There is a need for concrete recommendations for action and case studies.

Possible actions:

- Development and inclusion of case studies in seminars of the GIP Institute and the regional cooperative academy (ABG Academy).
- Integrating authentic experiences with cooperative values of employees and executives.
- Exercising situations e. g. in communicating values to the customer.

Recommendations on work-integrated measures:

There is a need for immediate implementation of the values in the workplace.

Transfer at work:

- Life of cooperative values.
- Strengthening the value-based cooperation of executives and employees.
- Assistance in implementing value-related measures in the context of in-house process support of the GIP Institute.

On this basis the author of the thesis focused on cooperative values, which might have an impact on leadership behaviour.

These values are as already mentioned:

Fairness, confidence, certainty, competence, reliability, individuality, common ground, respect, partnership, responsibility and solidarity (Mandl et al., 2012).

After the derivation of the cooperative values to be examined, it is now necessary to consider the topic of **leadership**.

2.1.5 Leadership

The following section will have a look at leadership in general. Braton and Gold (2017) define leadership as 'A process whereby an individual exerts influence upon others in an organizational context'.

Pinnow et al. (2012) defines leadership as interaction of the activities of individuals and groups with the realization of given goals. This involves asymmetric social relationships of over- and subordination. The interplay of legitimized power (domination) and submission or hierarchy, as the relationship between leader and employee, are

hallmarks of social communities. The exercise of leadership serves different functions, for example, it can convey the guided security and orientation. In work-sharing organizations, leadership relationships have, in addition, amongst other things the **purpose of promoting coordination and goal achievement**.

In addition to focusing on the achievement of goals by individuals and groups in organizations, companies etc. leadership functions include motivating employees and securing group cohesion.

Leadership is generally considered as a person's psychological and social ability in dealing with people. In addition to the personality traits of the leader, other factors such as professional authority, situational conditions, the use of leadership techniques, and social relationships are crucial to successful leadership, thereby becoming a complex social process.

Leadership is defined and delimited by formal organization (formal leadership). In working groups an informal leadership can develop; This is done by employees without a formal leadership position, who are respected due to their personality, professional competence and experience and therefore exercise influence (Pinnow, 2012; Rosentiel, 2014; Franken, 2016).

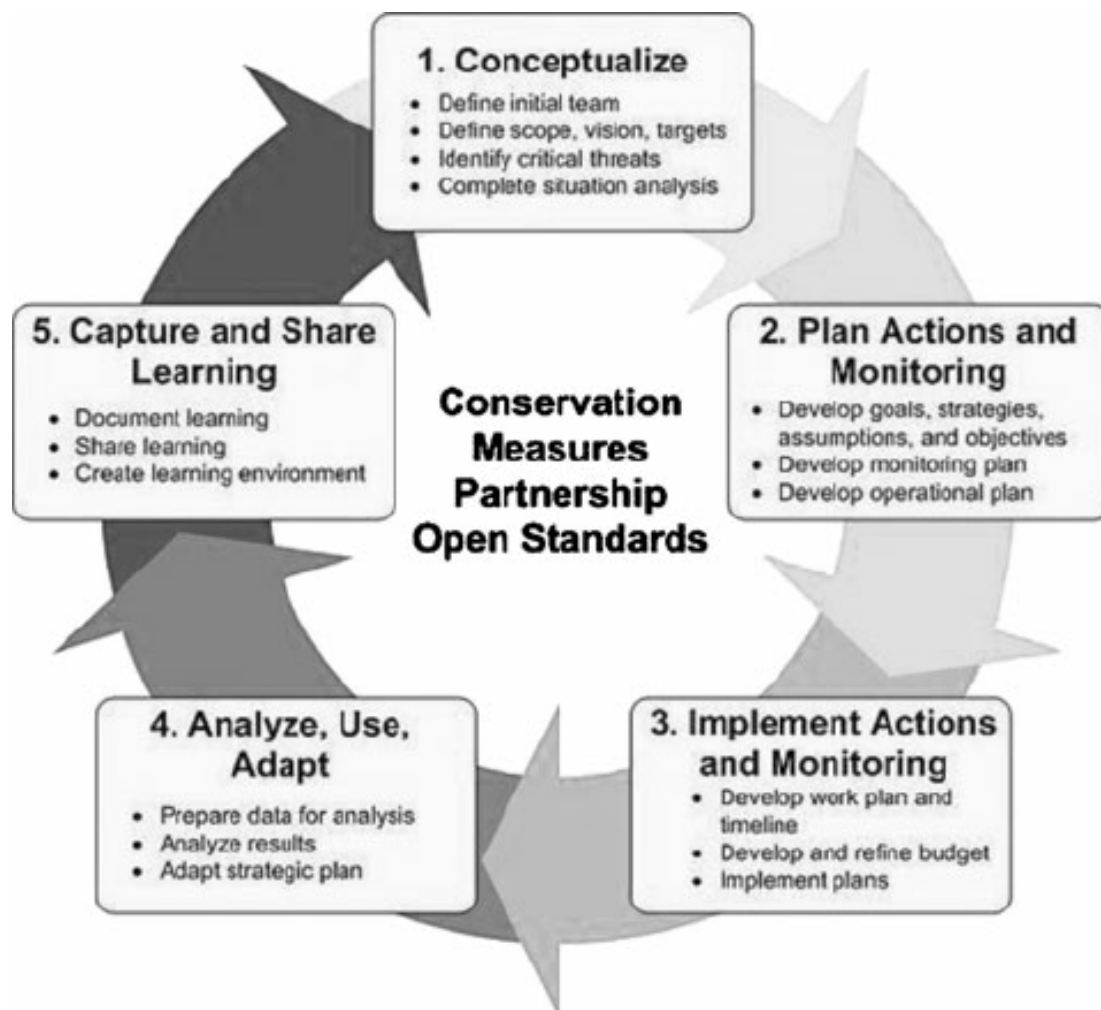
After these general comments on leadership, leadership techniques will now be explained.

2.1.5.1 Leadership Techniques

Leadership techniques are procedures and measures of personnel management for the achievement of given goals, the design of the leadership situation and the treatment of subordinates. They are recommendations for the design of leadership situations and for managing employees in organizations.

The aim of this part is to show how direct human resources management has to be implemented in order to realize its objective, namely to influence the work performance of employees and to realize corporate goals. On the one hand, mechanisms of human resource management are described (descriptive function), which are used in company practice. On the other hand, leadership techniques include recommendations on how leadership should be organized in organizations (normative function). Leadership techniques are used in different ways within different leadership styles and general management techniques such as Management by Objectives. The management cycle shown below refers to typical leadership events (Haller, 2015; Kaehler, 2017).

Figure 3: The Management Cycle



Source: Conservation Measures Partnership, 2013

In the context of management techniques, it is also necessary to reflect on performance management.

2.1.5.2 Performance Management

The following part is divided into basic thoughts, root cause analysis on the basis of the employee performance system, the central role of executives and eligible and inhibiting system variables.

Basic Thoughts: For an organization, it is of utmost importance that the company's employees know its **vision, mission, strategy and goals** and identify with them. Based on this knowledge, employees can deduce their own performance contribution. The goal of a company in this context is always to meet or exceed customer expectations. What is the point of view of the personnel management function if the performance results promised to the customer are not provided, let alone or overachieved? Assume that there is a customer-based deviation between the expected performance and current performance, the current performance of a company's employees. In this case, it is important to find out what is the cause of the non-compliance of the target and actual state. This requires a suitable personal analysis model in order to understand how the performance of employees can be influenced in organizations. After all, customer satisfaction is determined by the organizational capabilities, which in turn depend on the performance potential and performance of (individual) employees.

Since performance is provided by people to people, the following question arises for goal-oriented and performance-oriented organizations: How can employee performance be stimulated in such a way that valuable and benefit-enhancing performance results are created for the customer? Based on the behavioural scientist Kurt Lewin (1935), it can initially be assumed that basically every person strives to update his talents, abilities and skills. Colloquially formulated: Every person wants to show basically what is in him. Furthermore, Lewin characterizes human performance as a function of the individual's abilities and skills (S) in connection with his environment (E): $P = f(S, E)$.

This simple personal thinking and analysis model opens a first insight. On the one hand, the reasons for inadequate performance of people may be their limited abilities / skills and / or lack of drive

(motivation). On the other hand, environmental factors can impair or even prevent the performance of people, even though the latter have the required abilities / skills and a fundamental willingness to perform. Conversely, if people's performance is to be influenced, their abilities / skills can be deepened or widened, their willingness to perform stimulated, inhibitory environmental factors removed and beneficial environmental factors generated (Wittkuhn, 2001; Watkins, 2010; Bartscher, 2017; Bethel, 2017).

Finally, if one assumes that values-based leadership leads to economic success, this has a significant impact on a company's strategic direction. As already mentioned, the HR framework and instruments must be geared to promoting values-based leadership in the company.

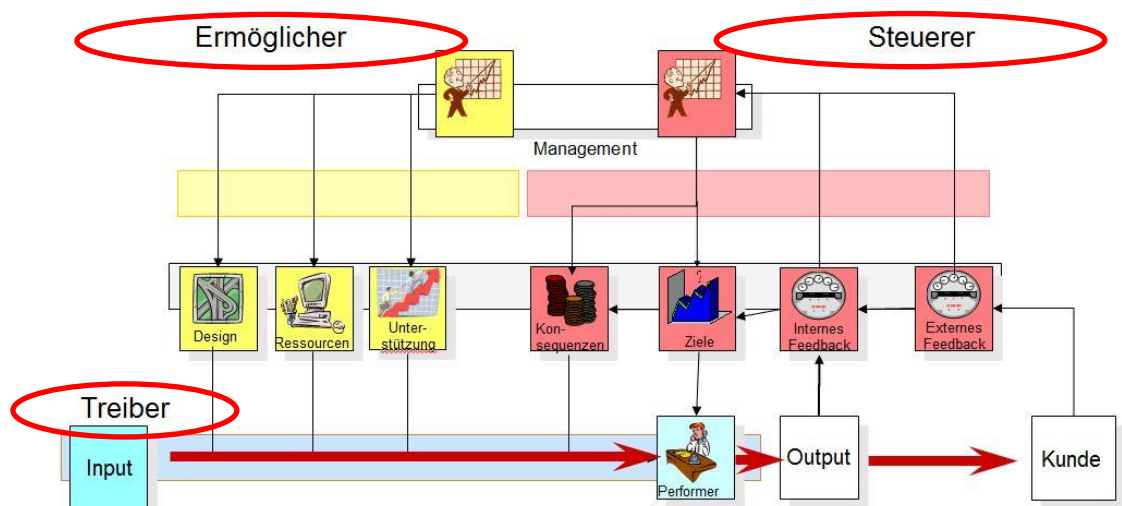
In absolute consequence, this must be anchored in the entire strategy process of the company. That means from the formulation of the vision to the operational implementation at each individual workplace.

Root cause analysis on the basis of the employee performance system: A root cause analysis in the case of poor performance compared to the customer must therefore be applied both to the employees and to their environment. These include the organizational structures as well as defined processes, tasks and the direct working environment in which the employees work. The performance of an organization, a department or an employee is thus the result of a multitude of intervening variables and thus of complex, systemic processes. If, as the person in charge or as a consultant for personnel management, one thinks about interventions for optimizing performance, it is always up to the people as well as their environment

to be taken into account. In case of looking at the whole organization, it's important to analyse how the processes of performance impact are currently going and how they would have to go to meet the needs of the market / customers.

In the analysis of organizational and personnel development counselling, the model shown in Figure 4 has proven to be useful in analysing beneficial and / or inhibiting system variables of employee performance (Wittkuhn, 2001; Watkins, 2010; Bartscher, 2017; Bethel, 2017).

Figure 4: The employee performance system



Source: Bartscher, 2017

The central role of executives: The graph (Figure 4) highlights the key role of managers in the performance of their employees. Executives are seen in their role as enablers on the one hand and on the other as impulse generators, i.e. steersman (Translation of the red-framed terms from Figure 4):

As facilitators managers provide that the job design is designed to be efficient. In this way, the areas of responsibility of their employees should be designed in a way that encourages motivation, ensure occupational safety and maintain the employees' workforce as long as possible by measures of workplace health promotion. In addition, the executives provide their employees with task-adequate resources, such as equipment or personnel capacities. Furthermore, they support their employees with tasks outside of the usual routine activities, for example by having them qualified or by exchanging experiences with experienced colleagues.

As an impetus (steersman), executives align with their employees the expectations that are placed on their performance and results and continue to ensure that their employees regularly receive feedback from them, from other organizational, customer or organizational stakeholders via instrumental feedback systems, such as checklists, quality and audit processes. Through feedback calls and tool-based self-control processes, employees will receive 'please keep it up!' or adjustment needs will have signalled. On the basis of target agreements, it is possible to carry out a performance comparison in the sense of a target / actual analysis and to align the feedback to it. Based on these target / actual comparisons, the feedback processes, the learning behaviour based on them and the process of performance optimization, the executives design the employee-related consequence system. The latter can have both rewarding / reinforcing consequences, such as remuneration, incentives, career opportunities, as well as sanctioning consequences, such as warning or termination.

In addition to the steersman and enabler function, Figure 4 also identifies the driver function (Translation of the red-framed terms from Figure 4) of the managers. It makes clear that executives should regularly review the workflows in which the employees are involved.

Here to question to what extent the processes are oriented to the customer expectations, have any redundancies and imbalances, to what extent quality characteristics are defined, whether their observance is regularly measured, recorded and evaluated and finally, in the event of deviations, countermeasures are taken (Wittkuhn, 2001; Watkins, 2010; Bartscher, 2017; Bethel, 2017).

Eligible and inhibiting system variables: As a conducive but also inhibiting system variable of performance behaviour, on the one hand, the design of the control, enabling, driver and management functions influences the performance of the performance system. On the other hand, its performance is limited by the abilities, skills and motivation of its employees. In this respect, it is important to ensure that the personnel recruitment and selection of staff members is consistent with their competence profile for strategic positioning, the organization's business case and also for the respective job profile. In this sense, an organization can achieve its performance goals by winning, retaining and promoting the right women and men and embedding them in an intact performance system. Only in this way the employees can fully exploit their performance potential to achieve the company's goals.

Thus, not only the individual employee and its performance is the focus of the considerations, but also the performance system as such. If this system has weak points, even the most motivated and efficient employee cannot perform well (Wittkuhn, 2001; Watkins, 2010; Bartscher, 2017; Bethel, 2017).

The next part will handle with different leadership styles.

2.1.5.3 Leadership Styles

A leadership style is a typical way of behaviour of supervisors towards individual employees and groups of employees. Leadership styles are thus to be understood as temporally enduring and recurring patterns of leadership behaviour that are consistent in their own situation.

As **behavioural-theoretical management concepts**, they distinguish different characteristics or categories of leadership behaviour and then reflect these on the respective success of management. The goal is to make statements about the efficiency of leadership styles, that is, of behavioural patterns. From the late 1930s, a variety of leadership studies were conducted. The advantage of considering leadership behaviour is that it can be measured by an 'objective' observation. In addition, the behavioural perspective establishes the assumption that successful behaviour can be learned and trained. The first investigations have been based on a one-dimensional leadership style continuum. Starting from the preparatory work done at Iowa University by Kurt Lewin and his team (1939), Rensis Likert (1949/1961), Daniel Katz and Robert Kahn (1952) in the so-called Michigan studies and Robert Tannenbaum and Warren Schmidt (1958) developed their models. On Lewin, for example, the subdivision of **democratic leadership** (leadership takes the led actively in decisions), **authoritarian leadership** (leadership in full self-rule without consideration of the led) and **laissez-faire leadership style** (manager leaves the led largely at all afford) the basis. The two-dimensional systematization of alternative leadership styles is among others the Ohio study by Edwin Fleishmann (1953) and the behavioural grid of Robert Blake and Jane Mouton (1964). The multicategorical classifications of alternative leadership behaviours are mostly based on three-dimensional taxonomies. These include the

maturity model of Paul Hersey and Ken Blanchard (1982) and the 3D approach of William Reddin (1977), as well as the leadership tactics of Gary Yukl and Bruce Tracey (1992), who describe the interaction of task, relationship and conversion orientation into the centre of their analyses.

Central criticisms of the early leadership style models are that they are on the one hand template-like, transporting normative patterns of behaviour and neglecting the leadership process as such, as well as other important components. They are too idealistic and simple to adequately reflect the complexity of everyday management. Modifications and blends of leadership styles arise from the personality of the supervisor and the strength of his positional power, the situational conditions (leadership situation) in which he leads, as well as the demands, qualifications, experiences and competencies of the employees and the nature of social relationships in the organization group. In addition to the management situation, the characteristics of the competence and commitment of the employees are therefore crucial for the application of different management styles. These arguments are reflected in recent behavioural leadership research, as well as situational, transactional and transformational leadership models (Stock-Homburg, 2013 ; Weibler, 2016 ; Bartscher, 2017).

From this background, the next part will focus on leadership ability.

2.1.5.4 Leadership Ability

Leadership ability is the activating, result-oriented and goal-oriented social influence of a leader on employees, with the aim of fulfilling common tasks and mastering structured work situations.

In the following, typical description dimensions are shown and subsequently assessed.

Typical description dimensions:

- (1) Employee orientation (consideration): Anxiety, appreciation of the led, accessibility of the leader;
- (2) Initiating Structure: goal specification, control, priority of task fulfilment. Both dimensions tend to be independent of each other and thus combinable on the behavioural level. For example, a high level of employee orientation tends to buffer the performance pressure conveyed by a high performance orientation.

Assessment:

The large number of research approaches to leadership behaviour and leadership demonstrate that generalizing statements on the effectiveness of consideration and initiating structure on job satisfaction and performance are not meaningful. In addition to these two characteristics, other dimensions of leadership behaviour, as well as additional influencing factors with regard to its effectiveness and the desired management success, are usually to be considered (Weibler, 2016; Wunderer, 2017; Bartscher, 2017).

The next part will deal with job satisfaction.

2.1.5.5 Job Satisfaction

Job satisfaction is the positive attitude (negative in case of job dissatisfaction) resulting from subjective evaluations of the respective general and specific work situations and the experience with them.

The following part is divided into the practical significance of job satisfaction, theoretical explanation, forms, reaction possibilities and the results of empirical studies.

The practical significance of job satisfaction is primarily seen in their relationships with motivation, absenteeism and turnover rates, accident frequency, disease rates and certain illnesses as well as general life satisfaction.

Theoretical explanation: Important stimuli for job satisfaction research were based on Herzberg's two-factor theory, which ranged between hygiene factors (earnings, social relations, job security, physical working conditions, company policies, social benefits etc.) and motivational factors (recognition, responsibility, achievement, progress etc.). Negative manifestations of hygiene factors lead to job dissatisfaction, while positive expressions do not lead to job satisfaction, but merely to the absence of dissatisfaction; These factors therefore represent a pension benefit. Motivational factors have a motivating effect and lead to job satisfaction.

With regard to the development of job satisfaction, one can assume interindividual differences.

Forms: It is assumed that claim levels, i.e. needs and expectations of the work situation are compared with the perceived work situation; The result may be that the level of entitlement rises, remains the same or decreases (entitlement adjustment).

A distinction must be drawn between:

- a) Progressive job satisfaction: This occurs when the comparison of the level of entitlement and reality is positive and, as a result, the level of entitlement is increased.
- b) Stabilized job satisfaction: results from a positive target / actual comparison without raising the level of entitlement.

c) Resignative job satisfaction: arises when a balance is established in the case of a negative target-performance comparison, by reducing the level of claims.

Reaction possibilities in the case of a negative target / actual comparison but at the same time the claim level is maintained:

a) Constructive job satisfaction, in which the subjective perceived discrepancy between the level of aspiration and the work situation leads to a tendency for constructive change, which regularly is only possible by changing jobs and qualification.

b) Fixed job dissatisfaction, in which the perceived situation is accepted.

c) Pseudo-job satisfaction based on a falsification of situational awareness.

It can be assumed that the boundaries between the various forms of job satisfaction are fluid.

The results of empirical studies have been controversial and unsatisfactory. This is due to the complexity of the work satisfaction construct, where social and psychological factors are multivariate, and the difficulty of measuring job satisfaction (Maier, 2018).

Taking into account that questions about the feedback systems for executives of the individual banks were part of the investigation, now follows a section on this topic in general.

2.1.5.6 Feedback for Executives

With reference to the explanations in 'Wikipedia – The free encyclopedia' (2021) the subject is illustrated by following:

'The term 'managerial assessment' refers to the assessment of a manager's leadership, knowledge and / or skills by his direct employees. As assessors, adding more people, such as higher-level executives, colleagues, or clients, is 360-degree feedback (Steinmann, 2005).

For a long time, this feedback tool has been questioned because it breaks through the traditional understanding of roles (top-down procedure) and limits executives in their power privilege. A dependency on employees may arise, which will now be able to give their boss a 'testimony' and not just the other way around, as it has been the case so far (Felfe, 2000).

In the course of participatory leadership, however, the role of the leader has changed, which today is seen as a consultant and a team player, emphasizing values such as partnership and team-oriented work (Felfe, 2000; Nerdinger, 2005).

Thus, it is not personnel selection and control that should be the main objective of the superior's assessment, but the improvement of management relations or communication between superiors and employees. Reason for a feedback can be a bad working climate or criticism on the part of the co-workers to the guidance or however a 'should-is' comparison of the self-imposed management guidance of the enterprise (Felfe, 2000).

Not only the supervisor is taking advantage of the assessment by being able to learn about his or her impact on his or her employees and making corresponding changes in their behaviour, but also the employees and the company itself can benefit. There are a number

of superior managerial functions, as shown in the list below, which may vary in weight and combination depending on the strategy of the company.

Executive

- diagnostic function
- development function
- control function

Staff / Team

- motivation / performance function
- dialog / participation feature
- control function
- team development function

Company

- participation feature
- motivation / performance function
- personnel development
- control function
- selection function
- evaluation function

Source: Nerdinger, 2005; Steinhoff, 1995

Particularly relevant are the diagnostic, developmental, participation and motivational / performance functions, which will be briefly explained in more detail. Based on the diagnostic function, the executive receives information about how the self- differs from the

external image, i. e. how one's own behaviour affects or is perceived by the employees and how they would have assessed themselves in this regard. Especially in this area there is often a big discrepancy. Only when the supervisor is informed and receives indications of the desired direction of a change, he is also able to make conversions. There is a development on the part of both executives and throughout the organization, as the company recognizes where the leaders' shortcomings lie and can engage in appropriate HR actions such as workshops and training.

With the help of the participation function, the employee gets the feeling of having influence and responsibility in shaping the relationship with his supervisor. The extent to which participation actually takes place remains questionable, since the assessment is more of a help to the supervisor than a concrete obligation to change one's behaviour. This, in turn, depends on the consequences associated with the assessment. The company hopes in this way on the 'implementation of a participatory leadership philosophy' (Nerdinger, 2005).

Ultimately, supervising the management of employees and thus of the entire company should, in addition to improving the ratio of superiors to employees and vice versa, lead to an increase in motivation and performance (Steinhoff, 1995; Ebner, 1996; Nerdinger, 2005).'

The next part is the last part of the explanations about leadership, but nevertheless it is an important topic with view to the background of the research field of this thesis and will present thoughts about corporate culture.

2.1.5.7 Corporate Culture

Corporate culture is the population of common values, norms and attitudes that shape the decisions, actions and behaviour of the members of the organization.

The following part is divided into goal, instruments and aspects.

Goal: If reputation is the overriding goal of corporate communications, then corporate culture forms the framework that shapes the action. The actions of an organization form at the same time the observation area for members of the own organization (executives and co-workers) as well as third parties (customers, banks, politics) and contribute significantly to the perception, to the image and thus to the reputation.

Instruments: Model processes are regarded as a central instrument of cultural management. These work processes support organizations, partly implicitly living cultural features of the deep structure such as self-understanding and vision to explicate. If necessary, these are to be influenced by deepening or varying them in order to shape the desired perception.

Aspects: Differences are central to two levels of corporate culture: the deep structure as a layer that shapes the action (values, norms, attitudes) as well as the surface structure that is observable by third parties. If the deep structure works as a framework for structuring the surface structure, then corporate communication as a behavioural management has to start there in order to have a lasting influence on image and reputation. It is controversial whether and to what extent the deep structure can be changed sustainably through communication, incentives and / or sanctions (Lies, 2008).

After looking at leadership, the literature review will now continue with one of the main topics: values-based leadership.

2.1.6 The Concept of values-based Leadership

The following part is the core part of the literature part. It will start with some general definitions and an overview. Furthermore, it will distinguish between value based leadership from an entrepreneurial view, from an individual view and at least from a process-related view.

2.1.6.1 Definition

The next part will not only present one but several definitions of the term values-based leadership in order to give a more complex overview of that important key term and issue.

A first approach is offered by the Financial Times Lexicon: '[Values-based leadership (VBL) is about] motivating employees by connecting organisational goals to employees' personal values' (Financial Times Lexicon, 2014).

The Institute for Values-Based Leadership at Royal Roads University, Victoria, British Columbia, Canada introduces this special topic by asking the question:

What Is Values-Based Leadership?

The first answer is:

'Values-based leadership is the exercise of influence to make a difference in relationships, teams, organizations and communities

through choices and decisions guided by explicit and consistently practiced values that serve the common good' (Institute for Values-Based Leadership, 2012).

The following overview will present the status quo about literature in the field of values-based leadership.

2.1.6.2 Overview

'I know that many people connect their specific economic behaviour with ethical and religious values. I would like to encourage these people to follow up this way - because economy is more than the exclusive striving for money and power'

(Hemel, 2005).

This is the intention of Hemel (2005) by publishing his book 'Value and Values; Ethics for managers – a practical guideline'. He approaches this aim by looking at ethics in daily life, politics and economics. His result is that ethics is very usable in every day company life and will lead to more than money or power without losing economic strength.

Huber (2005) begins his book with this quote and examines the topic 'excellent performance due to mind- and values-orientated management'. His basis is the thesis, that the human being is the most important resource for lasting successful companies. There is no need for new management technics or extensive reorganisation processes.

A German Father (Grün, 2009) also offers an interesting approach to this topic. He published a book with the title 'Leading with values: to act ethical – to get over the challenge'.

In addition, one of the most interesting research projects on the relationship between ethics and business success is delivered by Peus and Mattausch (2011). These authors show that acting ethical does not contradict any economic achievement. **Peus and Mattausch (2011) even go deeper and show an overview about 'empirical studies examining the relation between ethically-oriented leadership and objective performance.'** These results are examined in more detail in Section 2.3. Another part examines the relation between corporate culture and corporate success with the result that there is a relation.

Another remarkable approach is presented by Harry M. Jansen Kramer Jr. (2011) by writing 'From values to action – The four principles of values-based leadership'. These principles are self-reflection, balance and perspective, true self-confidence and genuine humility. He defines leadership as the ability to influence others and underlines that values-based leadership takes it to the next level. Kramer's approach will be presented more detailed in one of the following sections.

In 2012 Pircher-Friedrich introduced her book 'With mind and meaning towards lasting success: A guide to values and value-based leadership.' She carves out, that the actual basic conditions demand for executives and employees to have passionate professionalism and humanity. The human being with its ability to be orientated to sense

and values will be the important value driver with lasting effect to successful enterprises.

Also in 2012 the famous German newspaper 'Frankfurter Allgemeine Zeitung' published a book with a combination of articles from science, economics and culture about the actual debate about values. To sum up, these articles underline the fact if somebody claims for values today, he can directly link to the increase of a company value.

Von Fournier (2012) offers in his book 'value due to values' an overview about the value of values. He examines the following questions: What are values? Where do they come from? Why do values lead to more value? Why is it very difficult to act based on values? Who is able to come up with values?

By answering those questions, he concludes that the title of his book is correct. Value can arise out of acting based on values. He also underlines this result with examples from different enterprises.

One of these examples is the German cooperative bank 'Volksbank Mittweida eG.' The Volksbank Mittweida stands up for companies and private clients. The financial figures are above average, although the business conditions are very challenging. This demonstrates a sustainable business policy. The bank itself points out that their business culture is the critical success factor. It is a mixture of confidence and performance.

In 2014 Tor Bush and Alex Murdock published 'Value-Based Leadership in Public Professions'. These authors build an integrated model

of value-based leadership with consideration into public, societal and professional context.

Gamb (2018) states that values-driven organizations are considered by some to be the most successful on the planet. They have high levels of engagement, generate higher earnings, and are more profitable by having an inclusive, multi-tiered strategy.

At this point one of the last publications by Fletcher (2021) should also be quoted: 'I encounter multiple business owners who genuinely want to scale their businesses, but for various reasons growth evades them. In most cases, their cultures are getting in the way.'

The next part will have a look at values-based leadership from an entrepreneurial view.

2.1.6.3 Values-oriented corporate Governance

Silberer (1993) understands by the concept the observance of values of the organization members and the relevant environment by the enterprise management.

The author mentions in his definition only the attention, but not the importance of the implementation and integration of the values in the daily business (Wielander, 2010).

Cohen and Greenfield (1998) define values-oriented corporate governance as follows: '... (value – led leadership) seeks to maximize its

impact by integrating socially beneficial actions into as many of its day – to – day activities as possible.’

This definition is only very limited to the complex concept of values-oriented enterprise management. Cohen and Greenfield focus on socially beneficial actions, neglecting their focus on all stakeholders and their values (Wielander, 2010).

Daxner (2005) describes values-oriented enterprise management as the identification and selection of specific values, the setting of goals, the control through planning, implementation and control of measures to consciously modify or stabilize the values structure of the enterprise.

Wielander (2010) thinks that this approach is very aptly formulated, especially because Daxner, unlike the previous authors, for the first time deals with the processuality (planning, implementation, control) that underlies values-based management. The reference to the involvement of stakeholders is still desirable in this definition.

According to Koch (2011), values-oriented corporate management strives for a balance between value and values orientation. Specifically, this is based on a holistic understanding that is strongly oriented towards the stakeholder approach; that means, in the interests of the different stakeholders of the company, not just those of the shareholders or the management.

In principle, this focus on the stakeholder approach must be viewed positively, whereby it must be carefully considered in what form and

to what extent the individual stakeholders are involved in the values creation and values conversion process (Wielander, 2010).

For von Pappenheim (2009), the concept of values-oriented corporate management means both socially and ecologically responsible and economically successful operation of the core business.

As with Daxner and Cohen & Greenfield, this definition lacks stakeholder involvement (Wielander, 2010).

Value-based management defines Wielander (2010) as follows:

'Value-oriented corporate management is a form of corporate management in which the balance between value and value orientation, i.e. the consideration of social and ecological responsibility as well as the economically successful operation of a company is in the foreground. In doing so, certain values are identified and selected, goals are set and the deliberate modification and stabilization of the values structure of a company is aimed at by controlling, planning, implementing and controlling measures.'

2.1.6.3.1 Goals

Within the framework of value-oriented corporate management, various goals have to be met. For customers, the focus is primarily on the value of the service they have purchased or the product they have purchased and the image they have acquired, while on the other hand a fulfilling job, a respectful working atmosphere and personal development for the employees of a company.

Like partners in strategic networks, suppliers expect an open and respectful working relationship in which their needs are taken into account. Of course, this collaboration must also be profitable for them.

The society requires a company to choose its values in a way that benefits the society and enables meaningful engagement within the community.

It must be emphasized that the stated goals are not exhaustive (Wielander, 2010). Due to the complexity, however, a reduction in the sense of a better clarity must occur in the course of this thesis.

2.1.6.3.2 Model

Viktor Frankl, one of the most well-known Austrian psychologists and psychotherapists and founder of the so-called 'Third Viennese School', logo therapy (Logos = Greek for meaning) located already in the middle of the last century an often frustrated desire for meaning and values, both among the employees as well as among entrepreneurs and managers (Pircher-Friedrich, 2001).

Based on these findings, one model of value- and meaning-oriented corporate governance will now be explained.

2.1.6.3.2.1 The holistic Leadership model of Pircher – Friedrich

Before explaining her model of holistic values-oriented leadership, Pircher-Friedrich defines three factors, namely leadership, motivation and performance, which she considers to be the basic prerequisites for values-oriented corporate management (Pircher-Friedrich, 2001).

1. Leadership as steering, design and development of the system business means developing an attitude of mind through which optimal motivational conditions can be created.
2. To motivate means to develop an attitude of mind through which performance conditions are created by which the will and ability of the employees can be fully exploited and made possible.
3. Achievement means: to provide something, to get involved, because something meaningful and valuable is aspired to, thereby experiencing meaningfulness in the work.

2.1.6.3.2.2 The 7 – step Model of the holistic Leadership Concept

The **first two steps** of the model serve to define the values of the company, together with its associated vision and mission statement. These two steps are closely linked to the preceding prerequisites, namely leadership, motivation and performance in the sense of value orientation.

For Pircher - Friedrich, the Balanced Scorecard (**step 3**) is an important component of the holistic leadership model. It regards the steering instrument as a suitable strategic management tool for the effective achievement of visions, values, strategies and goals, but also for measuring and developing the so-called human factors (Pircher - Friedrich, 2011).

In the **fourth step** (idea collection for strategy-oriented actions), she calls for working out together with the employees 'How - Formulations' of standards. For Wielander (2010), the question arises as to whether this approach is expedient and does not overtax some employees who are inexperienced in dealing with strategic tasks. It

would be better to form a team of executives, selected, motivated employees from each division and hierarchy level and other key stakeholders, and to develop standards within this team with only occasional involvement of the entire workforce.

Building on **step 5** (pooling and structuring actions into strategic projects), the **sixth step** (involving strategic projects in operational work processes) will be very difficult. Here it is also necessary to determine who is responsible for the abovementioned review and improvement of the ongoing measures. At this step, the Balanced Scorecard created in step 3 should definitely be involved in measuring ongoing actions.

In the **seventh step** (organization of the strategic learning process), Pircher - Friedrich (2011) cites, among other things, the necessity of a constant questioning of goals and attitudes. Wielander (2010) only considers this to be of limited use, since, especially with regard to the formulated attitudes, care should be taken in the planning phase to ensure long-term validity. Changing these attitudes is counterproductive, as the continuity of values is an integral part of their 'character', and when changed quickly creates uncertainty among stakeholders in a company.

The next presented model will be the four principals of values-based leadership.

2.1.6.4 The four principals of values-based Leadership

After looking at value based leadership from an entrepreneurial view the next part will concentrate on an individual view of the concept.

Kraemer (2011) delivers a very interesting approach to this topic. He defines leadership simply as an ability to influence others. For him values-based leadership takes it to the next level. Values-based

leaders seek to inspire and motivate, using their influence to pursue what matters most. They do this by word, action and example in order to offer a positive change within a team, department, division, or organization, or even on a global level. Deciding what is the positive change begins with the leaders themselves. 'Their objective is to make the world a better place within their scope of influence, no matter how great or small' (Kraemer, 2011). Keeping this in mind, the four principals of values-based leadership will be presented now.

2.1.6.4.1 Self-Reflection

Kraemer (2011) defines self-reflection as key to identifying what a person stands for, what its values are, and what matters most. Through self-reflection these people will be able to look back, filtering out the distractions. This leads to a clearer view and helps to prioritize how and where to invest time, efforts, and energy. In addition to that, self-reflection allows to gain clarity on personal and professional issues. Leaders who are self-reflective are able to make choices easier, based on their own values, because they have the awareness of the full impact of their decisions (Kraemer, 2011).

2.1.6.4.2 Balance and Perspective

Balance is the second of the four principals of values-based leadership in Kraemer's (2011) concept, and closely follows the first principle of self-reflection. In his view a leader gains a clearer perspective on virtually any topic or issue through balance and self-reflection. In this context balance is the ability to see issues, problems, and questions from all angles, including from different view-points, even those that are diametrically opposed. At the end balance helps to make decisions with an understanding of the broad impact, instead of focusing narrowly (Kraemer, 2011).

2.1.6.4.3 True Self-Confidence

For Kraemer (2011) true self-confidence is an inner quality that establishes a person's leadership and enables it to empower its team. More than this, true self-confidence is a skill, that allows people to see and accept themselves exactly as they are. They are able to recognize their strengths and weaknesses. True self-confidence stems directly from self-reflection, which allows a person to engage in self-assessment. As a result, this person has a balanced perspective by soliciting input from others who may have more knowledge or expertise on a particular issue than the person has (Kraemer, 2011).

2.1.6.4.4 Genuine Humility

The fourth of the four principles of values-based leadership is genuine humility. This principle will keep a person grounded as it rises through his career.

'At the heart of genuine humility is never forgetting who you are, appreciating the value of each person in the organization, and treating everyone respectfully whether she is a senior manager or a summer intern. No matter if you are a first-level manager, a senior executive, or the CEO, genuine humility enables you to remain authentic, approachable, and open to others' (Kraemer, 2011).

At the end Kraemer (2011) points out, that the more a person practices genuine humility, the more his leadership will shine. Regardless of his position in the company, with genuine humility, he will understand that his attitude is a gift to others.

2.1.6.5 Values-based Leadership as a process

Due to the fact that the concept of values-based leadership is more closely linked to the leader as a person, rather than to the leadership process itself (Bush, 2014), the next part will look at the concept as a process. Erik Johnson (2006) defines leadership as a goal-setting, problem-solving, and language-creating interaction between relevant persons. From this background this means, that all employees participate in the leadership process, independent from their location in the organizational hierarchy. The quality of the leadership process is related to its ability to produce rewards for the organization's stakeholders or rather results (Bush, 2014).

The first element in this leadership theory defines leadership as to goals linked. The goals are divided into three main categories: operational goals, adaptive goals, and development goals.

The operational objectives mean that leaders have to focus on daily operations. In order to address major changes, they have to work on adaptive goals, such as new procedures, new services etc.. At last the leaders have to work to permanent development of the organization. For this reason, development goals are needed in the leadership process (Bush, 2014).

The second part in the theory defines leadership as a problem-solving process. With regard to Johnson (2006), the process of goal-setting and problem-solving often arise at the same time. He divides three primary ways to solve problems: analysis/synthesis, interaction, and search/learn.

The last element of the Johnson's (2006) theory is that leadership is a language-creating process. The theory differentiates between three languages: decision language, behavioural language, and system language.

Figure 5: Leadership as a goal-setting, problem-solving, and language-creating interaction



Source: Bush et al., 2014

2.1.6.5.1 Values-based Leadership – a conceptual definition

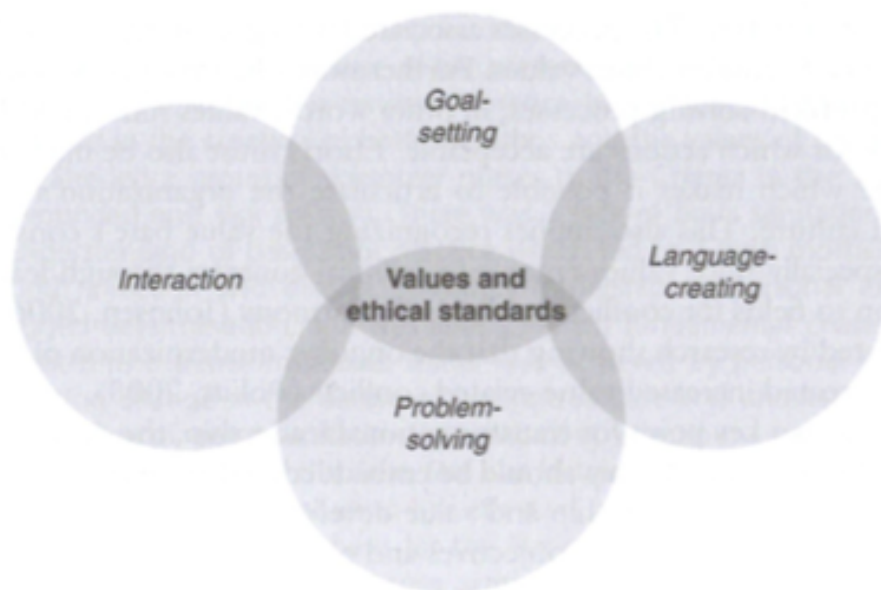
Bush (2014) points out that values-based leadership should at least have the following characteristics:

1. Those exercising leadership must have personal values consistent with the values of the organization.
2. Those exercising leadership must have a high ethical standard.
3. Those exercising leadership must be true to their own values.

From this background Bush (2014) defines values-based leadership as follows:

'Values-based leadership is a goal-setting, problem-solving, language-creating, and value-developing interaction which is anchored in the organization's values and high ethical standards. Values-based leadership can be exercised at the individual level, group level, and organizational level.'

Figure 6: Model of values-based leadership



Source: Bush et al., 2014

2.1.6.5.2 Basic values of the Leadership process

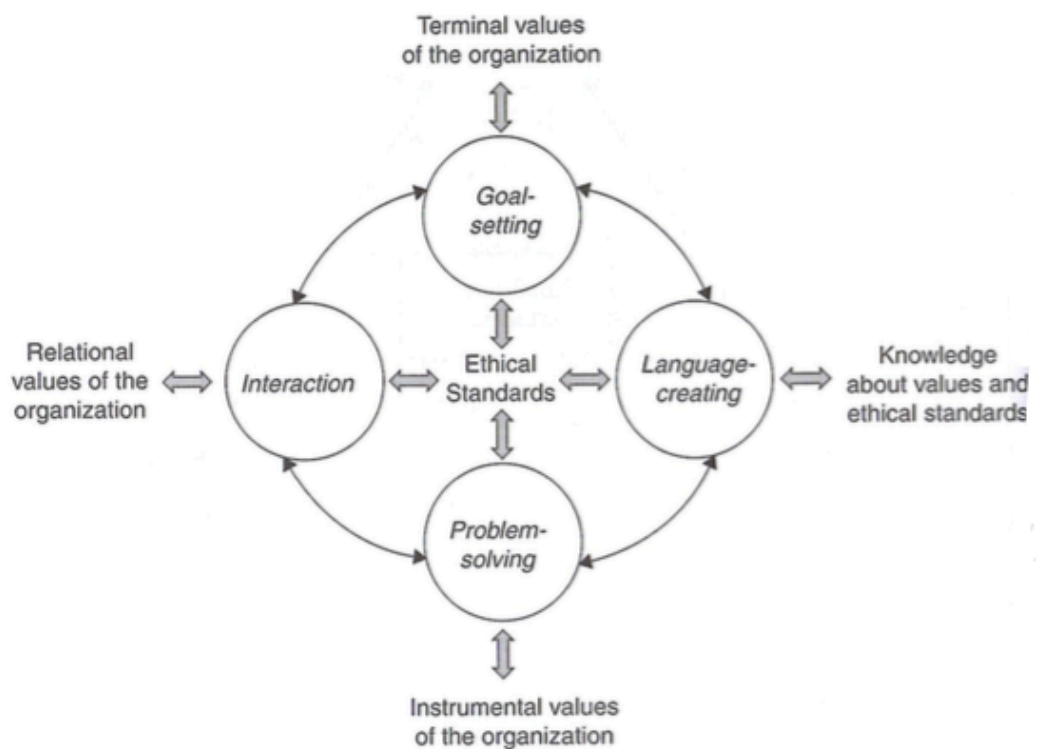
This part will take a look at the argument that values-based leadership should have a clear set of values that are anchored in the organization's values and at the same time in high ethical standards. Due to the fact, that value-based leadership is also anchored in the values held by the individual leader, there could be a dilemma.

Figure 7: Basic values of the leadership process



Source: Bush et al., 2014

Figure 8: Basic values for the leadership process



Source: Bush et al., 2014

2.1.7 Summary: Values-based Leadership

More detailed conclusions from this section will be presented after the section on economic success and the general summary of the literature review.

The review of the literature around the subject of this thesis has led the writer to explore the first of two different bodies of work. This section has attempted to identify the status quo about the actual research about values-based leadership.

This review started with the definition of the term 'value' in general and presented the cooperative principles, brand essence and values which was very important in order to understand the basics of cooperative management attitudes. After that the term 'leadership' including the important views on leadership techniques, performance management, leadership styles, leadership ability, job satisfaction, feedback for executives and corporate culture was outlined. The core part of the first literature review section was the statement about the concept of values-based leadership. It begun with some general definitions. Furthermore, it distinguished between value based leadership from an entrepreneurial view, from an individual view and at least from a process-related view. In this context one models played an important role: The holistic leadership model of Pircher-Friedrich. From the individual view, Kraemer (2011) delivered his four principals of values-based leadership. The end of the first part of the literature review has been builded by Bush (2014) with his view on values-based leadership from a processual point of view.

In order to summarize this first part of the literature review an answer to the question - *What Is Values-Based Leadership?* – will be presented again:

'Values-based leadership is the exercise of influence to make a difference in relationships, teams, organizations and communities through choices and decisions guided by explicit and consistently practiced values that serve the common good'

(Institute for Values-Based Leadership at Royal Roads University, 2012).

The next section examines economic success.

2.2 Economic Success

'Every initiative needs a specific number as a guide'

(Jeffrey R. Immelt, CEO of General Electric (GE) in an interview with HBR / HBM, June 2006)

The following part is the second part of the literature review. It will start with some general definitions and comments, followed by an overview, the status quo of key figures in practice and key performance indicators of cooperative banks including CAMELS rating system. It will end with a short summary. The section includes also a view on the Balanced Scorecard (BSC) in general, because it is part of the conceptual framework.

'Economic success or profit is the pure surplus available after all inputs (including capital) have been paid for' (Grant, 2010).

This is a general definition. In order to get a closer view on this topic, the following will deal with key figures / key performance indicators.

This is done in accordance with the statements in Loblicher (2015):

'Key figures have the task of filtering out the essentials from the flood of business information. The management or investors need an instrument of decision-making that provides clear and concentrated information on the most important operational facts in a concentrated form. In addition to decision support, key figures also help with other business tasks such as planning, control, coordination or motivation and behavioural control. Depending on industry, business model or company-specific circumstances, the key figures that management accesses differ. For capital market-oriented companies, the relevant key figures are also influenced by investors, with equity investors and lenders sometimes focusing on different key figures. While lending and borrowing are central to the debt service, equity investors focus on shareholder value. The management must pay attention to operational key figures in the respective functional areas such as production, procurement, logistics, marketing and sales, administration or research and development.

2.2.1 Overview

Key figures today are the standard of assessment in the planning and management of companies and the central controlling instrument. Key figures, also known as metrics, ratios or key performance indicators, reflect condensed, quantitative information, thereby reducing the complexity of endless numbers. Key figures are used today in the enterprise control, because they:

- present complicated facts, structures and processes in a relatively simple way,

- give a comprehensive and quick overview,
- serve as an instrument for business analysis,
- assist executives in ongoing planning, enforcement and control by eliminating irrelevant data and preventing their information overload (Gladen, 2011).

Key figures accompany the entire management process and fulfil five key functions (Weber, 1995; Gladen, 2011; Reichmann, 2011). In goal setting and planning, they serve to specify and operationalize goals. In the implementation, they serve to determine the location in the form of actual values or their deviations from the target. When forecasting, they help to estimate expected results quickly and easily.

1. Operationalization: The operationalization function describes the ability of KPIs to make concrete measurable goals and their achievement. It represents the basis for the performance evaluation and all other functions.

2. Default: The default function is used to set specific target value. When reaching or exceeding these values, corresponding decisions can be derived.

3. Suggestion: Due to the ongoing recording of key figures, undesirable developments can be detected early on in the course of time and appropriate countermeasures initiated.

4. Key figures represent summarized 'information concentrates' of business facts. They help to illustrate facts more easily, to reduce complexity, to support decision-makers.

5. The control function results from the monitoring of the key figure values. Corrective measures can only be derived by determining set point actual and set point actual deviations.

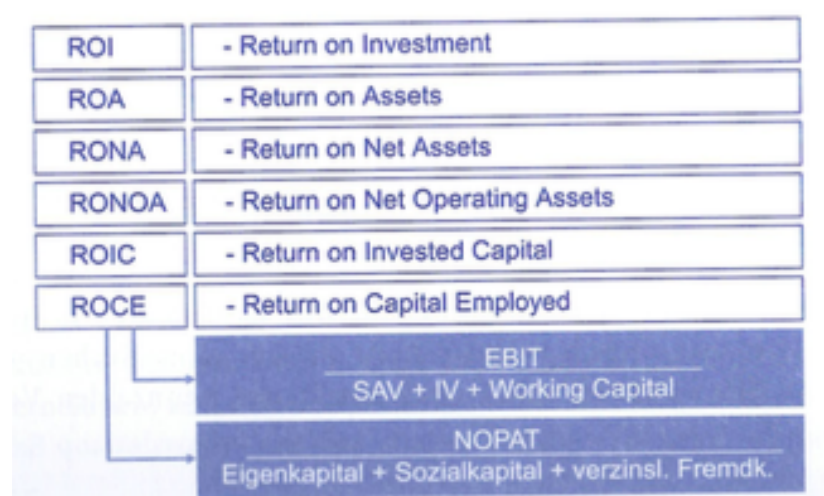
For metrics to perform the functions listed above, they must meet at least the following requirements (Syska, 1990; Tavasli, 2007):

- **Validity:** Key figures must accurately and reliably record and evaluate the facts to be presented.
- **Up-to-dateness:** Key figures must be able to be collected promptly in order to make quick decisions.
- **Comprehensibility and simplicity:** Meaning and statement must be clear and understandable.
- **Based on existing data:** Basically, key figures should build on existing data.
- **Benchmark ability:** This characteristic is relevant to compare with competitors or group units and to pinpoint any optimization potential.

As understandable as these requirements are, they are difficult to implement cumulatively in practice. For example, Figure 9 shows the tense relationship between validity, comprehensibility and benchmarking capability using the example of return on total assets. From

the perspective of validity, companies strive to measure their goals and their performance as accurately as possible. This leads to different calculation forms of the companies and difficulties in the competition comparison. Figure 9 shows two different ways of calculating return on capital employed (ROCE). The calculations differ both in the numerator and in the denominator. The numerator uses the profit before taxes and interest (EBIT) and once the net operating profit after taxes (NOPAT), that is, the profit after tax but before interest. In the denominator, the total capital is calculated both on the assets side and on the liabilities side. In addition to different calculation methods for the 'same' key figure, a flood of key figures or a confusion of terms makes comprehension and benchmarking more difficult. On the one hand, different terms are used for the same facts or the same calculation method. Often the terms ROCE, ROIC, ROI and ROA are interchangeable. On the other hand, different forms of calculation are hidden behind the same terms (see the differences in the ROCE calculation given).

Figure 9: The tension between comprehensibility, validity and benchmarking capability



Source: Losbichler et al., 2015

By condensing information using metrics, complex issues can be relatively accurately measured and accurately represented. This represents a decisive advantage, especially for higher management levels. The strength of complexity reduction and accuracy is also the greatest weakness of key figures. On the one hand, it is difficult to measure qualitative relationships and unstructured data with key figures. On the other hand, the isolated consideration of key figures has limited significance due to the associated loss of information. The disadvantage of high-density key figures associated with the relief of information can be illustrated by the example of the EBIT margin. Although a positive or negative development is easily recognizable, its cause (sales prices, sales volume, cost increases, quality problems, competitive offers etc.) and corresponding countermeasures cannot be derived directly. As a result, more or less structured performance measurement systems such as e. g. value driver trees or the Balanced Scorecard, used and implemented in IT systems often in the form of management cockpits or dashboards, as these Drill Down (= breaking down) and thus allow a corresponding root cause analysis. It should be noted that a mere listing of key figures creates no added value. On the contrary, a plethora of key figures that are not adequately linked in a key figure architecture increases the complexity and obscures the view of the essentials. The key figure architecture subjectively limits arbitrary interpretations and the possibility of contradictory statements. Reichmann (2001) therefore defines systems of metrics as a compilation of quantitative key figures that are in a logical, meaningful relationship to each other, complement or explain each other and are geared to an overall goal (Reichmann, 2001). Basically, key figure systems are divided into calculation and classification systems. For calculation systems, the measures are organized hierarchically and mathematically linked so that there are measurable cause-and-effect relationships along the measures hierarchy. Probably the most well-known example is the

DuPont measures system, where the return on investment (ROI) is gradually broken down into its components. The key advantage of such systems is that the impact of individual quantities on the peak KPI can be quantified and easily understood. However, calculation systems are reaching their limits as soon as qualitative key figures are used (Groll, 2004).

In classification systems, there are factual connections between the key figures rather than mathematical relationships. Thus, key figures can be integrated, which do not allow a mathematical link or metrics that affect each other. As a consequence, quantitative relationships cannot or no longer be fully understood. Typical examples are production or distribution metrics systems that include monetary and non-monetary metrics such as work-related accidents, customer satisfaction or brand awareness. A special form of the order system represents the target system. Similar to calculation systems, this is hierarchically structured, with a top goal at the top, which is then broken down into operational sub goals. The defined goals are then assigned corresponding key figures, which need not necessarily be quantifiable. The hierarchy of the goals with the defined metrics makes it possible to recognize systematic starting points for influencing the target (Becker et al., 2006). The Balanced Scorecard is a typical example of this and will be highlighted in the course of this thesis.

2.2.2 Status quo of the use of key figures in practice

'The most successful in life is the one who is best informed.' That's what British Prime Minister Benjamin Disraeli thought 150 years ago. Even today, hardly anyone would want to contradict him. But what does 'best informed' mean? In fact, managers need information to

detect deviations and changes at an early stage and to derive control impulses from them. The medium for transmitting this information is management reporting. It therefore has the task of transferring key information that is easy to understand, focused and company-wide into concise messages for the controller.

But how do companies get the information that really matters to their business model? How do managers make their decisions and how can less important ones be differentiated from the really relevant KPIs that cannot be ignored in reporting? It requires clarity about how a company should be managed. Specifically, it has to be clarified: Who must answer and keep an eye on which key figures so that the 'course' of the company can be identified at all times and, if necessary, counteracted by appropriate corrections. With regard to a permanent and fast recording of the course and the course development, controlling faces a considerable challenge: From the set of all available and imaginable information, a set of key indicators or KPIs must be identified and clearly and meaningfully reported in the reporting.

In theory, the target image is thus quickly formulated: Effective management reporting operates with a well-balanced set of information that includes not only financial ratios but also information on business-specific success factors, which regard future-oriented the implementation of the strategy, significant investments and projects, opportunities and risks and market and competition.

Reports on all levels are characterized by stringency, standardization and high data quality. But how do you get to this set of KPIs? Which key variables and success factors are relevant in a particular case? For a targeted reporting, it is important for the controller to know the individual profile of their company. You could also say: Control and reporting must reflect the DNA of the company.

The picture is as simple as it is fitting: just as DNA is the bearer of all hereditary information in living organisms, a company also has a genetic code: the business model, the strategy and the corporate culture. This DNA of the company must be reflected in the reporting. The problem with this is that controllers often do not know what they need what information for because the company's DNA is not completely clear to them. The result: controllers often collect a great deal of information that does not reflect the company properly. The DNA of the company is therefore the filter that makes it possible to choose the right one from the multitude of information.'

From this background, the next part presents the key performance indicators of cooperative banks.

2.2.3 Key Performance Indicators of Cooperative Banks

The following financial figures were taken from the official financial statements of cooperative banks. They are published on the websites of the banks and the Electronic Federal Bulletin. The figures are normally used to measure the economic success of the cooperative banks. Please find the consolidated financial statements 2020 of the Volksbanks / Raiffeisenbanks, Cooperative Financial Network as example in appendix A.

a) net interest income

Net interest income plays an important role in the income statement of a bank. It is calculated as the difference between interest income and interest expenses (Boersenlexikon, 2018).

b) net fee and commission income

Net commission income is included in the income statement of a bank. This item is not an intermediate position. Net commission income consists of securities transactions, asset management, payments, foreign trade, guarantees and other areas. In order to achieve a commission surplus, however, effort is also required. Therefore, net commission income consists of the sum of commission income and commission expenses. In most cases, the commission income dominates significantly (Boersenlexikon, 2018).

c) operating result before valuation

Operating result before valuation is the partial operating result plus net result of the trading portfolio and balance of other operating income and expenses (Bundesbank, 2018).

d) operating result after valuation

Operating result after valuation is the partial operating result plus net result of the trading portfolio and balance of other operating income and expenses, minus individual value adjustment (Bundesbank, 2018).

e) net profit

Net profit is a positive difference between income and expenses for the year in question (Gabler, 2018).

Against the background of the previous remarks on KPIs and in order to ensure the scientific foundation of this work, not only the five KPIs

just mentioned were used in this study but also the CAMELS rating system. This method is now described in the following section.

2.2.4 CAMEL Rating Framework

One of the most effective supervisory techniques, CAMELS rating system (basically a quantitative technique) has been used in this research to rank the banks based on their performances. CAMEL Rating System (which was first introduced in the U.S. in 1979) is an internal supervisory tool for evaluating the soundness of financial institutions on a uniform basis. It is applied to every bank and credit union in the U.S. (approximately 8,000 institutions) and is also implemented outside the U.S. by various banking supervisory regulators. CAMEL model is composed of five parameters: 'Capital Adequacy, Assets Quality, Management Efficiency, Earnings Ability and Liquidity Management'. The following Table 4 illustrates the various sub-parameters obtained for the purpose of assessment on the basis of CAMEL model (International Journal of Economics and Finance Vol. 10, No. 1; 2018).

Table 4: Description of the parameters and sub-parameters of CAMEL Model

CAMEL Parameters	Denotation	Sub-Parameters	Acronym
Capital Adequacy	C1	(Tire-1 Capital+ Tire-2 Capital) /Risk-weighted Assets	CAR
	C2	Total Equity /Total Assets	TE/TA
	C3	Total Debt/Total Assets	TD/TA
	C4	Govt. Securities/Total Investment	GS/TI
Asset Quality	A1	Financial Assets/Total Assets	FIN-A/TA
	A2	Total Investment/Total Assets	TI/TA
	A3	Non-performing Loans/Total Loan	NPL/TL
	A4	Fixed Assets/Total Assets	FA/TA
	A5	Loan loss provision/Total Loan	LLP/TL
	A6	Total Loan/ Total Assets	TL/TA
Management Efficiency	M1	Profit Per Employee	PPE
	M2	Business Per Employee	BPE
	M3	Funds Borrowed/Total Asset	FB/TA
	M4	Cost /Income	OI/OE
	M5	Total Loan/Total Deposit	TL/TD
Earnings Quality	E1	Net Profit(Loss)/Total Assets	ROA
	E2	Net Profit(Loss)/Total Equity	ROE
	E3	Operating Profit/Total Assets	EBIT/TA
	E4	Net Interest Income/Total Assets	NII/TA
	E5	Non Interest Income/Total Assets	NON -II/TA
Liquidity	L1	Liquid Assets/Total Assets	LA/TA
Management	L2	Liquid Assets/Short-term Liabilities	LA/SL
	L3	Liquid Assets/Total Deposit	LA/TD
	L4	Govt. Securities/Total Asset	GS/TA

Source: International Journal of Economics and Finance Vol. 10, No. 1; 2018

The next part will present the Balanced Scorecard.

2.2.5 The Balanced Scorecard

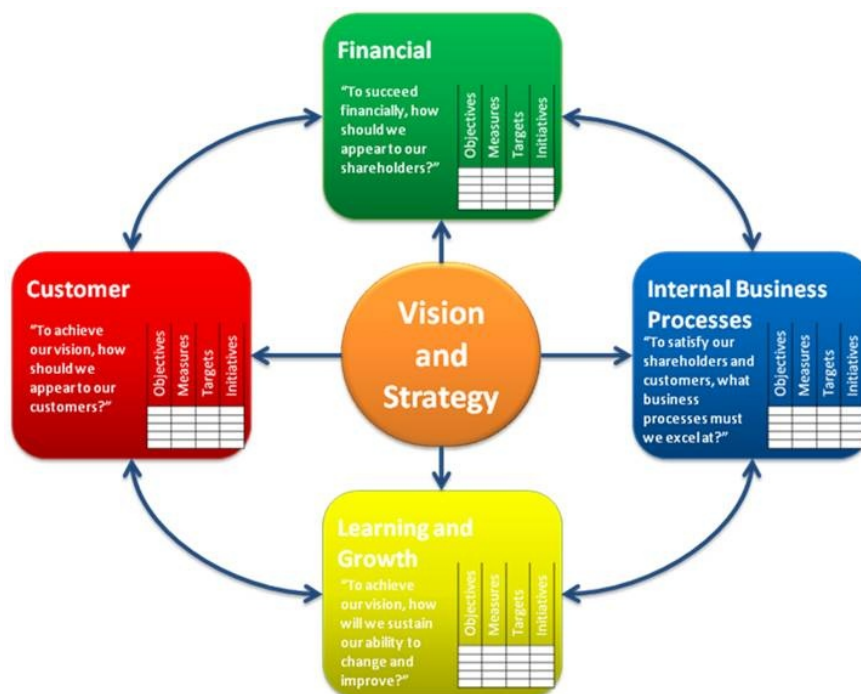
'If we want the aims, we also want the means.'

(Immanuel Kant, 1724-1804, German philosopher)

This section will take a look at the field of controlling tools. In this area the Balanced Scorecard (BSC) has proven its worth as suitable strategic leadership and controlling tool to effectively reach visions, values, strategies and goals as well as to measure and develop so-

called 'soft facts'. This integrated concept uses a top-down approach to make the strategic goals of a corporation manageable and controllable with regard to the four most important perspectives which are: the financial, customer, business process and learning and growth perspectives. The BSC establishes a connection between the measurement and improvement of productivity. It supports the user in consistently pursuing a developed strategy in all four perspectives.

Figure 10: The Balanced Scorecard



Source: Kaplan, R., S. & Norton, D., P.; 1996

The BSC helps with handling crucial management processes such as:

- The clarification and analysis of vision and strategy.
- The communication, dialogue and connection of strategic goals and measures.

- The joint planning and definition of goals and values and the coordination of strategic initiatives.
- The improvement of strategic feedback and learning.

Thus one can clarify the goals which have been construed from the vision, mission statement, values and strategies for their employees. Therefore, the BSC can create an appropriate framework for translating the vision, mission statement and strategies into goals and business ratios. Through this exact articulation of the desired results and the underlying value drivers, the potential, knowledge, energy and values of all employees can be directed to the strategic goals. The employed indicators would permanently inform the employees of the current and future success.

To direct the employees to the joint reaching of the long-term goals it is essential to give them an extensive and comprehensive overview over the fundamental aspects of the current company's performance on the basis of the strategic direction.

Therefore, employees should be included in the assessment of the productivity of the company and the influence of actions taken with the help of certain measures, beside financial ratios, which are derived from the general goals and there should be ongoing dialogue about chances and possible improvement in order to expedite them.

The so-called 'strategy maps' as part of the BSC are valuable to effectively communicate strategies, goals and values to employees. This strategy map helps to connect immaterial values with the strategy and performance of an organisation.

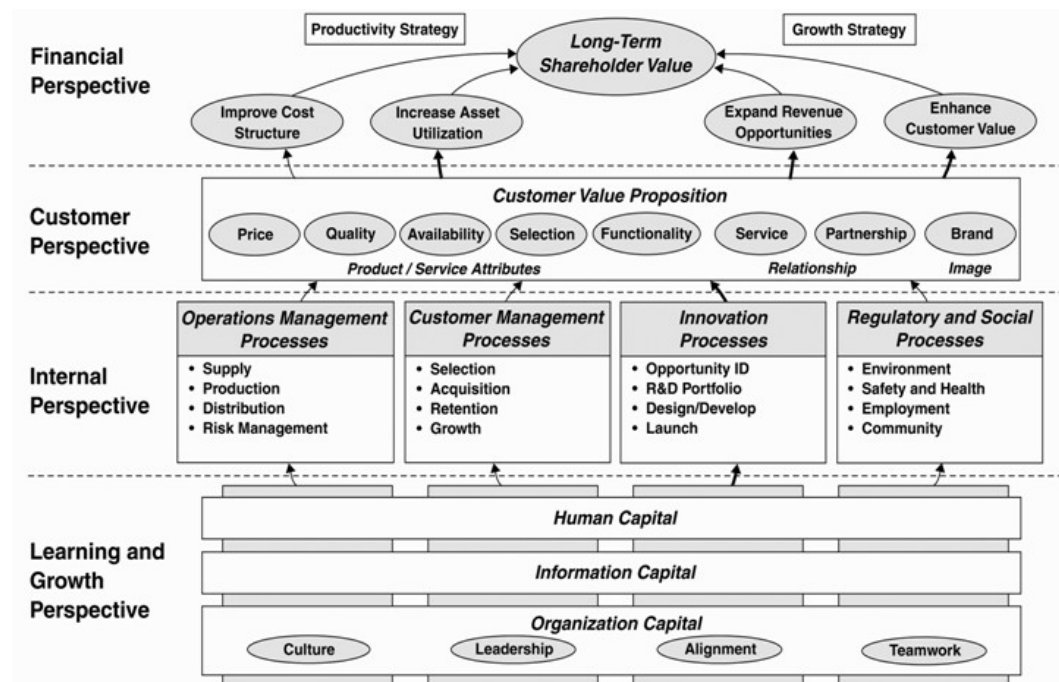
The immaterial values influence the productivity of an organisation by enhancing internal processes which generate additional benefits for customers and investors. Strategy maps are built from the top down. In the beginning there are long-term financial goals.

Afterwards an offer is defined that can generate growth in sales for a customer which is in accordance with these financial goals. Following, it has to be determined, which processes are necessary to produce and deliver that offer. In the end it has to be defined which staff, IT and operational requirements are needed to carry out the determined processes (Kaplan and Norton, 1997).

The learning and development area is the basis of this map. The goals give information about the tasks (employees), systems (IT) and environment (organisation) the company needs to support the value-added processes.

These have to be integrated in the internal processes (Kaplan and Norton, 2004).

Figure 11: Strategy Maps



Source: Kaplan, R., S. & Norton, D., P.; 2004

In combination with a holistic, dialogue-based culture the BSC can be used as an effective guidance system. It is important not to link only ratios. They have to match the strategy and support it.

Essential and requirement for the usefulness of the scorecard system is the connection with an innovative holistic management culture, which makes it possible to bring forward and develop the strategy-supporting, immaterial values, the so-called 'strategic readiness' of the employees.

A possible causal chain could be derived as follows. The managers who behave according to the principles of value-based leadership described in this work have a corresponding influence on their employees. Ideally, these in turn will approach their customers with the same behaviour. This could be seen as a unique selling position in the eyes of customers. Another possible explanation could be that employees whose leader is respectful, professional or compassionate exerts positive influence on his/her employees who in turn become more efficient because they feel valued and safe in an organisation that is governed by values-based leadership principles.

Consequently the benefit of the Balanced Scorecard depends predominantly on the personality of the management. They can do what the Balanced Scorecard cannot: **Inspire people and earn their commitment** (Pircher-Friedrich, 2011).

2.2.6 Summary: Economic Success

This section set economic success in context. The emergence and growth of the awareness that values-based leadership could have an impact on economic success has been worked out. Economic success has not been explicitly associated with cooperative values, however, there is sufficient evidence in guidelines, frameworks, descriptions

and academic literature as presented before, to suggest that there could be a link between the two.

'Every initiative needs a specific number as a guide.'

(Jeffrey R. Immelt, CEO of General Electric (GE) in an interview with HBR / HBM, June 2006)

This was the beginning of the second part of the literature review. It was followed by the status quo of the use of key figures in practice and key performance indicators of cooperative banks including CAM-ELS rating system. It ended with a look at the field of controlling tools. In this area the Balanced Scorecard (BSC) has proven its worth as suitable strategic leadership and controlling tool to effectively reach visions, values, strategies and goals as well as to measure and develop so-called 'soft facts'.

Consequently the benefit of the BSC depends predominantly on the personality of the management. They can do what the BSC cannot: **Inspire people and earn their commitment** (Pircher-Friedrich, 2011).

In order to summarize this second part of the literature review the general definition of economic success will be presented again:

'Economic success or profit is the pure surplus available after all inputs (including capital) have been paid for' (Grant, 2010).

The next section fetches together the two topics (Section 2.1 and 2.2) just discussed.

2.3 Ethics and Economic Success

This sub-section three focuses on the current state of the literature in connection to studies in which values-based leadership is examined in relation to economic success of the organization. As mentioned and in analogy to Peus (2010), the system described in the introduction to the literature review has been used as a methodological approach and supplemented accordingly in the sense of this doctoral thesis.

An overview of the studies that met the criteria of the mentioned approach is presented in the following table.

Table 5: Empirical studies examining the relation between ethically-oriented leadership and objective performance

No.	Type of leadership/Measure	Reference	Context/Sample	Measures of organizational performance	Moderators	Control Variables	Relation between leadership and organizational performance
1	Transformational / transactional leadership (Multifactor Leadership Questionnaire, Form 10 (Bass & Avolio, 1990))	Howell and Avolio (1993)	78 units of a large Canadian financial institution	Unit performance: Extent to which unit manager achieved the targeted goals for the year; targets consisted of at least to 80% improvement, operating expense budget, premium income)	Support for innovation in the leader's unit	–	Transformational leadership was a significant positive predictor of the economic performance of the business units one year later (direct effect); in addition, support for innovation partially moderated the relation between each component of transformational leadership and performance
2	Transformational leadership (Multifactor Leadership Questionnaire, Form 5 (Bass & Avolio, 1990))	Barling et al. (1996)	20 Canadian bank branches	Number of personal loan sales Number of credit card sales	–	Branch size (number of full-time employees)	Significant effect of transformational leadership training of branch manager on financial performance of bank branch
3	Transformational/ transactional leadership (German translation of the Multifactor Leadership Questionnaire, Form 5R (Bass & Avolio, 1990))	Geyer and Steyer (1998)	116 branches of 20 different Austrian banks	Volume of production in nine product categories (e.g., savings products, loans, insurance products) in relation to number of checking accounts and people living in proximity of the branch	–	Customer profiles and market conditions for each branch	Transformational leadership had a significant positive effect on performance – over and above that of transactional leadership
4	Transformational/ transactional leadership (Transformational Leadership Behavior Inventory (Podsakoff, MacKenzie, Moorman, & Fetter, 1990))	MacKenzie et al. (2001)	477 sales agents of a large national insurance company in the US	Performance of sales agents: Salespersons' total commissions, number of policies sold for the year, and percentage of sales quota attained	–	Common method variance	Individualized support had a significant positive direct effect on sales performance; core transformational leadership behaviors (vision, role-model, facilitating acceptance of group goals) had a significant positive indirect effect (mediated by role ambiguity)
5	Transformational (charismatic) leadership (8 items from the Multi-Culture Leader Behavior Questionnaire (MCLQ; Hanges & Dickson, 2004))	de Hoogh et al. (2004)	54 CEOs of small and medium-sized organizations in the Netherlands, representing a wide range of industries	Liquidity (total current assets divided by total current liabilities) Solvency (total assets divided by total debts) Profitability (ratio of net income to total assets) (all averaged over 2 years)	Environmental uncertainty Technological change within organization CEO type (owner vs. managing director)	–	Transformational leadership had a significant positive relation with profitability, but not with solvency or liquidity There was a significant interaction between transformational leadership and type of CEO: Transformational leadership explained profitability better for firm owners than for managing directors Environmental uncertainty and technological change did not serve as moderators

(continued)

No.	Type of leadership Measure	Reference	Context/Sample	Measures of organizational performance	Moderators	Control Variables	Relation between leadership and organizational performance
6	Transformational leadership (13 items from the Multifactor Leadership Questionnaire: Charisma and Intellectual Stimulation scales) Initiating structure (6 items from the Leader Behavior Description Questionnaire—Form XII (Stogdill, 1963))	Keller (2006)	52 project teams from five industrial R&D organizations in the scientific instruments, semiconductor, energy, petrochemical, and aerospace industries in the US	Profitability of developed products (average annual contribution to company profit for each new product relative to the average profitability of all products in the firm) Speed to market of developed products (number of months needed to bring a product to market relative to the development time of all new products in the firm) (both indicators were measured 5 years after the leadership variables)	Type of R&D work	Team size Tenure in the project team	Transformational leadership was a significant positive predictor of 5-year-later profitability and speed to market Initiating structure also predicted profitability and speed to market For speed to market the predictive power of initiating structure and transformational leadership was equal, but for profitability it was higher for transformational leadership Type of R&D work did not serve as a moderator for the relations described
7	Transformational/transactional leadership (German translation of the MLQ 5-X (Bass & Avolio, 2000)) Charismatic leadership (German translation of the Conger and Kanungo Scale (Conger & Kanungo, 1998))	Rowold and Heinitz (2007)	45 branches of a large public transport company in Germany	Profit: difference between gains and losses for each branch		Hierarchical level of leader	Transformational leadership had a significant positive impact on profit; it augmented charismatic and transactional leadership and added 11% of unique variance
8	Transformational leadership (20 items of the MLQ 5X Short (Bass & Avolio, 2004) – Inspirational Motivation was not included)	Peterson et al. (2009)	115 CEOs of technology firms in the southwestern US	Percentage of net income goals met for each CEO	Start-up versus established firms	Performance in the year of survey administration	Model in which transformational leadership and positive psychological trait directly influenced performance had good model fit; Best model fit was achieved when transformational leadership fully mediated the relation between positive psychological traits and performance Transformational leadership was more strongly related to firm performance in start-ups than in established firms
9	Ethical leadership (six items from the Ethical Leadership Scale (Brown et al., 2005)) Abusive supervision (three items adapted from Tepper (2000))	Detert et al. (2007)	265 restaurants of a casual dining chain in the US	Operating profit as a percentage of total sales	–	Prior food loss (i.e., the difference between actual and expected food costs for each restaurant) Prior operating profit Pay fairness Demographics Employee training level Employee turnover New store opening	No significant effect of ethical leadership (direct or indirect) on operating profit Indirect effect of abusive supervision on operating profit (mediated by food loss)
10	Authentic leadership (Authentic Leadership Questionnaire, (ALQ; Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008))	Clapp-Smith et al. (2009)	26 department stores in the US (women's and children's apparel)	Sales performance of store	–	Previous store sales performance Store size (square feet) Population of city	Direct and indirect effect of authentic leadership on sales performance (trust partially mediated the relation)
11	Spiritual leadership (3 dimensions of spiritual leadership taken from Fry, Vitucci, & Cedillo (2005))	Fry and Matherly (2006)	43 wholesale distributorships of a large distributor of electrical power-source products in the Southwest US	Sales performance of distributorship Profit of distributorship	–	–	Indirect effect of spiritual leadership on sales performance (mediated by spiritual well-being) but not on profit

Table 5 continued

No.	Type of leadership/measurement	Reference	Context/Sample	Measures of organizational performance	Moderators	Control variables	Relation between leadership and organizational performance
12	Ethical leadership (two items from the Ethical Leadership Scale (Brown et al. 2005))	Kia et al. (2019)	233 bank employee in Australia	Employee performance was measured based on the instrument developed by Williams and Anderson (1991).	-	-	Evidence from the study indicated that organisational identification, service climate and ethical climate mediate the relationship between ethical leadership and employee in-role performance
13	Transformational leadership	Asad et al. (2021)	Owners and managers of 100 SMEs	Individual KPI	-	-	The findings of the study revealed that transformational leadership has a significant impact on the performance of small and medium enterprise

Source: Peus, 2010; extended by the author

The first and most obvious limitation of this review is the fact that few studies have been found on the relationship between ethical leadership and economic performance.

The results indicate that ethically-oriented leadership is in fact economically effective.

In this context, particular reference should be made to the last column in Table 5. It is shown here that value-based leadership and financial performance are not mutually exclusive. All studies show a positive impact on organizational performance.

In addition the databases show no hits by searching for studies examining the connection between cooperative values-oriented leadership and economic success in German cooperative banks.

The next section, summary of the literature review, shows first links between the concept of cooperative values-based leadership and economic success and provides the theoretical frame for the empirical research undertaken.

2.4 Summary: Literature Review

This summary section of the review of related work, outlines the key themes from each review and then highlights the main integrating issues that will be explored in the empirical research.

The review of the literature around the subject of this thesis has led the writer to explore two different bodies of work. Firstly, the literature review focussed on the concept of values-based leadership.

This review started with a short look into the field of Human Resource Management. In this context Storey (1989) distinguished between hard and soft forms of HRM, typified by the Michigan and Harvard models respectively. 'Soft' HRM stresses the 'human' aspects of HRM. Its concerns are, among others, communication and motivation. People are led rather than managed. They are involved in determining and realizing strategic objectives (Storey, 1989).

Storey (1989) overs with this statement a connection between soft factors and the influence of realizing objectives.

After that the thoughts about the term '**value**' in general worked out a definition which shows a first link between values and the achievement of goals.

'Values are normative / collective expectations and desires of an individual, a particular group or society that serve as moral standards, which in turn decisively influence action goals, means to achieve those goals, and actions.'

(Wielander, 2010)

In the next part it presented the **cooperative principles, brand essence and values** which was very important in order to understand the basics of cooperative management attitudes.

The identity, self-help, funding, subsidiarity and solidarity principle led to the cooperative brand essence and presented the positioning statement and the one-word value:

'As the only financial group in Germany, the Volksbanks and Raiffeisenbanks are committed to the life goals and desires of their local members.'

'Compression: members Committed'

From this background the history of the Volksbanks and Raiffeisenbanks with its founding fathers Friedrich Wilhelm Raiffeisen and Hermann Schulze-Delitzsch presented a statement of Raiffeisen:

'In my firm conviction, there is only one way to improve social and especially economic conditions, namely to promote Christian principles in free cooperatives.'

Having this in mind the GIP Institute (Bavarian Cooperative Association) started a study in 2012. They point out again that cooperative values are an important unique feature of the Volksbanks and Raiffeisenbanks. This marks an important difference according to other banks.

From this background, cooperative values are an important goal of the training and further education of managers and employees of the Volksbanks and Raiffeisenbanks (internal documents BVR, 2012).

On this basis the author of the thesis isolated the cooperative values, which might have an impact on leadership behaviour.

These values are as already mentioned:

Fairness, confidence, certainty, competence, reliability, individuality, common ground, respect, partnership, responsibility and solidarity.

After that the term '**leadership**' including the important views on **leadership techniques, performance management, leadership styles, leadership ability, job satisfaction, feedback for executives and corporate culture** was outlined.

In the context of performance management again the **central role of executives** was pointed out: The graph (Figure 4) highlights the key role of managers in the performance of their employees. Executives are seen in their role as enablers on the one hand and on the other as impulse generators, i.e. steersman:

In the course of participatory leadership, however, the role of the leader has changed, which today is seen as a consultant and a team player, emphasizing values such as partnership and team-oriented work (Felfe, 2000; Nerdinger, 2005).

At this point it was necessary to present the central differences to two levels of **corporate culture**: the deep structure as a layer that shapes the action (values, norms, attitudes) as well as the surface structure that is observable by third parties. If the deep structure works as a framework for structuring the surface structure, then

corporate communication as a behavioural management has to start there in order to have a lasting influence on image and reputation. It is controversial whether and to what extent the deep structure can be changed sustainably through communication, incentives and / or sanctions (Lies, 2008).

The core part of the first literature review section was the statement about the concept of **values-based leadership**. It begun with some general **definitions and an overview of the actual literature**. Furthermore, it distinguished between value based leadership from an **entrepreneurial view**, from an **individual view** and at least from a **process-related view**. In this context one model played an important role: The holistic leadership model of Pircher-Friedrich.

As mentioned before Viktor Frankl, one of the most well-known Austrian psychologists and psychotherapists and founder of the so-called 'Third Viennese School', logo therapy (Logos = Greek for meaning) located already in the middle of the last century an often frustrated **desire for meaning and values**, both among the employees as well as among entrepreneurs and managers (Pircher-Friedrich, 2001).

From the individual view, Kraemer (2011) delivered his four principals of values-based leadership. For him value-based leaders have the following objective:

'Their objective is to make the world a better place within their scope of influence, no matter how great or small (Kraemer, 2011).'

Leaders who are self-reflective are able to make choices easier, based on their own values, because they have the awareness of the full impact of their decisions (Kraemer, 2011).

At the end balance helps to make decisions with an understanding of the broad impact, instead of focusing narrowly (Kraemer, 2011).

As a result, this person has a balanced perspective by soliciting input from others who may have more knowledge or expertise on a particular issue than the person has (Kraemer, 2011).

'At the heart of genuine humility is never forgetting who you are, appreciating the value of each person in the organization, and treating everyone respectfully whether she is a senior manager or a summer intern. No matter if you are a first-level manager, a senior executive, or the CEO, genuine humility enables you to remain authentic, approachable, and open to others' (Kraemer, 2011).

The end of the first part of the literature review was builded by Bush (2014) with his view on values-based leadership from a processual point of view.

Erik Johnson (2006) defines leadership as a goal-setting, problem-solving, and language-creating interaction between relevant persons.

In conclusion, Wielanders (2010) definition of value-based management is repeated:

'Value-oriented corporate management is a form of corporate management in which the balance between value and value orientation, i.e. the consideration of social and ecological responsibility as well as the economically successful operation of a company is in the foreground. In doing so, certain values are identified and selected, goals are set and the deliberate modification and stabilization of the values structure of a company is aimed at by controlling, planning, implementing and controlling measures.'

Especially the definition quoted above shows that there is a link from value orientation to economic success.

The second part of the literature review examined the literature on economic success. This work was mainly drawn from literature of Key Performance Indicators.

'Every initiative needs a specific number as a guide.'

(Jeffrey R. Immelt, CEO of General Electric (GE) in an interview with HBR / HBM, June 2006)

This was the beginning of the second part of the literature review. It was followed by the **status quo** of the use of key figures in practice and **key performance indicators of cooperative banks** including CAMELS rating system. It ended with a look at the field of controlling tools. In this area the **Balanced Scorecard (BSC)** has proven its worth as suitable strategic leadership and controlling tool to effectively reach visions, values, strategies and goals as well as to measure and develop so-called 'soft facts'.

Key figures today are the standard of assessment in the planning and management of companies and the central controlling instrument. Key figures accompany the entire management process and fulfil five key functions: Operationalization, default, suggestion, concentration, controlling.

'The most successful in life is the one who is best informed.'

That's what British Prime Minister Benjamin Disraeli thought 150 years ago.

In theory, the target image is thus quickly formulated: Effective management reporting operates with a well-balanced set of information that includes not only financial ratios but also information on business-specific success factors, which regard future-oriented the implementation of the strategy, significant investments and projects, opportunities and risks and market and competition.

But how do you get to this set of KPIs?

You could also say: Control and reporting must reflect the DNA of the company. The picture is as simple as it is fitting: just as DNA is the bearer of all hereditary information in living organisms, a company also has a genetic code: the business model, the strategy and the corporate culture. This DNA of the company must be reflected in the reporting. The DNA of the company is therefore the filter that makes it possible to choose the right one from the multitude of information.

The financial figures that are normally used to measure the economic success of the cooperative banks show a part of this DNA of

cooperative banks, but up to now, there is no statement about cooperative management attitudes.

As said in the part about the BSC, there is a possibility to connect hard with soft facts, but it is important to mention again:

The benefit of the BSC depends predominantly on the personality of the management. They can do what the BSC cannot: **Inspire people and earn their commitment** (Pircher-Friedrich, 2011).

This statement is transferable to the management of cooperative banks. To work only with KPIs is not the solution to get inspired people which show their commitment to the bank.

In order to summarize this second part of the literature review the general definition of economic success will be presented again:

'Economic success or profit is the pure surplus available after all inputs (including capital) have been paid for' (Grant, 2010).

2.4.1 Conclusion: Values-based Leadership and economic success

As presented above, there are links between values-based leadership and economic success. Especially in the core literature about the concept of values-based leadership. The literature about economic success overs particularly in the concept of the Balanced Scorecard with its strategy maps a connection to the so-called 'soft facts'.

At this point it is required to offer the **views of the author of the thesis**. For this reason, values will be discussed from the perspective

of leadership and how he defines and discusses values-based leadership. This also includes attributes, limitations and challenges in leadership respectively leadership concepts and theories. At the end this will be related to economic success in German cooperative banks and identified policy implications (strategic impact / consequence / effects).

In 2010 Wielander introduces her definition on values:

‘Values are normative / collective expectations and desires of an individual, a particular group or society that serve as moral standards, which in turn decisively influence action goals, means to achieve those goals, and actions.’

This definition also corresponds to the ideas of the author of this thesis. Due to his family and professional background (he is working in the third generation in the cooperative sector) in particular cooperative values play a superordinate role.

These values are basically:

1. Individual responsibility.
2. Autonomy.
3. Subsidiary.
4. Solidarity.

When leadership comes into play, the values that are often cited in this work are in the focus of attention and show an important role in the view of the author of this thesis.

These are:

Fairness, confidence, certainty, competence, reliability, individuality, common ground, respect, partnership, responsibility and solidarity.

From this background for him, these values are normative / collective expectations and desires of an individual (*e. g. employee of a cooperative bank*), a particular group (*e. g. cooperative banks*) or society (*member of the cooperative banks / customers*) that serve as moral standards, which in turn decisively influence action goals, means to achieve those goals, and action (*cooperatives banks are committed to the life goals and desires of their local members by § 1 of cooperative law*).

For the author values-based leadership is based on these eleven, above mentioned values. You could also say that the author understands values-based leadership as a leadership oriented towards cooperative values.

Of course, the biggest challenge is to live according to these values or to lead employees under consideration of these values.

The next step is to use this leadership concept in order to create economically successful companies.

The prerequisite for this is that the organization is committed throughout its entire human resources value creation chain to firmly anchoring value-oriented management in the company.

This begins with the selection of personnel and ends when dealing with employees who, for whatever reason, leave the company. This includes the appraisal system and, for example, the management principles.

Finally, if one assumes that values-based leadership leads to economic success, this has a significant impact on a company's strategic direction. As already mentioned, the HR framework and instruments must be geared to promoting values-based leadership in the company.

In absolute consequence, this must be anchored in the entire strategy process of the company. That means from the formulation of the vision to the operational implementation at each individual workplace. Here again the BSC could be a suitable management instrument to document appropriate goals and to review them in the further course of their achievement.

In this context, of course, particular attention must be paid to compliance with the management guidelines, which, according to the author of this work, are guided by values-based leadership.

Once again it becomes clear that the author ascribes to a company's executives a central, if not the decisive, role in connection with a successful company. In addition to this, the already frequently mentioned cultural change of values in society - especially in Germany - is an ideal breeding ground for further development in the direction of values-based leadership. **Patriarchal systems, according to the author of this thesis, have finally served up.**

2.4.2 Limited publication

As offered in the literature review it is obvious that more and more authors are engaged in the area of values and their impact on economics (**see especially section 2.3**). Some authors or researchers even take a look at the very specific business model of cooperative banks. **Nevertheless, the author of this thesis has found no publication about the nature and strength of the relationship between values (especially cooperative values)-based**

leadership and economic success in cooperative German banks in the relevant databases. For this reason, it was necessary to start a deeper investigation on this topic.

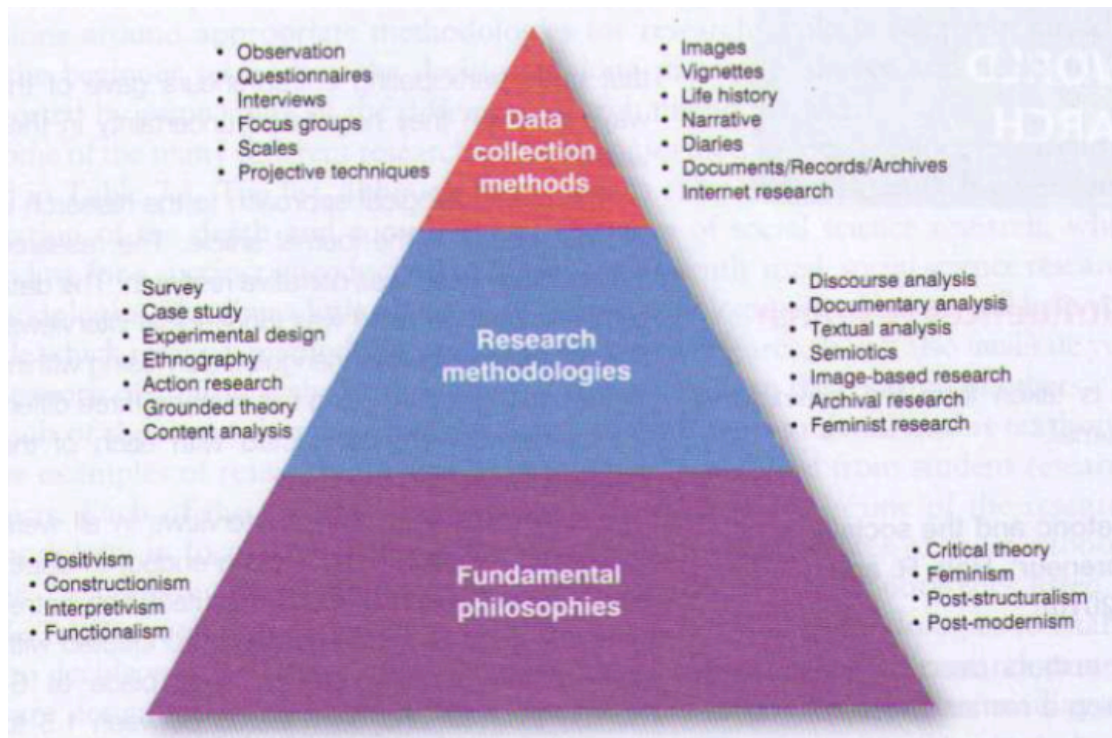
Of course, there are many other factors that can affect business success and are not related to value-oriented leadership. These factors were not in the focus of this research or it was assumed that the banks examined worked under otherwise the same conditions. The general level of interest rates, which was at a comparable level at all banks at the point of the investigation, is given here as an example.

3 Research Methodology

The previous section has reviewed the context for the study by examining the extant literature on values-based leadership and economic success. Literature on Human Resource Management, cooperative background incl. cooperative management values, Key Performance Indicators and the Balanced Scorecard has also been reviewed. Based on this consideration of the literatures, broad research objectives emerged and research questions were identified. In this section the methodology and methods applied in this research are described and explained.

The section begins with an overview of the study and the research questions followed by the research design. This section about the design includes parts about the research philosophy, the approach to theory development, the methodological choice, the research strategy, the time horizon and the techniques and procedures. There will be also some thoughts about insider role and bias. The pilot study will be shown and the section will end with a part about validity, reliability and objectivity and ethical issues. The following figure is a first overview about methodological topics.

Figure 12: The methodological pyramid



Source: Quinlan C., 2019

3.1 Overview of the study

Start and completion dates: February – March 2018.

Size of sample: 120 cooperative banks.

Scale of possible answers within the questionnaire: 1 to 5 (see questionnaire).

Language of questionnaire: The questionnaire was presented in German and for this reason there had been a double cross translation exercise undertaken by a professional translator.

Nature of sample: Survey with quantitative and some qualitative data as result. A pilot study has been done before.

The participants of the pilot study have been the members of an HR department (15 persons) of a cooperative bank. They got the same information as the participants of the main research project.

For this reason, all the explanations before can be transferred to the participants of the pilot study.

Sampling process: Online survey with questionnaire in order to find out if values (1- 11) are part of everyday leadership / perceived by the employees and which effect they have on financial figures (C1-L4) of the corresponding bank. In addition to that, there have been questions concerning performance appraisal systems for executives in order to get information about how the executives get controlled in the way they lead their people.

Statistical analysis: Correlation analysis was one of the main statistical analysis method of the study, because it measures the relationship between two items. In this case values and financial figures. In addition, various regression analyses were carried out. The aim of regression analysis is to determine the relationships between a dependent variable (financial figures) on the one hand and several explanatory variables (cooperative values) on the other.

Details of resources required for the investigation:

No funding or special space was needed.

The author had access to computer hardware and software (NVivo, SPSS, RefWorks). Access to several organisations has been

negotiated. Furthermore, with regard to his profession he had access to at least 915 banks in the association of the Volks- and Raiffeisen-banks.

The link for the questionnaire had been distributed by the CEOs or Heads of HR into the banks. This is the common way in German cooperative banks to get the permission, because they will be sent the questionnaire first. The e-mail addresses of the CEOs or Heads of HR are available in a corporate datebook which is provided by the computer centre of the association of cooperative banks in Germany. Every employee has access.

The next part will present the research questions.

3.2 Research Questions

By answering a research question new knowledge should be produced. It must therefore be concrete, answerable and exhaustive and take into account the state of the sciences that affect it (Bauer, 2013).

The most important and fundamental question of this thesis is:

Is there a correlation between cooperative values-based leadership and economic success?

If this question will be answered in a positive way, this will lead to more questions or rather the following questions will help to answer the main research question more detailed:

1. How is the impact of values-based leadership on economic success?

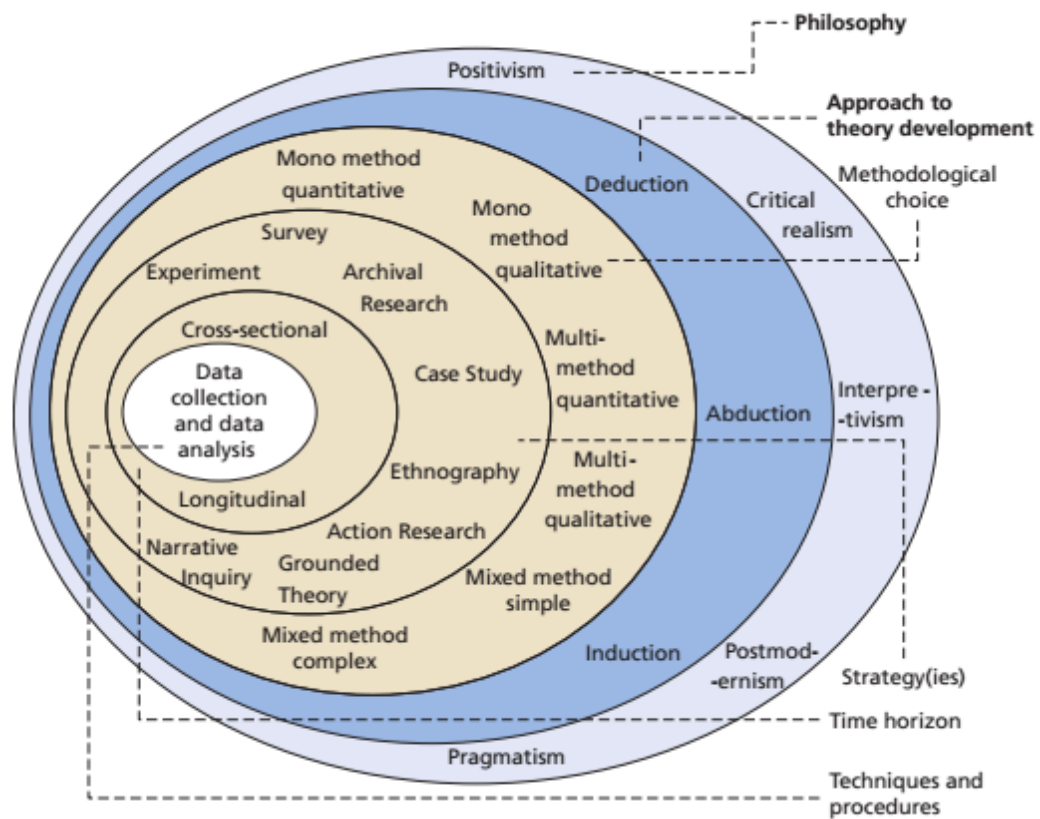
2. Why has value a/b/c etc. this typical or specific impact?

In order to answer these questions, it was necessary to have a clear research strategy and design. The following will discuss this important topic.

3.3 Research Design

Saunders et al. (2019), presented the 'Research Onion' model, which has a major influence on the methodology of this research work. The 'Research Onion' model (Figure 13) illustrates metaphorically the way different elements involved in the research need to be examined so that a research design can be derived.

Figure 13: The Research Onion



Source: Saunders et al., 2019

3.3.1 Research Philosophy

The first attribute of any study is to adjust a research question to a particular philosophy which is not part of the 'Research Onion' model. Hudson and Ozanne (1998) describe **ontology** as the function of reality. Carson et al. (2001) define **epistemology** as the interrelationship between the reality and the researcher, or instead the way this reality is acknowledged or absorbed.

The author of this thesis is best reflected in the philosophy of **axiology**, because this philosophy deals with the topic of values.

Simply translated, axiology means 'the doctrine of values'.

Since the term *logie* also means 'word' / 'speech' and 'content' / 'meaning' as well as 'spiritual ability' / 'reason', it must be translated more deeply and broadly.

'Axiology is the doctrine of rational interpretation and codification of concepts that make values comprehensible. This in the sense of cultural and ethical standards for the greatest possible intersection within a community. This makes the best possible ideational value creation scalable and customizable'

(Zentrum für Wirtschaftsethik, 2017).

The philosophical stance of the research is highlighted in the research onion's outermost layer. According to Saunders et al. (2019), there are different philosophical branches that define the presence of a research entity; Saunders et al. concentrate on five philosophical stances: the first is positivism, the second is critical realism incl. critical theory, the third is interpretivism, the fourth is postmodernism and the fifth is pragmatism.

Philosophical stances

This layer contains the philosophical stances connected with the philosophies. Each of the possible choices at this level require careful thought as they provide structure, guidance and possible limitations to following decisions and ultimately the way a researcher can collect and analyse data to create valid finding (Saunders et al., 2019).

Positivism

Researchers that follow the principles of positivism will probably adopt the philosophical stance of the natural scientist.

They will prefer 'working with an observable social reality and that the end product of such research can be law-like generalisations similar to those produced by the physical and natural scientists' (Remenyi et al., 1998).

Positivism is a direction in philosophy that demands that realisation, which is to have the character of knowledge, be based on the interpretation of 'positive', be limited to actual, sensible and verifiable findings.

This is the view the researcher of this thesis follows as well.

Realism

Realism is based on the belief that a reality exists that is independent of human thoughts and beliefs.

Realism is quite similar to Positivism in terms of philosophy and is related to scientific enquiry. Realism asserts that the existence of reality is not dependent on the mind and the senses of the researcher show them the truth, despite the fact that the researcher is influenced by their past experiences and world views. Philosophers categorise realism in two groups; the first is direct realism and the second is **critical realism**. In direct realism it is believed that an accurate representation can be obtained from the experiences provided by the senses. Alternatively, in critical realism, it is believed that everything experienced through the senses is later processed by the mind subjectively. This means that the critical realist researcher will be required to identify what has been initially experienced in addition to the relationships and structures underlying it. This requires considering the underlying complexity. As a result, Saunders et al.,

(2019) identifies that under this philosophical approach, the various analysis procedures and collection techniques will vary using either or both qualitative data and quantitative data.

Critical theory

This research follows the fundamental philosophy 'critical theory', because critical theory as a social theory is oriented toward critiquing society as a whole or like in this research project a part of our society. It is the examination of society, with a view to exposing systems of domination through a focus on values and norms (Quinlan, 2019).

Beyond that and in detail, critical theory refers to a social theory inspired by Hegel, Marx and Freud, whose representatives are also summarized under the term 'Frankfurt School'. Its object is the critical analysis of bourgeois-capitalist society, that is, the discovery of its mechanisms of domination and oppression and the unmasking of its ideologies, with the aim of a rational society of mature people.

The core of the 'critical theory' of the Frankfurt School is the critique of ideology-critical and thus a mediated criticism of the social conditions of bourgeois-capitalist society. The connection arises from the claim that the totality of social relations and the necessity of their change are theoretically reduced to the notion. If theory in this understanding is understood as a form of praxis, this means that theoretical enlightenment unveils social relations, and with a new view of them begins the changing practice (Bronner, 2017).

Interpretivism

Saunders et al (2019) present a definition of Interpretivism with respect to Crotty (1998): 'Interpretivism is like critical realism, developed as a critique of positivism but from a subjectivist perspective.'

Interpretivism emphasises that humans are different from physical phenomena because they create meanings. Interpretivists study these meanings. Interpretivism emerged in early- and mid-twentieth-century Europe, in the work of German, French and occasionally English thinkers, and is formed of several strands, most notably hermeneutics, phenomenology and symbolic interactionism.'

Postmodernism

Postmodernism (not to be confused with postmodernity, which denotes a particular historical era) emphasises the role of language and of power relations, seeking to question accepted ways of thinking and give voice to alternative marginalised views. It emerged in the late twentieth century and has been most closely associated with the work of French philosophers Jean-François Lyotard, Jacques Derrida, Michel Foucault, Gilles Deleuze, Félix Guattari and Jean Baudrillard (Saunders et al, 2019).

Pragmatism

Pragmatist researchers place significance in the ability of research findings to generate practical consequences. They believe that the entire picture cannot be obtained from a single viewpoint and that there may be multiple realities that every research problem needs to consider. This means that a pragmatist researcher may not always use different analysis procedures of different techniques of data collection. Saunders et al., (2019) argues that the research design is rather focused on facilitating relevant, reliable and credible data collection so that subsequent constructive action can be adopted.

Pragmatism is of different types and in most types, knowledge claims emerge from consequences, situations and actions and not the previous conditions. According to Patton (1990) there is a concern with

applications, which is identifying the solutions and what works for a problem. Rossman and Wilson (1985) contend that rather than giving importance to methods, importance should be given to the problem and all the approaches should be used by researchers for understanding the problem.

3.3.2 Research Approach

There are two main ways of approaching a research. This is whether a research uses the **deductive** approach, in which a theory and hypotheses are developed and a research strategy is designed to test the hypotheses, or the inductive approach, in which the researcher collects data and develops a theory as a result of data analysis (Saunders et al, 2019).

In this research the focus is on testing a theory.

It is the theory, that cooperative values-based leadership influences economic success in German cooperative banks.

3.3.3 Research Methods

As methodological choice as mentioned before, this research is based on a **mixed method** which means in detail a survey with quantitative and some qualitative data as result (Saunders et al, 2019).

3.3.4 Strategies

It was essential to develop a research strategy and design that would allow to link cooperative management values to the financial figures of the relevant banks. For this reason, as methodical framework the thesis orientated itself at the research methodology '**survey**'. Surveys tend to be quantitative research projects or largely quantitative

research projects that is quantitative with some qualitative element. In general, the data collection methods that tend to be used in surveys are '**questionnaires**' or scales (Quinlan, 2019).

As scale of possible answers within the questionnaire a five stage Likert scale was used. **The Likert scale** (after Rensis Likert, pronounced Lick-ert) is a method for measuring personal attitudes. The scales consist of several items of the Likert type. These are statements that respondents agree more or less strongly on a given multilevel response scale or that they can reject (Rost, 2004).

The name Likert scale should not be confused with the answer scale of a single item of the Likert type. In this research the Likert type was only used for every single item, because the results of the individual items were not suitable for addition in the original sense of the Likert scale or according to the research goal (correlation between every single cooperative value and every financial figure).

First of all, it has to be mentioned that the survey questions have been designed by the author of this thesis and never had been used by other researchers before.

The questionnaire was presented in German and for this reason there had been a double cross translation exercise undertaken by a professional translator. The sampling process was organized by an online survey with questionnaire in order to find out if cooperative values are part of everyday leadership / perceived by the employees and which effect they have on financial figures of the corresponding bank. In addition to that, there were questions concerning performance appraisal systems and feedback systems for executives in order to get information about how the executives get controlled in the way they lead their personnel. Furthermore, there were some

organisational question, like the 'name of the bank', in order to link the answers to the relevant bank. The end of the questionnaire offered a part for voluntary questions.

The questionnaire was grouped into five parts: Management culture, performance appraisal system, organisational questions, voluntary questions and general comments. The following will show the questionnaire in detail.

Management culture

How much do you agree to the following statements?

Possible answers: 'fully agree' = 1 to 'not at all' = 5

1. My line manager treats everybody equally. (Fairness)
2. My line manager believes in my ability. (Confidence)
3. My line manager provides a secure feeling. (Certainty)
4. My line manager shows competence in his job. (Competence)
5. I can trust my line manager. (Reliability)
6. My line manager promotes individuality. (Individuality)
7. My line manager promotes a common ground. (common ground)
8. My line manager shows respect. (Respect)
9. My line manager's work is based on partnership. (Partnership)
10. My line manager feels responsible for me.
(Responsibility)
11. My line manager shows solidarity with me. (Solidarity)

Performance appraisal system

Please answer the following questions:

Possible answers: 'Yes' or 'No' or in some cases 'free text'

1. Do you have a performance appraisal system within your company?
2. We have a top down system. (Line manager evaluates employee)
3. ...and it is used.
4. Poor results lead to counteractive measures.
5. What are these counteractive measures? Please give examples:
6. Cooperative values are part of the performance appraisal system.
7. We have a feedback system for executives / bottom up. (employee evaluates line manager)
8. ...and it is used.
9. Poor results lead to counteractive measures.
10. What are these counteractive measures?
Please give examples:
11. Cooperative values are part of the feedback system for executives.

Organisational Questions

1. What is the name of your bank? (possible answer: 'free text')
2. What is the bank code of your bank? (possible answer: 'free text')
3. Do you hold a leadership position? (possible answer: 'Yes' or 'No')

Voluntary Questions

1. To which age group do you belong?

Possible answers: Apprentice, up to 21 years, 22-30 years, 31-40 years, 41-55 years, 55 years and above, not specified

2. To which group do you belong?

Possible answers: Male, Female, not specified

3. How long have you been occupied at the bank?

Possible answers: Up to 5 years, 6-10 years, 11-20 years, 21 years and more, not specified

4. Do you work full-time?

Possible answers: Yes, No, not specified

General comments

If you wish to make additional comments, please do so here:

'free text'

3.3.5 Time Horizon

The survey took place from February – March 2018 which means that the time horizon was **cross-sectional** in contrast to longitudinal which presents an investigation over a longer period of time (Saunders et al., 2019).

At this point it should be expressly mentioned again that this only applies to the survey of the perceived values.

3.3.6 Techniques and Procedures

The data collection was organized as mentioned before by an **online survey**. This type of data collection was chosen because it had been the aim of the researcher to reach participants all over Germany in a most efficient and comfortable way. For this reason, the researcher

used the online survey tool LimeSurvey (www.limesurvey.org). The survey took place from 6th February to 28th February 2018. A reminder was sent on 21st of February 2018. In order to get more data, the deadline of the survey had been extended to 15th of March flanked by personal telephone calls to the Heads of HR respectively to the CEOs of the relevant banks in order to motivate them to take part in the research.

The original intention had been to select 915 cooperative banks with 146.500 employees (BVR, 2018). This would have been the whole population, because there exist 915 German cooperative banks with 146.500 employees in total. It was also planned to cluster these banks into seven groups by balance sheet totals:

Groups clustered by balance sheet totals in million €: 1) up to 50 2) 50 – 100 3) 100 – 250 4) 250 – 500 5) 500 – 1000 6) 1000 – 2500 7) over 2500.

After verification and with view to work with a manageable mass of data, the author of this thesis decided to reduce the sample and to concentrate on the cooperative banks above a balance sheet totals over 1500 million €. In addition to this, these banks represent an important part of the cooperative bank network due to their dimension.

The next part will present some thoughts about insider role and bias.

3.4 Insider role and bias

I consider myself an insider researcher at two levels: In my own institution or rather in the network of cooperative banks and in the field of management. Due to the fact, that this research is a quantitative research the problem of bias could be almost neglected.

This applies in particular to the economic data of the banks, which were analysed with the CAMEL rating system and derive from the respective balance sheets.

The following section will offer the results of the pilot study.

3.5 Pilot study

In order to evaluate the data sources, underlying assumptions, and overall methodology that would be used in this research, a pilot study was conducted.

The data collection in the pilot study was organized in the same way as the real research survey, by an online survey. The pilot study took place in a HR Department of a cooperative bank in Germany from 22nd January to 26th January 2018. There had been an interview with the participants after the pilot study was done, in order to get information how the real research survey could be improved.

The result of these interviews were only some amendments regarding wording of the questions and some technical advises regarding the workflow within the online survey.

The next part of this section will deal with validity, reliability and objectivity.

3.6 Validity, Reliability and Objectivity

This part of the third section of the thesis is divided into some aspects of validity, reliability and objectivity.

Validity (Latin validus 'strong' 'effective') is (besides reliability and objectivity) a quality criterion for models, measuring or test methods. Validity refers to the consistency of an empirical measurement with a logical measurement concept. Generally, this is the degree of accuracy with which the feature to be measured is actually measured (Lienert, 1994).

A distinction is made between a representation conclusion (if the test behaviour is representative of overall behaviour) and a correlation conclusion (if the behaviour in the test correlates with the behaviour outside the test situation) (Fisseni, 2004).

Depending on which variable is used as a criterion for the behaviour outside the test situation, a distinction is made between substantive, predictive or construct validity (Fisseni, 2004; Brockhaus Psychologie, 2008).

This thesis deals with representation conclusion.

Reliability is a measure of the formal accuracy or reliability of scientific measurements. It is that part of the variance that can be explained by actual differences in the characteristic to be measured and not by measurement errors. Highly reliable results must be largely free from random errors, i.e. if the measurement is repeated under the same conditions, the same measurement result would be achieved (reproducibility of results under the same conditions).

In addition to validity and objectivity, reliability is one of the three most important quality criteria for empirical investigations. High reliability is basically a prerequisite for high validity, whereby too high reliability can be detrimental to validity (reliability-dilemma).

Reliability includes three aspects:

1. Stability (equality or similarity of the measurement results when used at different times).
2. Consistency (the extent to which all items that are combined into one characteristic in a test measure the same characteristic).
3. Equivalence (equivalence of measurements) (Krauth, 1995).

These three aspects can be considered as given in this research.

The **objectivity** of a scientific experiment or test is the independence of the test results from the basic conditions (marginal conditions) and distorting third factors. This means that an investigation must be independent of the spatial conditions, various external influences or investigators. In the course of the analysis process, the subjective impression becomes an intersubjectively comprehensible way of looking at things.

Objectivity can be divided into three areas:

1. Implementation Objectivity

Implementation objectivity refers to the degree of independence of the test results from the subject of the experimenter and from the spatial conditions. It follows that maximum standardization of the test situation and minimal social interaction between the experimenter and the test participant should be sought.

2. Evaluation Objectivity

By evaluation objectivity is meant the extent to which the same behaviour of a subject is always evaluated in the same way. Here is the objectivity in projective tests, e. g. the Rorschach test, rather than low, in standardized intelligence tests, such as the WAIS-IV (Wechsler Adult Intelligence Scale IV), however, considered by the standardized evaluation as high or sufficient. Investigations suggest that the evaluation of paper-and-pencil tests with the usual templates can be prone to errors and is almost itself a concentration test. The less freedom the evaluator has when counting the test results, the higher the evaluation objectivity.

3. Interpretation Objectivity

Interpretation objectivity refers to the extent to which the same test values are interpreted in the same way: it presupposes clear rules according to which a specific diagnostic decision can be derived from a test result. The less defined the conclusions are from the result, the more 'heuristic' and 'more intuitive' the conclusions are drawn from the result, the more the interpretation depends on the subject's subjective skills and experience. Interpretation objectivity involves the question of whether a test is normalized or not. If different standards are used, different interpretations arise. Standards tables for different populations (e. g. student standards, etc.) increase interpretation objectivity. In DIN 33430 for aptitude diagnostics, clear and scientifically tested rules for interpretation are required, and training and further education standards are also defined for the specialists.

As an example, the grade 1 should show a very good performance in all federal states and the grade 5 should be regarded as deficient

and insufficient to pass. But interpretation objectivity says nothing about the content quality. If performance or evaluation objectivity is violated, this also distorts the meaning of the interpretation. Thus, it is said that who has a 2 in Bavaria, may have a 1 in North Rhine Westphalia (problem of lack of standardization in the sense of implementation objectivity, each makes its own test). Interpretation objectivity is ensured by a standardization of the respective test procedure. It is therefore always available in the availability of standard scales, since a standard deviation "+/- 1" always comprises 68.3% of the test values (Amelang, 2002).

These three areas of objectivity aspects can be considered as given in this research.

This statement is mainly supported by the fact that a pilot study was carried out in advance. The result of the preliminary study showed that what was measured was exactly what should actually be measured (validity). In this case, the perceived leadership behaviour in relation to cooperative values. The structure of the pilot study and the follow-up questioning of the participants also confirmed that reliable results would also be provided if it were repeated (reliability).

The next part of section three will deal with ethical issues.

3.7 Ethical issues

In addition to the research aim, there was also an ethical aim to achieve:

To avoid potential psychological intrusion from questionnaires or anything else to everybody who is involved into the research project.

In order to ensure this important ethical aim, following activities had been done:

During the whole research process – especially during the data gathering section – there had been a reflection with regard to the ethical guidelines:

- London South Bank University code of Practice for research Involving Human Participants.
- Institute of Business Ethics → Participation in E-Learning Tool
 - Understanding Business Ethics (What is business ethics and why is doing the right thing important?).
- Ethical guidelines relating to the organisation of cooperatives and cooperative banks.

In the event of endangering the ethical aim the process would have been stopped, counteractive measures would have been taken and the ethics panel would have been informed. Fortunately, this was not the case.

In general, there was a potential psychological intrusion from questionnaires within the online survey.

For this reason, the following seven main actions came into account:

1) The research project has been approved by the research ethics panel.

2) The survey has been done anonymous and for this reason participants' anonymity maintained.

3) The participants could withdraw at any time (cut-off date: up to the submission of the first draft of the thesis at the beginning of 2019).

4) The nature of the questions being asked were not being intrusive etc..

5) The participants had contact details of people to contact if they have any concerns.

6) The participants got the following information:

Invitation via e-mail (Appendix B)

Consent Form (Appendix C)

Participant Information Sheet (Appendix D)

7) The survey was done anonymously. There were passwords, data protection mechanism and a timeline to keep data before destroying.

In detail:

First of all, the survey was done anonymous and for this reason participants' anonymity maintained.

The data was stored electronically in a password protected computer which was only be accessed by the researcher. The computer has been kept in a room locked at all times when not in use by the researcher. The data will be destroyed once the research is completed and this will be two years after completion of the Doctorate of Business Administration program to allow for publication of the results. No individual person will be named or identifiable from any publications resulting from this research. Paperwork (kept in a locked cabinet) will be destroyed by a shredding machine and the data on the computer hard disk will be erased by a special programme (part of Apple OS X El Capitan) which does not allow to restore the data.

Ethical consideration: At this point it is again important to mention, that the survey was done anonymous and for this reason participants' anonymity maintained. Otherwise it might be unethical to ask the employees these question about their own experiences with leadership.

3.8 Summary: Methodology

The section gave an overview of the study and the research questions followed by the research design. This section about the design includes parts about the research philosophy, the approach to theory development, the methodological choice, the research strategy, the time horizon and the techniques and procedures. There were also some thoughts about insider role and bias. The pilot study was shown and the section ended with a part about validity, reliability and objectivity and ethical issues.

In summary one can determine this section about methodology, that this research is orientated in analogy to the Research Onion regarding the following points:

1. Main Philosophy: Axiology
2. Philosophical Stances: Positivism in connection with critical theory
3. Approach to theory development: Deductive
4. Methodological choice: Mixed method
5. Research strategy: Survey
6. Time Horizon: Cross sectional
7. Techniques and procedures: online questionnaire with Likert scale items followed by correlation and regression analysis

The next section will deal with the findings.

4 Findings

This part of the doctoral thesis is one of the most important sections because it deals with the outcome of the survey.

4.1 Introduction

The following section presents the study's findings. Potentially important areas emerged from the data will update the discussion around the central research question and the theoretical frame established.

The section will start with an overview with general comments about the survey followed by statements to the key topics 'management culture' including performance appraisal systems and 'financial figures'. The main part will deal with the correlation between cooperative management values and financial figures. It will end with a summary about the main findings.

4.2 Overview of Findings

The next part will start with some general comments and take a closer look at the single items of the survey.

4.2.1 General comments

Overall 208 employees took part in the online survey at which 125 finished the complete questionnaire. These 125 respondents spread over a total of 53 banks. 109 of them were holding a leadership position and 16 of them not. 3 people belong to the age-group from 22 to 30 years, 28 people to the age-group from 31 to 40 years, 70 people to the age-group from 41 to 55 years and 23 people to the age-group from 55 years and above. One person gave no answer.

35 participants were female and 90 participants were male. 16 people have been occupied in the bank for up to 5 years, 17 people from 6 to 10 years, 36 people from 11 to 20 years and 54 from 21 years and more. Two persons gave no answer. 111 of the participants worked fulltime and 14 of them part-time.

Table 6: General Statistics

		Do you hold a leadership position?	To which age group do you belong?	To which gender group do you belong?	How long have you been occupied at the bank?	Do you work full-time?
N	Valid	125	125	125	125	125
	Missing	0	0	0	0	0

Table 7: Do you hold a leadership position?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	109	87,2	87,2	87,2
	No	16	12,8	12,8	100,0
	Total	125	100,0	100,0	

Table 8: To which age group do you belong?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		1	,8	,8	,8
	22-30 years	3	2,4	2,4	3,2
	31-40 years	28	22,4	22,4	25,6
	41-55 years	70	56,0	56,0	81,6
	55 years and above	23	18,4	18,4	100,0
	Total	125	100,0	100,0	

Table 9: To which gender group do you belong?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid female	35	28,0	28,0	28,0
male	90	72,0	72,0	100,0
Total	125	100,0	100,0	

Table 10: How long have you been occupied in the bank?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	1,6	1,6	1,6
up to 5 years	16	12,8	12,8	14,4
6-10 years	17	13,6	13,6	28,0
11-20 years	36	28,8	28,8	56,8
21 years and above	54	43,2	43,2	100,0
Total	125	100,0	100,0	

Table 11: Do you work full-time?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	111	88,8	88,8	88,8
No	14	11,2	11,2	100,0
Total	125	100,0	100,0	

4.2.2 Management culture

This part will show the results of the questions concerning the management culture in the banks. As said before a five stage Likert scale was used as scale of possible answers within the questionnaire for every single item. The participants had the opportunity to answer between 1 (fully agree) up to 5 (not at all) or to give no answer. The

general question was 'How much do you agree to the following statements?'.

4.2.2.1 Fairness

The first cooperative management value being asked was 'fairness'. For this reason, the participants had to take position to the following statement:

'My line manager treats everybody equally.'

36 participants answered with 'fully agree', 54 participants with '2', 23 participants with '3', 7 participants with '4' and 5 participants with 'not at all'.

Table 12: Response to variable 'fairness'

Fairness					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	fully agree	36	28,8	28,8	28,8
	2	54	43,2	43,2	72,0
	3	23	18,4	18,4	90,4
	4	7	5,6	5,6	96,0
	not at all	5	4,0	4,0	100,0
	Total	125	100,0	100,0	

Some descriptive statistics of the variable 'fairness' are shown in the table below. As a result, one can state that the participants feel that they are treated fairly in principle.

Table 13: Descriptive Statistics of variable 'fairness'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Fairness	125	4	1	5	2,13	1,024	1,048
Valid N (listwise)	125						

The next figure shows the distribution of the variable 'fairness'. As you can see, there are no outliers and extreme values.

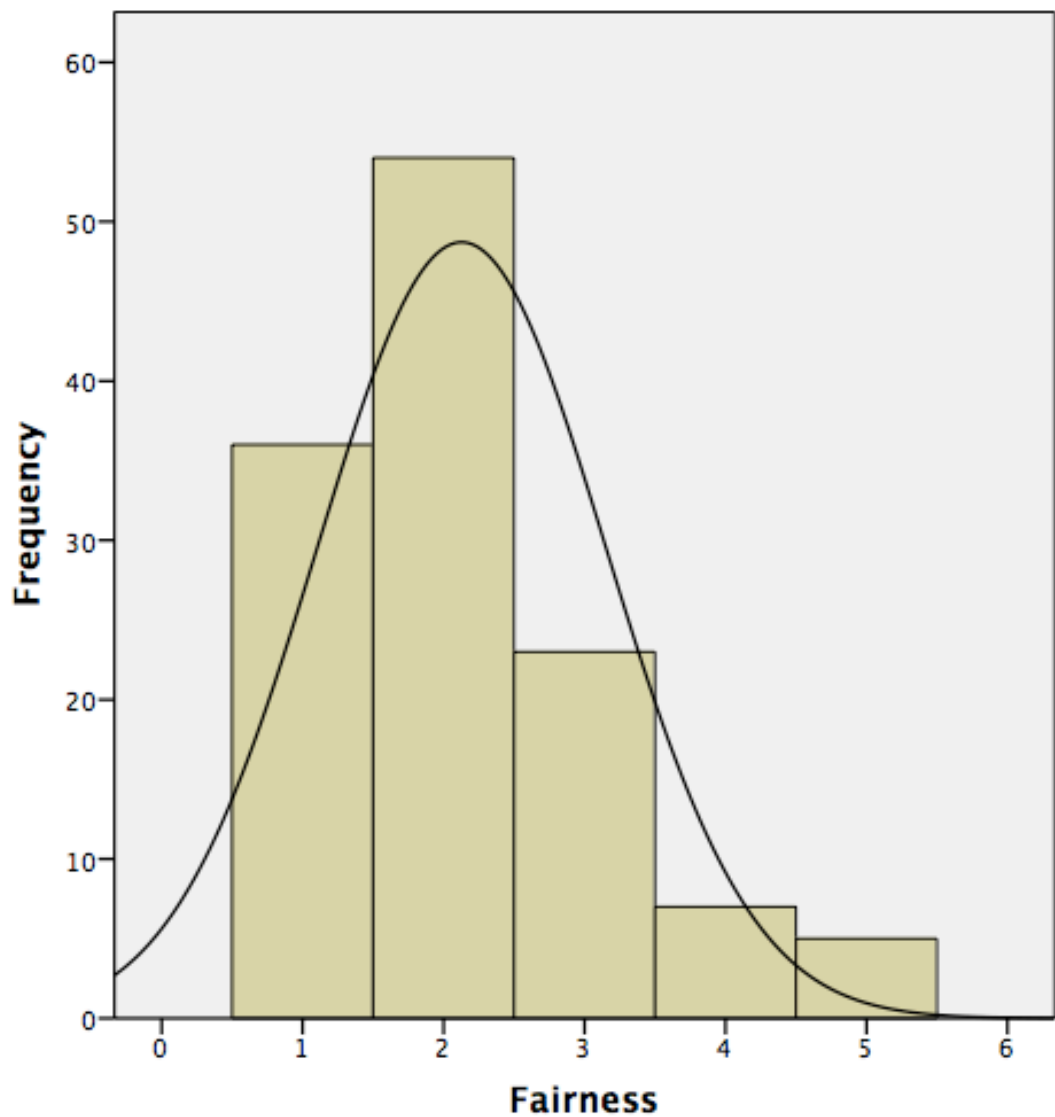
Figure 14: Boxplot with the distribution of variable 'fairness'



The next figure shows the response to the value 'fairness' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable fairness is apparently not perfectly normally

distributed, but that it roughly replicates the course of the normal distribution.

Figure 15: Histogram for variable 'fairness' with normal distribution curve as a benchmark



The table below shows the result of two tests that verify if variable 'fairness' is normally distributed in the population. Both tests have a significance value of 0.000. As a result, one cannot assume that the variable fairness is normally distributed in the population. However,

this does not mean that it is not possible to use all other tests that require a standard distribution. It is also much more decisive how much the actual distribution deviates from the normal distribution.

In the histogram it is observable that the variable emulates the course over long distances very well. In such a case where the distribution appears at least approximately normally distributed, statistical tests presupposing a normal distribution can still be performed. One should only be more cautious (conservative) in interpreting the results of these tests (Brosius, 2017).

Table 14: Result of a normal distribution test for the variable 'fairness'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Fairness	,270	125	,000	,840	125	,000

a. Lilliefors Significance Correction

4.2.2.2 Confidence

The second cooperative management value being asked was 'Confidence'. For this reason, the participants had to take position to the following statement:

'My line manager believes in my ability.'

75 participants answered with 'fully agree', 42 participants with '2' and 8 participants with '3'.

Table 15: Response to variable 'confidence'

Confidence		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	fully agree	75	60,0	60,0	60,0
	2	42	33,6	33,6	93,6
	3	8	6,4	6,4	100,0
	Total	125	100,0	100,0	

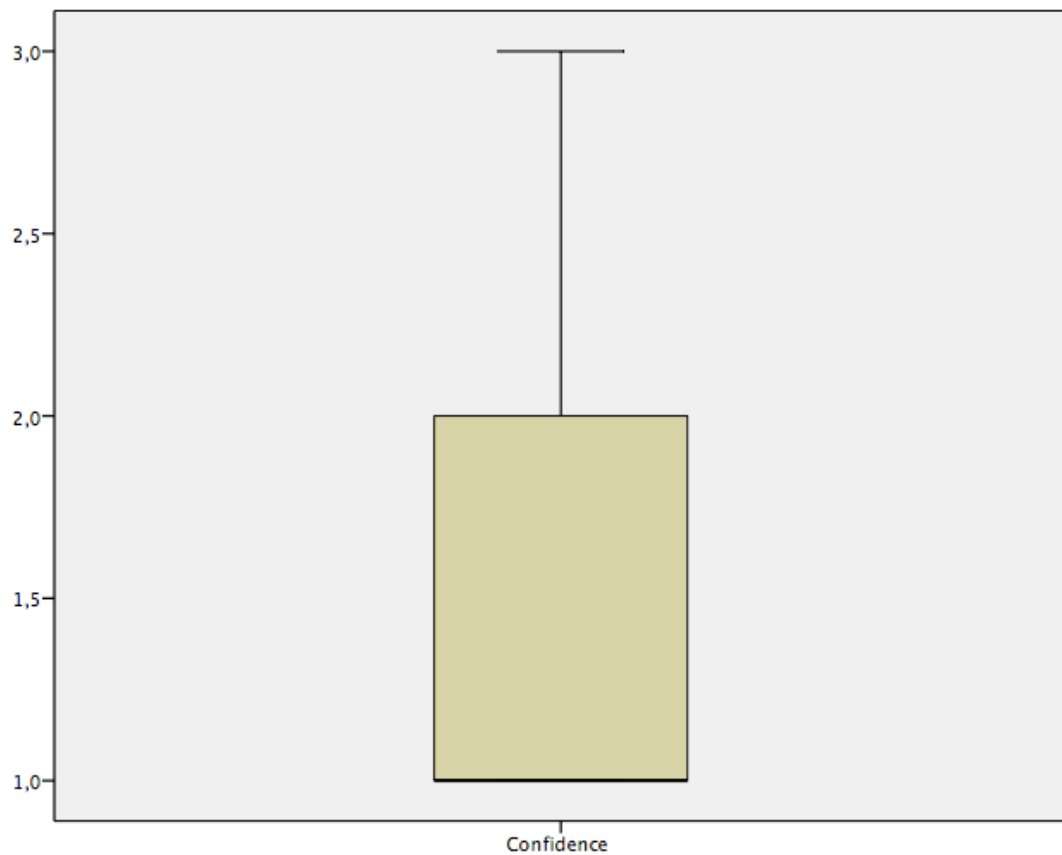
Some descriptive statistics of the variable 'confidence' are shown in the table below. As a result, one can state that the participants share the opinion, that their line managers believe in their ability.

Table 16: Descriptive Statistics of variable 'confidence'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Confidence	125	2	1	3	1,46	,616	,380
Valid N (listwise)	125						

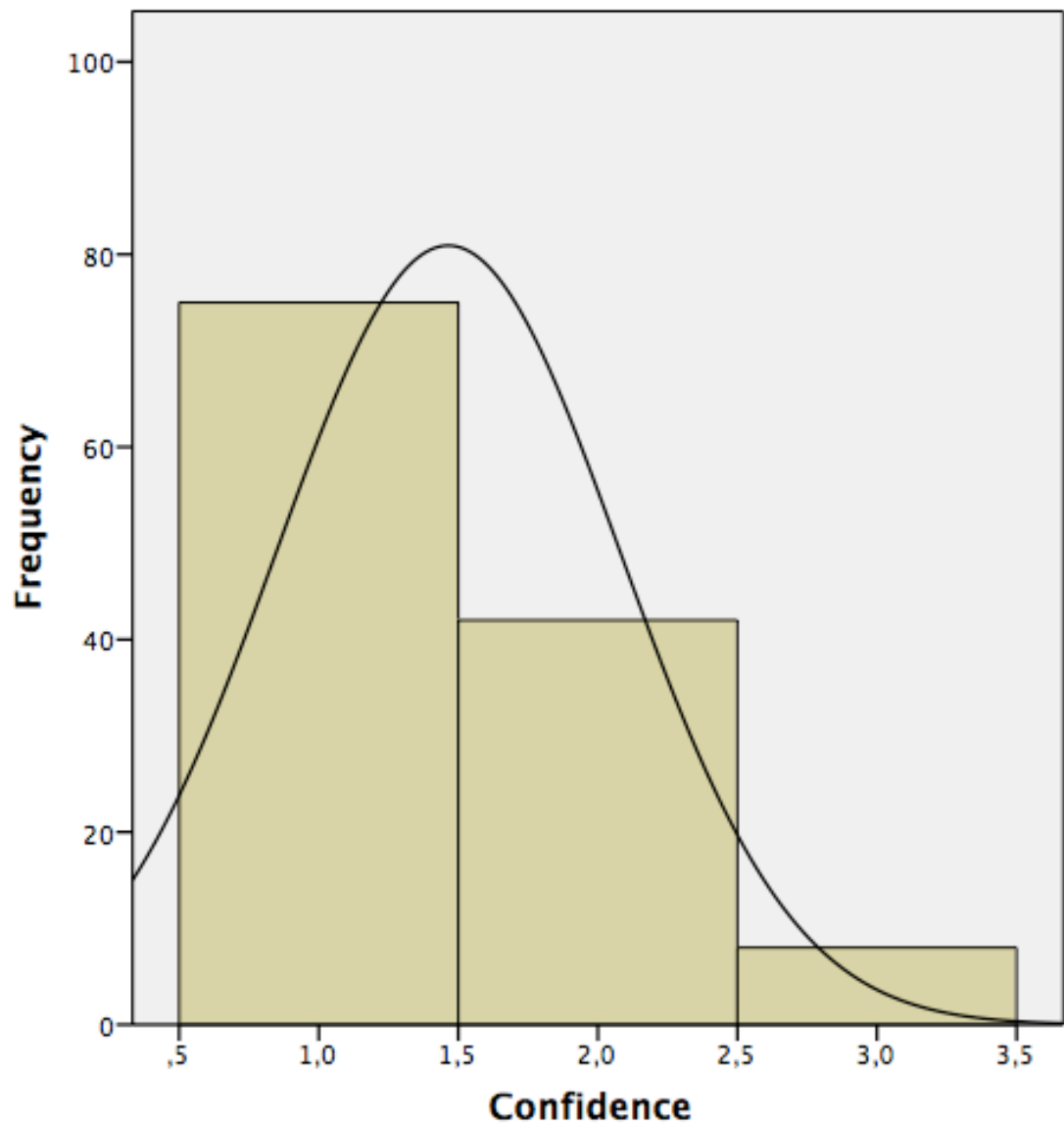
The next figure shows the distribution of the variable 'confidence'. As you can see, there are no outliers and extreme values.

Figure 16: Boxplot with the distribution of variable 'confidence'



The next figure shows the response to the value 'confidence' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'confidence' is apparently not perfectly normally distributed, but that it roughly replicates the course of the normal distribution.

Figure 17: Histogram for variable 'confidence' with normal distribution curve as a benchmark



The table below shows the result of two tests that verify if variable 'confidence' is normally distributed in the population. Both tests have a significance value of 0.000. As a result, one cannot assume that the variable fairness is normally distributed in the population.

Table 17: Result of a normal distribution test for the variable 'confidence'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Confidence	,374	125	,000	,695	125	,000

a. Lilliefors Significance Correction

4.2.2.3 Certainty

The third cooperative management value being asked was 'certainty'. For this reason, the participants had to take position to the following statement:

'My line manager provides a secure feeling.'

42 participants answered with 'fully agree', 58 participants with '2', 19 participants with '3', 5 participants with '4' and 1 participant with 'not at all'.

Table 18: Response to variable 'certainty'

Certainty					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	fully agree	42	33,6	33,6	33,6
	2	58	46,4	46,4	80,0
	3	19	15,2	15,2	95,2
	4	5	4,0	4,0	99,2
	not at all	1	,8	,8	100,0
	Total	125	100,0	100,0	

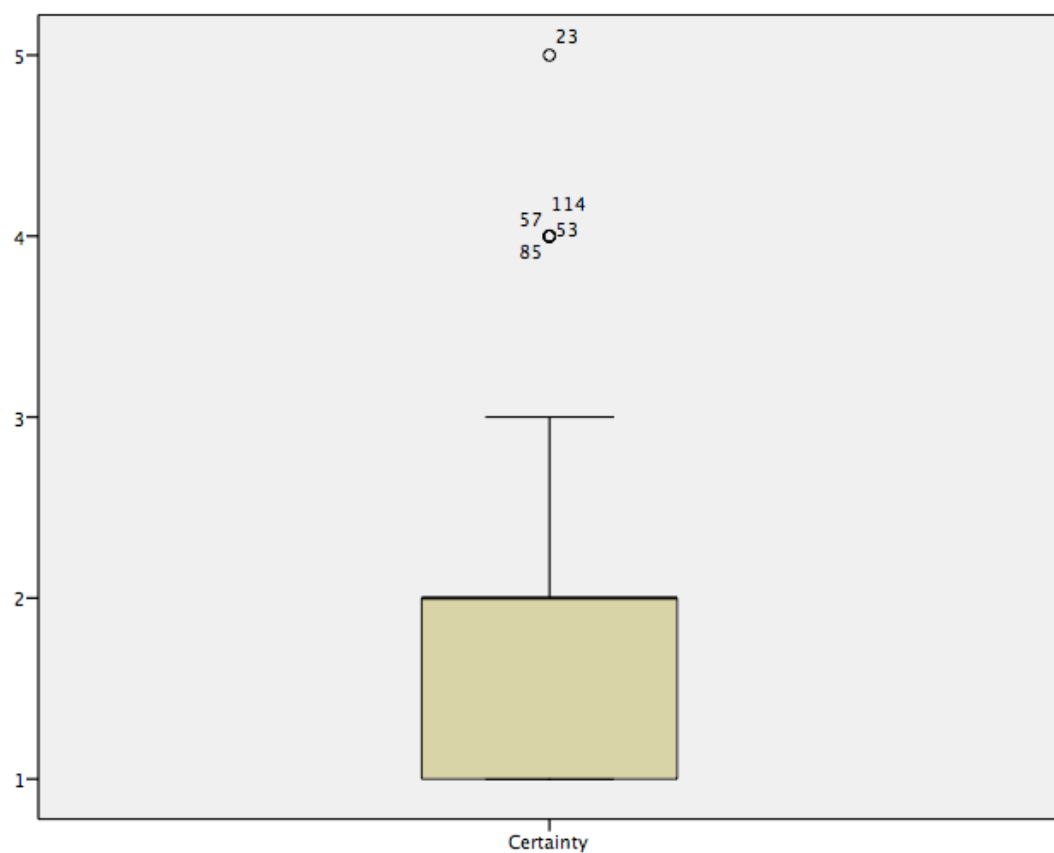
Some descriptive statistics of the variable 'certainty' are shown in the table below. As a result, one can state that the participants feel that their line managers provide a secure feeling in principle.

Table 19: Descriptive Statistics of variable 'certainty'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Certainty	125	4	1	5	1,92	,848	,719
Valid N (listwise)	125						

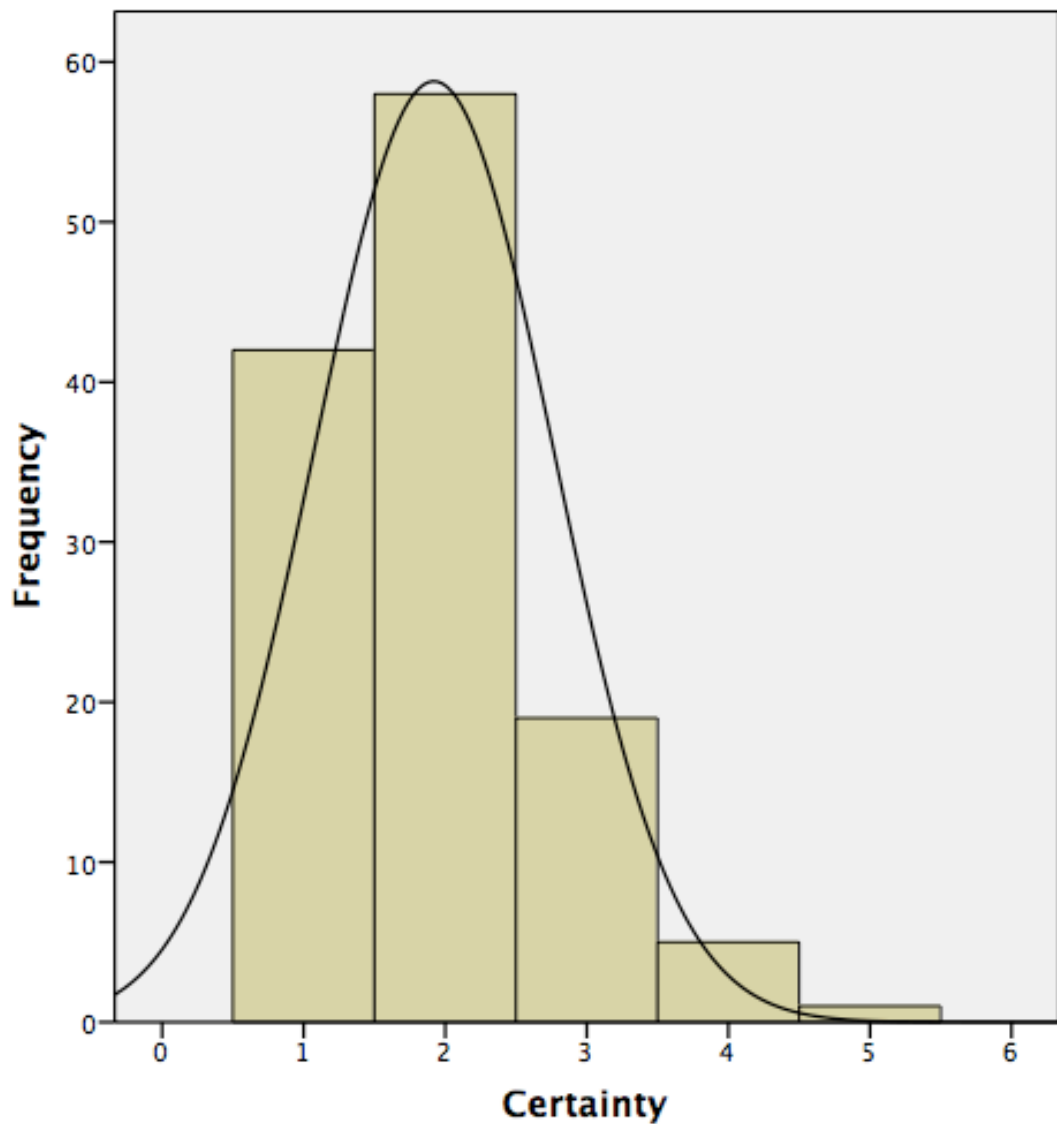
The next figure shows the distribution of the variable 'certainty'. As you can see, there are some outliers but no extreme values.

Figure 18: Boxplot with the distribution of variable 'certainty'



The next figure shows the response to the value 'certainty' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'certainty' is apparently not perfectly normally distributed, but that it roughly replicates the course of the normal distribution.

Figure 19: Histogram for variable 'certainty' with normal distribution curve as a benchmark



The table below shows the result of two tests that verify if variable 'certainty' is normally distributed in the population. Both tests have a significance value of 0.000. As a result, one cannot assume that the variable 'certainty' is normally distributed in the population.

Table 20: Result of a normal distribution test for the variable 'certainty'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Certainty	,262	125	,000	,824	125	,000

a. Lilliefors Significance Correction

4.2.2.4 Competence

The fourth cooperative management value being asked was 'competence'. For this reason, the participants had to take position to the following statement:

'My line manager shows competence in his job.'

65 participants answered with 'fully agree', 52 participants with '2' and 8 participants with '3'.

Table 21: Response to variable 'competence'

Competence		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	fully agree	65	52,0	52,0	52,0
	2	52	41,6	41,6	93,6
	3	8	6,4	6,4	100,0
	Total	125	100,0	100,0	

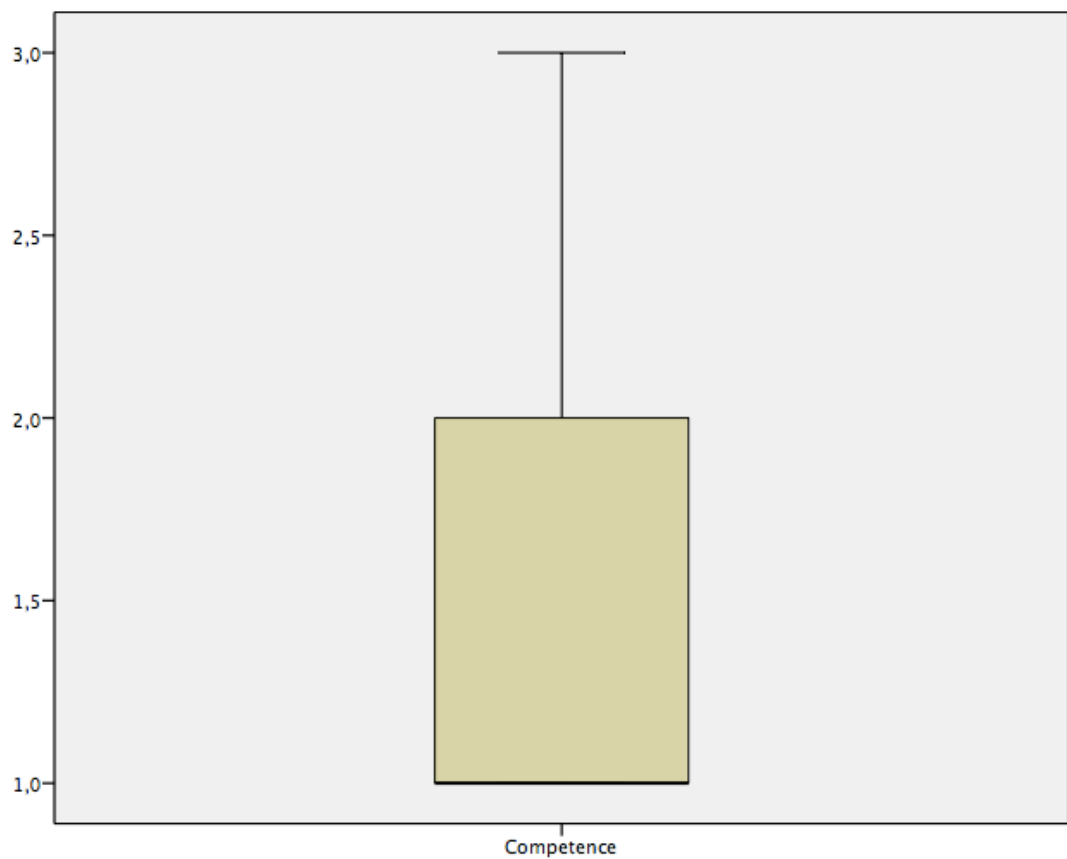
Some descriptive statistics of the variable 'competence' are shown in the table below. As a result, one can state that the participants feel that they their line managers show competence in their jobs.

Table 22: Descriptive Statistics of variable 'competence'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Competence	125	2	1	3	1,54	,616	,379
Valid N (listwise)	125						

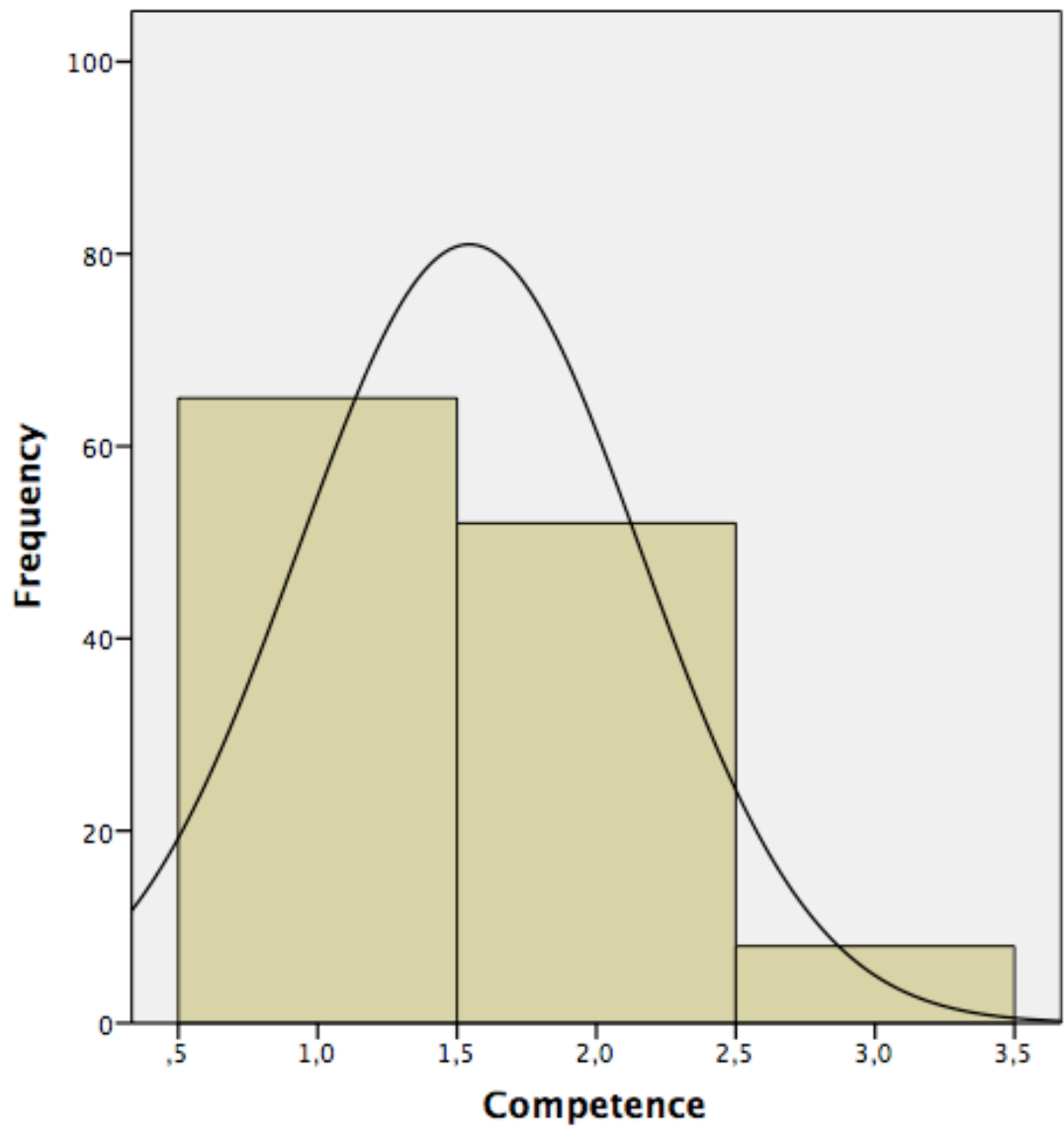
The next figure shows the distribution of the variable 'competence'. As you can see, there are no outliers and extreme values.

Figure 20: Boxplot with the distribution of variable 'competence'



The next figure shows the response to the value 'competence' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'competence' is apparently not perfectly normally distributed, but that it roughly replicates the course of the normal distribution.

Figure 21: Histogram for variable 'competence' with normal distribution curve as a benchmark



The table below shows the result of two tests that verify if variable 'competence' is normally distributed in the population. Both tests have a significance value of 0.000. As a result, one cannot assume that the variable 'competence' is normally distributed in the population.

Table 23: Result of a normal distribution test for the variable 'competence'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Competence	,332	125	,000	,729	125	,000

a. Lilliefors Significance Correction

4.2.2.5 Reliability

The fifth cooperative management value being asked was 'reliability'. For this reason, the participants had to take position to the following statement:

'I can trust my line manager.'

65 participants answered with 'fully agree', 43 participants with '2', 16 participants with '3' and 1 participant with '4'.

Table 24: Response to variable 'reliability'

Reliability					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	fully agree	65	52,0	52,0	52,0
	2	43	34,4	34,4	86,4
	3	16	12,8	12,8	99,2
	4	1	,8	,8	100,0
	Total	125	100,0	100,0	

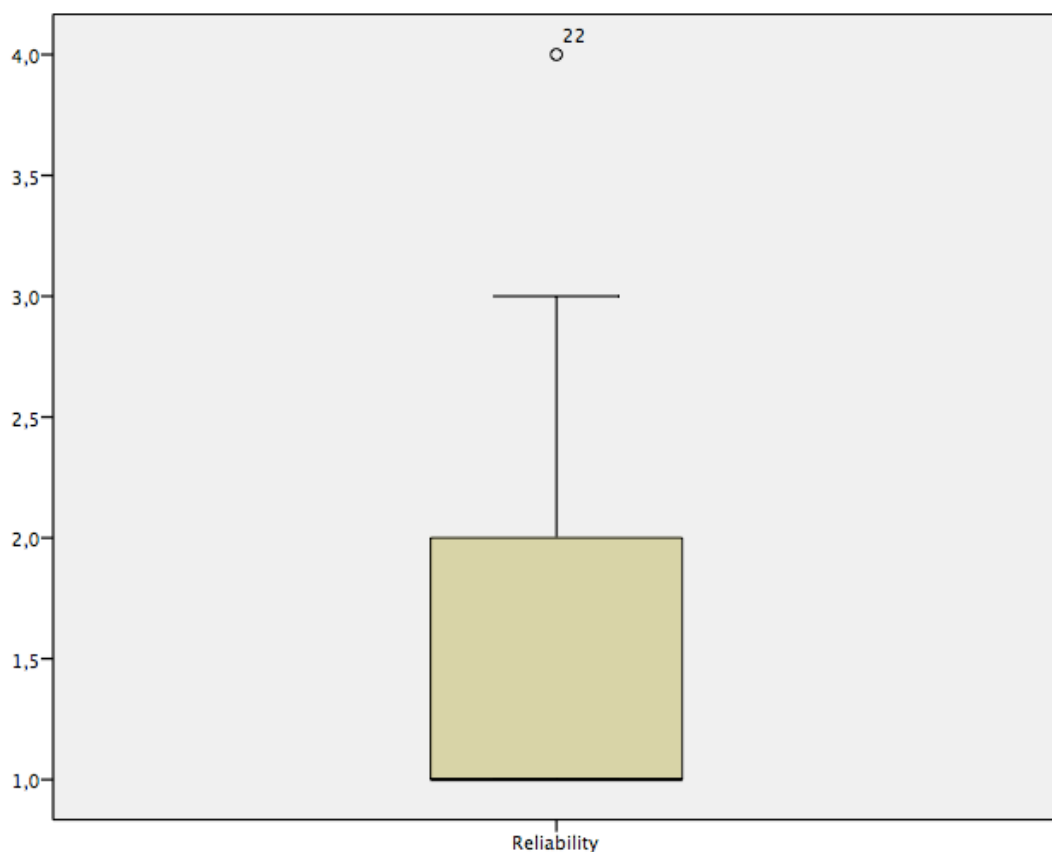
Some descriptive statistics of the variable 'reliability' are shown in the table below. As a result, one can state that the participants not all trust their line managers.

Table 25: Descriptive Statistics of variable 'reliability'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Reliability	125	3	1	4	1,62	,737	,543
Valid N (listwise)	125						

The next figure shows the distribution of the variable 'reliability'. As you can see, there is one outlier but no extreme values.

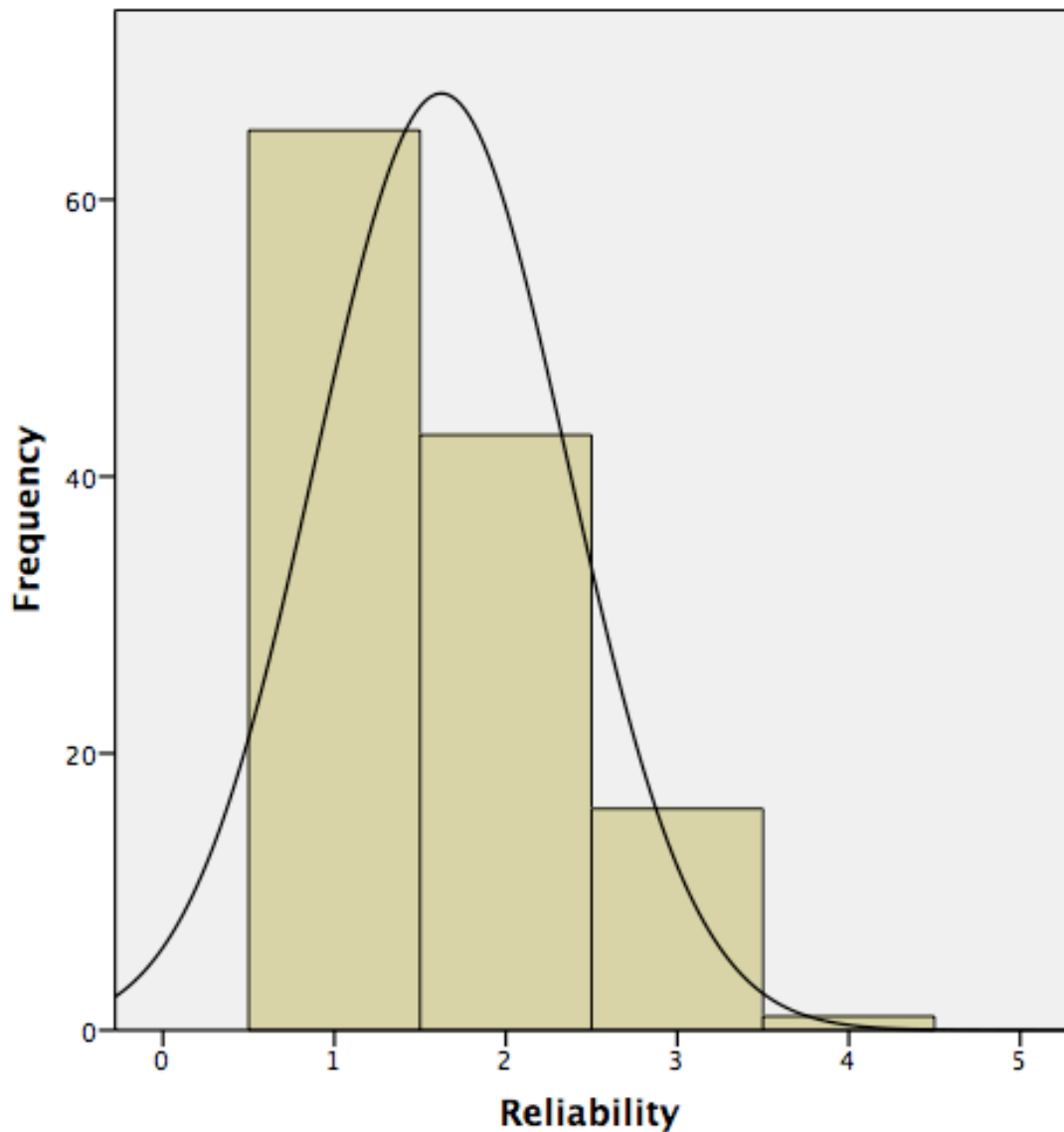
Figure 22: Boxplot with the distribution of variable 'reliability'



The next figure shows the response to the value 'reliability' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'reliability' is apparently not perfectly

normally distributed, but that it roughly replicates the course of the normal distribution.

Figure 23: Histogram for variable 'reliability' with normal distribution curve as a benchmark



The table below shows the result of two tests that verify if variable 'reliability' is normally distributed in the population. Both tests have a significance value of 0.000. As a result, one cannot assume that the variable 'reliability' is normally distributed in the population.

Table 26: Result of a normal distribution test for the variable 'reliability'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Reliability	,321	125	,000	,758	125	,000

a. Lilliefors Significance Correction

4.2.2.6 Individuality

The sixth cooperative management value being asked was 'individuality'. For this reason, the participants had to take position to the following statement:

'My line manager promotes individuality.'

33 participants answered with 'fully agree', 56 participants with '2', 28 participants with '3', 6 participants with '4' and 1 participant with 'not at all'.

Table 27: Response to variable 'individuality'

Individuality					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	fully agree	34	27,2	27,2	27,2
	2	56	44,8	44,8	72,0
	3	28	22,4	22,4	94,4
	4	6	4,8	4,8	99,2
	not at all	1	,8	,8	100,0
	Total	125	100,0	100,0	

Some descriptive statistics of the variable 'individuality' are shown in the table below. As a result, one can state that the participants

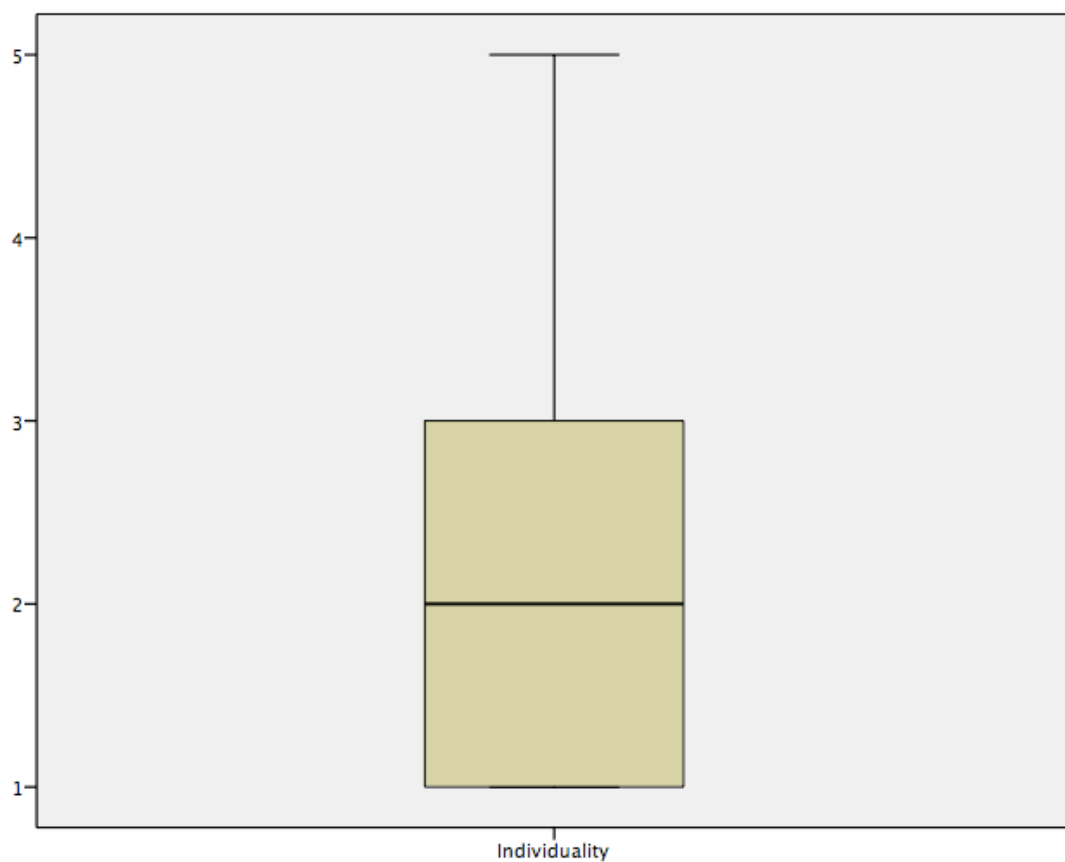
not all have line managers that promote their individuality in their opinion.

Table 28: Descriptive Statistics of variable 'individuality'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Individuality	125	4	1	5	2,07	,872	,761
Valid N (listwise)	125						

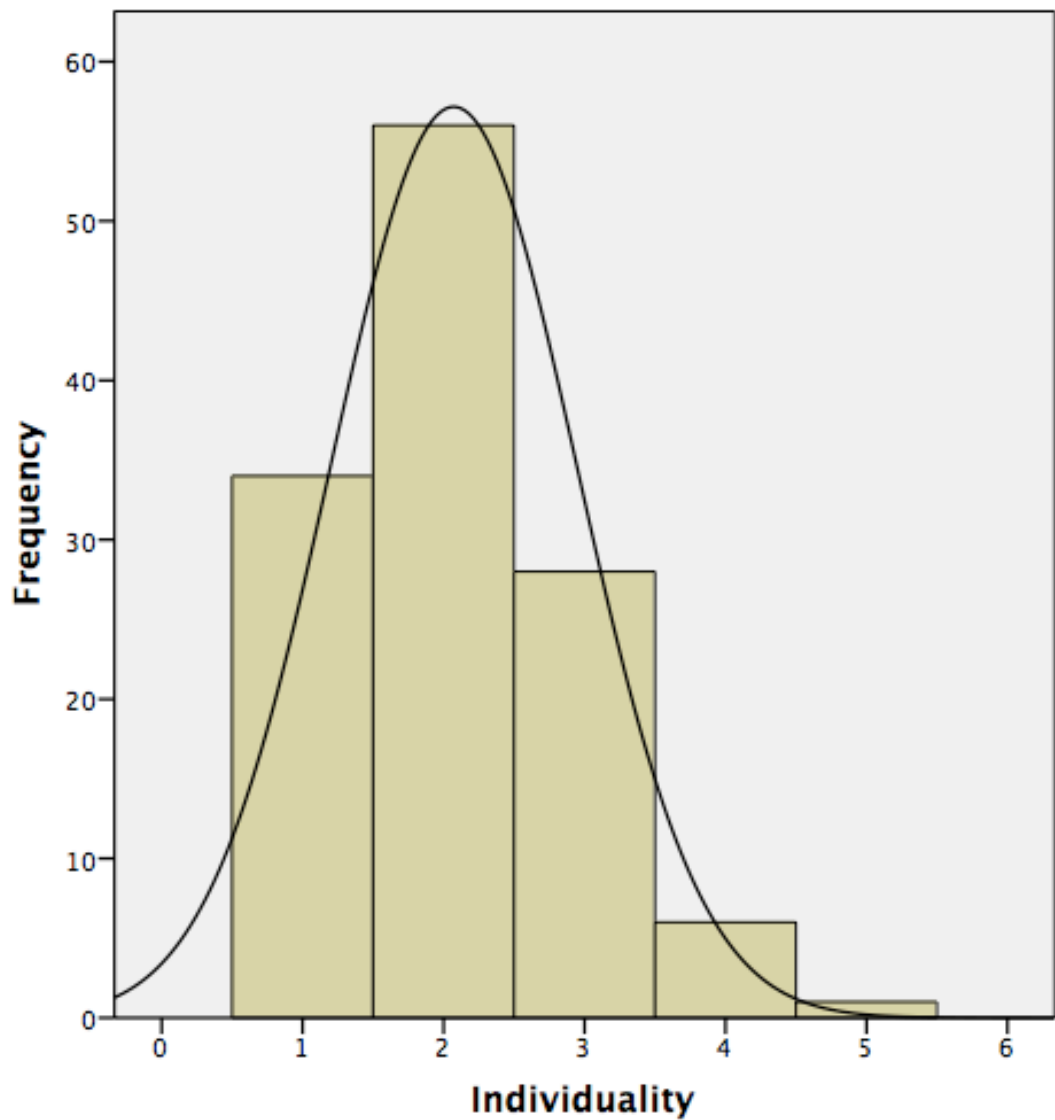
The next figure shows the distribution of the variable 'individuality'. As you can see, there are no outliers and extreme values.

Figure 24: Boxplot with the distribution of variable 'individuality'



The next figure shows the response to the value 'individuality' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'individuality' is apparently not perfectly normally distributed, but that it roughly replicates the course of the normal distribution.

Figure 25: Histogram for variable 'individuality' with normal distribution curve as a benchmark



The table below shows the result of two tests that verify if variable 'individuality' is normally distributed in the population. Both tests have a significance value of 0.000. As a result, one cannot assume that the variable 'individuality' is normally distributed in the population.

Table 29: Result of a normal distribution test for the variable 'individuality'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Individuality	,253	125	,000	,856	125	,000

a. Lilliefors Significance Correction

4.2.2.7 Common ground

The seventh cooperative management value being asked was 'common ground'. For this reason, the participants had to take position to the following statement:

'My line manager promotes a common ground.'

38 participants answered with 'fully agree', 64 participants with '2', 17 participants with '3' and 6 participants with '4'.

Table 30: Response to variable 'common ground'

Common ground					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	fully agree	38	30,4	30,4	30,4
	2	64	51,2	51,2	81,6
	3	17	13,6	13,6	95,2
	4	6	4,8	4,8	100,0
	Total	125	100,0	100,0	

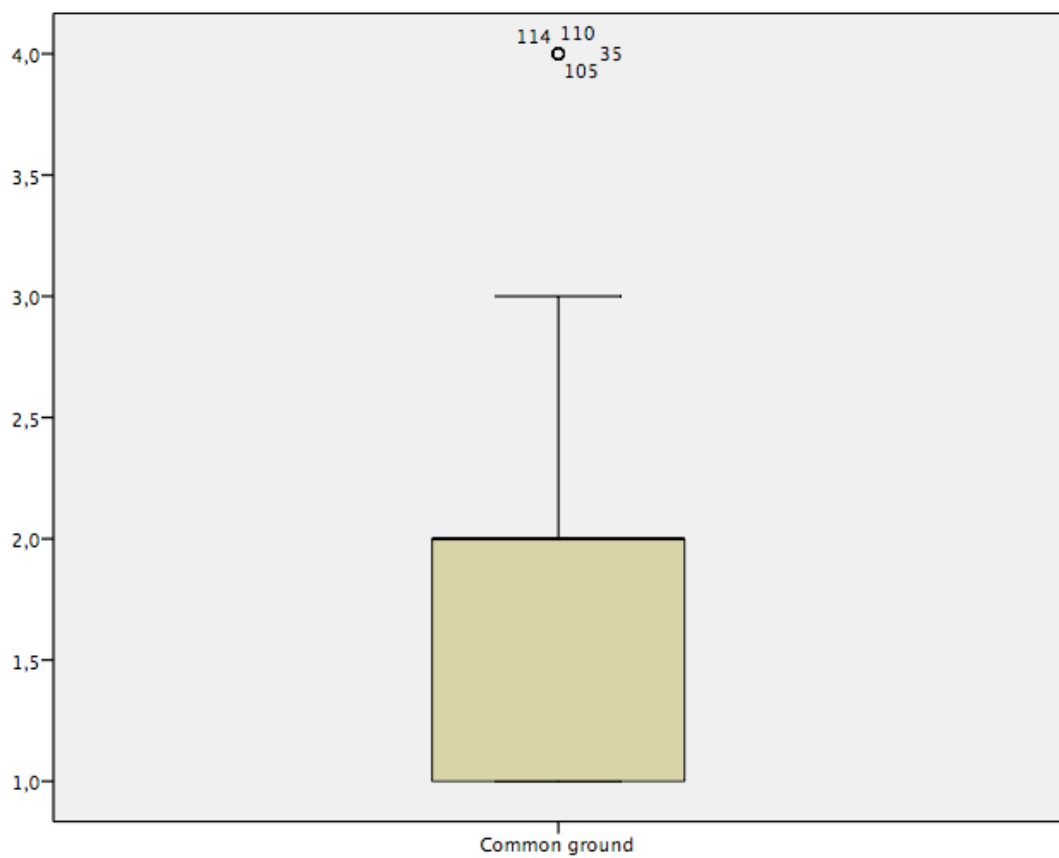
Some descriptive statistics of the variable 'common ground' are shown in the table below. As a result, one can state that the participants not all have line managers that promote a common ground in their opinion.

Table 31: Descriptive Statistics of variable 'common ground'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Common ground	125	3	1	4	1,93	,795	,632
Valid N (listwise)	125						

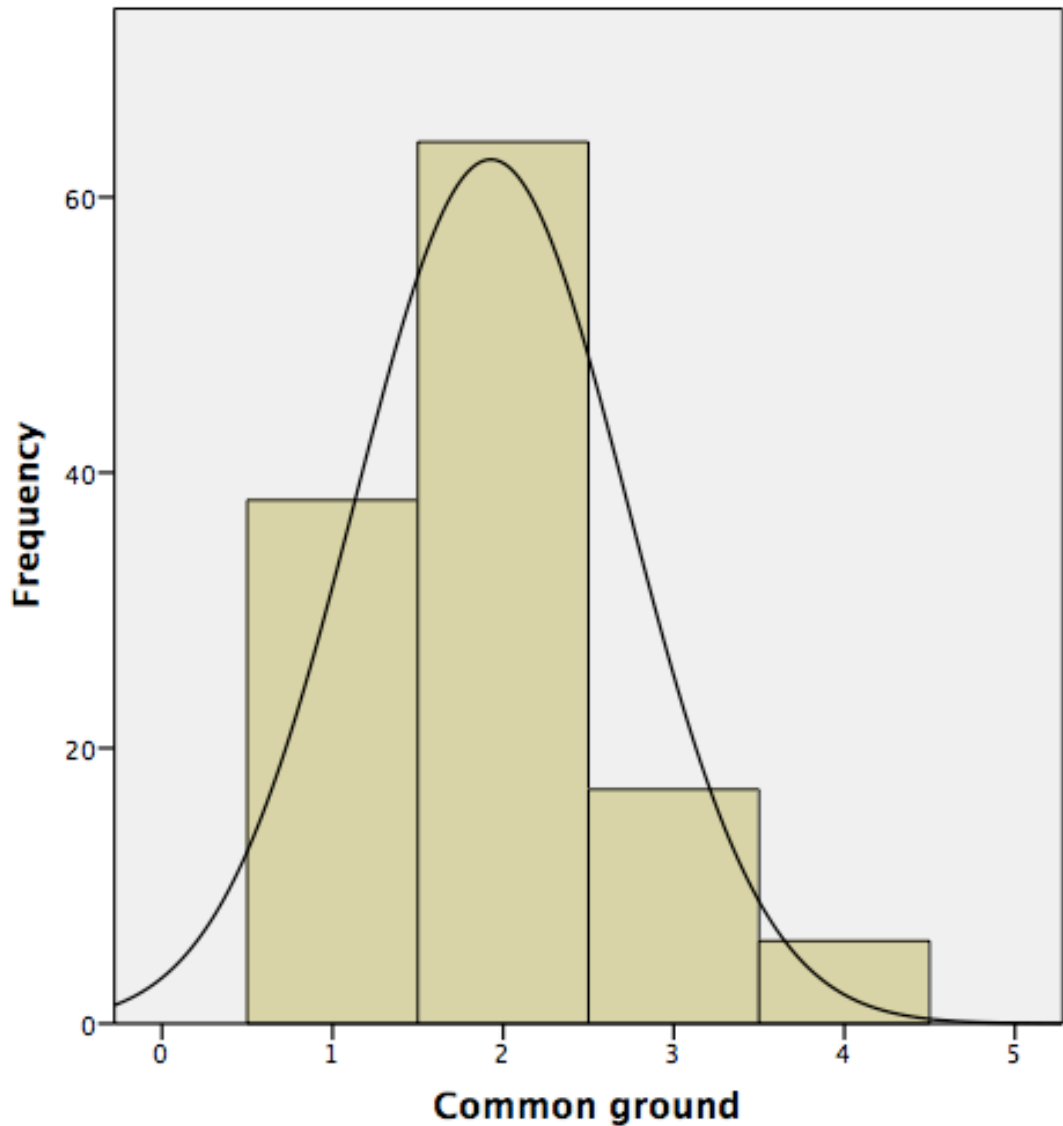
The next figure shows the distribution of the variable 'common ground'. As you can see, there are some outliers but no extreme values.

Figure 26: Boxplot with the distribution of variable 'common ground'



The next figure shows the response to the value 'common ground' in a histogram with a normal distribution curve as benchmark. This clearly shows that the 'common ground' is apparently not perfectly normally distributed, but that it roughly replicates the course of the normal distribution.

Figure 27: Histogram for variable 'common ground' with normal distribution curve as a benchmark



The table below shows the result of two tests that verify if variable 'common ground' is normally distributed in the population. Both tests have a significance value of 0.000. As a result, one cannot assume that the variable 'common ground' is normally distributed in the population.

Table 32: Result of a normal distribution test for the variable 'common ground'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Common ground	,280	125	,000	,817	125	,000

a. Lilliefors Significance Correction

4.2.2.8 Respect

The eighth cooperative management value being asked was 'respect'. For this reason, the participants had to take position to the following statement:

My line manager shows respect.

84 participants answered with 'fully agree', 32 participants with '2', 8 participants with '3' and 1 participant with '4'.

Table 33: Response to variable 'respect'

Respect					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	fully agree	84	67,2	67,2	67,2
	2	32	25,6	25,6	92,8
	3	8	6,4	6,4	99,2
	4	1	,8	,8	100,0
	Total	125	100,0	100,0	

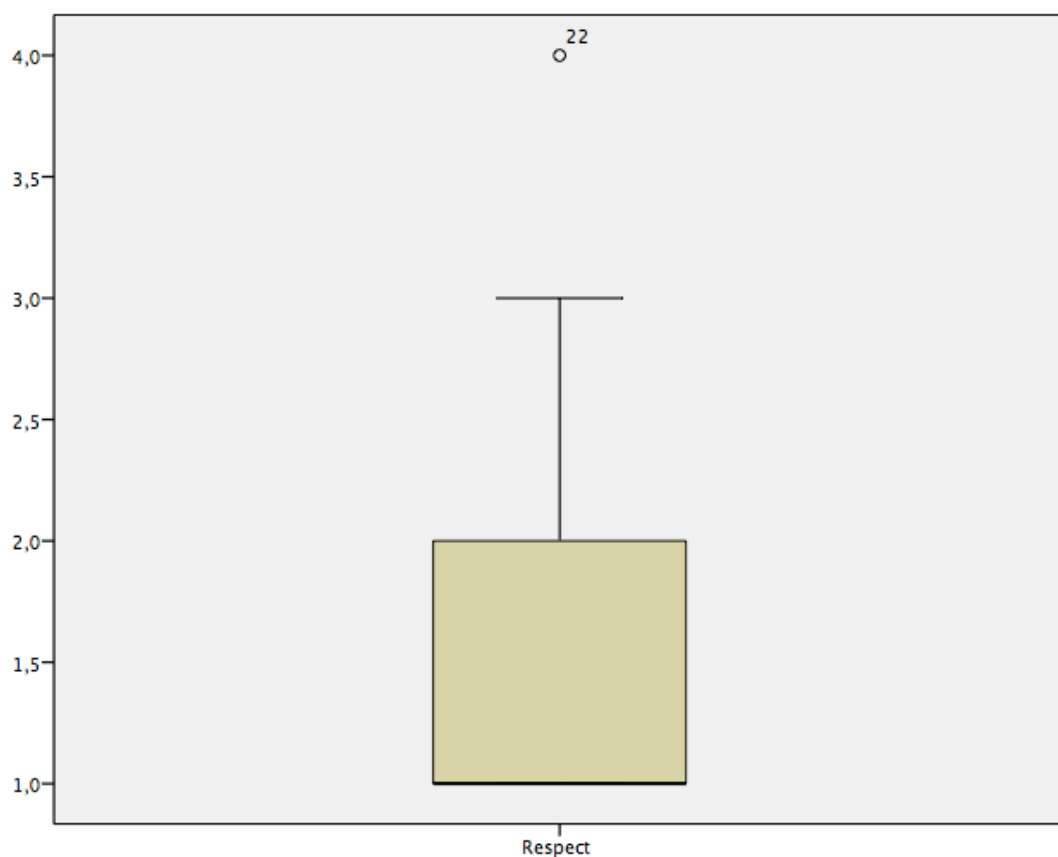
Some descriptive statistics of the variable 'respect' are shown in the table below. As a result, one can state that the participants not all have line managers that show respect in their opinion.

Table 34: Descriptive Statistics of variable 'respect'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Respect	125	3	1	4	1,41	,649	,421
Valid N (listwise)	125						

The next figure shows the distribution of the variable 'respect'. As you can see, there is one outlier but no extreme values.

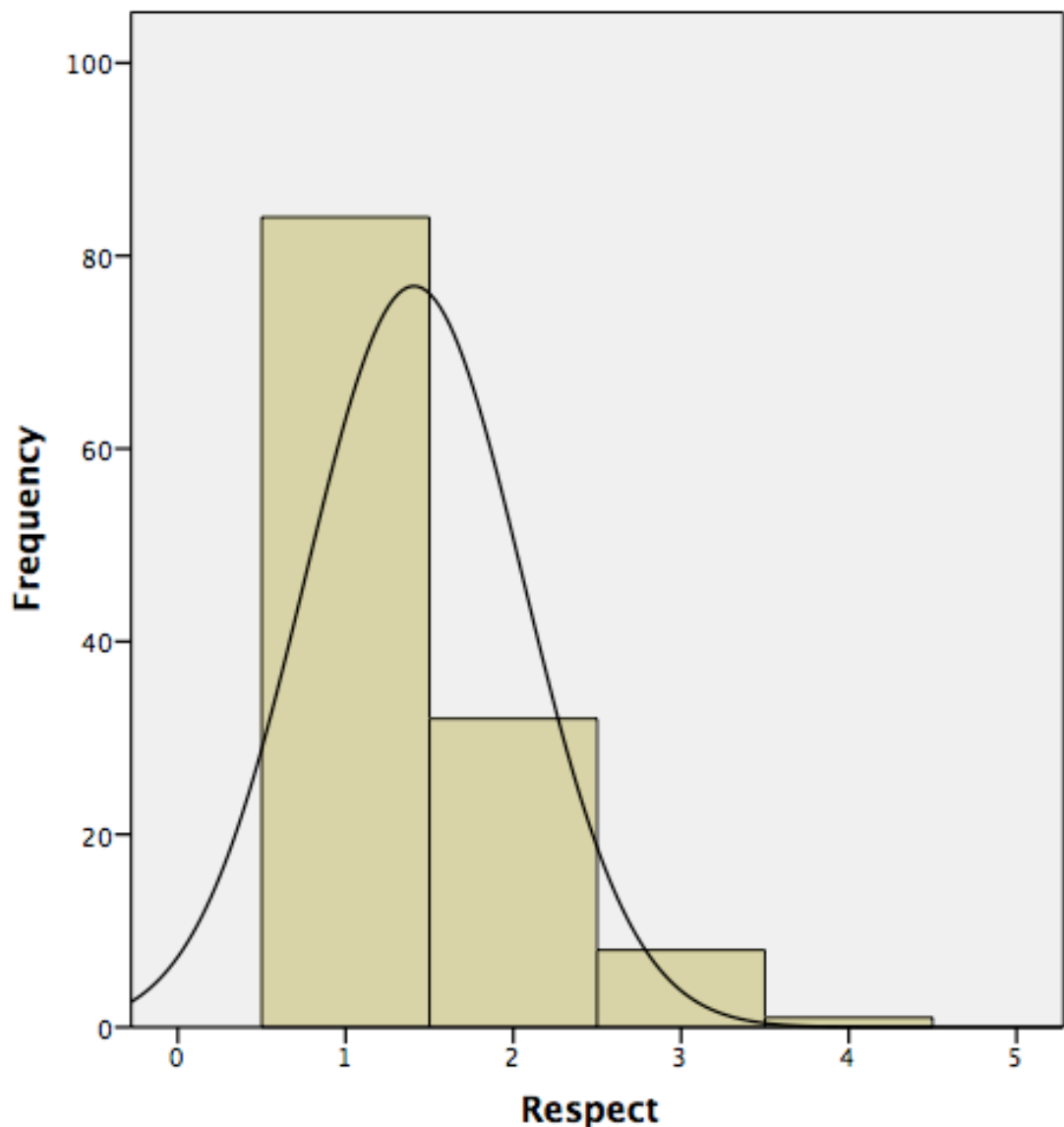
Figure 28: Boxplot with the distribution of variable 'respect'



The next figure shows the response to the value 'respect' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'respect' is apparently not perfectly normally

distributed, but that it roughly replicates the course of the normal distribution.

Figure 29: Histogram for variable 'respect' with normal distribution curve as a benchmark



The table below shows the result of two tests that verify if variable 'respect' is normally distributed in the population. Both tests have a significance value of 0.000. As a result, one cannot assume that the variable 'respect' is normally distributed in the population.

Table 35: Result of a normal distribution test for the variable 'respect'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Respect	,407	125	,000	,650	125	,000

a. Lilliefors Significance Correction

4.2.2.9 Partnership

The ninth cooperative management value being asked was 'partnership'. For this reason, the participants had to take position to the following statement:

'My line manager's work is based on partnership.'

45 participants answered with 'fully agree', 54 participants with '2', 20 participants with '3' and 6 participants with '4'.

Table 36: Response to variable 'partnership'

Partnership					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	fully agree	45	36,0	36,0	36,0
	2	54	43,2	43,2	79,2
	3	20	16,0	16,0	95,2
	4	6	4,8	4,8	100,0
	Total	125	100,0	100,0	

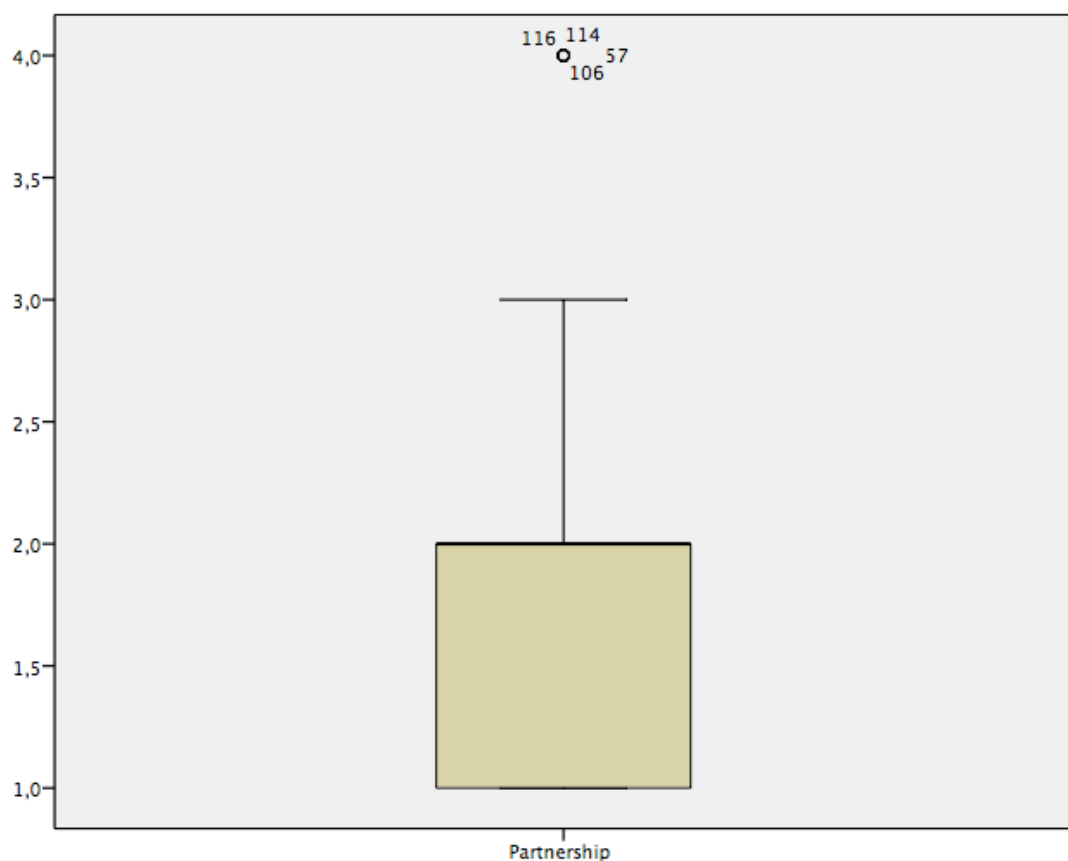
Some descriptive statistics of the variable 'partnership' are shown in the table below. As a result, one can state that the participants feel that not all of their line manager's work is based on partnership.

Table 37: Descriptive Statistics of variable 'partnership'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Partnership	125	3	1	4	1,90	,841	,707
Valid N (listwise)	125						

The next figure shows the distribution of the variable 'partnership'. As you can see, there are some outliers but no extreme values.

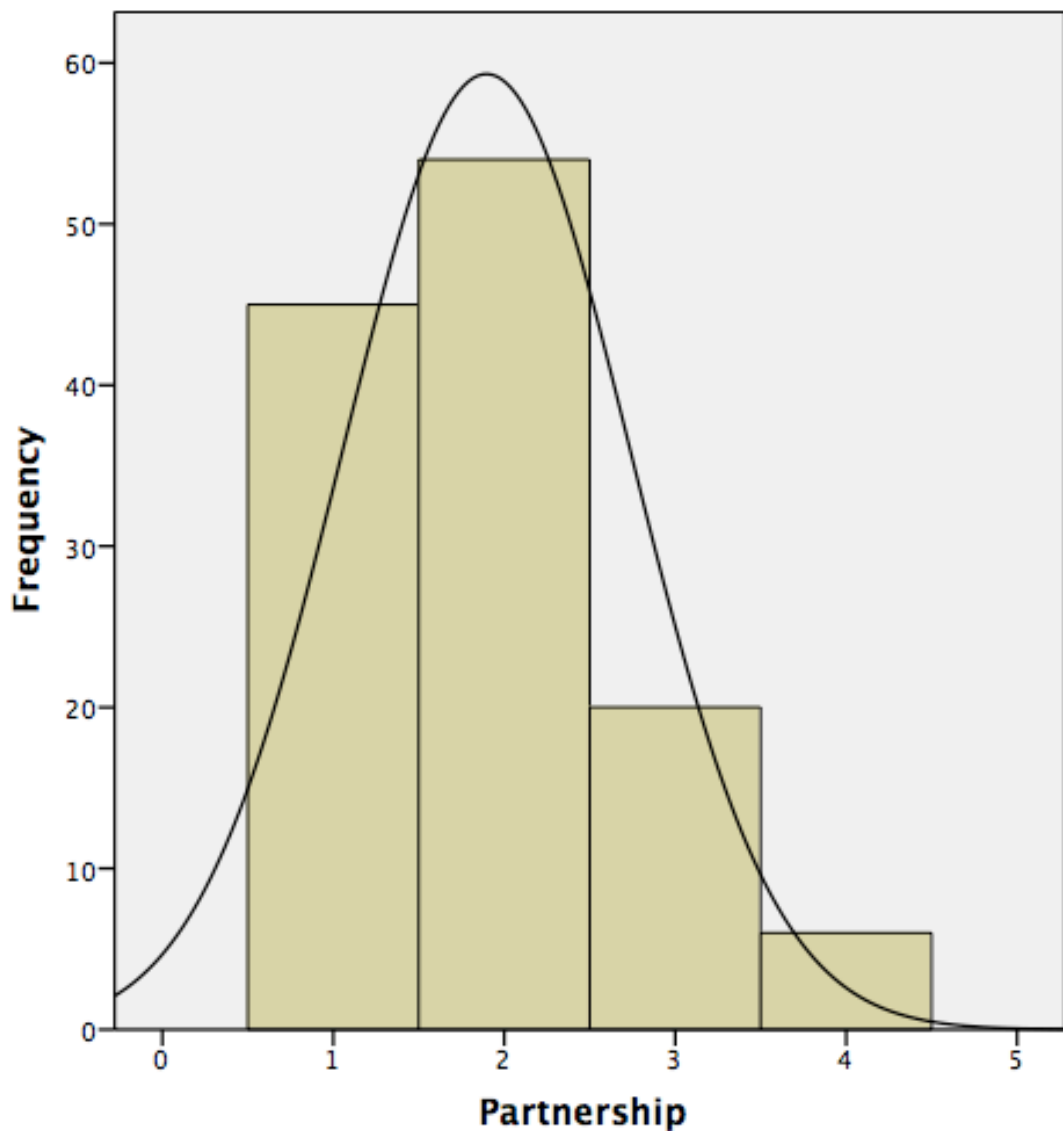
Figure 30: Boxplot with the distribution of variable 'partnership'



The next figure shows the response to the value 'partnership' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'partnership' is apparently not

perfectly normally distributed, but that it roughly replicates the course of the normal distribution

Figure 31: Histogram for variable 'partnership' with normal distribution curve as a benchmark



The table below shows the result of two tests that verify if variable 'partnership' is normally distributed in the population. Both tests have a significance value of 0.000. As a result, one cannot assume

that the variable 'partnership' is normally distributed in the population.

Table 38: Result of a normal distribution test for the variable 'partnership'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Partnership	,243	125	,000	,825	125	,000

a. Lilliefors Significance Correction

4.2.2.10 Responsibility

The tenth cooperative management value being asked was 'responsibility'. For this reason, the participants had to take position to the following statement:

'My line manager feels responsible for me.'

42 participants answered with 'fully agree', 60 participants with '2', 19 participants with '3', 3 participants with '4' and 1 participant with 'not at all'.

Table 39: Response to variable 'responsibility'

Responsibility		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	fully agree	42	33,6	33,6	33,6
	2	60	48,0	48,0	81,6
	3	19	15,2	15,2	96,8
	4	3	2,4	2,4	99,2
	not at all	1	,8	,8	100,0
	Total	125	100,0	100,0	

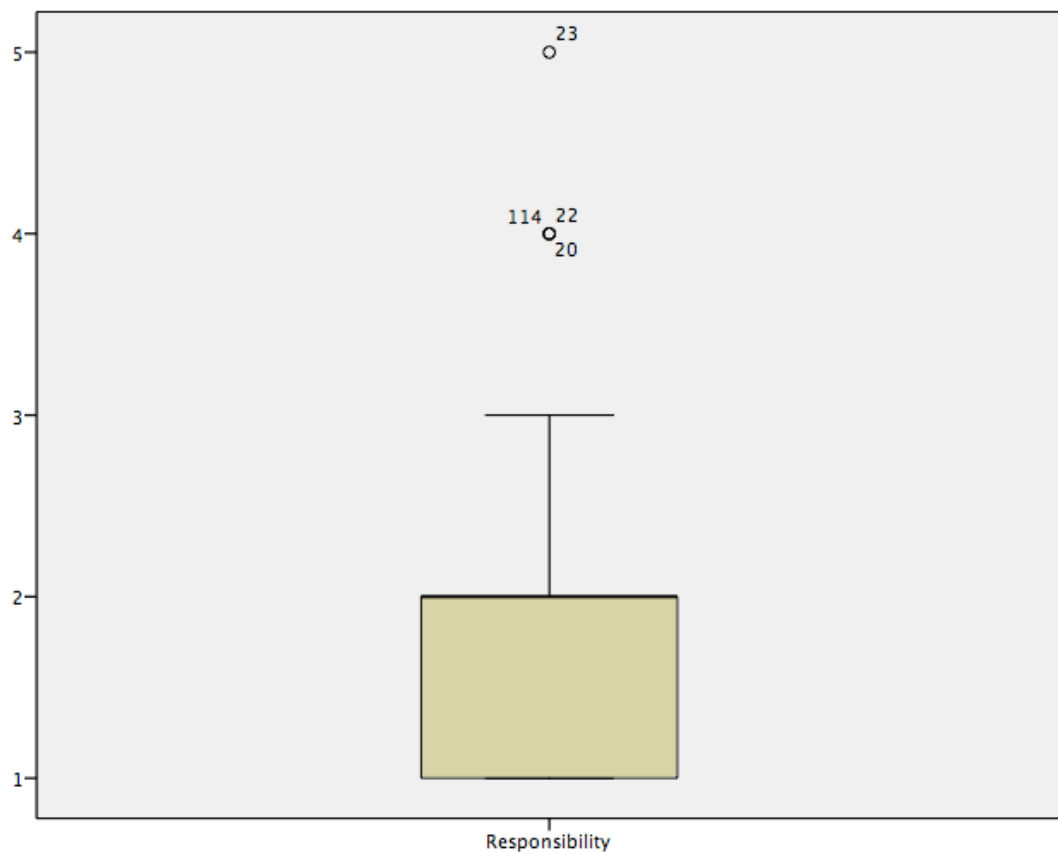
Some descriptive statistics of the variable 'responsibility' are shown in the table below. As a result, one can state that the participants feel that not all of their line manager feel responsible for them.

Table 40: Descriptive Statistics of variable 'responsibility'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Responsibility	125	4	1	5	1,89	,805	,649
Valid N (listwise)	125						

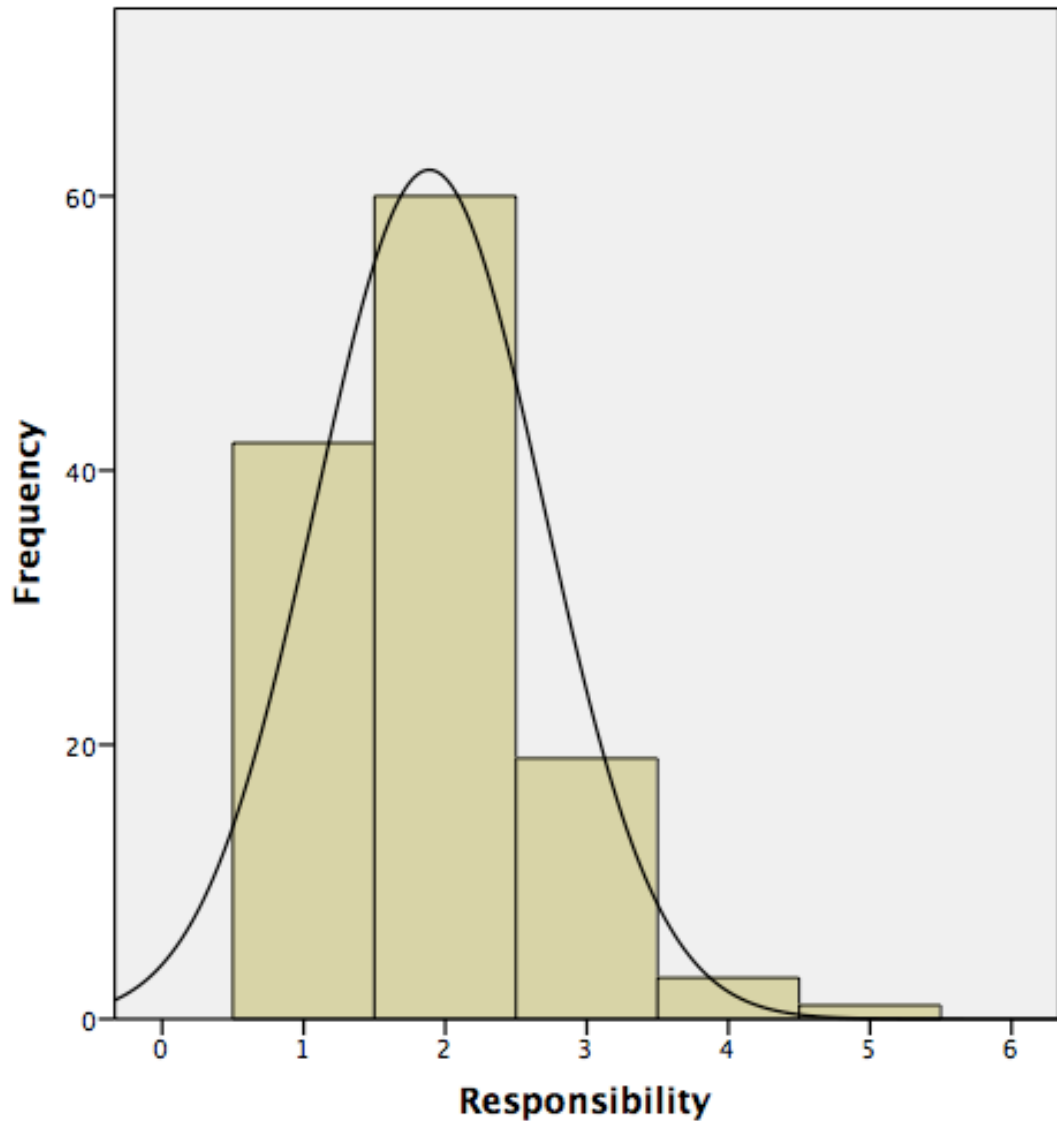
The next figure shows the distribution of the variable 'responsibility'. As you can see, there are some outliers but no extreme values.

Figure 32: Boxplot with the distribution of variable 'responsibility'



The next figure shows the response to the value 'responsibility' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'responsibility' is apparently not perfectly normally distributed, but that it roughly replicates the course of the normal distribution.

Figure 33: Histogram for variable 'responsibility' with normal distribution curve as a benchmark



The table below shows the result of two tests that verify if variable 'responsibility' is normally distributed in the population. Both tests have a significance value of 0.000. As a result, one cannot assume that the variable 'responsibility' is normally distributed in the population.

Table 41: Result of a normal distribution test for the variable 'responsibility'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Responsibility	,261	125	,000	,817	125	,000

a. Lilliefors Significance Correction

4.2.2.11 Solidarity

The last cooperative management value being asked was 'solidarity'. For this reason, the participants had to take position to the following statement:

'My line manager shows solidarity with me.'

43 participants answered with 'fully agree', 57 participants with '2', 18 participants with '3' and 7 participants with '4'.

Table 42: Response to variable 'solidarity'

Solidarity					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	fully agree	43	34,4	34,4	34,4
	2	57	45,6	45,6	80,0
	3	18	14,4	14,4	94,4
	4	7	5,6	5,6	100,0
	Total	125	100,0	100,0	

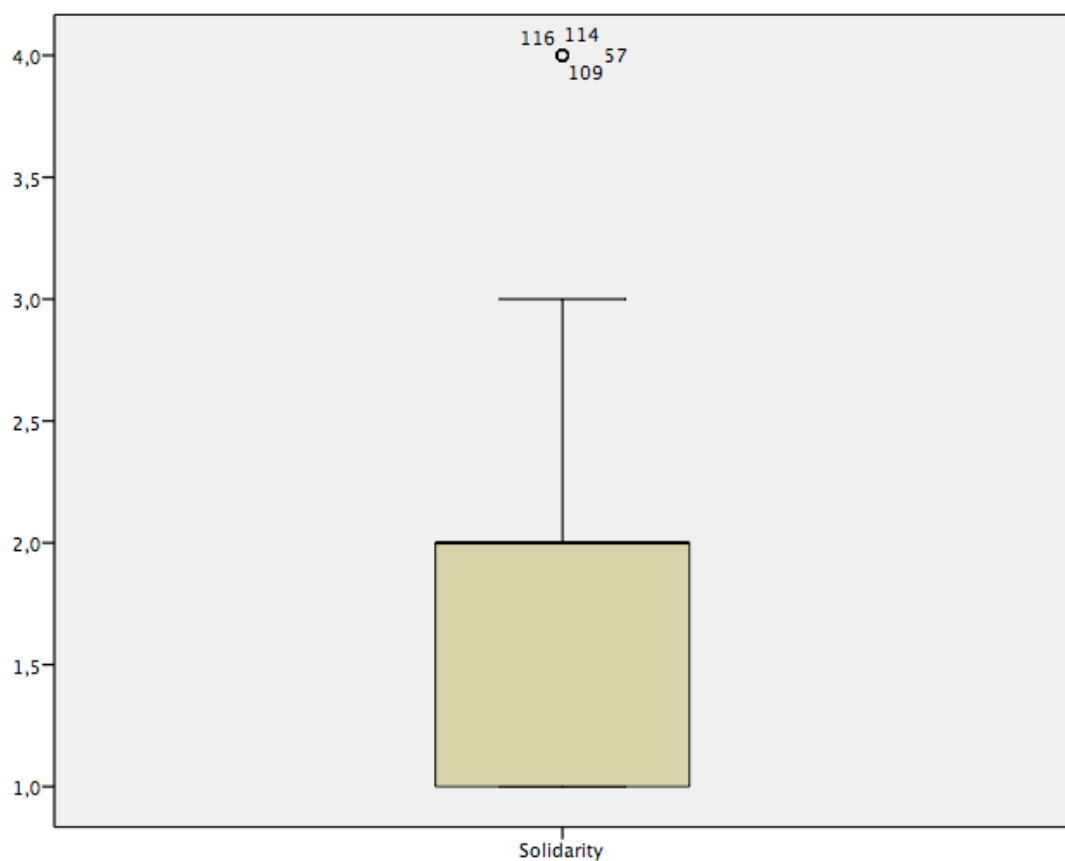
Some descriptive statistics of the variable 'solidarity' are shown in the table below. As a result, one can state that the participants feel that not all of their line manager's work is based on solidarity.

Table 43: Descriptive Statistics of variable 'solidarity'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Solidarity	125	3	1	4	1,91	,843	,710
Valid N (listwise)	125						

The next figure shows the distribution of the variable 'solidarity'. As you can see, there are some outliers but no extreme values.

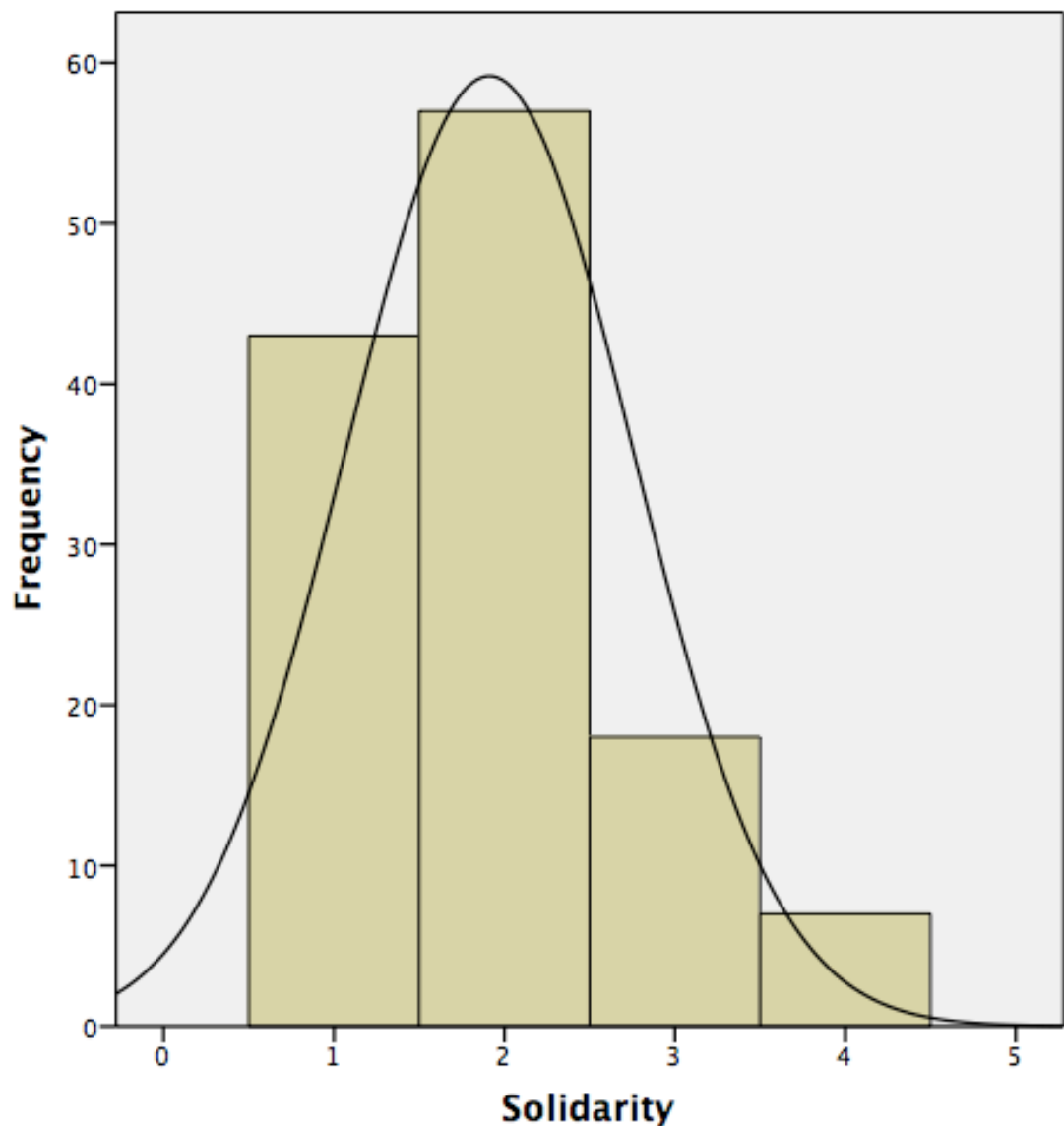
Figure 34: Boxplot with the distribution of variable 'solidarity'



The next figure shows the response to the value 'solidarity' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'solidarity' is apparently not perfectly

normally distributed, but that it roughly replicates the course of the normal distribution.

Figure 39: Histogram for variable 'solidarity' with normal distribution curve as a benchmark



The table below shows the result of two tests that verify if variable 'solidarity' is normally distributed in the population. Both tests have a significance value of 0.000. As a result, one cannot assume that the variable 'solidarity' is normally distributed in the population.

Table 44: Result of a normal distribution test for the variable 'solidarity'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Solidarity	,258	125	,000	,822	125	,000

a. Lilliefors Significance Correction

4.2.2.12 General Conclusion Management Culture

As a first general conclusion it has to be stated that the management culture is perceived on a high level by the participants. The highest arithmetic mean is 2.13 and the lowest 1.41.

The following ranking list shows the result at a glance:

Respect (Mean 1,41)

Confidence (Mean: 1,46)

Competence (Mean: 1,54)

Reliability (Mean: 1,62)

Responsibility (Mean: 1,89)

Partnership (Mean: 1,90)

Solidarity (Mean: 1,91)

Certainty (Mean: 1,92)

Common ground (Mean: 1,93)

Individuality (Mean: 2,07)

Fairness (Mean: 2,13)

In addition to that it was observable that all variables emulate the course of normal distribution over long distances very well. In such a case where the distribution appears at least approximately normally distributed, statistical tests presupposing a normal distribution can still be performed. One should only be more cautious (conservative) in interpreting the results of these tests (Brosius, 2017).

4.2.3 Performance Appraisal System

This part will show the results of the questions concerning the performance appraisal systems in the different banks. The participants had the opportunity to answer with 'Yes' or 'No' or to give no answer. Furthermore, there were some 'free text' parts.

4.2.3.1 Performance Appraisal for Employees

General Question: Do you have a performance appraisal system within your company?

105 participants answered with 'Yes' and 20 participants with 'No'.

Table 45: Performance appraisal system within bank

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	105	84,0	84,0	84,0
No	20	16,0	16,0	100,0
Total	125	100,0	100,0	

Statement: We have a top down system (Line manager evaluates employee).

110 participants answered with 'Yes' and 15 participants with 'No'.

Table 46: Top down system

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	110	88,0	88,0	88,0
No	15	12,0	12,0	100,0
Total	125	100,0	100,0	

Statement: The top down system is used.

94 participants answered with 'Yes' and 31 participants with 'No'.

Table 47: Top down system used

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	94	75,2	75,2	75,2
No	31	24,8	24,8	100,0
Total	125	100,0	100,0	

Statement: Poor results lead to counteractive measures.

79 participants answered with 'Yes' and 46 participants with 'No'.

Table 48: Poor results lead to counteractive measures

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	79	63,2	63,2	63,2
No	46	36,8	36,8	100,0
Total	125	100,0	100,0	

Question: What are these counteractive measures? Please give examples:

Free text

The different answers are shown in:

Appendix E

Free text comments concerning question about the performance appraisal system (counteractive measures after bad results)

The result is commented in last part of this section.

Statement: Cooperative values (exemplary: fairness, trust, respect, partnership etc.) are part of the performance appraisal system.

89 participants answered with 'Yes' and 36 participants with 'No'.

Table 49: Cooperative values in appraisal system

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	89	71,2	71,2	71,2
No	36	28,8	28,8	100,0
Total	125	100,0	100,0	

4.2.3.2 General Conclusion Performance Appraisal System

Most of the banks have a performance appraisal system implemented which is organized top-down. As the result shows, only 75 per cent are using this system. In addition to that only 63, 2 percent of the participants answer, that poor results lead to counteractive measures. In most cases these counteractive measures are the involvement of the next level manger, the work council, the HR

department which leads to less performance-orientated payments, qualification or in some cases separation.

At the end this result shows, that there is still development need in a lot of banks.

4.2.3.3 Feedback for Executives

Statement: We have a feedback system for executives / bottom up (employee evaluates line manager).

88 participants answered with 'Yes' and 37 participants with 'No'.

Table 50: Feedback for executives

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	88	70,4	70,4	70,4
	No	37	29,6	29,6	100,0
	Total	125	100,0	100,0	

Statement: The feedback system for executives is used.

79 participants answered with 'Yes' and 46 participants with 'No'.

Table 51: Feedback system for executives is used

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	79	63,2	63,2	63,2
	No	46	36,8	36,8	100,0
	Total	125	100,0	100,0	

Statement: Poor results lead to counteractive measures

66 participants answered with 'Yes' and 59 participants with 'No'.

Table 52: Poor results lead to counteractive measures

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	66	52,8	52,8	52,8
No	59	47,2	47,2	100,0
Total	125	100,0	100,0	

Question: What are these counteractive measures? Please give examples:

Free text

The different answers are shown in:

Appendix F

Free text comments concerning question about the feedback system for executives (counteractive measures after bad results)

The result is commented in last part of this section.

Statement Cooperative values (exemplary: fairness, trust, respect, partnership etc.) are part of the feedback system for executives.

89 participants answered with 'Yes' and 36 participants with 'No'.

Table 53: Cooperative values part of feedback system for executives

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	89	71,2	71,2	71,2
No	36	28,8	28,8	100,0
Total	125	100,0	100,0	

4.2.3.4 General Conclusion Feedback System for Executives

In comparison to the results of the findings about the performance appraisal for employees it is observable that less banks have implemented a feedback system for executives. Counteractive measures are less strong.

4.2.4 General comments of participants

Free text

The different answers are shown in:

Appendix C

Free text comments concerning general comments of the participants

The result is commented on below.

4.2.4.1 General Conclusion on general comments of participants

The general comments encouraged the author of this thesis to work on the theme of values-based leadership because it also emphasized the high importance of the topic.

4.2.5 Financial Figures of Cooperative Banks

This part will show the results of the financial figures in the different banks based on CAMEL Rating framework as presented in Section 2.2.4.. This model has been used with the intension of ranking the selected banks in order to analyse the financial condition of the banks much more uncomplicated. This method related the performance of each bank to the performance of the other banks. The selected banks have been ranked based on their performances in each of the sub-parameter. As next step the ranking in the sub-parameters have been contracted based on simple average technique to reach at the ranking in the CAMEL parameters. At the end, these ranking in CAMEL parameters have been averaged to get into the final ranking in the CAMEL model (International Journal of Economics and Finance Vol. 10, No. 1; 2018). In the study, as mentioned before, fifty-three cooperative banks have been chosen as samples to meet the purpose of the study. Data for analysis has been collected from the banks' annual reports for the period 2018-2020.

Table 54: Description of the parameters and sub-parameters of CAMEL Model

CAMEL Parameters	Denotation	Sub-Parameters	Acronym
Capital Adequacy	C1	(Tire-1 Capital+ Tire-2 Capital) /Risk-weighted Assets	CAR
	C2	Total Equity /Total Assets	TE/TA
	C3	Total Debt/Total Assets	TD/TA
	C4	Govt. Securities/Total Investment	GS/TI
Asset Quality	A1	Financial Assets/Total Assets	FIN-A/TA
	A2	Total Investment/Total Assets	TI/TA
	A3	Non-performing Loans/Total Loan	NPL/TL
	A4	Fixed Assets/Total Assets	FA/TA
	A5	Loan loss provision/Total Loan	LLP/TL
	A6	Total Loan/ Total Assets	TL/TA
Management Efficiency	M1	Profit Per Employee	PPE
	M2	Business Per Employee	BPE
	M3	Funds Borrowed/Total Asset	FB/TA
	M4	Cost /Income	OI/OE
	M5	Total Loan/Total Deposit	TL/TD
Earnings Quality	E1	Net Profit(Loss)/Total Assets	ROA
	E2	Net Profit(Loss)/Total Equity	ROE
	E3	Operating Profit/Total Assets	EBIT/TA
	E4	Net Interest Income/Total Assets	NII/TA
	E5	Non Interest Income/Total Assets	NON -II/TA
Liquidity	L1	Liquid Assets/Total Assets	LA/TA
Management	L2	Liquid Assets/Short-term Liabilities	LA/SL
	L3	Liquid Assets/Total Deposit	LA/TD
	L4	Govt. Securities/Total Asset	GS/TA

Source: International Journal of Economics and Finance Vol. 10, No. 1; 2018

4.2.5.1 Capital Adequacy

Capital Adequacy is one of the significant demonstrators that show the inner strength of a bank.

Table 55: Capital adequacy ratios of sample banks

BANK	CAR		TE/TA		TD/TA		GS/TI		GROUP	
	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK
1	13,80%	48	5,79%	53	94,33%	53	11,24%	18	43,00	52
2	17,50%	16,5	11,09%	12	90,01%	17	0,95%	50	23,88	22
3	12,90%	53	10,28%	31	89,60%	7	7,74%	28	29,75	30,5
4	15,00%	42	9,33%	43	91,20%	36	9,87%	23	36,00	43
5	14,03%	47	9,18%	44	91,00%	33	4,49%	38	40,50	49,5
6	14,37%	45	10,04%	34	90,80%	30	7,80%	27	34,00	40
7	13,13%	51	10,45%	29	89,63%	8	16,78%	8	24,00	23
8	17,07%	22	13,45%	2	87,48%	2	10,55%	20	11,50	4
9	19,43%	6	11,99%	6	89,03%	5	2,63%	43	15,00	5
10	13,43%	50	9,76%	38	92,91%	48	4,97%	34	42,50	49,5
11	19,40%	7	10,65%	23	90,10%	20	11,03%	19	17,25	9
12	16,00%	35	7,87%	52	92,03%	46	32,00%	2	33,75	39
13	15,47%	38	9,58%	39,5	91,37%	40	17,89%	6	30,88	34
14	14,97%	43	9,17%	45	90,66%	29	17,73%	7	31,00	35
15	12,93%	52	8,60%	49	91,46%	41	1,47%	46	47,00	53
16	16,53%	25	8,96%	47,5	91,99%	45	9,18%	25	35,63	42
17	16,03%	33,5	10,88%	17	89,99%	16	2,37%	44	27,63	28
18	22,20%	3	12,81%	3	88,71%	4	9,69%	24	8,50	2
19	18,33%	11	10,64%	24	89,67%	9	1,08%	49	23,25	19
20	18,17%	12,5	10,66%	22	90,08%	18	0,67%	51	25,88	26
21	13,57%	49	10,20%	32,5	90,50%	25	4,01%	39	36,38	45
22	15,13%	41	9,53%	41	91,06%	34	7,42%	29	36,25	44
23	17,47%	18	10,50%	26,5	90,16%	21	10,42%	21	21,63	15,5
24	14,57%	44	9,58%	39,5	90,83%	32	14,27%	11	31,63	37
25	14,10%	46	9,45%	42	91,32%	39	31,18%	3	32,50	38
26	16,20%	31	8,21%	51	92,29%	47	13,35%	13	35,50	41
27	15,25%	39	8,99%	46	93,80%	51	4,88%	35	42,75	51
28	19,35%	8	11,62%	7	94,21%	52	11,46%	17	21,00	14
29	16,03%	33,5	9,93%	35,5	90,44%	24	55,66%	1	23,50	20
30	15,17%	40	8,55%	50	91,09%	35	6,05%	32	39,25	48
31	22,23%	2	12,38%	4	88,51%	3	7,88%	26	8,75	3
32	19,67%	5	12,34%	5	87,34%	1	19,13%	5	4,00	1
33	18,17%	12,5	11,28%	9	89,48%	6	3,21%	40	16,88	8
34	16,27%	27,5	10,49%	28	90,32%	22	4,61%	37	28,63	29
35	16,87%	23	10,95%	15	89,97%	14,5	2,80%	42	23,63	21
36	15,63%	36	10,82%	19	90,43%	23	13,67%	12	22,50	18
37	18,87%	9	11,17%	10	89,89%	12	5,55%	33	16,00	7
38	22,30%	1	10,85%	18	89,76%	10	2,25%	45	18,50	11
39	16,10%	32	10,32%	30	90,82%	31	12,23%	16	27,25	27
40	18,83%	10	11,31%	8	89,83%	11	0,00%	52,5	20,38	12
41	16,27%	27,5	10,73%	21	90,53%	27,5	1,29%	47	30,75	33
42	17,40%	19	10,50%	26,5	90,52%	26	12,83%	15	21,63	15,5
43	16,00%	34	10,78%	20	90,09%	19	14,90%	10	20,75	13
44	16,40%	26	8,96%	47,5	91,98%	44	7,22%	30	36,88	46
45	17,50%	16,5	9,93%	35,5	91,29%	38	6,19%	31	30,25	32
46	17,30%	20	11,07%	13,5	89,97%	14,5	9,90%	22	17,50	10
47	16,67%	24	9,91%	37	91,27%	37	0,00%	52,5	37,63	47
48	15,50%	37	11,14%	11	89,94%	13	2,81%	41	25,50	25
49	17,20%	21	10,20%	32,5	91,89%	43	23,28%	4	25,13	24
50	21,40%	4	15,95%	1	91,84%	42	12,87%	14	15,25	6
51	17,84%	14	10,55%	25	93,68%	50	4,72%	36	31,25	36
52	16,27%	27,5	10,90%	16	90,53%	27,5	1,11%	48	29,75	30,5
53	17,51%	15	11,07%	13,5	93,54%	49	16,54%	9	21,63	15,5

Source: Authors' own calculation

Table 55 is constructed based on the individual rankings received from the sub-parameters of capital adequacy which indicates the financial strength and financial stability of the different banks. The average of the ranking in the individual parameters has been taken. A lower consolidated group rank indicates the better financial health. The final ranking based on all the capital adequacy sub-parameters

indicates that 'Bank 32' has stood at the top position with a group average of 4.00 and 'Bank 15' has held the lowest position with a group average of 47.00 due to poor performance in capital adequacy.

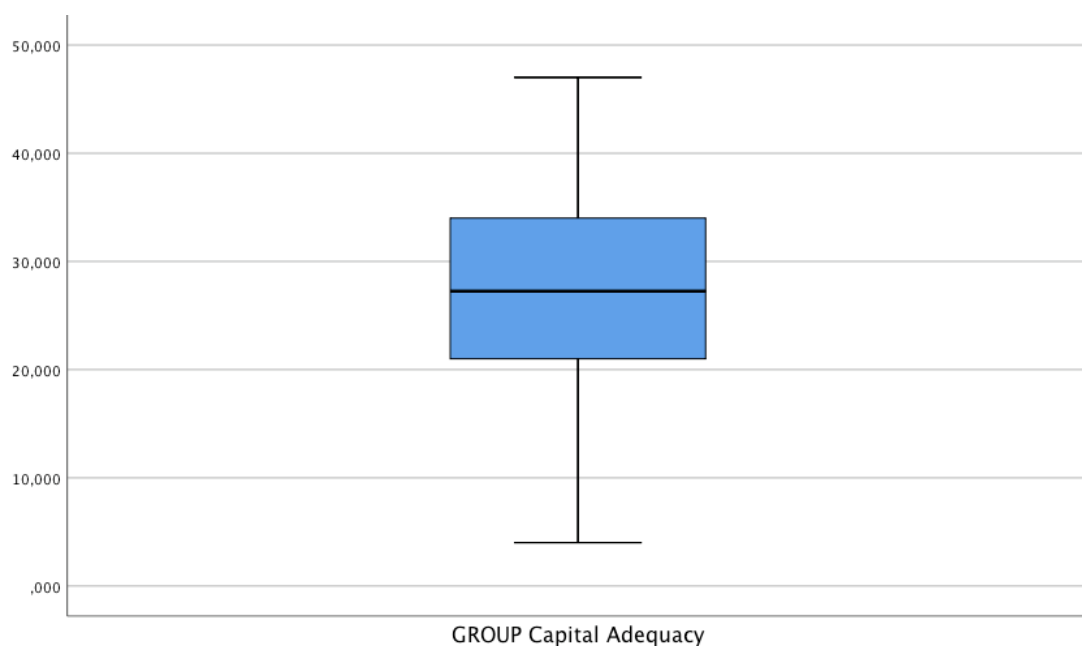
In analogy to the procedure for the results of the survey on cooperative values, some descriptive statistics of the variable 'capital adequacy' are shown in the table below.

Table 56: Descriptive Statistics of variable 'capital adequacy'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
GROUP Capital Adequacy	53	43,000	4,000	47,000	27,01179	9,631000	92,756
Valid N (listwise)	53						

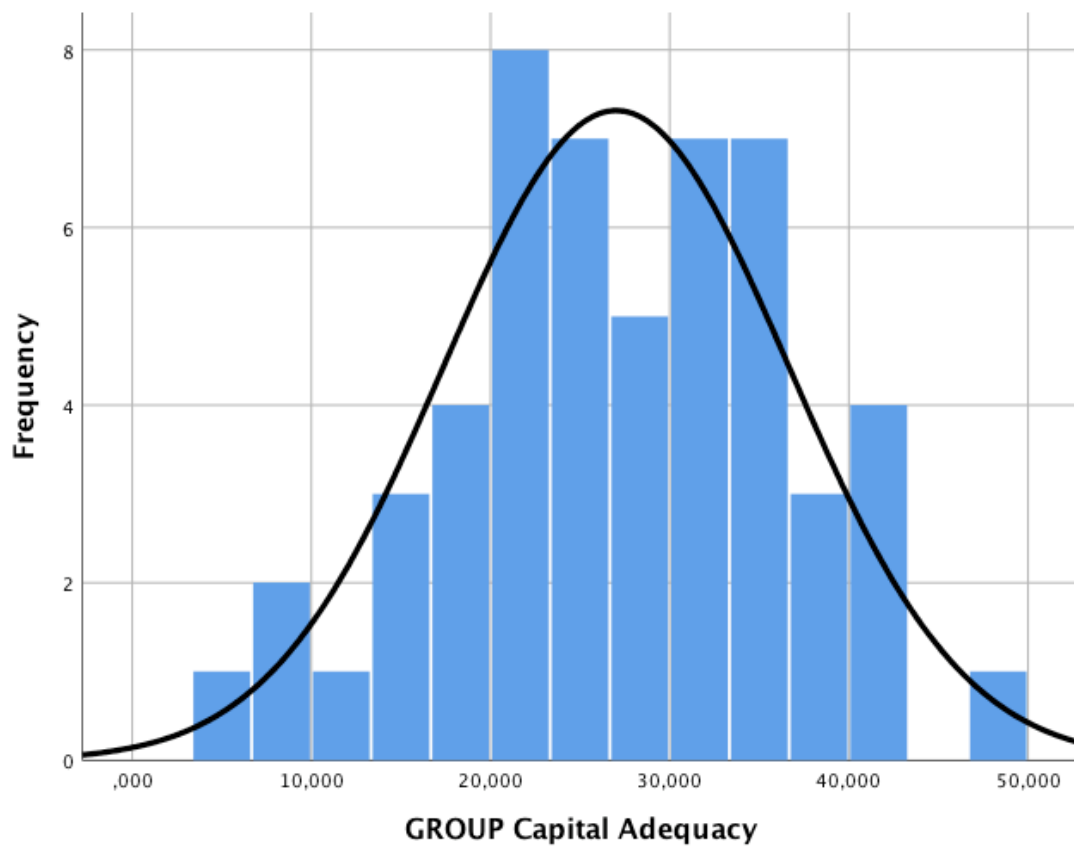
The next figure shows the distribution of the variable 'capital adequacy'. As you can see, there are no outliers and extreme values.

Figure 36: Boxplot with the distribution of variable 'capital adequacy'



The next figure shows the response to the value 'capital adequacy' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'capital adequacy' is apparently not perfectly normally distributed, but that it roughly replicates the course of the normal distribution.

Figure 37: Histogram for variable 'capital adequacy' with normal distribution curve as a benchmark



As shown in the table below, the tests of normality have a significance of 0.2 and 0.925. From this it can be concluded that the variable 'capital adequacy' is normally distributed in the population.

Table 57: Result of a normal distribution test for the variable 'capital adequacy'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
GROUP Capital Adequacy	,065	53	,200 [*]	,990	53	,925

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

4.2.5.2 Asset Quality

A bank's financial strength is also reflected in the quality of its assets.

Table 58: Asset quality ratios of sample banks

BANK	FIN-A/TA		TI/TA		NPL/TL		FA/TA		LLP/TL		TL/TA		Group	
	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK
1	99,25%	3	34,97%	5	2,86%	38	0,84%	3	0,83%	15	53,37%	50	19,00	4
2	98,83%	19	29,33%	8	1,39%	13	1,17%	19	0,32%	45,5	54,73%	45,5	25,00	21,5
3	98,25%	35	7,24%	51	3,23%	42	1,75%	34	0,82%	16	84,14%	1	29,83	32
4	98,07%	36	23,34%	22	1,84%	24	1,93%	36	0,49%	34	64,05%	35	31,17	39,5
5	97,10%	47,5	27,13%	11	0,92%	5	2,90%	47,5	0,27%	48	60,97%	40	33,17	46
6	99,11%	4	20,16%	26	1,51%	16,5	0,89%	4	0,48%	35	71,69%	17	17,08	2
7	85,05%	53	6,46%	53	2,57%	33	14,95%	53	0,70%	22,5	66,74%	26	40,08	53
8	98,72%	23	14,35%	41	2,29%	29,5	1,28%	23	0,61%	28,5	76,44%	5	25,00	21,5
9	98,94%	14,5	25,86%	15	2,68%	35	1,03%	14	1,06%	6	64,77%	32	19,42	5
10	99,01%	10	7,68%	50	1,71%	20	0,99%	10	0,58%	30,5	74,33%	10	21,75	10,5
11	97,95%	40	23,80%	21	1,21%	9	2,05%	40	0,43%	39	64,74%	33	30,33	35,5
12	99,03%	9	13,79%	43	1,74%	21	0,97%	9	0,46%	37	78,48%	3	20,33	8
13	98,45%	29	14,95%	38	1,95%	25	1,55%	29	0,50%	33	66,60%	27	30,17	34
14	96,76%	50	17,79%	31	1,44%	15	3,24%	50	0,70%	22,5	70,50%	21	31,58	41
15	99,40%	1	7,16%	52	3,68%	48	0,60%	1	0,99%	8	78,63%	2	18,67	3
16	98,31%	31,5	13,76%	44	1,24%	11	1,69%	31,5	0,47%	36	71,06%	18	28,67	28
17	97,51%	42	19,62%	27	2,29%	29,5	2,49%	42	0,75%	19	69,16%	25	30,75	38
18	97,10%	47,5	37,29%	2	3,85%	50	2,90%	47,5	0,72%	21	37,91%	53	36,83	51
19	98,99%	13	19,59%	28	1,79%	22,5	1,01%	13	0,51%	32	69,60%	24	22,08	12
20	99,05%	8	24,59%	18	3,13%	40	0,95%	8	0,58%	30,5	61,34%	39	23,92	17
21	98,28%	33	28,82%	9	3,97%	51	1,72%	33	1,32%	2	57,72%	43	28,50	27
22	99,06%	7	27,32%	10	2,81%	37	0,94%	7	0,78%	18	60,06%	42	20,17	50
23	95,20%	51	22,06%	23	3,00%	39	4,80%	51	1,00%	7	65,36%	31	33,67	48
24	98,94%	14,5	11,77%	48	1,43%	14	1,06%	15	0,45%	38	76,76%	4	22,25	13
25	98,86%	17,5	10,72%	49	5,05%	52	1,14%	17,5	1,98%	1	70,57%	20	26,17	25
26	99,00%	11,5	18,55%	30	2,13%	26	1,00%	11,5	0,61%	28,5	65,85%	29	22,75	15
27	97,43%	44	13,82%	42	1,57%	18	2,57%	44	0,42%	40	73,76%	13	33,50	47
28	98,31%	31,5	18,90%	29	1,37%	12	1,69%	31,5	0,41%	41,5	66,59%	28	28,92	29
29	97,83%	41	11,80%	47	1,09%	8	2,17%	41	0,25%	49	75,09%	7	32,17	43
30	98,55%	27	25,54%	16	2,23%	27	1,45%	27	0,70%	22,5	63,27%	36	25,92	24
31	98,21%	35	25,93%	14	1,51%	16,5	1,79%	35	0,39%	43	53,50%	49	32,08	42
32	98,54%	28	15,75%	34	0,64%	2	1,46%	28	0,23%	50	74,03%	11	25,50	23
33	98,60%	26	16,36%	33	1,08%	7	1,40%	26	0,32%	45,5	74,87%	8	24,25	18
34	96,77%	49	14,70%	39	3,17%	41	3,23%	49	0,73%	20	73,57%	15	35,50	49
35	99,09%	5,5	14,68%	40	3,64%	46,5	0,91%	5,5	0,86%	14	73,38%	16	21,25	9
36	99,09%	5,5	15,67%	35	5,49%	53	0,91%	5,5	1,24%	5	73,71%	14	19,67	6
37	98,92%	16	31,49%	6	1,79%	22,5	1,08%	16	0,65%	26	57,36%	44	21,75	10,5
38	99,00%	11,5	37,30%	1	2,56%	32	1,00%	11,5	0,64%	27	50,72%	51	22,33	14
39	98,70%	24	21,45%	25	0,91%	4	1,30%	24	0,90%	13	65,84%	30	20,00	7
40	98,68%	25	35,38%	4	1,68%	19	1,32%	25	0,41%	41,5	39,58%	52	27,75	26
41	98,77%	20,5	26,83%	12,5	3,58%	44	1,23%	20,5	1,27%	3,5	55,73%	45,5	24,42	19
42	97,96%	39	24,57%	19	1,03%	6	2,04%	39	0,20%	51	60,31%	41	32,50	44
43	98,06%	37	12,76%	46	3,55%	43	1,94%	37	0,98%	9	73,77%	12	30,67	37
44	98,01%	38	36,17%	3	2,28%	28	1,99%	38	0,69%	25	54,47%	48	30,00	33
45	98,43%	30	24,00%	20	3,64%	46,5	1,57%	30	0,93%	12	62,06%	37	29,25	31
46	98,86%	17,5	29,95%	7	3,80%	49	1,14%	17,5	0,95%	10	61,34%	38	23,17	16
47	98,75%	22	25,09%	17	2,62%	34	1,25%	22	0,32%	45,5	64,63%	34	29,08	30
48	99,27%	2	15,06%	37	2,39%	31	0,73%	2	0,79%	17	76,42%	6	15,83	1
49	94,40%	52	13,30%	45	0,62%	1	5,60%	52	0,09%	53	70,30%	22	37,50	52
50	97,27%	45	15,24%	36	2,75%	36	2,73%	45	0,94%	11	74,77%	9	30,33	35,5
51	97,45%	43	21,50%	24	1,22%	10	2,55%	43	0,36%	44	69,73%	23	31,17	39,5
52	98,77%	20,5	26,83%	12,5	3,58%	45	1,23%	20,5	1,27%	3,5	55,73%	45,5	24,58	20
53	97,22%	46	17,12%	32	0,71%	3	2,78%	46	0,13%	52	70,79%	19	33,00	45

Source: Authors' own calculation

Table 58 clearly shows the results of individual components of asset quality. According to the group average of asset quality sub-parameters, 'Bank 48' has stood at the top position with group average of

15.83. Due to its poor performance in all sub-parameters ratios, 'Bank 7' has scored the lowest position with group average of 40.08.

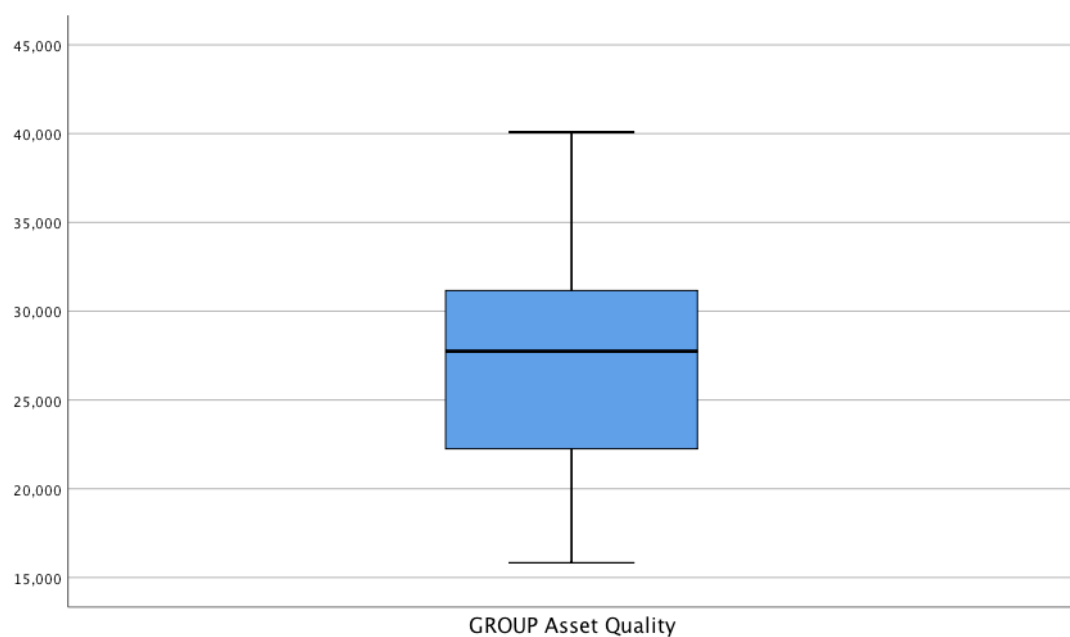
Some descriptive statistics of the variable 'asset quality' are shown in the table below.

Table 59: Descriptive Statistics of variable 'asset quality'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
GROUP Asset Quality	53	24,250	15,833	40,083	26,98899	5,690937	32,387
Valid N (listwise)	53						

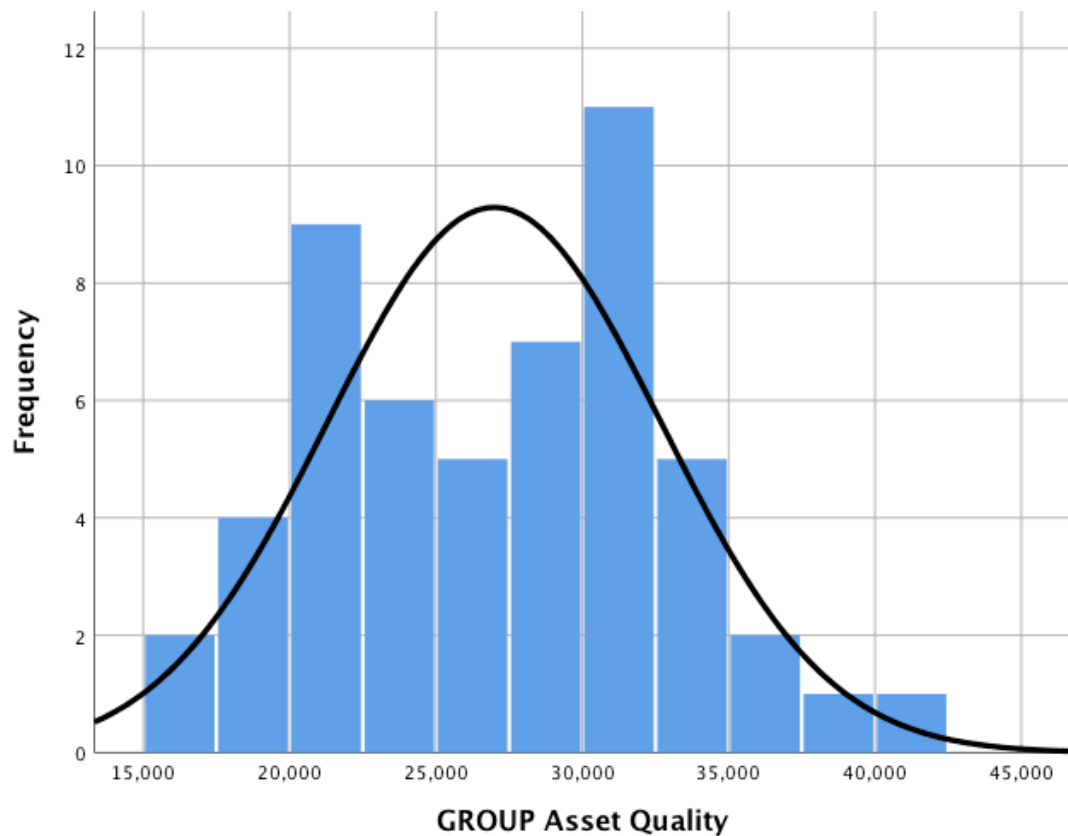
The next figure shows the distribution of the variable 'asset quality'. As you can see, there are no outliers and extreme values.

Figure 38: Boxplot with the distribution of variable 'asset quality'



The next figure shows the response to the value 'asset quality' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'asset quality' is apparently not perfectly normally distributed, but that it roughly replicates the course of the normal distribution.

Figure 39: Histogram for variable 'asset quality' with normal distribution curve as a benchmark



As shown in the table below, the tests of normality have a significance of 0.2 and 0.397. From this it cannot be concluded that the variable 'asset quality' is normally distributed in the population.

Table 60: Result of a normal distribution test for the variable 'asset quality'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
GROUP Asset Quality	,095	53	,200 [*]	,977	53	,397

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

4.2.5.3 Management Efficiency

Management efficiency is the third parameter of CAMEL model that ensures the survival and growth of a bank.

Table 61: Management efficiency ratios of sample banks

BANK	PPE (Euros)		BPE (Euros)		FB/TA		OI/OE		TL/TD		Group	
	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK
1	18734,05	50	36391916,07	2	19,04%	12	77,41%	49	73,05%	43	31,20	31
2	22049,66	48	5004076,93	53	17,50%	15	71,78%	44	76,87%	40	40,00	49
3	41944,71	15	7913295,11	14	47,47%	1	59,63%	8	203,49%	1	7,80	3
4	54738,77	7	7188646,27	24	13,87%	25	64,50%	24	84,51%	32	22,40	18,5
5	22093,44	46	6060137,11	44	17,56%	14	75,98%	48	83,65%	34	37,20	45,5
6	30230,88	32	6786270,56	31	6,01%	50	64,47%	23	62,12%	50	37,20	45,5
7	50580,44	9	6023062,82	45	16,27%	17	86,34%	53	92,86%	24	29,60	28
8	35446,38	27	173646984,46	1	17,93%	13	64,21%	22	111,29%	5	13,60	8
9	30373,16	31	7327872,58	21	21,88%	6	62,41%	14	98,28%	13	17,00	11
10	92294,25	1	7739592,10	16	25,35%	3	47,53%	1	117,74%	3	4,80	2
11	35448,35	26	6560784,21	38	15,82%	20	66,53%	29	94,51%	20	26,60	24
12	60704,84	5	9511733,67	3	30,03%	2	57,90%	7	129,39%	2	3,80	1
13	24333,07	41	6676247,51	35	16,20%	19	69,93%	42	90,22%	26	32,60	35
14	47576,91	12	8080650,93	11	22,61%	4	61,57%	11	109,22%	8	9,20	4
15	24213,25	42	6630940,35	37	21,03%	9	63,90%	18,5	115,46%	4	22,10	16
16	31411,72	30	7867885,56	15	10,80%	33	69,44%	40	95,02%	19	27,40	26
17	21427,43	49	5308439,72	51	19,84%	11	68,63%	36	102,06%	11	31,60	32
18	17073,37	52	5294892,55	52	4,74%	52	80,83%	52	47,06%	53	52,20	53
19	35938,98	25	6211124,59	41	11,65%	32	66,46%	28	89,91%	27	30,60	29
20	27490,68	37	6838085,93	30	8,99%	39	67,86%	34	76,40%	41	36,20	42
21	28020,63	35	5760834,70	49	6,21%	49	69,30%	38	69,61%	45	43,20	52
22	22259,86	45	6741939,12	32	7,65%	47	68,81%	37	73,67%	42	40,60	51
23	29374,33	33	5964664,48	46	8,87%	40	69,31%	39	83,92%	33	38,20	47
24	22064,18	47	6945243,66	28	16,22%	18	67,00%	30	105,21%	9	26,40	23
25	66327,65	4	5861991,98	48	14,60%	24	67,47%	33	93,03%	22	26,20	22
26	58081,61	6	8344783,10	7	10,21%	34,5	65,97%	27	81,33%	38	22,50	20
27	89350,44	2	8301109,06	8	13,56%	27	65,65%	26	95,74%	18	16,20	10
28	29077,38	34	5954578,45	47	7,76%	46	61,65%	12	82,01%	39	35,60	40,5
29	27934,44	36	7360708,71	20	8,47%	42	69,70%	41	93,00%	23	32,40	34
30	41422,71	16	6370241,68	40	12,50%	29	71,97%	45	81,84%	37	33,40	37,5
31	23410,37	44	8601072,15	5	3,92%	53	67,07%	31	65,10%	49	36,40	43
32	40724,84	17	8495285,36	6	9,97%	36	57,51%	6	97,93%	14	15,80	9
33	53238,26	8	7592636,03	17	15,06%	22	52,10%	3	102,21%	10	12,00	6
34	25613,62	40	5513176,25	50	13,60%	26	73,03%	46	97,81%	16	35,60	40,5
35	39818,15	19	6655398,83	36	9,55%	37	62,60%	15	94,03%	21	25,60	21
36	33059,76	29	7164014,68	25	15,58%	21	64,67%	25	100,03%	12	22,40	18,5
37	49788,64	11	8068013,81	12	10,21%	34,5	55,37%	4	72,82%	44	21,10	15
38	24044,68	43	8038764,73	13	5,66%	51	70,27%	43	61,53%	51	40,20	50
39	26285,53	39	6937888,14	29	12,33%	30	60,44%	9	85,12%	31	27,60	27
40	18117,59	51	7133348,43	26	16,31%	16	78,81%	50	54,98%	52	39,00	48
41	36916,24	23,5	6687052,98	33,5	8,40%	43,5	63,90%	18,5	68,89%	46,5	33,10	36
42	15388,43	53	6514240,79	39	21,06%	8	74,47%	47	88,15%	29	35,20	39
43	45906,68	13	8155458,41	10	21,70%	7	60,78%	10	109,85%	7	9,40	5
44	39168,66	20	7508754,03	18	8,72%	41	67,18%	32	66,62%	48	31,80	33
45	34279,99	28	8212423,29	9	14,80%	23	62,90%	16	82,62%	35	22,20	17
46	39017,43	21	7266151,87	22	11,73%	31	64,00%	21	79,61%	39	26,80	25
47	39966,72	18	7242041,36	23	22,46%	5	68,50%	35	96,00%	17	19,60	14
48	49840,03	10	7069710,31	27	20,22%	10	62,06%	13	111,07%	6	13,20	7
49	38660,76	22	6163111,03	42	8,17%	45	63,17%	17	88,36%	28	30,80	30
50	42223,90	14	7377819,44	19	9,30%	38	55,87%	5	97,83%	15	18,20	13
51	26356,04	38	6083160,90	43	12,74%	28	79,70%	51	91,42%	25	37,00	44
52	36916,24	23,5	6687052,98	33,5	8,40%	43,5	63,90%	20	68,89%	46,5	33,40	37,5
53	67072,36	3	8994380,59	4	6,80%	48	51,20%	2	86,41%	30	17,40	12

Source: Authors' own calculation

Table 61 overs the results of individual components of management efficiency. According to the group average of management efficiency sub-parameters, 'Bank 12' has stood at the top position with group average of 3.80. Due to its poor performance in all sub-parameters

ratios, 'Bank 18' has scored the lowest position with group average of 52.20.

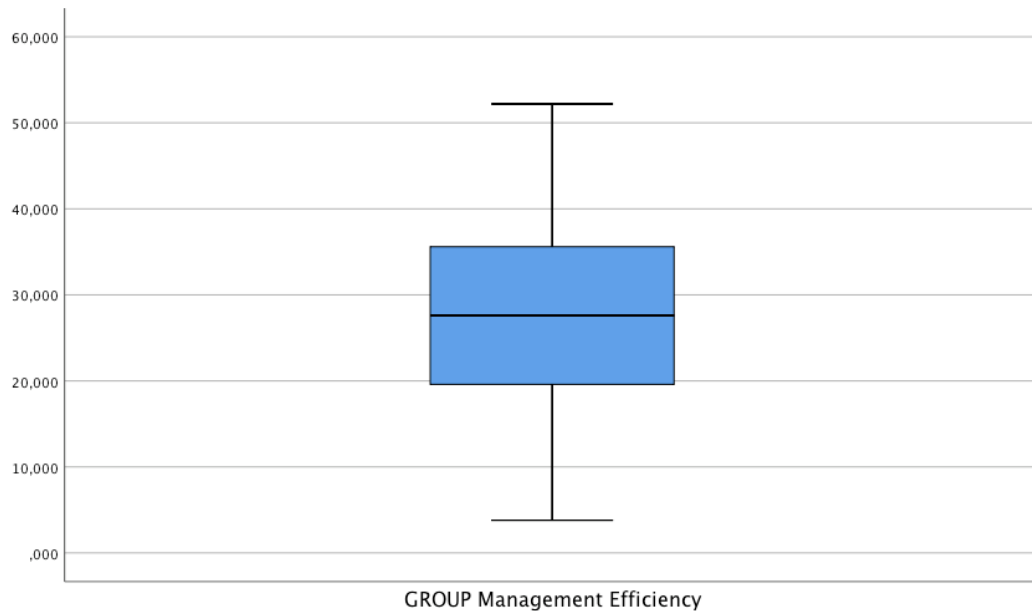
Some descriptive statistics of the variable 'management efficiency' are shown in the table below.

Table 62: Descriptive Statistics of variable 'management efficiency'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
GROUP Management Efficiency	53	48,400	3,800	52,200	27,01132	10,744295	115,440
Valid N (listwise)	53						

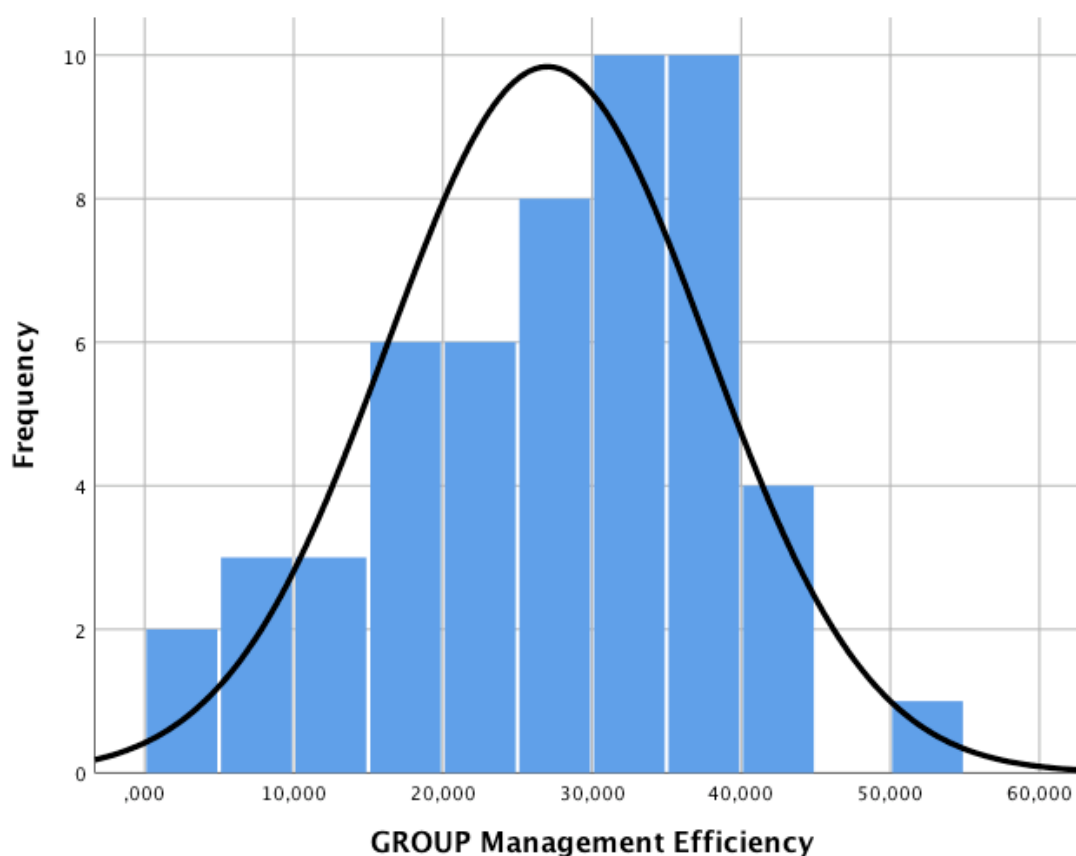
The next figure shows the distribution of the variable management efficiency'. As you can see, there are no outliers and extreme values.

Figure 40: Boxplot with the distribution of variable 'management efficiency'



The next figure shows the response to the value 'management efficiency' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'management efficiency' is apparently not perfectly normally distributed, but that it roughly replicates the course of the normal distribution.

Figure 41: Histogram for variable 'management efficiency' with normal distribution curve as a benchmark



As shown in the table below, the tests of normality have a significance of 0.2 and 0.318. From this it cannot be concluded that the variable 'capital adequacy' is normally distributed in the population.

Table 63: Result of a normal distribution test for the variable 'management efficiency'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
GROUP Management Efficiency	,103	53	,200*	,975	53	,318

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

4.2.5.4 Earnings Quality

The parameter ‘earnings quality’ reflects the ability of a bank to generate and sustain profit consistently.

Table 64: Earnings quality ratios of sample banks

BANK	ROA		ROE		EBIT/TA		NI/TA		NON-II/TA		Group	
	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK
1	0,21%	53	3,92%	44	0,37%	52	1,38%	51,5	0,57%	46,5	49,40	53
2	0,44%	34	4,40%	36	0,62%	39,5	1,83%	9	0,66%	32	30,10	27
3	0,49%	27,5	4,68%	35	0,72%	29	1,72%	17,5	0,60%	41,5	30,10	33
4	0,76%	5	8,21%	8	1,01%	6	1,73%	16	0,84%	12,5	9,50	2
5	0,37%	42,5	4,09%	40	0,57%	46	1,60%	31,5	0,95%	6	33,20	40
6	0,53%	25	5,72%	24	0,80%	23,5	1,94%	3	0,62%	36	22,30	24
7	0,88%	4	8,32%	7	1,24%	3	1,70%	20	1,73%	1	7,00	1
8	0,68%	10	5,47%	27	0,99%	7	1,98%	2	0,70%	28	14,80	10
9	0,43%	35,5	3,89%	45	0,67%	34,5	1,62%	28,5	0,63%	34,5	35,60	41,5
10	1,22%	1	12,08%	3	1,71%	1	2,27%	1	0,52%	50	11,20	6
11	0,55%	23	5,51%	26	0,82%	19,5	1,90%	4	0,74%	20,5	18,60	13
12	0,65%	11,5	8,08%	9	0,94%	11	1,66%	26,5	0,38%	53	22,20	23
13	0,37%	42,5	4,27%	37	0,63%	38	1,60%	31,5	0,88%	11	32,00	36
14	0,60%	16	6,37%	18	0,85%	17	1,67%	24,5	0,72%	24,5	20,00	14
15	0,36%	45	4,22%	38	0,59%	45	1,72%	17,5	0,60%	44	37,90	43,5
16	0,40%	39,5	5,01%	30	0,61%	42,5	1,56%	39	0,49%	52	40,60	44,5
17	0,41%	38	4,05%	41	0,65%	36,5	1,86%	5,5	0,61%	37,5	31,70	34,5
18	0,32%	47,5	2,84%	50	0,51%	49	1,51%	43,5	0,78%	18	41,60	46
19	0,58%	18	5,59%	25	0,87%	15,5	1,79%	11	0,73%	22,5	18,40	12
20	0,40%	39,5	4,03%	42	0,62%	39,5	1,53%	42	0,71%	26,5	37,90	43,5
21	0,48%	27,5	5,09%	29	0,65%	36,5	1,81%	10	0,89%	10	22,60	25
22	0,33%	46	3,70%	47	0,60%	44	1,47%	46	0,69%	29,5	42,50	47
23	0,49%	27,5	4,99%	31	0,75%	27,5	1,78%	12,5	0,97%	4,5	20,60	16
24	0,32%	47,5	3,48%	48	0,53%	48	1,60%	31,5	0,59%	45	44,00	48
25	1,10%	2	12,19%	2	0,80%	23,5	1,78%	12,5	0,84%	12,5	10,50	4
26	0,70%	8,5	9,15%	5	0,90%	14	1,41%	49,5	0,61%	37,5	22,90	26
27	1,08%	3	17,36%	1	1,32%	2	1,60%	31,5	0,68%	31	13,70	9
28	0,49%	27,5	8,44%	6	0,81%	22	1,59%	37	0,82%	15,5	21,60	20
29	0,37%	42,5	3,93%	43	0,62%	39,5	1,62%	28,5	0,72%	24,5	35,60	41,5
30	0,65%	11,5	7,21%	12	0,87%	15,5	1,69%	21,5	0,80%	17	15,50	11
31	0,27%	50	2,38%	53	0,54%	47	1,60%	31,5	0,57%	46,5	45,60	49
32	0,48%	27,5	3,80%	46	0,83%	18	1,77%	15	0,50%	51	31,50	34,5
33	0,70%	8,5	6,65%	15	1,10%	4	1,84%	7,5	0,82%	15,5	10,10	3
34	0,47%	32	4,82%	33,5	0,69%	32	1,84%	7,5	0,77%	19	24,80	28
35	0,61%	15	6,01%	20	0,91%	13	1,86%	5,5	0,53%	49	20,50	15
36	0,46%	33	4,86%	32	0,70%	31	1,67%	24,5	0,60%	41,5	32,40	39
37	0,62%	14	6,12%	19	0,92%	12	1,68%	23	0,61%	37,5	21,10	18
38	0,30%	49	2,93%	49	0,46%	50,5	1,41%	49,5	0,61%	37,5	47,10	50
39	0,38%	41	4,13%	39	0,68%	33	1,78%	12,5	1,01%	3	25,70	29
40	0,25%	51	2,53%	52	0,46%	50,5	1,21%	53	0,69%	29,5	47,20	51
41	0,57%	19,5	5,98%	21,5	0,82%	19,5	1,54%	40,5	0,91%	8,5	21,90	21,5
42	0,24%	52	2,54%	51	0,35%	53	1,38%	51,5	0,63%	34,5	48,40	52
43	0,57%	19,5	5,74%	23	0,80%	23,5	1,57%	38	1,07%	2	21,20	19
44	0,52%	26	6,49%	16	0,71%	3	1,50%	45	0,60%	41,5	26,30	31
45	0,42%	37	4,82%	33,5	0,67%	34,5	1,61%	30,5	0,71%	26,5	32,40	38
46	0,54%	24	5,35%	28	0,80%	23,5	1,61%	30,5	0,73%	22,5	25,70	30
47	0,56%	22	6,39%	17	0,75%	27,5	1,46%	47	0,64%	33	29,30	32
48	0,71%	7	7,06%	13	0,95%	8,5	1,66%	26,5	0,84%	12,5	13,50	8
49	0,63%	13	7,75%	10	0,95%	8,5	1,72%	17,5	0,97%	4,5	10,70	5
50	0,59%	17	7,32%	11	0,95%	8,5	1,69%	21,5	0,92%	7	13,00	7
51	0,43%	35,5	6,85%	14	0,61%	42,5	1,43%	48	0,74%	20,5	32,10	37
52	0,57%	19,5	5,98%	21,5	0,82%	19,5	1,54%	40,5	0,91%	8,5	21,90	21,5
53	0,75%	6	11,56%	4	1,06%	5	1,51%	43,5	0,57%	46,5	21,00	17

Source: Authors’ own calculation

Table 64 presents the results of individual components of earnings quality. According to the group average of earnings quality sub-parameters, ‘Bank 7’ has stood at the top position with group average

of 7.00. Due to its poor performance in all sub-parameters ratios, 'Bank 1' has scored the lowest position with group average of 49.40.

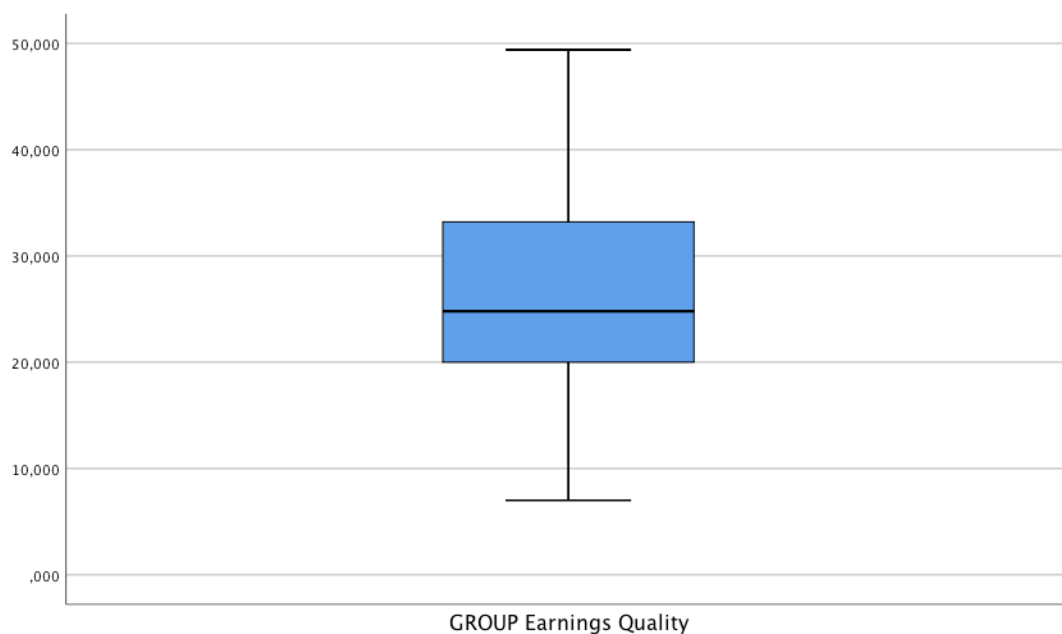
Some descriptive statistics of the variable 'earnings quality' are shown in the table below.

Table 65: Descriptive Statistics of variable 'earnings quality'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
GROUP Earnings Quality	53	42,400	7,000	49,400	26,73585	11,443508	130,954
Valid N (listwise)	53						

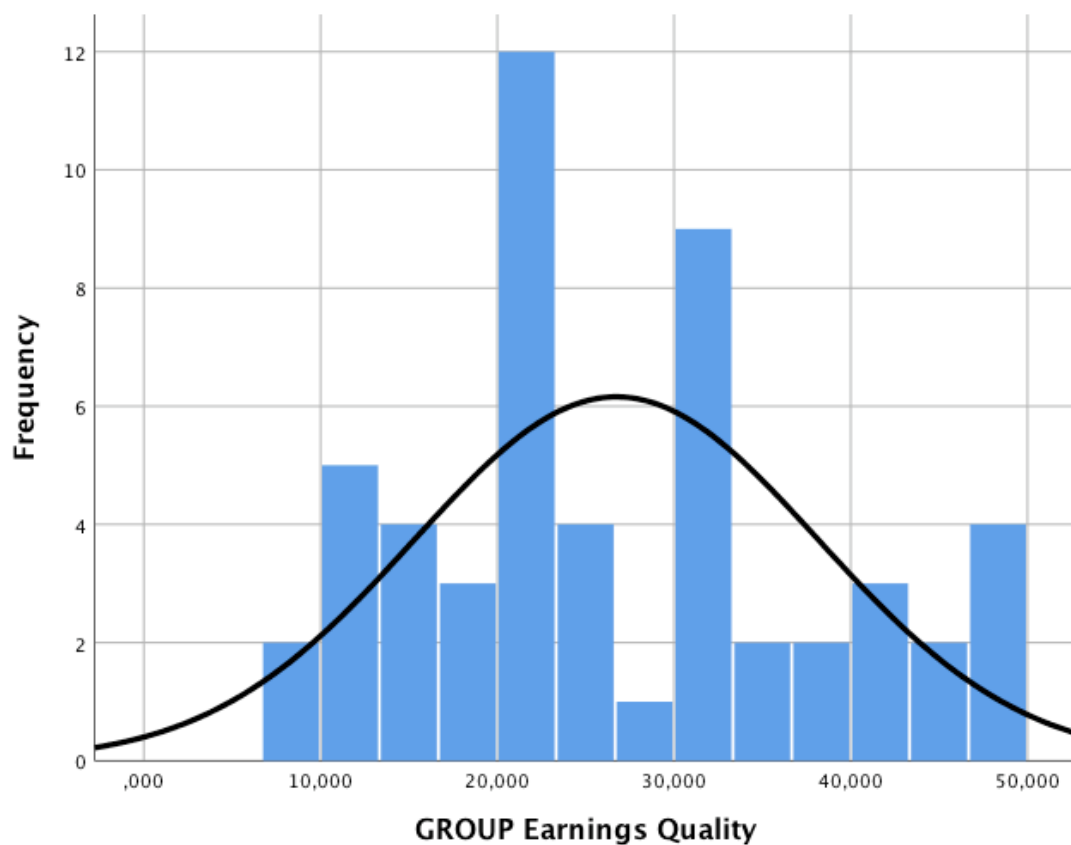
The next figure shows the distribution of the variable 'earnings quality'. As you can see, there are no outliers and extreme values.

Figure 42: Boxplot with the distribution of variable 'earnings quality'



The next figure shows the response to the value 'earnings quality' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'earnings quality' is apparently not perfectly normally distributed, but that it roughly replicates the course of the normal distribution.

Figure 43: Histogram for variable 'earnings quality' with normal distribution curve as a benchmark



As shown in the table below, the tests of normality have a significance of 0.048 and 0.082. From this it cannot be concluded that the variable 'earnings quality' is normally distributed in the population.

Table 66: Result of a normal distribution test for the variable 'earnings quality'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
GROUP Earnings Quality	,122	53	,048	,961	53	,082

a. Lilliefors Significance Correction

4.2.5.5 Liquidity Management

Liquidity is a crucial aspect which reflects bank's ability to meet its financial obligations.

Table 67: Liquidity Management ratios of sample banks

BANK	LA/TA		LA/SL		LA/TD		GS/TA		Group	
	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK	AVG	RANK
1	6,43%	32	16408,49%	32	8,78%	30	5,03%	2	24,00	23
2	11,48%	9	19130,05%	31	14,17%	9	0,40%	46	23,75	21,5
3	3,03%	53	1306,47%	40	7,18%	44	0,56%	40	44,25	53
4	6,54%	31	566355,66%	7	8,63%	32	2,30%	17	21,75	16
5	6,28%	34	1251418,86%	3	8,69%	31	1,21%	32	25,00	26,5
6	4,21%	51	34412,93%	25	5,52%	53	1,59%	27	39,00	48
7	7,37%	23	38994,72%	24	10,35%	18,5	1,51%	29,5	23,75	21,5
8	5,05%	44	29297,80%	27	7,38%	43	1,51%	29,5	35,88	43
9	6,16%	36	93944,87%	16	9,35%	26	0,68%	38,5	29,13	33,5
10	15,69%	1	16342,55%	33	24,82%	1	0,54%	41	19,00	11,5
11	5,32%	41	134714,01%	14	7,77%	39,5	2,60%	15	27,38	30
12	4,13%	52	1938,78%	39	6,93%	45	4,36%	3	34,75	41
13	11,70%	7	4707879,97%	2	15,86%	7	2,69%	12	7,00	1
14	5,52%	40	0,00%	42,5	8,56%	33	3,17%	6,5	30,50	37
15	10,55%	11	170349,07%	13	15,45%	8	0,10%	51	20,75	15
16	6,95%	27	33924,30%	26	9,29%	27	1,20%	33	28,25	31,5
17	5,02%	46	58216,95%	20	7,41%	42	0,46%	43	37,75	45,5
18	7,95%	19	0,00%	42,5	9,87%	25	3,63%	4	22,63	19
19	7,84%	20	10879428,47%	1	10,13%	21	0,21%	49	22,75	20
20	8,10%	17	5190,47%	35	10,10%	22	0,18%	50	31,00	38
21	6,19%	35	283327,25%	10	7,51%	41	1,16%	34	30,00	36
22	9,10%	16	80919,40%	18	11,24%	16	2,04%	22,5	18,13	8
23	5,31%	42	245222,52%	11	6,82%	46	2,29%	18	29,25	35
24	5,65%	39	213284,01%	12	7,77%	39,5	1,67%	26	29,13	33,5
25	9,91%	13	27504,89%	28	13,11%	12	3,39%	5	14,50	4
26	11,49%	8	0,00%	42,5	14,15%	10	2,49%	16	19,13	13
27	6,32%	33	0,00%	42,5	8,21%	37	0,68%	38,5	37,75	45,5
28	6,85%	29	0,00%	42,5	8,45%	34	2,17%	19	31,13	39
29	8,08%	18	118062,96%	15	10,01%	23	6,54%	1	14,25	2,5
30	6,93%	28	851899,93%	4	8,95%	28	1,54%	28	22,00	17,5
31	10,85%	10	66334,21%	19	13,20%	11	2,05%	21	15,25	7
32	5,03%	45	1277,20%	41	6,76%	47	3,03%	9	35,50	42
33	4,89%	48,5	26687,87%	29	6,64%	48	0,53%	42	41,88	50,5
34	6,01%	37	0,00%	42,5	8,03%	38	0,69%	37	38,63	47
35	7,70%	22	0,00%	42,5	9,89%	24	0,41%	45	33,38	40
36	7,74%	21	22770,23%	30	10,60%	17	2,15%	20	22,00	17,5
37	4,96%	47	0,00%	42,5	6,32%	52	1,75%	24	41,38	50,5
38	10,04%	12	2343,04%	37	12,18%	15	0,87%	36	25,00	26,5
39	9,65%	14	16195,16%	34	12,49%	14	2,67%	13	18,75	10
40	14,95%	2	0,00%	42,5	20,73%	3	0,00%	52	24,88	24,5
41	14,31%	3,5	54558,50%	21	17,72%	4,5	0,35%	47	19,00	11,5
42	6,99%	24,5	706219,90%	6	10,22%	20	3,17%	6,5	14,25	2,5
43	14,31%	3,5	0,00%	42,5	20,90%	2	1,70%	25	18,25	9
44	6,78%	30	46731,07%	23	8,29%	36	2,61%	14	25,75	28
45	12,44%	6	85424,61%	17	16,59%	6	1,45%	31	15,00	6
46	4,89%	48,5	806932,57%	5	6,34%	49,5	2,95%	10	28,25	31,5
47	6,98%	26	366088,76%	8	10,35%	18,5	0,00%	53	26,38	29
48	5,70%	38	0,00%	42,5	8,31%	35	0,43%	44	39,88	49
49	6,99%	24,5	2143,78%	38	8,79%	29	3,10%	8	24,88	24,5
50	9,58%	15	289336,28%	9	12,51%	13	2,04%	22,5	14,88	5
51	4,84%	50	2472,93%	36	6,34%	49,5	1,02%	35	42,63	52
52	14,31%	3,5	54558,50%	22	17,72%	4,5	0,30%	48	19,50	14
53	5,18%	43	0,00%	42,5	6,33%	51	2,83%	11	36,88	44

Source: Authors' own calculation

Table 67 presents the results of individual components of liquidity management. According to the group average of liquidity management sub-parameters, 'Bank 13' has stood at the top position with group average of 7.00. Due to its poor performance in all sub-parameters ratios, 'Bank 3' has scored the lowest position with group average of 44.50.

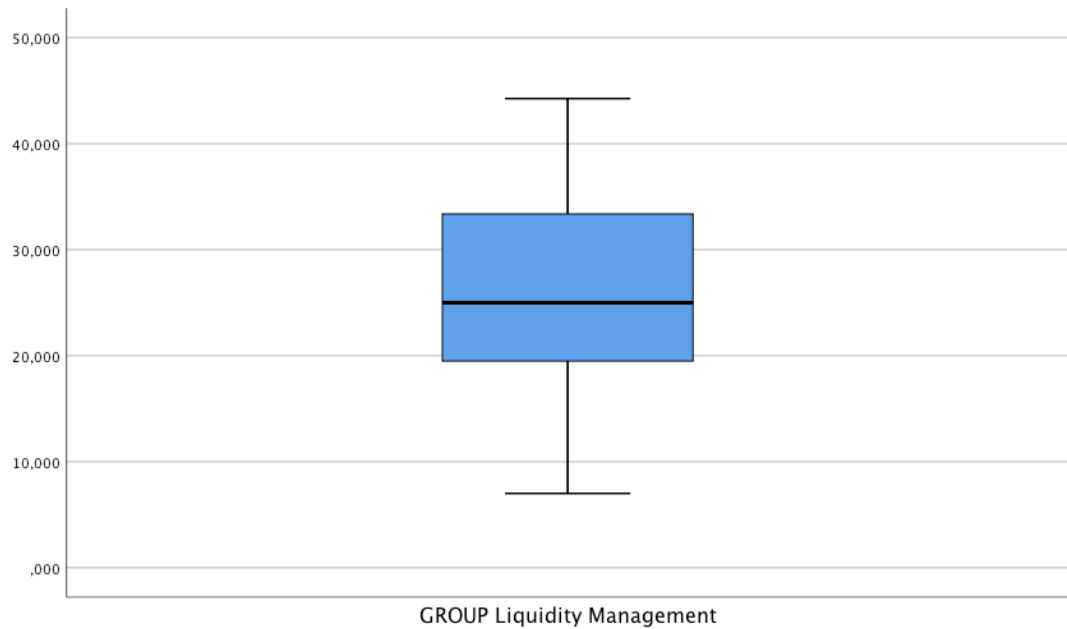
Some descriptive statistics of the variable 'liquidity management' are shown in the table below.

Table 68: Descriptive Statistics of variable 'liquidity management'

Descriptive Statistics							
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
GROUP Liquidity Management	53	37,250	7,000	44,250	26,70991	8,819871	77,790
Valid N (listwise)	53						

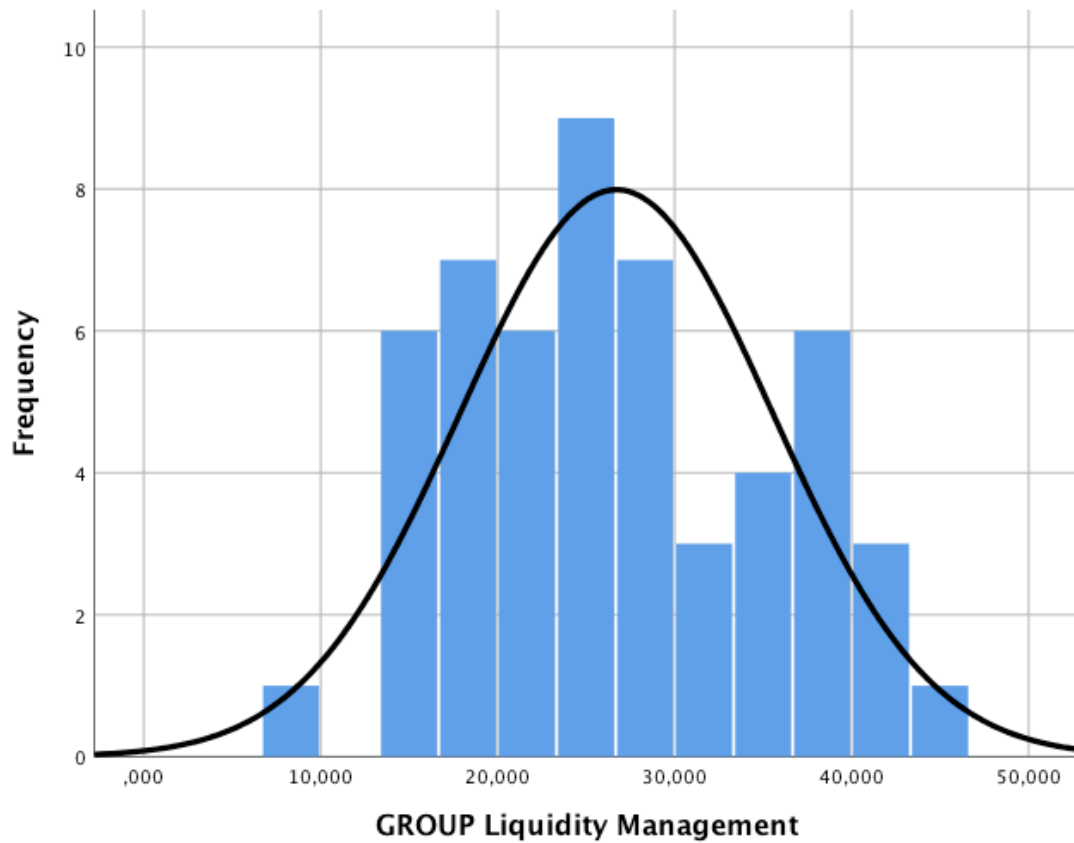
The next figure shows the distribution of the variable 'liquidity management'. As you can see, there is no outlier but one extreme value.

Figure 44: Boxplot with the distribution of variable 'liquidity management'



The next figure shows the response to the value 'liquidity management' in a histogram with a normal distribution curve as benchmark. This clearly shows that the variable 'liquidity management' is apparently not perfectly normally distributed, but that it roughly replicates the course of the normal distribution.

Figure 45: Histogram for variable 'liquidity management' with normal distribution curve as a benchmark



As shown in the table below, the tests of normality have a significance of 0.2 and 0.306. From this it cannot be concluded that the variable 'liquidity management' is normally distributed in the population.

Table 69: Result of a normal distribution test for the variable 'liquidity management'

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
GROUP Liquidity Management	,086	53	,200 [*]	,974	53	,306

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

4.2.5.6 General Conclusion on financial figures of cooperative banks

CAMEL rating approach is considered as an important tool for identifying the financial strengths and weaknesses of a bank. This analysis helps to point out possible weaknesses and suggest necessary corrective measures to overcome weaknesses and thus improve the overall performance of a bank. This study has been conducted to examine the performance of 53 selected cooperative banks in Germany during the period (2018-2020) with respect to CAMEL ratios.

Table 70: Overall performance of sample banks during the period (2018-2020)

Bank	C	A	M	E	L	AVG	CAMEL Rating
1	52	4	31	53	23	32,6	43
2	22	21,5	49	27	21,5	28,2	30,5
3	30,5	32	3	33	53	30,3	34,5
4	43	39,5	18,5	2	16	23,8	19
5	49,5	46	45,5	40	26,5	41,5	52
6	40	2	45,5	24	48	31,9	39
7	23	53	28	1	21,5	25,3	23
8	4	21,5	8	10	43	17,3	5
9	5	5	11	41,5	33,5	19,2	9
10	49,5	10,5	2	6	11,5	15,9	2
11	9	35,5	24	13	30	22,3	15
12	39	8	1	23	41	22,4	16
13	34	34	35	36	1	28	29
14	35	41	4	14	37	26,2	25
15	53	3	16	43,5	15	26,1	24
16	42	28	26	45	31,5	34,5	47
17	28	38	32	34,5	45,5	35,6	48
18	2	51	53	46	19	34,2	45,5
19	19	12	29	12	20	18,4	7
20	26	17	42	43,5	38	33,3	44
21	45	27	52	25	36	37	49
22	44	50	51	47	8	40	51
23	15,5	48	47	16	35	32,3	40,5
24	37	13	23	48	33,5	30,9	38
25	38	25	22	4	4	18,6	8
26	41	15	20	26	13	23	18
27	51	47	10	9	45,5	32,5	42
28	14	29	40,5	20	39	28,5	32
29	20	43	34	41,5	2,5	28,2	30,5
30	48	24	37,5	11	17,5	27,6	28
31	3	42	43	49	7	28,8	33
32	1	23	9	34,5	42	21,9	14
33	8	18	6	3	50,5	17,1	4
34	29	49	40,5	28	47	38,7	50
35	21	9	21	15	40	21,2	13
36	18	6	18,5	39	17,5	19,8	10
37	7	10,5	15	18	50,5	20,2	12
38	11	14	50	50	26,5	30,3	34,5
39	27	7	27	29	10	20	11
40	12	26	48	51	24,5	32,3	40,5
41	33	19	36	21,5	11,5	24,2	20
42	15,5	44	39	52	2,5	30,6	37
43	13	37	5	19	9	16,6	3
44	46	33	33	31	28	34,2	45,5
45	32	31	17	38	6	24,8	22
46	10	16	25	30	31,5	22,5	17
47	47	30	14	32	29	30,4	36
48	25	1	7	8	49	18	6
49	24	52	30	5	24,5	27,1	27
50	6	35,5	13	7	5	13,3	1
51	36	39,5	44	37	52	41,7	53
52	30,5	20	37,5	21,5	14	24,7	21
53	15,5	45	12	17	44	26,7	26

Source: Authors' own calculation

The Table 70 depicts the overall performance under CAMEL rating analysis of the fifty-three chosen banks. In order to assess the overall performance of the selected cooperative banks, the author has calculated the composite ranking and results have been conferred in Table 70.

In addition to that, it was observable that all variables emulate the course of normal distribution over long distances very well. In such a case where the distribution appears at least approximately normally distributed, statistical tests presupposing a normal distribution can still be performed. One should only be more cautious (conservative) in interpreting the results of these tests (Brosius, 2017).

In the run-up to further analyses, the camel rating system was also applied to the results of the survey on cooperative values and a corresponding rating was created. The result is shown in the table below.

Table 71: Overall result of sample banks (cooperative values)

Bank	Fairness	Confidence	Certainty	Competence	Reliability	Individuality	Common ground	Respect	Partnership	Responsibility	Solidarity	AVG Values	Values Ranking
1	38.0	34.0	42.00	32.50	33.50	35.00	21.50	30.00	24.00	21.50	23.50	30.50	40
2	35.0	27.0	20.00	32.50	32.00	33.00	21.50	31.00	31.00	16.00	16.00	26.27	37
3	8.5	30.5	22.50	32.50	45.00	36.50	21.50	36.50	43.50	52.00	49.00	34.36	45
4	49.5	50.0	51.00	51.00	46.50	51.00	50.00	47.00	49.00	51.50	48.00	49.50	52
5	39.5	1.5	22.50	32.50	46.50	1.50	1.50	1.50	26.50	1.50	1.50	16.05	19
6	36.0	25.0	18.00	27.00	26.00	9.00	21.50	29.50	22.00	18.00	19.00	22.82	32
7	13.0	28.0	19.00	23.00	1.50	11.50	19.00	32.00	20.00	17.00	15.00	18.09	22
8	16.5	35.5	22.50	32.50	33.50	39.00	21.50	1.50	26.50	23.50	41.50	26.73	38
9	16.5	1.5	22.50	1.50	1.50	39.00	1.50	1.50	1.50	1.50	1.50	8.18	9
10	10.5	33.0	22.50	25.50	31.00	36.50	21.50	36.50	42.00	23.50	40.00	29.32	39
11	1.5	1.5	1.50	1.50	1.50	14.50	1.50	1.50	26.50	1.50	1.50	4.95	4
12	1.5	1.5	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	23.50	3.50	2
13	16.5	35.5	1.50	1.50	46.50	14.50	21.50	1.50	1.50	23.50	23.50	12.95	15
14	39.5	51.5	52.50	32.50	46.50	14.50	21.50	48.50	50.50	43.50	50.50	41.05	51
15	16.5	35.5	22.50	32.50	33.50	14.50	21.50	1.50	26.50	23.50	23.50	22.86	33
16	16.5	1.5	1.50	1.50	1.50	14.50	21.50	1.50	26.50	1.50	1.50	8.14	8
17	8.5	30.5	22.50	28.50	27.50	36.50	14.50	1.50	1.50	23.50	23.50	19.86	25
18	39.5	35.5	43.50	1.50	33.50	39.00	21.50	38.50	26.50	43.50	41.50	33.09	44
19	1.5	1.5	22.50	1.50	1.50	39.00	1.50	38.50	1.50	23.50	23.50	14.18	17
20	39.5	35.5	43.50	1.50	46.50	14.50	21.50	48.50	43.50	43.50	41.50	34.50	46
21	1.5	1.5	22.50	1.50	1.50	14.50	21.50	1.50	43.50	23.50	23.50	14.23	18
22	15.0	23.0	14.50	22.00	23.00	11.50	18.00	1.50	16.00	14.50	22.00	16.14	20
23	10.5	29.0	13.00	1.50	24.00	14.50	18.00	34.50	19.00	23.50	17.50	18.64	23
24	37.0	26.0	14.50	27.50	27.50	34.00	14.50	1.50	17.50	19.00	21.00	21.91	30
25	12.0	32.0	21.00	24.00	30.00	10.00	20.00	33.00	21.00	21.50	20.00	22.23	31
26	16.5	1.5	14.50	28.50	27.50	14.50	1.50	1.50	17.50	14.50	1.50	11.50	13
27	1.5	1.5	14.50	28.50	1.50	1.50	14.50	1.50	1.50	14.50	1.50	7.50	7
28	14.0	24.0	22.50	25.50	25.00	13.00	21.50	34.50	23.00	20.00	17.50	21.86	29
29	16.5	51.5	43.50	32.50	33.50	52.50	21.50	38.50	26.50	23.50	23.50	33.05	42
30	16.5	1.5	22.50	32.50	1.50	39.00	45.50	1.50	26.50	1.50	41.50	20.91	26
31	16.5	1.5	1.50	1.50	1.50	14.50	1.50	1.50	26.50	1.50	1.50	6.32	5
32	39.5	1.5	43.50	1.50	33.50	14.50	45.50	1.50	43.50	23.50	23.50	24.68	35
33	39.5	1.5	22.50	52.50	46.50	14.50	51.50	48.50	26.50	43.50	41.50	35.32	47
34	52.5	35.5	43.50	32.50	46.50	14.50	45.50	38.50	50.50	43.50	41.50	40.41	50
35	16.5	1.5	1.50	32.50	1.50	14.50	45.50	1.50	1.50	1.50	1.50	10.86	12
36	39.5	1.5	1.50	32.50	1.50	14.50	21.50	1.50	26.50	23.50	23.50	17.05	21
37	39.5	35.5	43.50	1.50	33.50	14.50	45.50	48.50	43.50	43.50	50.50	36.32	48
38	16.5	35.5	43.50	32.50	33.50	39.00	51.50	38.50	43.50	43.50	23.50	36.45	49
39	39.5	35.5	22.50	32.50	33.50	39.00	21.50	38.50	26.50	23.50	23.50	30.55	41
40	16.5	35.5	22.50	32.50	33.50	1.50	1.50	1.50	26.50	23.50	23.50	19.86	25
41	16.5	1.5	22.50	1.50	1.50	1.50	1.50	1.50	1.50	23.50	1.50	6.77	6
42	49.5	51.5	52.50	52.50	46.50	52.50	51.50	48.50	50.50	53.00	50.50	50.82	53
43	16.5	1.5	1.50	1.50	1.50	14.50	1.50	1.50	26.50	23.50	23.50	10.32	11
44	16.5	1.5	43.50	32.50	46.50	39.00	21.50	38.50	50.50	23.50	50.50	33.09	44
45	1.5	1.5	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1
46	16.5	1.5	1.50	1.50	1.50	39.00	21.50	1.50	1.50	23.50	1.50	10.09	10
47	16.5	35.5	1.50	32.50	1.50	1.50	21.50	1.50	1.50	23.50	1.50	12.59	14
48	49.5	35.5	22.50	32.50	1.50	14.50	21.50	38.50	1.50	23.50	23.50	24.05	34
49	16.5	1.5	22.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	4.77	3
50	52.5	1.5	22.50	1.50	33.50	14.50	1.50	1.50	1.50	1.50	1.50	13.95	16
51	35.5	1.5	1.50	1.50	1.50	39.00	21.50	38.50	26.50	23.50	41.50	21.09	28
52	39.5	35.5	22.50	32.50	33.50	39.00	1.50	1.50	1.50	1.50	23.50	21.09	28
53	16.5	35.5	22.50	1.50	1.50	39.00	21.50	48.50	26.50	43.50	23.50	25.45	36

Source: Authors' own calculation

4.3 Correlation between cooperative values and financial figures

The following section is the core part of the thesis, because it directly links to answer the most important and fundamental question of this thesis:

Is there a correlation between values-based leadership and economic success?

Followed by the questions: How is the impact of values-based leadership on economic success? Why has value a/b/c etc. this typical or specific impact?

Correlation analysis was one of the main statistical analysis method of the study, because it measures the relationship between two items. In this case values and financial figures. In addition, various **regression analyses** were carried out. The aim of regression analysis is to determine the relationships between a dependent variable (financial figures) on the one hand and several explanatory variables (cooperative values) on the other.

4.3.1 Correlation analysis

This part of the main section 'Findings' will examine the results of the study with support of different correlation matrixes in order to determine values that may be correlated with each other. For this reason, it was necessary to calculate the Pearson Correlation due to the fact that the variables were interval scaled. In addition to that, there were also two known rank correlation coefficients: Spearman's

Rank Correlation Coefficient (Spearman`s Rho) and Kendall's Tau. These were also calculated as complementary alternative, because as said before, the variables were not completely normally distributed (Bühl, 2016). All variables (financial and cooperative values) were included in the analysis, with a particular focus on the two rank correlation coefficients.

Table 72: Pearson correlation 'all variables'

Correlations													
	Capital Adequacy	Asset Quality	Management Efficiency	Earnings Quality	Liquidity Management	Fairness	Confidence	Certainty	Competence	Reliability	Individuality	Common ground	Respect
Pearson Correlation	1	-0.064	0.019	0.012	-0.087	-0.158	0.055	-0.061	.288	0.017	-0.136	-0.095	-0.103
Sig. (2-tailed)		0.848	0.892	0.930	0.534	0.258	0.695	0.862	0.037	0.903	0.331	0.499	0.465
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	-0.064	1	.274	-0.054	-0.125	-0.105	0.113	0.100	-0.106	0.045	-0.048	-0.052	0.085
Sig. (2-tailed)	0.648		0.047	0.700	0.373	0.456	0.422	0.478	0.450	0.751	0.733	0.712	0.646
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	0.019	.274	1	.434	-0.193	0.019	0.129	0.126	-0.042	0.101	0.075	-0.013	0.054
Sig. (2-tailed)	0.892	0.047		0.001	0.167	0.894	0.357	0.370	0.765	0.470	0.595	0.929	0.701
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	0.012	-0.054	.434	1	-0.161	0.064	0.138	0.060	-0.027	0.149	0.143	-0.078	-0.149
Sig. (2-tailed)	0.930	0.700	0.001		0.248	0.650	0.325	0.670	0.850	0.288	0.307	0.579	0.287
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	-0.087	-0.105	0.019	0.064	-0.014	1	.326	.536	.380	.566	.140	.438	.332
Sig. (2-tailed)	0.534	0.373	0.167	0.248	0.923		0.017	0.000	0.005	0.000	0.316	0.001	0.015
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	0.055	0.113	0.129	0.138	-0.008	.326	1	.511	.410	.500	.406	.332	.594
Sig. (2-tailed)	0.695	0.422	0.357	0.325	0.956	0.017		0.000	0.002	0.000	0.003	0.015	0.000
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	-0.061	0.100	0.126	0.060	0.042	.536	.511	1	.354	.730	.401	.484	.618
Sig. (2-tailed)	0.662	0.478	0.370	0.670	0.763	0.000	0.000		0.009	0.000	0.003	0.000	0.000
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	.288	-0.106	-0.042	-0.027	-0.001	.380	.410	.354	1	.549	.285	.434	.287
Sig. (2-tailed)	0.037	0.450	0.765	0.850	0.993	0.005	0.002	0.009		0.000	0.055	0.001	0.053
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	0.017	0.045	0.101	0.149	0.032	.566	.500	.730	.549	1	.285	.384	.492
Sig. (2-tailed)	0.903	0.751	0.470	0.288	0.818	0.000	0.000	0.000	0.000		0.039	0.005	0.000
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	-0.136	-0.048	0.075	0.143	-0.095	0.140	.406	.401	.285	.285	1	.322	.409
Sig. (2-tailed)	0.331	0.733	0.595	0.307	0.498	0.316	0.003	0.003	0.055	0.039	0.019	0.002	0.035
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	-0.095	-0.052	-0.013	-0.078	0.231	.436	.332	.484	.434	.384	.322	1	.477
Sig. (2-tailed)	0.499	0.712	0.929	0.579	0.096	0.001	0.015	0.000	0.001	0.005	0.019	0.000	0.000
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	-0.103	0.065	0.054	-0.149	0.204	.332	.594	.618	.267	.492	.409	.477	1
Sig. (2-tailed)	0.485	0.846	0.701	0.287	0.143	0.015	0.000	0.000	0.053	0.000	0.002	0.000	0.000
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	0.001	0.139	0.113	0.150	0.118	.310	.368	.621	.288	.613	.291	.523	.551
Sig. (2-tailed)	0.992	0.321	0.419	0.283	0.400	0.024	0.007	0.000	0.036	0.000	0.035	0.000	0.000
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	-0.152	0.107	-0.021	0.059	0.240	.346	.627	.616	.291	.513	.380	.572	.732
Sig. (2-tailed)	0.276	0.446	0.879	0.676	0.084	0.011	0.000	0.000	0.035	0.000	0.008	0.000	0.000
N	53	53	53	53	53	53	53	53	53	53	53	53	53
Pearson Correlation	0.019	0.027	-0.036	-0.026	0.210	.312	.560	.614	.354	.576	.476	.531	.657
Sig. (2-tailed)	0.891	0.849	0.799	0.856	0.131	0.023	0.000	0.000	0.009	0.000	0.000	0.000	0.000
N	53	53	53	53	53	53	53	53	53	53	53	53	53

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Table 73: Kendall`s tau_b `all variables`

Kendall's tau_b	Correlations																
	Capital Adequacy	Asset Quality	Management Efficiency	Earnings Quality	Liquidity Management	Fairness	Confidence	Certainty	Competence	Reliability	Individuality	Common ground	Respect	Partnership	Responsibility	Solidarity	
Correlation Coefficient	1.000	-0.039	0.011	0.024	-0.063	-0.146	0.013	-0.067	0.187	-0.009	-0.153	-0.046	-0.106	-0.039	-0.135	0.000	
	Sig. (2-tailed)																
Asset Quality		1.000	0.998	0.800	0.504	0.150	0.904	0.514	0.076	0.929	0.134	0.660	0.312	0.705	0.188	1.000	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Management Efficiency		-0.039	1.000	-0.033	-0.082	-0.107	0.068	0.038	-0.102	0.038	-0.051	-0.085	0.061	0.113	0.057	-0.006	
	Sig. (2-tailed)																
Earnings Quality		0.684	0.044	0.724	0.390	0.293	0.513	0.708	0.332	0.711	0.017	0.415	0.568	0.266	0.827	0.950	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Correlation Coefficient	0.011	.191	1.000	.284	-0.140	0.004	0.082	0.075	-0.033	0.053	0.036	-0.023	0.032	0.082	-0.034	-0.030	
	Sig. (2-tailed)																
Liquidity Management		0.008	0.044	0.003	0.003	0.141	0.968	0.429	0.464	0.757	0.607	0.721	0.826	0.763	0.543	0.770	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Fairness		0.024	-0.033	.284	1.000	-0.114	0.074	0.118	0.033	0.125	0.095	-0.030	-0.090	0.120	0.050	0.008	
	Sig. (2-tailed)																
Confidence		0.800	0.003	0.724	0.231	0.467	0.255	0.848	0.751	0.228	0.353	0.776	0.389	0.236	0.626	0.937	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Certainty		-0.063	-0.062	-0.140	-0.114	1.000	-0.037	0.006	0.056	0.013	0.028	-0.050	0.163	0.147	0.086	0.173	
	Sig. (2-tailed)																
Competence		0.504	0.390	0.141	0.231	0.716	0.955	0.588	0.903	0.784	0.628	0.081	0.163	0.398	0.094	0.137	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Reliability		-0.146	-0.107	0.004	0.074	-0.037	1.000	.396	.335	.466	.150	.372	.214	.250	.230	.225	
	Sig. (2-tailed)																
Individuality		0.150	0.293	0.968	0.467	0.716	0.019	0.000	0.003	0.000	0.170	0.001	0.056	0.021	0.036	0.039	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Common ground		0.013	0.068	0.082	0.118	0.006	.259	1.000	.428	.356	.454	.362	.532	.305	.551	.496	
	Sig. (2-tailed)																
Respect		0.904	0.513	0.285	0.955	0.019	0.000	0.002	0.002	0.000	0.005	0.002	0.000	0.006	0.000	0.000	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Partnership		-0.067	0.038	0.075	0.020	0.056	.396	.428	1.000	.316	.655	.322	.522	.473	.473	.526	
	Sig. (2-tailed)																
Responsibility		0.514	0.708	0.464	0.846	0.588	0.000	0.000	0.006	0.006	0.004	0.001	0.000	0.000	0.000	0.000	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Solidarity		0.187	-0.102	-0.033	0.033	0.013	.335	.356	.316	1.000	.506	.185	.373	0.220	.251	.306	
	Sig. (2-tailed)																
Solidarity		0.076	0.332	0.757	0.751	0.903	0.003	0.002	0.006	0.000	0.103	0.001	0.059	0.027	0.060	0.007	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Reliability		-0.009	0.038	0.093	0.125	0.028	.466	.454	.655	.506	1.000	.232	.358	.438	.529	.494	
	Sig. (2-tailed)																
Individuality		0.929	0.711	0.607	0.228	0.784	0.000	0.000	0.000	0.000	0.038	0.002	0.000	0.000	0.000	0.000	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Common ground		-0.153	-0.051	0.036	0.095	-0.050	0.150	.314	.322	.185	.232	1.000	.336	.357	.320	.420	
	Sig. (2-tailed)																
Respect		0.134	0.617	0.721	0.353	0.628	0.170	0.005	0.004	0.103	0.038	0.003	0.002	0.012	0.004	0.000	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Partnership		-0.046	-0.085	-0.023	-0.030	0.183	.372	.362	.374	.373	.358	.336	1.000	.458	.470	.454	
	Sig. (2-tailed)																
Responsibility		0.860	0.415	0.826	0.776	0.081	0.001	0.002	0.001	0.001	0.002	0.003	0.000	0.000	0.000	0.000	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Solidarity		-0.106	0.061	0.032	-0.090	0.147	0.214	.532	.522	.220	.438	.357	.458	1.000	.446	.560	
	Sig. (2-tailed)																
Solidarity		0.312	0.558	0.763	0.389	0.163	0.056	0.000	0.000	0.059	0.000	0.002	0.000	0.000	0.000	0.000	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Partnership		-0.039	0.113	0.062	0.120	0.086	.250	.305	.473	.251	.529	.275	.470	.446	1.000	.568	
	Sig. (2-tailed)																
Responsibility		0.705	0.268	0.543	0.236	0.398	0.021	0.006	0.000	0.027	0.000	0.012	0.000	0.000	0.000	0.000	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Solidarity		-0.135	0.057	-0.034	0.050	0.173	.230	.551	.473	.0215	.413	.320	.507	.613	.483	.864	
	Sig. (2-tailed)																
Solidarity		0.188	0.582	0.744	0.626	0.094	0.036	0.000	0.000	0.060	0.000	0.004	0.000	0.000	0.000	0.000	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	
Partnership		0.000	-0.006	-0.030	0.008	0.152	.225	.498	.526	.306	.494	.420	.454	.550	.568	.664	
	Sig. (2-tailed)																
Solidarity		1.000	0.850	0.770	0.837	0.137	0.039	0.000	0.000	0.007	0.000	0.000	0.000	0.000	0.000	0.000	
	N	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	

Correlation is significant at the 0.05 level (2-tailed).

Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Table 74: Spearman`s Rho `all variables`

Correlations																	
		Capital Adequacy	Asset Quality	Management Efficiency	Earnings Quality	Liquidity Management	Fairness	Confidence	Certainty	Competence	Reliability	Individuality	Common ground	Respect	Partnership	Responsibility	Solidarity
Spearman's rho	Capital Adequacy	1.000	-0.062	0.020	0.013	-0.088	-0.197	0.017	-0.093	0.252	-0.011	-0.209	-0.068	-0.129	-0.044	-0.179	0.002
	Correlation Coefficient Sig. (2-tailed)		0.660	0.888	0.929	0.533	0.157	0.905	0.506	0.068	0.937	0.134	0.506	0.753	0.201	0.988	0.988
	Asset Quality	53	1.000	0.274	-0.054	-0.125	-0.127	0.095	0.055	-0.137	0.050	-0.079	-0.120	0.078	0.147	0.067	-0.016
	Correlation Coefficient Sig. (2-tailed)		0.660	0.047	0.700	0.373	0.364	0.998	0.696	0.327	0.724	0.575	0.391	0.580	0.292	0.631	0.912
	Management Efficiency	53	53	1.000	0.434	-0.193	0.006	0.019	0.087	-0.039	0.075	0.042	-0.028	0.035	0.088	-0.045	-0.062
	Correlation Coefficient Sig. (2-tailed)		0.047	0.001	0.091	0.167	0.866	0.437	0.533	0.783	0.592	0.764	0.844	0.804	0.533	0.748	0.660
	Earnings Quality	53	53	53	1.000	-0.161	0.108	0.154	0.029	0.266	0.197	0.131	-0.030	-0.128	0.169	0.067	0.017
	Correlation Coefficient Sig. (2-tailed)		0.064	0.434	0.001	0.248	0.441	0.272	0.838	0.052	0.280	0.349	0.834	0.361	0.226	0.831	0.906
	Liquidity Management	53	53	53	53	1.000	-0.051	-0.002	0.066	0.010	0.030	-0.063	0.240	0.209	0.119	0.223	0.198
	Correlation Coefficient Sig. (2-tailed)		0.167	0.163	-0.161	0.248	0.716	0.988	0.641	0.942	0.830	0.657	0.083	0.133	0.394	0.109	0.155
	Fairness	53	53	0.006	0.108	-0.051	1.000	0.325	0.496	0.401	0.562	0.191	0.452	0.292	0.298	0.282	0.278
	Correlation Coefficient Sig. (2-tailed)		-0.127	0.066	0.006	0.441	0.716	0.018	0.000	0.003	0.000	0.004	0.001	0.034	0.030	0.041	0.043
	Confidence	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
	Correlation Coefficient Sig. (2-tailed)		0.095	0.109	0.154	-0.002	0.325	1.000	0.400	0.392	0.482	0.364	0.396	0.500	0.353	0.619	0.565
	Certainty	0.905	0.498	0.437	0.272	0.988	0.018	0.000	0.000	0.004	0.000	0.007	0.003	0.000	0.009	0.000	0.000
	Correlation Coefficient Sig. (2-tailed)		53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
	Competence	-0.093	0.055	0.087	0.029	0.066	0.486	0.480	1.000	0.359	0.742	0.399	0.443	0.597	0.559	0.558	0.617
	Correlation Coefficient Sig. (2-tailed)		0.696	0.533	0.838	0.641	0.000	0.000	0.000	0.008	0.000	0.003	0.001	0.000	0.000	0.000	0.000
	Reliability	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
	Correlation Coefficient Sig. (2-tailed)		-0.137	-0.039	0.026	0.010	0.401	0.392	0.359	1.000	0.552	0.233	0.421	0.444	0.294	0.246	0.359
	Individuality	0.068	0.327	0.783	0.852	0.942	0.003	0.004	0.008	0.000	0.000	0.093	0.002	0.078	0.033	0.073	0.008
	Correlation Coefficient Sig. (2-tailed)		53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
	Common ground	-0.011	0.050	0.075	0.157	0.030	0.562	0.482	0.742	0.552	1.000	0.277	0.410	0.501	0.605	0.482	0.565
	Correlation Coefficient Sig. (2-tailed)		0.937	0.724	0.592	0.260	0.830	0.000	0.000	0.000	0.000	0.044	0.002	0.000	0.000	0.000	0.000
	Partnership	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
	Correlation Coefficient Sig. (2-tailed)		-0.209	-0.079	0.042	0.131	-0.063	0.191	0.364	0.399	0.233	0.277	1.000	0.399	0.401	0.414	0.398
	Responsibility	0.134	0.575	0.764	0.349	0.657	0.171	0.007	0.003	0.093	0.044	0.003	0.003	0.002	0.013	0.004	0.000
	Correlation Coefficient Sig. (2-tailed)		53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
	Solidarity	-0.066	-0.120	-0.028	-0.030	0.240	0.452	0.396	0.443	0.421	0.410	0.401	1.000	0.521	0.539	0.565	0.543
	Correlation Coefficient Sig. (2-tailed)		0.627	0.391	0.844	0.634	0.083	0.001	0.003	0.001	0.002	0.002	0.000	0.000	0.000	0.000	0.000
	Respect	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
	Correlation Coefficient Sig. (2-tailed)		-0.129	0.078	0.035	-0.128	0.209	0.292	0.590	0.597	0.244	0.501	0.414	0.521	1.000	0.533	0.701
	Partnership	0.356	0.580	0.804	0.361	0.133	0.034	0.000	0.000	0.078	0.000	0.002	0.000	0.000	0.000	0.000	0.000
	Correlation Coefficient Sig. (2-tailed)		53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
	Responsibility	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
	Correlation Coefficient Sig. (2-tailed)		0.753	0.292	0.533	0.226	0.394	0.030	0.009	0.000	0.033	0.000	0.003	0.000	0.000	0.000	0.000
	Solidarity	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
	Correlation Coefficient Sig. (2-tailed)		-0.179	0.067	-0.045	0.067	0.223	0.292	0.619	0.565	0.248	0.462	0.384	0.565	0.701	0.588	1.000
	Solidarity	0.201	0.631	0.748	0.631	0.109	0.041	0.000	0.000	0.073	0.000	0.004	0.000	0.000	0.000	0.000	0.000
	Correlation Coefficient Sig. (2-tailed)		53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
	Solidarity	0.002	-0.016	-0.062	0.017	0.198	0.276	0.565	0.617	0.359	0.565	0.508	0.543	0.643	0.678	0.737	1.000
	Correlation Coefficient Sig. (2-tailed)		0.988	0.912	0.660	0.906	0.155	0.043	0.000	0.008	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Solidarity	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
	Correlation Coefficient Sig. (2-tailed)		0.988	0.912	0.660	0.906	0.155	0.043	0.000	0.008	0.000	0.000	0.000	0.000	0.000	0.000	0.000
N		53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
* : Correlation is significant at the 0.05 level (2-tailed).																	
* : Correlation is significant at the 0.01 level (2-tailed).																	

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

These results will be examined more detailed in the following sections.

4.3.2 Regression analysis

This part of the main section 'Findings' is the **core of the entire doctoral thesis** and will examine the results of the study with support of different regression analyses. The aim of regression analysis is to determine the relationships between a dependent variable (financial figures) on the one hand and several explanatory variables (cooperative values) on the other.

4.3.2.1 Capital Adequacy and cooperative values

The first model that was examined is the extent to which capital adequacy can be explained by the presence of cooperative values in everyday working life in the banks.

The results of this regression analysis are presented below in three central result tables. The top table, titled Model Summary, provides some metrics about the overall success of the analysis and the nature of the estimated regression equation. The second table, ANOVA, states something about the extent to which the available data indicate that there is in fact an association between the explanatory and the dependent variable in the population. Finally, the third table Coefficients describes in detail the estimated regression equation and the influence and significance of each explanatory variable.

The key figure for evaluating the nature of the regression model is the value R square, which is also known as the coefficient of determination. On a scale of 0 to 1, this value measures how well the values of the dependent variable actually correlate with the values of the explanatory variables. This is also known as the fit of the model. If R square has the value 1, this means that the values of the

dependent variables can be calculated 100% from the values of the explanatory variables. An R square of 0, on the other hand, indicates that no (linear) relationship at all could be found between the explanatory and the dependent variable (Brosius, 2017).

Table 75: Model Summary 'capital adequacy'

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,541 ^a	,293	,103	14,64572

a. Predictors: (Constant), Solidarity, Fairness, Competence, Individuality, Confidence, Common ground, Partnership, Respect, Certainty, Responsibility, Reliability

In this case, R squared is .293. Cohen (1988) established rules for the determination coefficient.

low / weak variance explanation $|R^2| = .02$

medium / moderate explanation of variance $|R^2| = .13$

high / strong variance explanation $|R^2| = .26$

With an R^2 of .293 according to Cohen (1988), this model has a high variance explanation.

The simple R^2 has the disadvantage that it always has a positive bias and thus overestimates the explained variance. The corrected R^2 tries to eliminate this bias again. Therefore the corrected R^2 will always be smaller than the normal R^2 .

The R^2 for the overall model was .293 (adjusted $R^2 = .103$), indicative for a medium goodness-of-fit according to Cohen (1988).

Table 76: Anova 'capital adequacy'

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3638,323	11	330,757	1,542	,154 ^b
	Residual	8794,385	41	214,497		
	Total	12432,708	52			

a. Dependent Variable: Capital Adequacy

b. Predictors: (Constant), Solidarity, Fairness, Competence, Individuality, Confidence, Common ground, Partnership, Respect, Certainty, Responsibility, Reliability

The ANOVA table examines the significance of the overall model. The significance value in this table refers to the question of whether there is an overall relationship between the explanatory variables on the one hand and the dependent variable on the other (Brosius, 2017). With a significance value of 0.154 one can assume that this is not completely the case, because with this assumption one commits a mistake with a probability of 15.4%.

Table 77: Coefficients 'capital adequacy'

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	29,936	4,933		6,068	,000
	Fairness	-,252	,175	-,252	-1,435	,159
	Confidence	,161	,170	,182	,946	,350
	Certainty	,134	,235	,132	,568	,573
	Competence	,457	,168	,479	2,713	,010
	Reliability	-,152	,214	-,175	-,711	,481
	Individuality	-,273	,159	-,272	-1,715	,094
	Common ground	-,133	,197	-,130	-,678	,502
	Respect	-,034	,168	-,042	-,200	,843
	Partnership	,108	,203	,114	,534	,596
	Responsibility	-,379	,249	-,375	-1,525	,135
	Solidarity	,256	,226	,268	1,131	,264

a. Dependent Variable: Capital Adequacy

If the overall model is significant, this does not mean that every single explanatory variable actually has an influence on the dependent variable. Whether this is the case can be seen in the table of coefficients. A significance value is given for each individual variable (Brosius, 2017). The following variable is correlated with 'capital adequacy' with a higher probability. In addition, only the positive correlations are considered here, since the researcher does not think it makes sense to assume that, for example, particularly unfair behavior has a positive effect on capital adequacy.

Competence (significance 0,010)

4.3.2.2 Asset quality and cooperative values

The second model that was examined is the extent to which asset quality can be explained by the presence of cooperative values in everyday working life in the banks.

The results of this regression analysis are presented below in three central result tables.

Table 78: Model Summary 'asset quality'

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,341 ^a	,116	-,121	16,34999

a. Predictors: (Constant), Solidarity, Fairness, Competence, Individuality, Confidence, Common ground, Partnership, Respect, Certainty, Responsibility, Reliability

With an R^2 of .116 according to Cohen (1988), this model has a medium variance explanation. With a view to adjusted $R^2 = -.121$ there is no goodness-of-fit according to Cohen (1988).

Table 79: Anova 'asset quality'

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1439,797	11	130,891	,490	,899 ^b
	Residual	10960,203	41	267,322		
	Total	12400,000	52			

a. Dependent Variable: Asset Quality

b. Predictors: (Constant), Solidarity, Fairness, Competence, Individuality, Confidence, Common ground, Partnership, Respect, Certainty, Responsibility, Reliability

With a significance value of 0.899 one cannot assume that there is an overall relationship between the explanatory variables on the one hand and the dependent variable on the other, because with this assumption one commits a mistake with a probability of 89.9 %.

Table 80: Coefficients 'asset quality'

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	28,078	5,507		5,098	,000
	Fairness	-,195	,196	-,195	-,996	,325
	Confidence	,175	,190	,199	,922	,362
	Certainty	,172	,262	,171	,656	,516
	Competence	-,124	,188	-,130	-,661	,512
	Reliability	,009	,239	,011	,038	,970
	Individuality	-,100	,178	-,100	-,563	,577
	Common ground	-,078	,220	-,076	-,354	,725
	Respect	-,049	,187	-,062	-,261	,796
	Partnership	,211	,226	,223	,931	,357
	Responsibility	,108	,278	,107	,389	,699
	Solidarity	-,184	,252	-,193	-,730	,469

a. Dependent Variable: Asset Quality

Also in relation to the coefficients, no significant correlation can be found.

4.3.2.3 Management Efficiency and cooperative values

The third model that was examined is the extent to which management efficiency can be explained by the presence of cooperative values in everyday working life in the banks.

The results of this regression analysis are presented below in three central result tables.

Table 81: Model Summary 'management efficiency'

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,348 ^a	,121	-,115	16,30407

a. Predictors: (Constant), Solidarity, Fairness, Competence, Individuality, Confidence, Common ground, Partnership, Respect, Certainty, Responsibility, Reliability

With an R^2 of .121 according to Cohen (1988), this model has a medium variance explanation. With a view to adjusted $R^2 = -.115$ there is no goodness-of-fit according to Cohen (1988).

Table 82: Anova 'management efficiency'

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1501,276	11	136,480	,513	,883 ^b
	Residual	10898,724	41	265,823		
	Total	12400,000	52			

a. Dependent Variable: Management Efficiency

b. Predictors: (Constant), Solidarity, Fairness, Competence, Individuality, Confidence, Common ground, Partnership, Respect, Certainty, Responsibility, Reliability

With a significance value of 0.883 one cannot assume that there is an overall relationship between the explanatory variables on the one hand and the dependent variable on the other, because with this assumption one commits a mistake with a probability of 88.3 %.

Table 83: Coefficients 'management efficiency'

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	25,681	5,492		4,676	,000
	Fairness	-,063	,195	-,063	-,323	,749
	Confidence	,251	,190	,285	1,326	,192
	Certainty	,128	,262	,127	,488	,628
	Competence	-,156	,187	-,164	-,835	,409
	Reliability	,086	,238	,099	,359	,721
	Individuality	,079	,177	,079	,446	,658
	Common ground	,033	,219	,032	,150	,881
	Respect	,019	,187	,024	,100	,921
	Partnership	,243	,226	,257	1,077	,288
	Responsibility	-,249	,277	-,247	-,900	,374
	Solidarity	-,304	,251	-,319	-1,210	,233

a. Dependent Variable: Management Efficiency

Also in relation to the coefficients, no significant correlation can be found.

4.3.2.4 Earnings quality and cooperative values

The fourth model that was examined is the extent to which earnings quality can be explained by the presence of cooperative values in everyday working life in the banks.

The results of this regression analysis are presented below in three central result tables.

Table 84: Model summary 'earnings quality'

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,548 ^a	,300	,112	14,54861

a. Predictors: (Constant), Solidarity, Fairness, Competence, Individuality, Confidence, Common ground, Partnership, Respect, Certainty, Responsibility, Reliability

With an R^2 of .300 according to Cohen (1988), this model has a high variance explanation. With a view to adjusted $R^2 = .112$ there is a medium goodness-of-fit according to Cohen (1988).

Table 85: Anova 'earnings quality'

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3721,853	11	338,350	1,599	,136 ^b
	Residual	8678,147	41	211,662		
	Total	12400,000	52			

a. Dependent Variable: Earnings Quality

b. Predictors: (Constant), Solidarity, Fairness, Competence, Individuality, Confidence, Common ground, Partnership, Respect, Certainty, Responsibility, Reliability

With a significance value of 0.136 one can assume that there is an overall relationship between the explanatory variables on the one hand and the dependent variable on the other, because with this assumption one commits a mistake with a probability of 13.6 %.

Table 86: Coefficients 'earnings quality'

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	t
1	(Constant)	20,308	4,900		4,144
	Fairness	,087	,174	,087	,498
	Confidence	,250	,169	,283	1,477
	Certainty	-,113	,233	-,112	-,484
	Competence	-,168	,167	-,176	-1,002
	Reliability	,187	,212	,215	,878
	Individuality	,288	,158	,287	1,821
	Common ground	-,168	,196	-,163	-,858
	Respect	-,446	,167	-,564	-2,675
	Partnership	,381	,201	,403	1,892
	Responsibility	,300	,247	,297	1,214
	Solidarity	-,363	,224	-,382	-1,620

a. Dependent Variable: Earnings Quality

The following variables are correlated with 'earnings quality' with a higher probability. In addition as said before, only the values that have a positive correlation are considered here.

confidence (significance 0,147)

individuality (significance 0,076)

partnership (significance 0,066)

4.3.2.5 Liquidity Management and cooperative values

The last model that was examined is the extent to which liquidity management can be explained by the presence of cooperative values in everyday working life in the banks.

The results of this regression analysis are presented below in three central result tables.

Table 87: Model Summary 'liquidity management'

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,451 ^a	,203	-,010	15,52092

a. Predictors: (Constant), Solidarity, Fairness, Competence, Individuality, Confidence, Common ground, Partnership, Respect, Certainty, Responsibility, Reliability

With an R^2 of .203 according to Cohen (1988), this model has a high variance explanation. With a view to adjusted $R^2 = -.010$ there is no goodness-of-fit according to Cohen (1988).

Table 88: Anova 'liquidity management'

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2520,143	11	229,104	,951	,504 ^b
	Residual	9876,857	41	240,899		
	Total	12397,000	52			

a. Dependent Variable: Liquidity Management

b. Predictors: (Constant), Solidarity, Fairness, Competence, Individuality, Confidence, Common ground, Partnership, Respect, Certainty, Responsibility, Reliability

With a significance value of 0.504 one cannot assume that there is an overall relationship between the explanatory variables on the one hand and the dependent variable on the other, because with this assumption one commits a mistake with a probability of 50.4 %.

Table 89: Coefficients 'liquidity management'

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	27,676	5,228		5,294	,000
	Fairness	-,129	,186	-,129	-,692	,493
	Confidence	-,198	,180	-,225	-1,099	,278
	Certainty	-,120	,249	-,119	-,480	,634
	Competence	-,043	,178	-,045	-,242	,810
	Reliability	,057	,227	,066	,254	,801
	Individuality	-,251	,169	-,250	-1,489	,144
	Common ground	,245	,209	,238	1,172	,248
	Respect	,158	,178	,200	,889	,379
	Partnership	-,176	,215	-,186	-,821	,416
	Responsibility	,204	,264	,202	,774	,443
	Solidarity	,256	,239	,269	1,071	,290

a. Dependent Variable: Liquidity Management

Also in relation to the coefficients, no significant correlation can be found.

4.4 Summary: Findings

The section started with an overview with general comments about the survey followed by statements to the key topics 'management culture' including performance appraisal systems and 'financial figures'. The main part dealt with the correlation between cooperative management values and financial figures.

As a first general conclusion it has to be stated again that the management culture in the examined cooperative banks is perceived on a high level by the participants. The highest arithmetic mean is 2.13 and the lowest 1.41.

The following ranking list shows the result at a glance:

Respect (Mean 1,41)
Confidence (Mean: 1,46)
Competence (Mean: 1,54)
Reliability (Mean: 1,62)
Responsibility (Mean: 1,89)
Partnership (Mean: 1,90)
Solidarity (Mean: 1,91)
Certainty (Mean: 1,92)
Common ground (Mean: 1,93)
Individuality (Mean: 2,07)
Fairness (Mean: 2,13)

Most of the banks have a performance appraisal system implemented which is organized top-down. As the result shows, only 75 per cent are using this system. In addition to that only 63,2 percent of the participants' answer, that poor results lead to counteractive measures. In most cases these counteractive measures are the involvement of the next level manager, the work council, the HR department which leads to less performance-orientated payments, qualification or in some cases separation.

In comparison to the results of the findings about the performance appraisal for employees it is observable that less banks have implemented a feedback system for executives. Counteractive measures are less strong.

At the end this result shows, that there is still a need for development in a lot of banks.

The following list will sum up again the results on regression analysis with values and financial figures:

Asset quality:

Competence (significance 0,010)

Earnings quality:

Confidence (significance 0,147)

Individuality (significance 0,076)

Partnership (significance 0,066)

1. The hypothesis, that **competence** in leadership has a positive (albeit small) impact on **asset quality** or that this could be explained by it can be assumed (significance = 0,010).
2. The hypothesis, that **confidence** in leadership has a positive (albeit very small) impact on **earnings quality** or that this could be explained with it can be assumed (significance = 0,147).
3. The hypothesis, that **individuality** in leadership has a positive (albeit small) impact on **earnings quality** or that this can be explained with it could be assumed (significance = 0,076).

4. The hypothesis, that **partnership** in leadership has a positive (albeit small) impact on **earnings quality** or that this can be explained with it could be assumed (significance = 0,066).

Having these results in mind the following statements can be made:

1. In particular, the values **competence, confidence, individuality** and **partnership** could have a positive effect on '**asset quality**' respectively '**earnings quality**' or that these could be explained with those cooperative values. At first glance, this is not surprising and could in fact be a conclusive explanation, since these key financial figures depend in particular on the amount of the individual value adjustment and competence is a decisive factor here. (competence → asset quality). Among other things, the cooperative values mentioned are, in the researcher's opinion, an important prerequisite for maintaining the position of earnings quality at the highest possible level (confidence, individuality, partnership → earnings quality).

2. In addition to that the result about 'Performance appraisal systems and feedback for executives' showed, that there is still a need for development in a lot of banks. Especially when it comes to the consistency towards managers with negative leadership behaviour. Especially against the background that this often does not lead to any corresponding measures in the bank.

The last section will now discuss these findings in light of the research aim and objectives.

5 Discussion and Conclusions

This fifth and last section provides a summary of the findings of the study as well as the discussion of the theoretical and practical implications of these findings. Followed by a limitation sector with a critical reflection of the research project and recommendations for further research. At the end a summary will offer the implications of the research project in general.

5.1 Summary of main findings

The most important and fundamental question of this thesis was:

Is there a correlation between (cooperative) values-based leadership and economic success?

The answer is:

The study shows first small indications about the relationships between cooperative management values and business key figures.

As presented in the section 'Research Methodology' if this question would be answered in a positive way, this would lead to more questions or rather the following questions would help to answer the main research question more detailed:

- 1. How is the impact of values-based leadership on economic success?**

2. Why has value a/b/c etc. this typical or specific impact?

In order to answer these questions and to sum up the main findings the following comments should be remarked again:

1. In particular, the values **competence**, **confidence**, **individuality** and **partnership** could have a positive effect on 'asset quality' respectively 'earnings quality' or that these could be explained with those cooperative values. At first glance, this is not surprising and could in fact be a conclusive explanation, since these key financial figures depend in particular on the amount of the individual value adjustment and competence is a decisive factor here. (competence → asset quality). Among other things, the cooperative values mentioned are, in the researcher's opinion, an important prerequisite for maintaining the position of earnings quality at the highest possible level (confidence, individuality, partnership → earnings quality).

2. In addition to that the result about 'Performance appraisal systems and feedback for executives' showed, that there is still a need for development in a lot of banks. Especially when it comes to the consistency towards managers with negative leadership behaviour. Especially against the background that this often does not lead to any corresponding measures in the bank.

The author of this work is of course aware that only the first small indications could be shown. From this background, the discussions about the theoretical and practical implications of these findings of the thesis are following now.

5.2 Discussion theoretical framework

This part will discuss the findings in the context of the theoretical framework. It will deal with the questions:

- How do these findings contribute to the existing body of knowledge?
- Are they contrasting/confirming/extending what was expected from theory?

To answer these question, it is necessary to review the most important conclusions of the literature review which will be presented in the following:

The existing body of knowledge as shown in the literature review offered, there are links between values-based leadership and economic success. Especially in the core literature about the concept of values-based leadership. The literature about economic success overs particularly in the concept of the Balanced Scorecard with its strategy maps a connection to the so-called 'soft facts'. Having this in mind the findings of this thesis **contribute** the existing knowledge because they show first small indications about the relationships between values and business key figures and **extend** this with the view from cooperative management style including the cooperative value cannon.

5.3 Discussion practical framework

This part will discuss the findings in the context of the managerial context. It will deal with the questions:

- How do these findings alter managers' view of the business world, decision-making process, organizational strategies?
- In other words, how do the findings contribute to current professional practice?

According to Eckert (2000), companies will in future be more like a **'net' than a hierarchical pyramid in which communication is rigidly 'top-down' or 'bottom-up'**.

As said in the part about the BSC, there is a possibility to connect hard with soft facts, but it is important to mention again:

The benefit of the BSC depends predominantly on the personality of the management. They can do what the BSC cannot: **Inspire people and earn their commitment** (Pircher-Friedrich, 2011).

This statement is transferable to the management of cooperative banks. To work only with KPIs is not the solution to get inspired people which show their commitment to the bank.

In this context the executives play a central role and an orientation towards cooperative values (fairness, confidence, certainty, competence, reliability, individuality, common ground, respect, partnership, responsibility and solidarity) is advisable.

But how do the findings of this thesis alter managers' view of the business world, decision-making process, organizational strategies.

At this point, the focus of this work regarding this question is presented again:

In the present work values-based leadership is based on these eleven, above mentioned values. You could also say that this work deals with values-based leadership as a leadership oriented towards cooperative values.

Of course, the biggest challenge is to live according to these values or to lead employees under consideration of these values.

The next step is to use this leadership concept in order to create economically successful companies.

The prerequisite for this is that the organization is **committed throughout its entire human resources value creation chain** to firmly anchoring value-oriented management in the company.

This begins with the **selection of personnel and ends when dealing with employees who, for whatever reason, leave the company**. This includes the appraisal system and, for example, the management principles.

Finally, if one assumes that values-based leadership leads to economic success, this has a significant impact on a **company's strategic direction**. As already mentioned, the HR framework and instruments must be geared to promoting values-based leadership in the company.

In absolute consequence, this must be anchored in the **entire strategy process of the company**. That means from the formulation of the **vision** to the **operational implementation** at each individual

workplace. Here again the BSC could be a suitable management instrument to document appropriate goals and to review them in the further course of their achievement.

In this context, of course, particular attention must be paid to compliance with the **management guidelines**, which, according to the author of this work, are guided by values-based leadership.

Once again it becomes clear that the explanations in this work ascribed to a company's **executives a central, if not the decisive, role in connection with a successful company**. In addition to this, the already frequently mentioned cultural **change of values in society** - especially in Germany - is an ideal breeding ground for further development in the direction of values-based leadership. **Patriarchal systems, according to the author of this thesis, have finally served up.**

The central success factors for a company geared towards economic success are **leadership** and its way of **communicating with the employees**.

In addition to this, it should finally be mentioned that the two factors strategy and structure are inextricably linked in an organization.

'Unless structure (and it could be added 'behaviour' against the background of this work) follows strategy, inefficiency results (Chandler, 1962).

The Limitations sector will follow now.

5.4 Critical Assessment of Own Work

This section of the dissertation is a critical reflection on the thesis by the author of the study. It reflects the personal journey that the author has taken through the course of writing this work. The writer highlights issues that occurred during the research and writing of the thesis.

It was a very inspiring, though not always easy journey. Nevertheless, I have never thought of giving up. The biggest challenges were to practice self-discipline and to work on the topics of the thesis in addition to the difficult phase of data acquisition, the demanding job and family life.

At the end, I can say that this journey has changed me as a person in a positive way.

I firmly believe that my skills in structured thinking, problem-solving and perseverance, in particular, have evolved significantly.

In addition, I have new expertise on all topics that I have covered in this thesis. From this, I have gained valuable insights that I have been able to apply to my daily working life with success, while writing my thesis.

5.5 Further Research

This section addresses from my point of view the most important starting point for further research in the field of 'cooperative values-based leadership and economic success'.

My original vision was to gain enough meaningful data that would allow me to set up the following mathematical equation:

$$y = b_0 + b_1X + e$$

y = cooperative financial figures (e. g. net profit)

b0 = normal basis without cooperative values (Intercept)

b1 = relevant cooperative values (1 to 11)

e = Errors in prediction (Slope)

X = Given

I hope someone will pick up my path and continue researching in that area. Maybe I will resume this path at a later date and will be able to set up the mentioned equation.

5.6 Implications of This Research

This research contributes to both practice and knowledge. It must be remembered that this research was conducted as a DBA thesis and therefore it is appropriate that the work contributes to practice alongside knowledge.

The study shows first small indications about the relationships between cooperative management values and business key figures.

Organisations could improve their results if they follow the concept of values-based leadership or even the cooperative values management style. The findings of this study might have important implications for those training, coaching or selecting executives, those intending to take a leadership position or who already are leaders, the organisations within values-based leadership is put into focus and for other researchers who want to build on the results.

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Appendices

Appendix A

Consolated financial statement of Volksbanks and Raiffeisenbanks 2020

Volksbanken Raiffeisenbanken Cooperative Financial Network

	2020 € million	2019 € million	Change (percent)
Financial performance			
Net interest income	18,382	18,185	1.1
Net fee and commission income	7,439	7,092	4.9
Gains and losses on financial and commodities activities ¹	713	1,830	-61.0
Net income from insurance business ²	722	1,652	-56.3
Loss allowances	-2,327	-832	>100.0
Profit before taxes	7,226	10,179	-29.0
Net profit	5,034	7,046	-28.6
Net assets			
Loans and advances to banks	19,730	22,439	-12.1
Loans and advances to customers	890,576	844,552	5.4
Financial assets held for trading	42,643	44,335	-3.8
Investments	255,374	248,509	2.8
Loss allowances	-10,470	-9,119	14.8
Investments held by insurance companies	120,580	112,554	7.1
Remaining assets	157,496	120,818	30.4
Financial position			
Deposits from banks	160,924	119,955	34.2
Deposits from customers	937,876	880,398	6.5
Debt certificates issued including bonds	58,365	79,610	-26.7
Financial liabilities held for trading	46,796	48,490 ³	-3.5
Insurance liabilities	111,213	104,346	6.6
Remaining liabilities	38,965	35,267	10.5
Equity	121,790	116,013	5.0
Total assets/total equity and liabilities	1,475,929	1,384,088	6.6
Volume of business⁴	1,994,013	1,870,742	6.6
Profitability/efficiency			
Cost/income ratio (percent)	65.4	62.2	
Return on equity (percent) ⁵	6.1	9.1	
Average equity	118,902	111,859	6.3
Return on capital employed (percent) ⁶	0.3	0.5	
Regulatory capital ratios			
Tier 1 capital ratio (percent)	14.4	13.7	
Total capital ratio (percent)	16.2	15.6	
Common equity Tier 1 capital ratio including sec. 340f HGB reserves (percent)	16.1	15.5	
Employees as at reporting date	172,334	174,314	-1.1

See back inside cover for footnotes 1–6.

Appendix B

Invitation via e-mail

Researcher: Stefan Müller

Contact Details: mullers5@lsbu.ac.uk

Dear Sir or Madam,

My name is Stefan Müller and I participate in the doctoral programme "Doctorate Of Business Administration (DBA)" at the London South Bank University.

The name of my dissertation is:

The correlation between values-based leadership and economic success: An empirical evaluation within Germany and related policy implications

The aim of this study is to carry out research into the links between values, which promote leadership, especially cooperative values, and economic success.

The research project will get into advanced research and for this reason some values have been isolated, that could play a role for the link between leadership and economic success. Furthermore, these values play an important role in the history of cooperatives in Germany and haven't been examined in the planned way until now.

It is unlikely that you will gain any 'personal benefit' from participating in this research **aside from thinking about the topic that is examined within this research**. I hope this will be an intangible benefit for you.

I would be very grateful if you could take part in this electronic survey.

Thank you!

Kind regards,

Stefan Müller

Appendix C

Consent Form

Title of Study: The correlation between values-based leadership and economic success: An empirical evaluation within Germany and related policy implications

Name of Researcher: Stefan Müller

Please tick to consent.

- I have read the information sheet on the research in which I have been asked and agree to participate and had the opportunity to print it out. I have had the opportunity to discuss the details and ask questions about this information
☐
- The Researcher has explained the nature and purpose of the research and I believe that I understand what is being proposed
☐
- I understand that my personal involvement and my particular data from this study will remain strictly confidential. Only researchers involved in the study will have access
☐
- I have been informed about what the data collected will be used for, to whom it may be disclosed, and how long it will be retained
☐
- I have received satisfactory answers to all of my questions
☐
- I hereby fully and freely consent to participate in the study which has been fully explained to me
☐

- I understand that I am free to withdraw from the study at any time until submission of the thesis, without giving a reason

☐

IF YOU ARE AT ALL CONCERNED ABOUT THIS RESEARCH STUDY
PLEASE CONTACT:

Mr Stefan Müller

mullers5@lsbu.ac.uk

If you wish to speak to someone not directly related to the research,
please contact the Chair, London South Bank University Research
Ethics Panel (ethics@lsbu.ac.uk).

Appendix D

Participant Information Sheet

Researcher: Stefan Müller

Contact Details: mullers5@lsbu.ac.uk

The correlation between values-based leadership and economic success: An empirical evaluation within Germany and related policy implications

You are invited to take part in a research study. The study will end on February 28th 2018. Before you decide to participate or not it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully. Talk to others about the study if you wish.

Ask us if there is anything that is not clear or if you would like to have more information. Take time to decide whether or not you wish to take part.

The aim of this study is to carry out research into the links between values, which promote leadership, especially cooperative values, and economic success.

The research project will get into advanced research and for this reason some values have been isolated, that could play a role for the link between leadership and economic success. Furthermore, these values play an important role in the history of cooperatives in Germany and haven't been examined in the planned way until now.

You have been chosen to be invited to participate in this study as you are an employee of a German cooperative bank with balance sheet totals above 1500 million Euros.

It is up to you to decide whether or not to take part. If you do, you will be given this information sheet to keep (please print out if you

wish) and be asked to sign a consent form (by ticking the box: agreed). You have time to give consent until February 28th 2018. You are still free to withdraw anytime up to the submission of the dissertation (2019) and without giving a reason.

Participating at the following electronic survey takes approximately 15 minutes.

It is not anticipated that you will have any disadvantage or suffer any risk from this study.

It is unlikely that you will gain any 'personal benefit' from participating in this research aside from thinking about the topic that is examined within this research. I hope this will be an intangible benefit for you.

All information received from you will be handled in a confidential manner and stored in a locked filing cabinet and on a password-protected computer in an environment locked when not occupied. Only the researcher and supervisor will have direct access to the information. Any reference to you will be anonymised by using a code number. This information will be retained until the end of 2019.

This study is being completed as part of a Doctorate Of Business Administration (DBA) (3873) at the London South Bank University. It has been reviewed and ethically approved by the London South Bank University Research Ethics Panel.

If you are concerned about any aspect of this study, do not hesitate to contact the researcher who will do his best to answer your questions (Stefan Müller / mullers5@lsbu.ac.uk). If you wish any further information regarding this study or have any complaints about the way you have been dealt with during the study you can contact: Prof. Jon Warwick at 0207 815 7436, who is the Academic Supervisor of this study. Finally, if you remain unhappy and wish to complain formally, you can contact the Chair of the University Research Ethics

Panel. Details can be obtained from the university website:
<https://my.lsbu.ac.uk/page/research-degrees-ethics>

Appendix E

Free text comments concerning question about the performance appraisal system (counteractive measures after bad results)

Question: What are these counteractive measures? Please give examples:

- 'Managers judge the employees, which has an effect on additional performance-related remuneration. Depending on the appraisals, the next higher manager and possibly also the company council will be switched on. The employees judge their manager anonymously. This assessment is included in the overall assessment of the manager.'
- 'If necessary, Transfer, qualification.'
- 'The first level is: employee support services.'
- 'Activation works council, next higher executive.'
- 'Conversation about possible development measures in the sense of 'demanding and promoting'; Orientation sessions; Consequence talks; up to separation talks.'
- 'There are very few consequences. Only in extreme cases!'
- 'Formulations of requirements (what do I expect ...), Offer/ agreement of support measures, impact on the amount of the bonus payment.'
- 'Focus is not on sanction, but rather on measures for improvement, training, etc..'
- 'Questioning the causes, deriving measures for improvement; for further consequences I lack examples (even neither actively nor passively experienced).'

- 'Multi-step process: In the case of clearly unsatisfactory performance, the appraisal interview is conducted with the involvement of the personnel department, documented and provided with a catalogue of measures.'
- 'Support through coaching measures by external consulting companies.'
- 'Activation works council and next higher executive.'
- 'There are no consequences. Employees who bully, spend more time talking than working, publicly rebel against leaders and talk bad about them have nothing to fear here. On the contrary. They earn the same money as those who work and act proactively in the bank's interest. Do not get approval from me. I would, if it were made possible for me as a woman, want to take on leadership responsibility and change the system. However, there are no female executives in decisive positions and I do not see any willingness to change in the future either.'
- 'Transfer, Release, Separation, Additional Assistance, Coaching, Training on the job measures.'
- 'Coaching, training, strength-oriented use in other functions.'
- 'Work goals, more frequent communication, specifications.'
- 'Involvement of personnel management (qualification, possibly taking over another task), involving superiors (board).'
- Depending on the case, different e. g.: Training on the job, training / development measures, activation of the next higher executive or HR department.'
- 'if necessary, involvement of human resources department, consideration of measures.'
- 'Training, no bonuses, if necessary exit.'
- 'Employee development talks.'

- 'No consistent implementation.'
- 'Support services, such as training to discussions with the works council and the personnel management - depending on the situation.'
- 'Use of training to improve the corresponding competencies, correction agreement, involvement of the personnel officer.'
- 'less performance-related compensation, agreement on development measures, involvement of the next higher manager.'
- 'Personnel development measures, transfers, exemptions, severance pay, etc..'
- 'Discussions with management - involvement of HR department - possibly development or separation strategy - if possible.'
- 'Discussions, coaching, etc..'
- 'I do not know any consequences.'
- 'Training, or coaching offer / Personnel department decides situationally about information to the next superior.'
- 'Occupation Works Council, Information Nearest Senior Manager, Information Human Resources.'
- 'Help for Development.'
- 'Escalation scenario: next step next leader and on request works council.'
- 'In the case of disagreement, the assessment escalates to the works council, next superior and HR manager.'
- 'Demand for expected benefits; Reduction in performance-related pay; Admonition; Warning; displacement; separation.'
- 'Personnel development; the discussions serve to determine the position and improve or confirm as well as to reach agreements regarding cooperation.'

- 'training, coaching sessions, dislocations'
- 'Definition of personnel development measures; Definition of specific goals.'
- 'Individual personnel development (from training to coaching), the next higher manager will be involved.'
- 'Conversation with the next superior. Demonstrate consequences. Arrange for action.'
- 'variable compensation lower, escalation works council if no agreement on classification.'
- 'Activation works council, human resources department, senior manager'
- 'depending on the "degree" of dissatisfaction: escalation with manager and works council; Showing consequences in a one-on-one interview; Setting clear goals for change; Admonition; Warning; Transfer to another department; in exceptional cases also separation talks.'
- 'Because these are competency-based systems, it's primarily about the employee's options to evolve. However, this does not entail any sanctions, but the agreement of concrete measures on how unsatisfactory situations can be remedied.'
- 'Financial losses, turn on next higher executive'
- 'further talks, between works council and executive board / executives existing "letter of intent" for handling performance. Steps and escalation routes are documented here for the safety of all involved.'
- 'Activation of Human Resources / Works Council; Target agreements are consistently tracked; coaching.'
- 'Retraining, further discussions, possibly switching in the next higher executive or personnel department.'

- 'no consequences - tool is indeed filled consistently (quality ???), but migrates without any further attention only in the personnel file.'
- 'Development planning, support.'
- 'Next higher executive is invited to the interview. Background is the further planning or employment in the enterprise.'
- 'Evaluation not only top down, but evaluation by manager and self-assessment by employees and derived therefrom common assessment. Example: training; Promotion in the workplace.'
- 'next higher executive, drawing up development plans, commissioning works council.'
- 'Conversations, close management in close timing, job changes, ...'
- 'if further development to improve performance is possible: targeted support; no development perspective: change in the area of responsibility.'
- 'Transfer to other areas (approval of works council required) or new tasks in the area itself salary adjustments.'
- 'Next higher executive.'
- 'Involvement of Human Resources - Written Explanation and Goal Comparison.'
- 'Concrete agreement to improve performance. Offer of support.'
- 'First, the colleague is spoken with, so that he recognizes ways for himself and the negative points would no longer exist in the future. If this is not possible, then the manager will possibly formulate clear rules or agreements. Then the points are often done. 1st escalation level: If this does not work, the next level of management will be turned on and the colleague may be accompanied by a member of the works council. At the end of this conversation there will be a clear agreement. 2nd escalation level: If the colleague does not

comply with this agreement, then there will be a discussion with the HR department and they will look for a new area of responsibility for the employee via the staff pool. This is often very successful and the colleagues get on well in their new tasks. 3rd escalation level: The colleague is neither cooperative nor willing to change - in such circumstances the company would part with this employee.'

- 'Interviews with executives, board and personnel management.'
- 'There are discussions with the next higher executive, a mediator, the works council etc.'
- 'Managers and staff try together to clarify what can be improved and how. Involvement of the works council or the human resources department is possible.'
- 'Personnel development measures.'
- 'the next higher manager will be informed. If applicable, impact on a performance-based payment.'
- 'Show learning fields. Accompaniment of learning fields by an executive. Agreements for implementation and follow-up. Report to Human Resources. Sometimes, further measures in consultation with the works council.'
- 'Development of an action plan; Make arrangements; Consistent leadership; Incorporation of the next higher executive; if necessary disciplinary measures; integration of works council; transfers.'
- 'Discussions with agreements on targets to reduce errors / weaknesses.'
- 'Executive then works council.'
- 'Not really consistent, which is sometimes just fine.'
- 'situational intervention next superior manager.'

- 'In case of sustained bad performance in connection with a counselling resistance, a separation takes place. Before we act according to the helping approach.'
- 'constructive and solution-oriented feedback discussion with the manager.'

Identified groups:

- 1.) involvement of the next level manager,
- 2.) the work council,
- 3.) the HR department which leads
 - a) to less performance-orientated payments,
 - b) qualification
 - c) or in some cases separation.

Appendix F

Free text comments concerning question about the feedback system for executives (counteractive measures after bad results)

What are these counteractive measures? Please give examples:

- 'First step: Support the executive'
- 'external team coaching, e. g. between the team and the manager. It was about communication. We hardly have areas where there are open conflicts between team and manager.'
- 'Coaching for executives. Examination of the results in the team meetings.'
- 'The following statements are not related to my own leadership: If necessary, discussions with the manager. If the problems persist (even serious ones) then this has no further consequences; In one case, a two-day team building process was started with a focus on team members (the subordinates) growing together as a team, which completely bypassed the public issue because the entire team had given the manager a poor assessment. The only problem was the behaviour of the leader ...'
- 'Interview with manager, if necessary mediator.'
- 'clarify-school-coach-improve'
- 'Conversation with the next superior manager, individual training for the employee concerned.'
- 'in individual cases there were measures for improvement (e. g. group / team events, coaching, ...); I have no further examples of consequences from previous practice.'

- 'Results are disclosed anonymously. Coaching by external consultants when needed. Problems are actively addressed by the manager.'
- 'Activation works council and next higher executive.'
- 'Managers have nothing to fear.'
- 'The bottom up procedure is repeatedly announced but never carried out :-) Leaders with magical abilities may just keep going and "consume" staff. There are several examples here.'
- 'Transfer, additional support, coaching.'
- 'Behaviour change, next higher executive, works council.'
- 'Discussion of the results with the Management Board and the employees (separate); If necessary, qualification / coaching.'
- 'Not to the extent needed.'
- 'Conversations, training, mediation up to legal steps - depending on the situation.'
- 'Use of further education measures, coaching, conversation with the next higher manager, agreement.'
- 'I do not know any consequences.'
- 'Activation works council, consultation human resources department and next higher executive.'
- 'e. g. Dialogue with other executives / higher or equals as mentors.'
- 'The manager must discuss the assessment with his team; as well with his supervisor. Consequences are in the area of personnel development and future cooperation.'
- 'Hardly known so far ...Conversations with the next highest executive, dialogues between employee and executive.'

- 'rather less consistent, than at the employee level. Personnel development begins, in part assumption of other tasks in the organization.'
- 'Basically, the same mechanisms apply here as with employees.'
- 'In pieces! Commissioning works council. Coaching.'
- 'I know no consequences.'
- 'Feedback on management behaviour is in the process of being set up, to be used from autumn 2018 / spring 2019.'
- 'The management feedback is currently in the conception phase and will be rolled out to the bank as a whole this fall.'
- 'Conversation with human resources department and next higher executive; Planning of supporting measures, e. g. seminar visits.'
- 'Development planning, support.'
- 'Manager turns on.'
- 'Discussions with the Executive Board up to the withdrawal of management responsibility.'
- 'clarification.'
- 'The executives must also work with the feedback and work on their own weaknesses. Here the executive creates a corresponding catalogue of measures in order to be able to lead better in the future.'
- 'Involvement of the next higher executive, offers to resolve the bad results.'
- 'Discuss the results with the next highest executive. If necessary, measures are agreed to improve weaker results.'
- 'Personnel development measures, coaching by external coach.'
- 'Feedback from the next higher manager, if necessary measures (coaching).'

- 'Accompanied by the next higher manager and, if necessary, the HR department.'
- 'Feedback from employee to executive only in the employee survey, resulting in workshops with the teams.'
- 'executive'
- 'Activation works council or next higher executive.'
- 'Exchange on the results with the next higher executive.'
- 'At disastrous results dismissal as a leader and / or separation.'
- 'Passing on to the next higher level.'

Identified groups:

See Appendix E

Main difference: The counteractive measures are less strong.

Appendix G

Free text comments concerning general comments of the participants

- 'Good luck with the thesis!'
- 'When executives or board members from other houses come to us who are not part of the cooperative sector, they often have internalized a completely different leadership culture from their previous stations. Many find it difficult to adapt to this. Sometimes there is a lack of a fair, respectful and trusting relationship. New executives and board members should be better prepared for the leadership culture of their own house. However, it remains questionable to what extent the necessary willingness to change would exist among the new decision-makers.'
- 'Regardless of the experience in my own company, I consider a value-oriented management - also with the basic values of the cooperative - an absolutely important basis for the business success. Especially companies that are concerned about the sustainability of the company and with lead the values convincingly, experience the business success. This not only in the earnings and economic success, but also in the issues of employee satisfaction, low turnover rate, low sick leave, enough applicants for apprenticeships and staff, low skills shortage, etc.'
- 'The role model function often begins below the board, and uneven leadership on and between different management levels.'
- 'It is an advantage if there are guiding principles that are then lived in a uniform manner.'
- 'Great employer with not quite consistent consequence culture'
- 'A kind of constructive consequence culture is missing.'