

How is the Tone from the Top Shaping Risk Culture? Evidence from German Regional Banks

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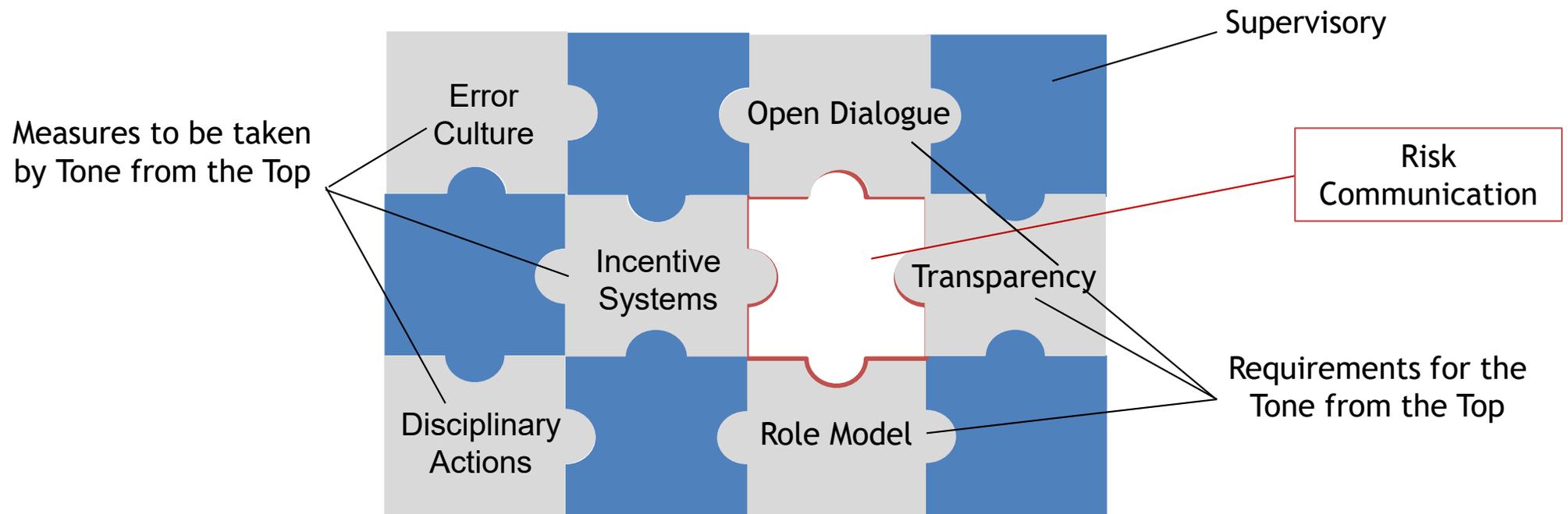
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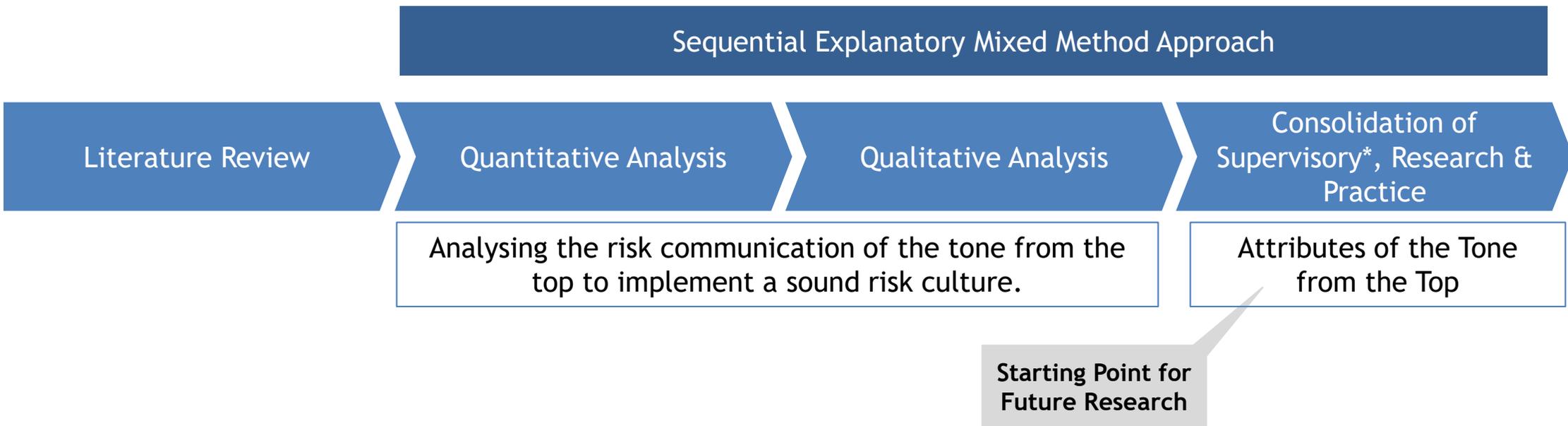
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Literature Review / Motivation

- No literature explicitly examining risk communication related to tone from the top.
- Partial results provide information about adequate communication behaviour.



Course of the Presentation



* The supervisory perspective is based on the FSB 2014 „Guidance on Supervisory Interaction with Financial Institutions on Risk Culture”

Sequential Explanatory Mixed Method Approach

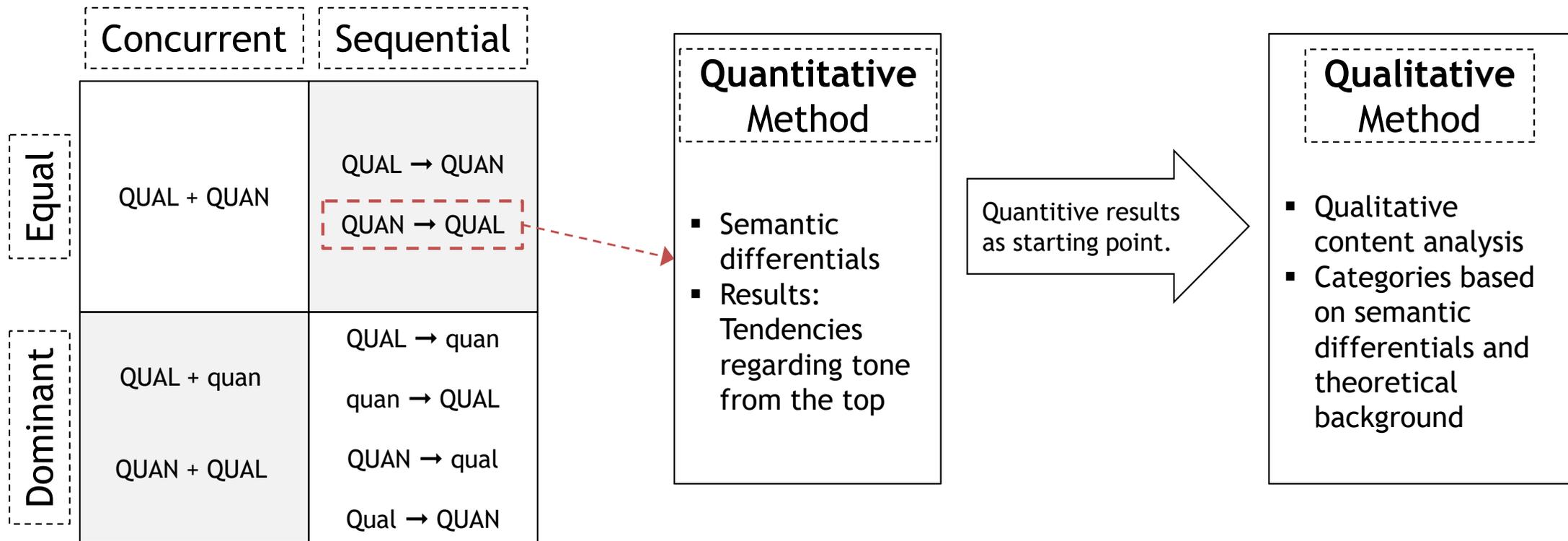


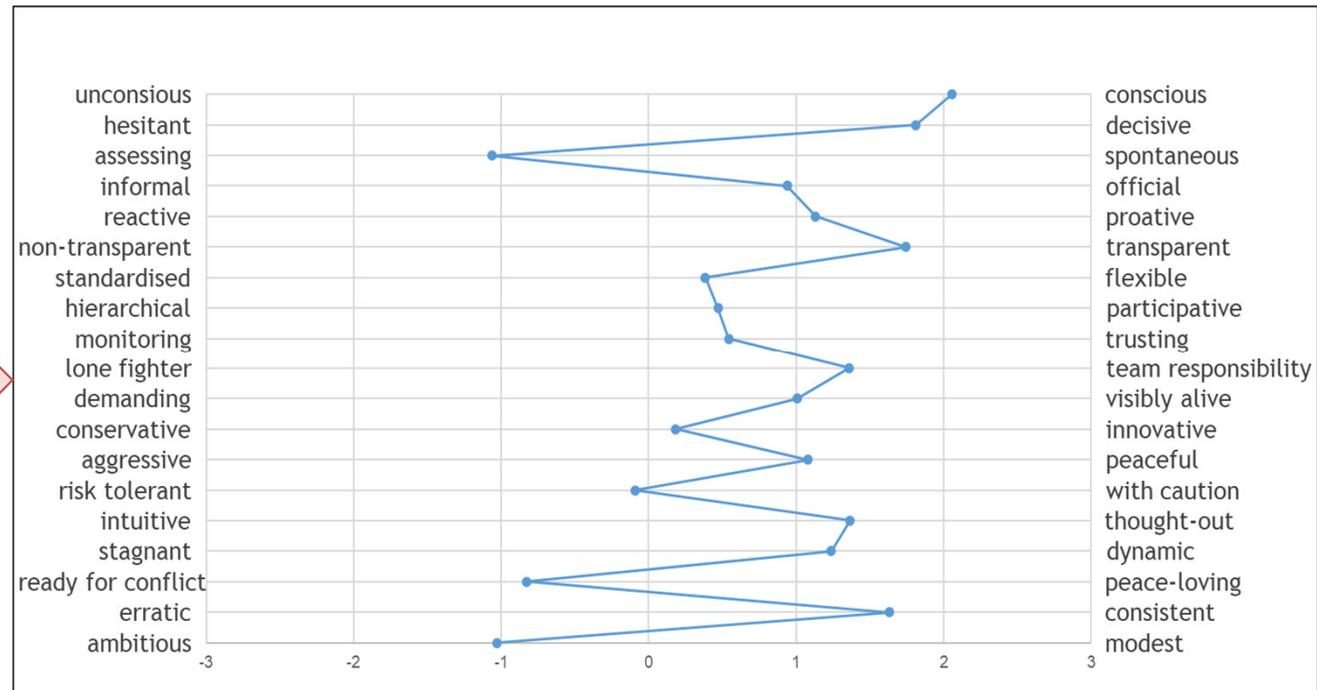
Fig. 1: Typology of Mixed Methods (Alavi & Habek, 2016, 63).
 Notes: „Qual“ and „Quan“ stand for qualitative of quantitative methods. Capital letters stand for priority, lower case letters stand for lower priority. „+“ stands for concurrenttus. „→“ stands for sequential.

Quantitative Analysis – Method, Response & Results

Survey population: N = 397
Response: n = 197 (52%)

Structure of the survey:

- Situative variables
- Leadership and risk communication behaviour of the respective board member
- Statements on risk culture and the enforcement of social norms



Qualitative Content Analysis (QCA) – Method

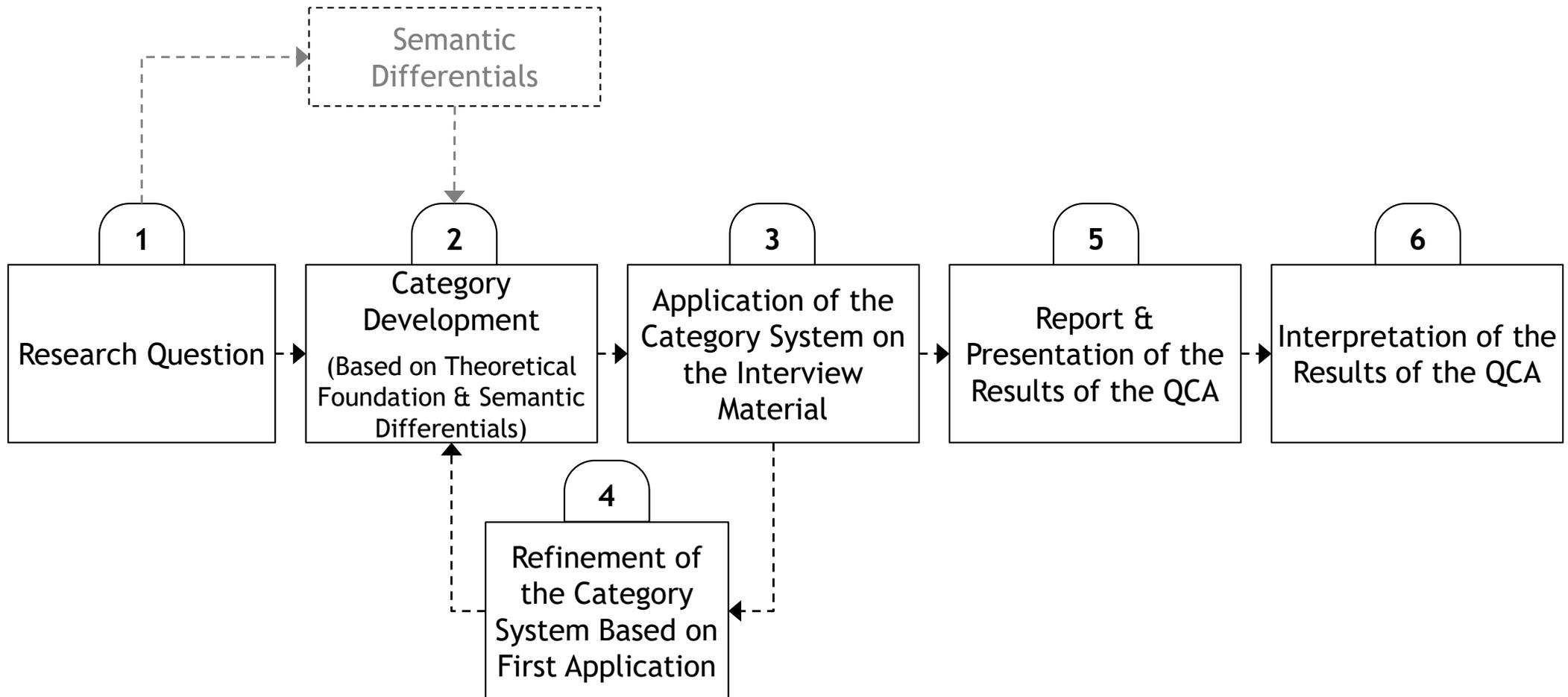
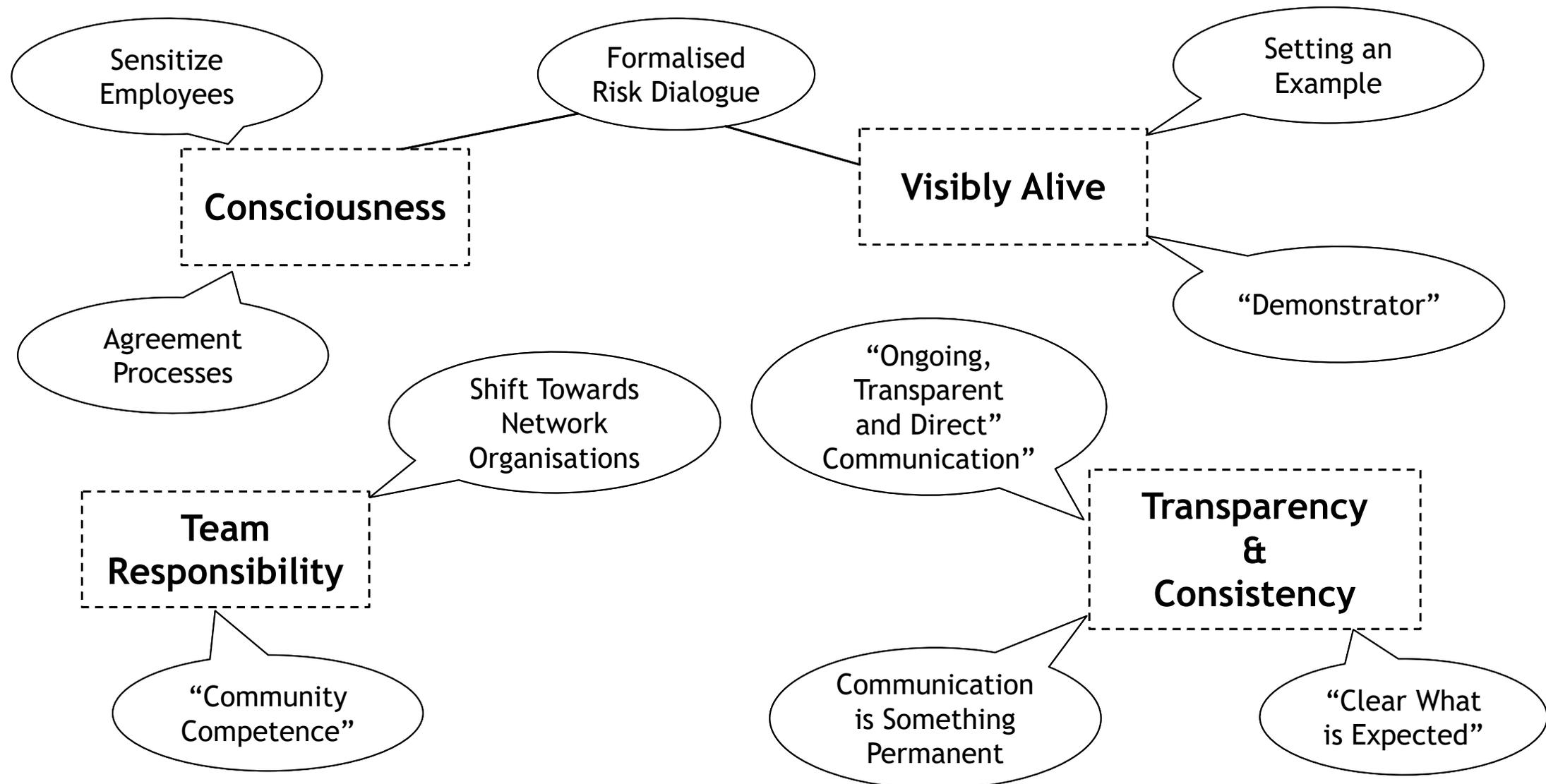


Fig. 2: Qualitative Content Analyses (adapted from Kohlbacher, 2006).

Qualitative Content Analysis (QCA) – Results (1/2)



Qualitative Content Analysis (QCA) – Results (2/2)

Risk Anticipation
as Ideal

**Proactive
vs.
Reactive**

Retrospective
Analyses

„Set very clear
signals“

**Ready for conflict
vs.
Peace-loving**

Not about
building “two
fronts”

Risk
management is
ensured by the
“management
level”

**Control
vs.
Trust**

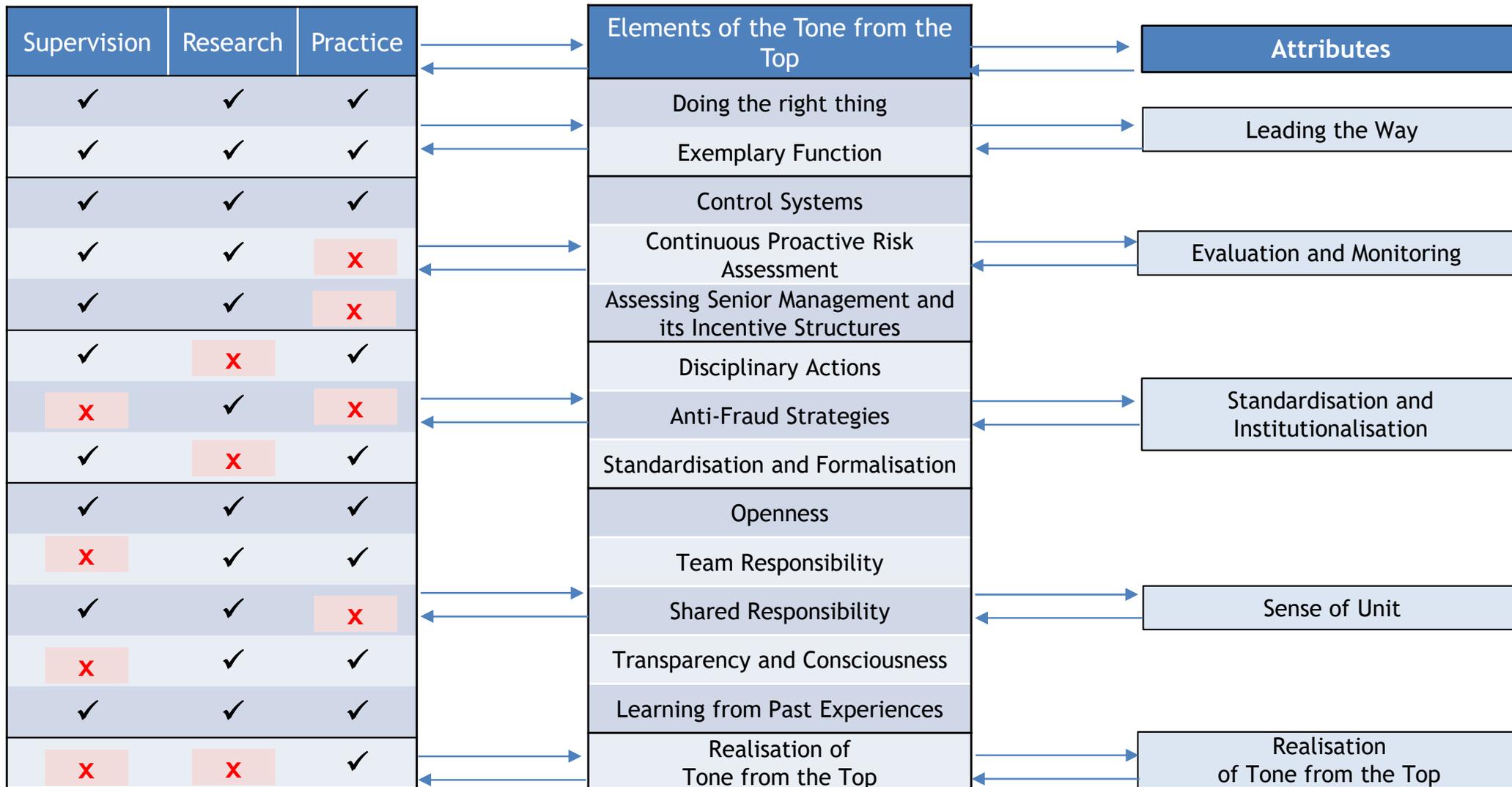
“For me, risk
culture always
means a matter
of trust”

Competencies are
always linked to
the hierarchical
function

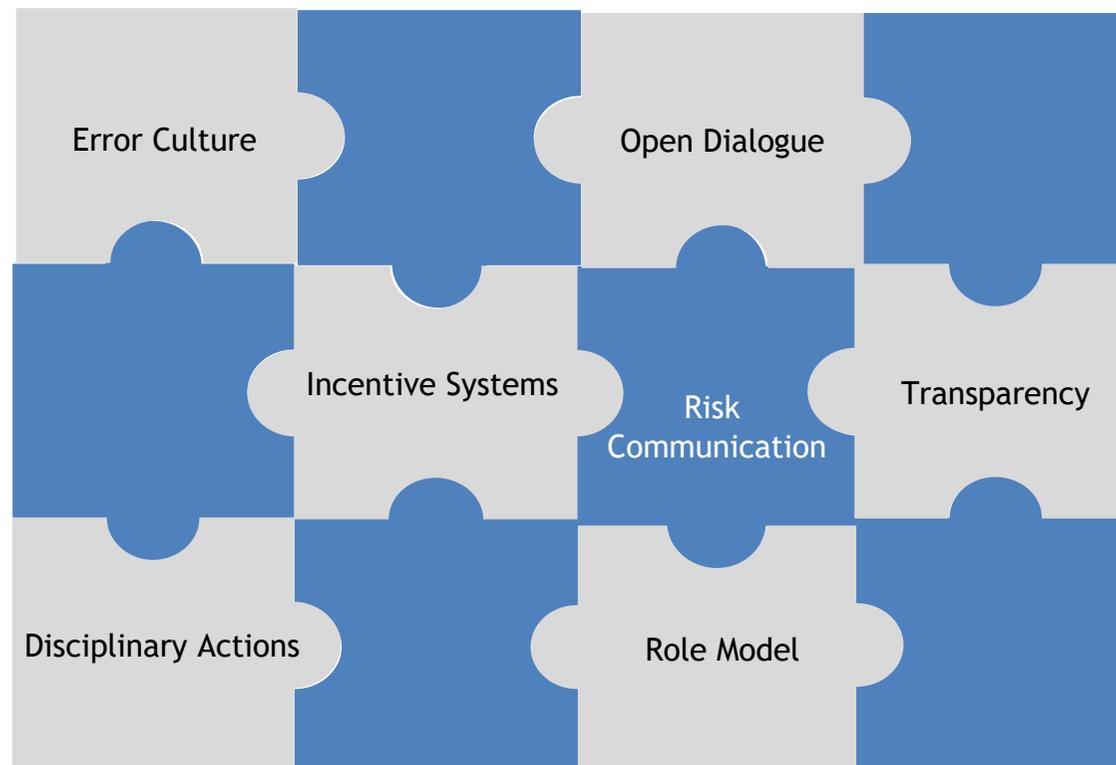
**Hierarchically
vs.
Participatively**

Banks are
“becoming more
permeable in their
hierarchies”

Attributes of the Tone from the Top



Many thanks for your kind attention!



References

- Alavi, Hamed & Habek, Patrycja. „Addressing Research Design Problem in Mixed Methods research.“ *Management Systems in Production Engineering*. Vol. 21 No. 1. 2016, 62-66
- Kohlbacher, Florian. "The use of qualitative content analysis in case study research." *Forum Qualitative Sozialforschung/Forum: Qualitative Social Research*. Vol. 7. No. 1. Institut für Qualitative Forschung, 2006.