

THE POTENTIAL IMPACT OF CEO CHARACTERISTICS AT THE ROMANIAN BANKS PERFORMANCE DURING THE COVID PANDEMIC

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Abstract. *The main objective of this research is to identify to what extent the CEO characteristics have affected the financial performance of banks within the Romanian banking system during the COVID 19 pandemic. Regarding these characteristics, aspects such as age, gender diversity, education were included in the research, the financial performance of the banking system being measured through the ROA (return on assets) and ROE (return on assets) indicators respectively. In order to carry out this research, the authors used the SPSS software, the research methodology being predominantly quantitative, including descriptive methods, correlation analyses and regression models. The results of the research indicate that the financial performance of banks operating within the banking system in Romania, measured by the ROA and ROE indicators, is influenced by the education of the persons holding the position of CEO, the other variables not exercising a significant influence on the financial performance of banks at the level of the Romanian banking system.*

Keywords: CEO, banking performance, ROA, ROE, gender diversity

JEL Classification: M40, G20, G30

DOI <https://doi.org/10.56082/annalsarscieco.2023.1.71>

Introduction

The deep economic and financial crisis generated worldwide since March 2020 by the COVID 19 pandemic has generated a series of fluctuations and disruptions manifested at the level of national economies and implicitly at global or global level. In this context, according to Borio (2020), banks continued to be a source of stability and resilience, registering a high level of liquidity and capitalization, so that they could support the financing needs manifested at the level of national economies. However, amid the disruptions manifested in all sectors of the economy, the exposure of banks to a series of excessive risks will result in a series of insolvencies or bankruptcies that may occur at the level of companies.

The COVID 19 crisis occurred at the end of a decade in which a series of significant changes occurred worldwide in the field of financial services, driven by

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