

Application of demographic methods in evaluation of bank top management and its influence on economical success

Abstract

The thesis presents the possibility of demographic analysis as a tool for assessing the impact of the demographic structure of the governing boards on the economic prosperity of banking institutions. The aim is to confirm or refuse the justification of regulatory proposals by the European Commission issued after analyzing the causes of financial crisis, which require the sufficient diversity (gender, age, etc.) and adequate experience of governing boards of banks. Analyzed banking institutions were divided into three groups according to economic performance, within these groups the boards structures were assessed using demographic and statistical indicators. Application of correlation analysis confirmed the relationship of economic performance and some used indicators. Life tables were utilized as the next analytical tool which allows to express the expected time spent in the governing bodies and the expected time of gaining experience in banking before joining the board of directors. Finally the survival analysis was introduced to evaluate the population of members of the boards in banks according to the time period spent in the board and by time period of gathering previous experience in the banking sector. The results confirmed a rational basis of the European Commission's proposals as regards higher gender diversity and bigger emphasis on the necessity of adequate work experience of banking executives. The thesis demonstrated the possibility of using demographic techniques to other than the general population and especially their usefulness in the field of economics and human resources.

Keywords: banking institutions, the Board of Directors, regulatory measures, diversity, life tables, survival analysis, correlation analysis