Small and Medium-Enterprises and Their Bank Relationships
- The role of trust and facts

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STATUTORY DECLARATION

I hereby declare that the thesis submitted is my own unaided work that I have not used other than the sources indicated, and that all direct and indirect sources are acknowledged as references. This printed thesis is identical with the electronic version submitted.

Linz, 6th October 2017

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Abstract

The access to debt capital is essential to the successful development of SMEs since it enables the realization of innovation projects, which do not contribute immediately to the firms’ financial resources but initially require investments. Literature suggests that the relationship between the SME and the bank plays an essential role in loan decisions. Accordingly, assuming an optimal rapport, both parties can profit by easier and faster transactions and lower costs. Trust is seen as the basis for a prosperous relationship and thus, for relationship lending as a lending technique commonly applied for SMEs. Numerous researches about the significance of trust when banks decide whether and which amount to lend to firms has been conducted. This research focuses on SMEs’ trust with the aim to reveal to which extent a trusting relationship is beneficial to them and if there are drawbacks in trusting a bank. From the investigation of the literature analyzed confronted with the findings of the empirical approach of 63 Austrian SMEs, it can be deduced that a long relationship and frequent contact might lead the SME’s representative to trust the bank’s loan officer, but the strong attachment does not seem to bring real benefits.

Key words: relationship lending, trust, SMEs, house bank, credit financing
Table of Contents

1. INTRODUCTION ................................................................................................................................. 1

2. LENDING TECHNIQUES IN BANK-SME RELATIONSHIPS IN AUSTRIA AND THE CONCEPT OF TRUST ................................................................................................................................. 4
   2.1. THE BANK-SME RELATIONSHIP IN THE AUSTRIAN BUSINESS CONTEXT ........................................... 4
       2.1.1. Lending techniques and SMEs ......................................................................................................... 6
       2.1.2. The process of relationship lending ................................................................................................. 7
   2.2. THE NATURE OF TRUST .................................................................................................................... 9
       2.2.1. The economic perspective on trust ................................................................................................ 11
       2.2.2. Trustworthiness and the integrative model of trust ....................................................................... 12

3. RESEARCH HYPOTHESES ..................................................................................................................... 18
   3.1. FACTORS FOR TRUST IN THE PERSONAL BANK-SME RELATIONSHIP ............................................ 18
   3.2. EFFECTS OF TRUST ON CREDIT CONDITIONS ................................................................................ 19
   3.3. HOLD-UP PROBLEM ......................................................................................................................... 20

4. EMPIRICAL STUDY .................................................................................................................................. 22
   4.1. DATA SET .......................................................................................................................................... 22
   4.2. ANALYTICAL STRATEGY AND OPERATIONALIZATION OF VARIABLES ........................................... 24
   4.3. RESULTS ........................................................................................................................................... 26

5. DISCUSSION .......................................................................................................................................... 29

6. CONCLUSION ........................................................................................................................................ 33

7. REFERENCES ........................................................................................................................................... 35
List of figures

Figure 1: Model of trust................................................................. 13
Figure 2: 4-point Likert scale on trust ........................................... 24

List of tables

Table 1: Correlation matrix ................................................................ 28
1. Introduction

Since small and medium-sized enterprises\(^1\) (SMEs) have merely limited access to equity capital markets, bank lending constitutes an essential source of external financing to them (Behr & Güttler, 2007; Moro & Fink, 2013). However, due to the obstacle of being opaque and the limited availability of precise and meaningful information for signalling to be a reliable business partner, debt financing by a bank is associated to high costs for the SME (Berger, Klapper, & Udell, 2001; Moro, Fink, & Maresch, 2015). Ex ante costs are related to the time spent on the preparation of information for the banks’ purposes. In addition, the disclosure of internal data and knowledge involves the risk that customers, suppliers or competitors gain sensitive information and thus, adversely affect the firm’s performance (Elargovan & Shapiro, 1998; Moro, Fink, & Maresch, 2015).

The methods used for evaluating the creditworthiness of SMEs and for determining the amount of credits differ among lending institutions (Berger & Udell, 2006; Moro & Fink, 2013). Nonetheless, there is empirical evidence that banks tend to apply more than one technique for their decision. It has been argued that mainly two categories of lending techniques can be distinguished, transaction lending techniques and relationship lending, whereby relationship lending has a special role among the different methods of valuation. Compared to transaction lending techniques, decisions are based on informal information and personal perceptions rather than on economic measures (Moro & Fink, 2013; Petersen & Rajan, 1994). Besides relying on publically available information, the lender obtains information over time through a close relationship and multiple contacts to the firm (Boot, 2000). The essence of this kind of relationship is that information exchanged remains confidential.

An underlying variable of relationship lending is trust, which is found to benefit both sides the bank and the SME (Behr & Güttler, 2007; Moro & Fink, 2013). Mutual trust can cause a reduction of information asymmetry, which makes it less complex and cheaper for the bank to evaluate the firm’s creditworthiness. For the SME this can result in lower costs related to the lending process and an easier credit access.

Even though relationship lending is a widely discussed topic, the SME’s perception of its relationship to the bank has still remained under-investigated (Behr & Güttler, 2007). Commonly, the bank’s behaviour has been analyzed, while the lender’s viewpoint has widely been ignored. Further, it is often not clearly defined if the relationship is analyzed on the organizational level, between the bank and the SME, or on the personal level, between the loan manager and the SME’s owner or manager (Berger & Udell, 2002). However, the growing academic interest in the

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\(^1\) Small and medium-sized enterprises are defined in the EU recommendation 2003/361. The main features, which determine a SME are the staff headcount with a maximum of 250 and either the enterprise’s turnover, which must not exceed € 50 million, or a balance sheet total not higher than € 43 million. More information is available at http://ec.europa.eu/.
role of trust in relationship lending shifts the focus to the personal level (Barney, 1990; Moro & Fink, 2013). Considering trust, especially the owner or manager’s point of view has been left unexplored in previous research studies.

This study attempts to address these shortcomings and concentrates on trust as a variable in lending decisions from the perspective of the SME. The correlation of the contact length and intensity and trust and the implications of a bank-SME relationship based on trust are investigated by the following research questions:

1. Which variables support a personal trusting relationship between SMEs and banks’ loan managers?

2. Which effect does trust have on credit conditions?

3. Does trust in relationship banking lead to less self-protection of SMEs?

For answering the research questions, a quantitative approach was chosen. Five correlation hypotheses are formulated and tested on the basis of 63 quantitative interviews with owners or managers of SMEs located in Austria. The interviews were conducted via telephone in the period from February 2016 to July 2017. The results of the analysis are presented in a correlation matrix.

Starting point of the investigation of the research questions is a literature review based on initial conceptual findings and on most recent literature on bank-SME relationships. First, the Austrian business context and the role of banks in Austria are illustrated. Then, various types of lending techniques banks use for evaluating the decision whether and which amount to lend are introduced. The process of relationship lending, which is commonly used for evaluating SMEs and thus, is the focus of this research, is then characterized in detail. The deeper insight reveals the importance of personal contact and trust in the relationship. Consequently, the term trust in the context of business relations is defined. This implies the reasoning why trust is a mandatory precondition of doing business and how trust can improve credit access for SMEs. Moreover, the model of trust by Mayer, Davis and Schoorman (1995) is introduced. This scheme proposes that trust can be identified by mainly three factors, namely ability, integrity and benevolence. Based on the theoretical framework the research hypotheses are developed. In the next step, the data set and the research process are described, followed by an explanation of how the variables were operationalized. Further, the findings of the quantitative analysis are presented and the results are discussed. In the end, a final conclusion with limitations and future research opportunities is given.

The expected outcome of this paper is the proof that a strong relationship influences trust in the bank’s loan officer positively. Further, it tries to show that trust of the SME’s representative in the loan officer affects the costs related to credit lending. The effects are expected to be not only beneficial. Even though it is proposed that costs related to the lending process decrease and
credit access improves because of the reduction of information asymmetries in the bank-firm relationship, interest rates on credit are predicted to rise. As the bank has more internal information about the SME, it might take advantage of its position. Nonetheless, the higher the trust in the loan officer, the higher the reliance on the bank as a single source of external credit financing is proposed to be.

This master thesis is part of an international research initiative about trust in bank-SME relationships, started in 2016. In two waves of data collection several students interviewed, equipped with a short validated questionnaire, SMEs’ owners or managers about their perception of the relationship to their house bank. The data set of the empirical research serves as basis for different papers, which cover various areas within the scope of bank-SME relationships.
2. Lending techniques in bank-SME relationships in Austria and the concept of trust

Considering that SMEs' shareholders are likely to invest their entire financial resources from the outset and relying on external shareholders is related to high bargaining and control costs, SMEs' sources of additional equity are limited (Moro & Fink, 2013). Thus, bank lending is often the most convenient financing option. In the bank-SME relationship social embeddedness plays an important role. Social embeddedness is the degree to which business transactions are executed through social relations and networks. It can benefit both the bank because of a larger valuation base thanks to a deeper insight in sensible data and the SME because of faster and easier contract negotiations (Moro & Fink, 2013; Uzzi, 1999). The underlying bases for socially embedded ties are personal contacts and trust. This chapter sets the research in the Austrian business context and presents various lending techniques banks use to evaluate their lending decisions with focus on relationship lending and investigates the role of trust in the bank-firm relationship.

2.1. The bank-SME relationship in the Austrian business context

Concerning national financial systems generally two concepts can be distinguished (Allen & Gale, 2000). On the one hand there is the market-based financial system, like for instance the US and the UK, which is dominated by the allocation of resources through organized markets for securities. The bank-based financial system, on the other hand, is characterized by a concentrated banking system. Traditionally, continental European countries, especially Germany and Austria, are defined as bank-based financial systems. All financial systems provide both sources of external financing; solely the proportion differs from nation to nation (Gambacorta, Yang, & Tsatsaronis, 2014). In the Global Financial Development Database the World Bank has published a dataset, reporting characteristics of financial systems of 206 economies (Gambacorta, Yang, & Tsatsaronis, 2014). Analysing these data, two broad patterns become evident. First, the relative importance of the banking sector and thus, the financial structure differ considerably among nations². The relative reliance on banks as source for external financing, measured as the ratio of bank credit to total private sector funding, ranges from approximately 20% in the US to more than 60% in Austria, New Zealand and Hungary. Second, the financial structure of a country changes over time. Moreover, there is a shift – especially in emerging markets - to a higher reliance on market-based intermediation.

The cross-country diversity in financial structure derives, inter alia, from the institutional framework, which affects the economic actors’ behaviour by legal and contractual rights (Gambacorta, Yang, & Tsatsaronis, 2014). For instance, the higher the legal protection, the more willing investors are to contribute to the external financing of firms. Traditionally, common law systems, like the US and the UK, provide a higher level of protection to shareholders. Holders of equity and debt securities have more means to claim their interests against other stakeholders, including the firm’s management. This means that common law fosters the market-based approach as external source of finance. In comparison to the common law system, the legal framework of civil law, which is rooted in continental Europe, earmarks less protection of investors, which results in higher efforts in screening and monitoring the borrower. Thus, it can be favourable to establish a durable relationship in order to keep down additional costs, which promotes the bank-based financial system.

From a more economic perspective, the financial structure is also related to the Gross Domestic Product (GDP) per capita (Gambacorta, Yang, & Tsatsaronis, 2014). With rise of the GDP of a nation, the market-based intermediation is found to increase coherently. One explanation may be that the level of education tends to improve with the enhancement of the economic situation, which in turn, leads to a higher demand for services connected with securities traded in the market (Allen & Gale, 2000; Boyd & Smith, 1998; Gambacorta, Yang, & Tsatsaronis, 2014). Another reason may be the strong legal and juridical power in developed economies. Institutions enjoy a stronger position thanks to the larger enforcement of property rights.

The proportional impact of different sectors is another factor that affects the financial structure of a nation (Gambacorta, Yang, & Tsatsaronis, 2014). Depending on the sector the firms operate in, different forms of financial intermediation can be more suitable. Industries with transferable or tangible assets, for instance agriculture, are found to rely primarily on bank financing, whereas service oriented sectors tend to use markets as a source of capital. In other words, the more production oriented the sector, the more it can be expected to draw on the support of financial institutions. One reason may be the value of collaterals, which can be pledged as securities for the lender, can have a bearing on the firms’ decision of which type of intermediation to use. Accordingly, sectors that can provide assets with higher values to pledge, such as the construction sector, are more amenable to consider bank lending than sectors whose output is less worthy or cannot be collateralised. Moreover, firm size indicates a tendency towards one of the sources of external financing (Gambacorta, Yang, & Tsatsaronis, 2014). Because entering the capital market is a relatively cost-intensive solution - especially for smaller firms - the correlation between firm size and the reliance on bank loans is negative. Consequently,
economies with a high percentage of SMEs, as continental European countries are, tend to have a more concentrated banking system.

In contrast to market-dominated financial systems, where bank transactions are executed at arm’s length, which means that the parties act more independently and in their own interest, the continental European bank-dominated financial system is shaped by close ties and a long-term collaboration between banks and firms (Behr & Güttler, 2007). Such long-term relationships and the reliance on mainly one bank are also the main characteristics of the house bank principle. The role a house bank assumes can be described as premier lender of a firm. Due to the intensive relationship, the bank can gather more current and specific knowledge compared to other banks.

This phenomenon can be especially viewed in the German and Austrian market, where firms are particularly bound to one bank (Berger & Frame, 2007; Elsas & Krahnen, 1998; Hernández-Cánovas & Martínez-Solano, 2010). The close relationship allows the bank for a good understanding of the financial structure of the firm and an access to a large amount of information and sensitive data. Vice versa, SMEs profit from the familiarity to the bank because the deep insight might resolve problems that arise because of their insufficient transparency. Various research studies agree that with strengthening the relationship to their bank, SMEs get an easier credit access, are less likely to undergo liquidity shortfalls and can profit from a higher participation in their financing by the bank (Angelini, Di Salvo, & Ferri, 1998; Hernández-Cánovas & Martínez-Solano, 2010; Machauer & Weber, 1998; Petersen & Rajan, 1994). On the other side, SMEs are found to bear higher costs of debt with an increasing duration of the collaboration and with a lower number of bank relationships (Hernández-Cánovas & Martínez-Solano, 2010). However, if SMEs try to reduce the monopoly power of the house bank by weakening the relationship the further financing might be less attractive to the bank.

### 2.1.1. Lending techniques and SMEs

In order to make a profound lending decision, banks usually apply various techniques (Berger & Udell, 2006; Moro & Fink, 2013). Lending techniques are methods for evaluating the creditworthiness of a firm by combining public financial information and a firm’s loan agreements with screening and monitoring procedures. Generally, research studies distinguish the four main categories financial statement lending, asset-based lending, credit-scoring lending and relationship lending, whereby the first three categories can be defined as transaction lending techniques. Their evaluation method is primarily fact-based and relies on quantitative financial ratios.

Financial statement lending helps to estimate the risk of lending to the firm through the income statement, the balance sheet and the cash flow statement (Berger & Udell, 2006). This method requires a certain transparency in the processes and the firm’s performance as well as a reliable
financial statement, preferably audited. Thus, the financial statement lending is seen as a technique particularly suitable for larger firms, even though there are many examples of SMEs, which fulfil the necessary requirements.

Asset-based lending focuses on the available collateral and its quality as valuation basis (Berger & Udell, 2006; Moro & Fink, 2013). This technique can be applied for firms of all sizes, which can offer valuable assets as a collateral, but involves high costs for monitoring the assets’ profitability.

Credit-scoring lending is a statistical approach to rate the creditworthiness of a firm (Berger & Frame, 2007; Berger & Udell, 2006). It often combines information about business financials and the creditworthiness of the firm’s principal owner and tries to reflect the credit risk in concise figures. Nowadays, it is increasingly used also for SMEs.

In contrast to transaction lending techniques, relationship lending additionally consults soft information, whose access is the outcome of a steady cooperation between the bank and the firm as it is given in the continental European bank-based financial system, especially in the German and Austrian house bank system (Berger & Frame, 2007; Berger & Udell, 2006; Moro & Fink, 2013). Relationship lending tackles the opacity problem of firms and thus, is specifically appropriate for SMEs. However, inside knowledge and private information are not easy to grasp. Moreover, it is challenging to categorize the data and make it usable for an interpretation and evaluation. The complete comprehension of the complex courses of business requires time and a high contact intensity and can also draw on additional information from other entities of the firm’s network (Berger & Udell, 2002).

The close relationship to the customer enables the bank to develop a more realistic view on the riskiness of the firm and thus, to better define contractual terms and the repayment schedule (Brown & Zehnder, 2007; Moro & Fink, 2013). For SMEs this means an easier access to credit and less risk in terms of credit restrictions (Agarwal & Hauswald, 2008; Moro & Fink, 2013). Even in case the funding of loans is associated with risks for the bank, lending may be enabled by the inclusion of collaterals (Boot, 2000). Another advantage for the SME in relationship lending is the facilitation of formulating long-term contracts thanks to more flexible proceeding and more discrete handling of information.

2.1.2. The process of relationship lending

Studies have revealed that the most influencing factors on the amount of credit granted to SMEs are the age and the duration of their relationship to the bank (Berger & Udell, 1995; Moro & Fink, 2013). With increasing age also the awareness of the firm and its reputation rise. More public information about its situation and performance is available and thus, it is easier for the bank to evaluate whether and which amount to lend. Additionally, a long-term relationship entails a better insight in private data. Relationship lending is characterised by the bank’s reliance on this
soft information, gathered through a durable and contact-intensive relationship to the firm, its owner and its business environment (Berger & Udell, 2002).

Consequently, the bank is supposed to have a deep understanding of firm's processes and objectives (Hernández-Cánovas & Martínez-Solano, 2010). It might be assumed that this implies a lower risk of being credit constrained and lower costs of debt for the firm (Behr & Güttler, 2007; Hernández-Cánovas & Martínez-Solano, 2010; Moro & Fink, 2013). However, the asymmetric transfer of information between the firm and the bank and between other banks is found to raise costs of switching to another lender (Hernández-Cánovas & Martínez-Solano, 2010; Sharpe, 1990). This reduces the flexibility of the firm and gives the bank a monopoly position, which has three primary effects. First, the bank may exploit their monopoly position and confront its borrower with holdup problems (Behr & Güttler, 2007; Hernández-Cánovas & Martínez-Solano, 2010). As changing the lender is costly, the bank may offer adverse conditions and profit from the so-called monopoly rents. Second, the bank has an increased interest to make efforts in monitoring the firm because of its reduced flexibility of switching (Bhattacharya & Thakor, 1993; Chan, Greenbaum, & Thakor, 1986; Hernández-Cánovas & Martínez-Solano, 2010). The third effect is related to the minimized competition (Berlin, 1996; Hernández-Cánovas & Martínez-Solano, 2010; Mayer, 1988; Petersen & Rajan, 1995). Banks rely on returns of the long-term, when initially granting loans to firms with poor credit expectations. Although these effects implicate higher credit availability, the costs of credit empirically rise with increasing duration of the relationship and with lower number of financial intermediaries.

The close relationship between the lending institution and the firm can be seen as a mutual commitment based on respect and trust (Boot, 2000; Moro & Fink, 2013). In lending decisions, trust is supposed to reduce agency problems and related costs (Moro & Fink, 2013; Ring & Van de Ven, 1992). Agency problems occur whenever an entity appoints another to act according to its interest. Due to incomplete contracts, the threat of opportunism and thus, monitoring and controlling costs rise. Trust helps to overcome information asymmetries between lender and borrower and facilitates contract negotiations because both parties rely on the positive attitude of the other towards the relationship.

Considering trust in the analysis of the bank-firm relationship shifts the focus to interpersonal connections (Moro & Fink, 2013; Barney, 1990). In fact, due to the complexity of accessing, comprehending and transferring the soft information, mostly one loan officer has main competences in bank matters of the firm (Berger & Udell, 2002). His or her key role in the relationship gives him or her a major authority and thus, makes the relationship between him or her and the firm a crucial one. The loan officer is able to access best soft information, normally has the most intense contact to the firm and knows best its operational environment. Through to the connection to the local community the loan officer is able to proficiently observe and evaluate the firm's current situation in the economic context. Thanks to the close relationship, he or she usually has also the most intimate insight in loan matters. This enables him or her to combine
hard and soft information, which implicates an optimal position for rating the creditworthiness of a firm efficiently.

Research studies support the evidence that small financial institutions are more likely to rely on relationship lending compared to bigger ones (Uchida, Udell, & Yamori, 2012). Accordingly, small banks tend to pay more attention to soft information in their decision process and thus, loan officers of small banks are more active in gathering soft information. One reason might be that due to the complexity of the information and the difficulty to observe the relationship between the loan officer and the firm, the risk that he or she does not transfer all his or her knowledge to the bank arises (Janda, 2006). Small banks can better address this potential divergence of information. In contrast to bigger banks, they can usually better coordinate the behaviour of their managers because of a simpler organizational structure.

2.2. The nature of trust

As trust is an object of investigations in different fields of sciences it can be seen as a multidisciplinary phenomenon (Bromiley & Harris, 2006; Rousseau, Sitkin, Burt, & Camerer, 1998). Depending on the discipline, there are various meanings and thus, it is very complex to determine an encompassing scientific concept. Scholars dealing with trust research have responded to the intricacy by providing a definition aligned to their subject or by unitizing the construct to make it applicable for different research entities. Sociologists commonly refer to an embeddedness in interpersonal relationships or relationships among institutions when talking about trust (Granovetter, 1985; Rousseau, Sitkin, Burt, & Camerer, 1998; Zucker, 1986). In this context, trust is seen as the outcome of social interactions, which may facilitate or improve the collaboration and thus, make the social system more efficient (Mayer & Davis, 1999). Psychologists often frame their trust-related researches by distinguishing two parties, namely trustors and trustees, and analyzing their cognitive connection (Rousseau, Sitkin, Burt, & Camerer, 1998). The trustor is defined as the party in the relationship, which has expectations of the counterpart’s behaviour and thus, is asking for trust (Kharouf, Lund, & Sekhon, 2014). The active party, which can either fulfil or disappoint the expectations is called trustee. However, economic scholars focus increasingly on the significance of trust in intra- and inter- organizational relationships (Bromiley & Harris, 2006). Accordingly, trust emerged as a factor affecting multiple layers of a firm, from the behaviour within a team to the relations to business partners. Moreover, trust is discussed to be relational or calculative (North, 1990; Williamson, 1993).

Researchers from various disciplines agree upon two conditions, which must prevail for the existence of trust (Rousseau, Sitkin, Burt, & Camerer, 1998). One necessary condition of trust is the trustor’s awareness of the presence of uncertainty or risk and associated probable losses
Only if no certainty in actions is given, the decision maker needs to trust the respective trustee (Chiles & McMackin, 1996; MacCrimmon & Wehrung, 1986; Rousseau, Sitkin, Burt, & Camerer, 1998). The other way round, trusting the counterpart entails taking a risk.

The second condition for the occurrence of trust is interdependence (Rousseau, Sitkin, Burt, & Camerer, 1998). Trustor and trustee are mutual dependent because one party cannot advance its interest without relying on the other party. Both risk and interdependence are seen as essential conditions for trust, but they have a different impact on the interplay of the factors (Rousseau, Sitkin, Burt, & Camerer, 1998; Sheppard & Sherman, 1998). Practically speaking, the more interdependent the parties, the more the transactions are associated to risk and the more trust is required.

From different perspectives on trust with various focuses, five main features can be extracted, which frame the concept of trust:

**Interpersonal relation:** trust can arise in relationships between individuals, entities or organizations (Paliszkiewicz, 2011; Sztompa, 1999). Important elements of the relation are interactions and communication between the parties involved.

**Voluntariness:** to confide in the counterpart cannot be an obligation but must be the trustor's choice (Coleman, 1990; Mayer & Davis, 1999; Paliszkiewicz, 2011). He or she must decide freely whether to give control over important matters or not to the trustee.

**Confident expectations:** trust implies a positive attitude towards the trustee (Lewicki, McAllister, & Bies, 1998; Rousseau, Sitkin, Burt, & Camerer, 1998). The trustor has confident perceptions concerning the counterpart's future behaviour.

**Lack of control:** since the trustor is dependent on the other party, a certain commitment to the relation is required from both sides (Mayer, Davis, & Schoorman, 1995; Paliszkiewicz, 2011). However, there is no way to control the trustee’s intention and conduct.

**Vulnerability:** trust implies the willingness of the trustor and his or her awareness to be vulnerable (Mayer & Davis, 1999; Rousseau, Sitkin, Burt, & Camerer, 1998). The vulnerability can be explained by his or her general propensity to trust the counterpart in a relationship on the one hand and by how trustworthy the trustee is seen on the other hand.

Taking into account the factors from various research fields which concentrate on different focal points of trust, the following definition by Mayer et al. (1995) unites all the agreed elements but leaves room for discipline specific adjustments at the same time: “[…] trust […] is the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party”.

Additionally, trust is understood as a temporal, susceptible construct, which is highly depended on many internal and external factors (Paliszkiewicz, 2011). It evolves over time and needs to be maintained by all parties involved. The emergence of trust can be described as a dynamic process of three phases (Rousseau, Sitkin, Burt, & Camerer, 1998). First, the building phase is related to the beginning of a relationship, where the parties get familiar with each other and trust is formed. This is followed by the stable phase. The relationship is established and the parties feel more confident in assessing whether they can trust their partner. The last phase is the dissolution or decline of trust. This can have mainly two reasons, either the expiry of the relationship or else a grave breach of trust. However, trust is not a linear process. Due to external events or behaviour of the parties, trust may increase and decline throughout the entire duration of the relationship (Paliszkiewicz, 2011).

2.2.1. The economic perspective on trust

Organizational scholars have recognized trust as an important variable in relations within organizations and in interactions among organizations (Bromiley & Harris, 2006; Moro & Fink, 2013). In fact, trust is seen to have strong effects on the quality of relationships. The presence of trust allows for a faster and less complex decision-making process, even in case of scarce information (Luhmann, 2000; Moro & Fink, 2013). Moreover, trust causes lower costs for prevention of agency problems as well as for controlling and monitoring the operations of the counterpart (Moro & Fink, 2013; Ring & Van de Ven, 1992; Zand, 1972). Even the involvement of third parties for a better protection diminishes with a rising level of trust (Moro & Fink, 2013; Sitkin & Roth, 1993).

These findings affirm Bromiley and Cummings’ (1995) suggestion to extent Williamson’s (1975) model of transaction cost economies (TCE) by including trust as a factor, which can reduce all costs related to initiation, bargaining and executions of transactions (Bromiley & Harris, 2006). Mainly three basic assumptions characterize the TCE and distinguish it from general contracting methods (Bromiley & Cummings, 1995; Bromiley & Harris, 2006; Williamson, 1975). First, the bounded rationality confines the completeness of contracts due to limited knowledge and bounded cognitive abilities. People cannot consider every factor for all possible future contingencies. Second, opportunism can be a reason for a probable failure of contracting. TCE imputes that individuals’ behaviour can deviate from contractual agreements because of misinterpretations or because one party exploits a favourable situation. The third factor is asset specificity. The more specific an asset, the lower its potential value in other exchanges or uses, and thus, the more the party, which invested in the assets, should protect itself from being exploited.

Whereas Williamson (1975) claims that organizations must suppose that the counterparty cannot be trusted, Bromiley and Cummings (1995) address the shortcomings of TCE and claim
that people can partially evaluate to which extent an individual can be trusted (Bromiley & Harris, 2006). Accordingly, they frame a construct of trust by asking three questions (Bromiley & Cummings, 1995; Bromiley & Harris, 2006). The first question deals with the counterpart’s perceived honesty in making commitments during negotiation. The second one asks if the partner does anything possible to ensure the compliance with any agreement of the contract and furthermore, if the partner is loyal in interpreting terms of incomplete contracts. The last question concerns the risk of opportunism and asks whether the partner would take advantage when the occasion arises. Assessing these questions helps evaluating a party as a business partner. This approach allows for calculative and non-calculative explanations for trust (Bromiley & Cummings, 1995; Bromiley & Harris, 2006). The calculative reasoning of trust is based on a rational choice (Rousseau, Sitkin, Burt, & Camerer, 1998). A party can trust another party because it is – to a certain extent – in the counterpart’s self-interest to act in accordance to agreements (Bromiley & Harris, 2006). On the one hand, this might comprise the direct effects of an action against the agreements. When they are unfavourable for the counterpart, it is more likely that it acts as agreed. Even in case of severe sanctions the parties might be deterred to comply with the agreements (Rousseau, Sitkin, Burt, & Camerer, 1998). On the other hand, indirect effects might be part of the calculation, including the consequences a breach can have for the relationship between the two parties and for relationships to other parties (Bromiley & Harris, 2006). Further, credible information, such as the reputation and certificates, can influence the perception of the trustee’s future behaviour (Rousseau, Sitkin, Burt, & Camerer, 1998). The non-calculative manner of developing trust, also known as relational trust, is based on non-analytical factors and general assumptions about the business partner (Bromiley & Harris, 2006; Rousseau, Sitkin, Burt, & Camerer, 1998). It is influenced by previous experiences, the quality of the relationship, interactions over time and by intuition. In contrast to calculative-based trust, decisions are substantiated by relationship-internal information. The two ways of how trust is built are not mutually exclusive but rather affirm the trustor’s perception about to what extent the counterpart can be trusted.

**2.2.2. Trustworthiness and the integrative model of trust**

Trustworthiness is a characteristic trait, which is attributed to the trustee, resulting from its general motivations and antecedent behaviour (Kharouf, Lund, & Sekhon, 2014). It leads an individual to trust another party, encouraged by its previous experiences (Caldwell & Clapham, 2003). Hardin (2002) claims that only an entity that is considered trustworthy can establish a trusting relationship. Trust can then be inspired through continuous interpersonal contacts (Hardin, 2002; Kharouf, Lund, & Sekhon, 2014). Even though the trustor’s perception of the trustworthiness of its counterpart is normally based on own prior interactions, there still is an alternative way to evaluate the trustworthiness of new business partners. In case an entity has
never collaborated with a service provider before and thus, has no or no sufficient experiences to develop trust, it can still draw on references at second-hand. This reveals a clear distinction between the terms trust and trustworthiness (Kharouf, Lund, & Sekhon, 2014). While trust involves positives beliefs in future actions of the trustee, trustworthiness is the assumed characteristic of the trustee regarding how much a party can rely on him or her. Thereby, the main effect of trust on the relationship is a perceived reduction of risk, whereas trustworthiness inspires trust and confidence in the counterpart.

In their proposed model of trust (Figure 1), Mayer et al. (1995) identify ability, benevolence and integrity as the three significant factors of perceived trustworthiness. Each of them contributes a different perspective for characterizing the trustee and thus, helps to develop a comprehensive understanding of the counterpart. In the following, the factors of trustworthiness are defined in detail.

![Figure 1: Model of Trust](adapted from Mayer et al. (1995))

**Ability**

The term ability is related to the skills and competences of an individual (Mayer, Davis, & Schoorman, 1995). It is the person’s capability to have an impact in a specific professional field, he or she is considered highly competent in and therefore, is trusted. Ability is rather a specific trait of the trustee in a technological field than a general characteristic and gives no evidence of his or her aptitudes in another area. Consequently, an individual may be trusted concerning his or her expertise within a domain, but not necessarily in related business activities or social competences. Therefore, Zand (1972) characterized ability as domain specific.
A number of researches include features that are similar to ability as a basis of trustworthiness (Mayer, Davis, & Schoorman, 1995). In their earliest investigation on the characteristics of the trustee, Hovland, Janis and Kelley (1953) use the term perceived expertise to define the base of credibility. Gabarro (1978) presents nine elements of trust and identified, inter alia, functional/specific as well as interpersonal competence, business sense and judgement. Similarly, Caldwell and Clapham (2003) argue that competence is a crucial element of organizational trustworthiness. According to them, competence includes the perceived level of ability and knowledge to attain the results pursuant to their business targets. Furthermore, Kharouf, Lund and Sekhon (2014) define competence as the belief that the counterpart is reliable and capable to fulfil the trustor’s requirements. They note that the customers must be aware of the risk associated with the organization and with their willingness to accept the risk, they show their perceived trustworthiness of the business partner.

All concepts are similar to ability as described by Mayer et al. (1995). On the one hand, expertise and competence focus on a domain specific set of skills (Gabarro, 1978; Mayer, Davis, & Schoorman, 1995). Ability on the other hand refers to an even more specific level and focuses on situational or task specific circumstances.

*Benevolence*

Mayer et al. (1995) define the term benevolence as the degree to which the trustor believes that his or her counterpart wants to behave in a positive manner on his or her behalf. Benevolence implies a special connection between the two parties, which leads the trustee to primary act according to the trustor’s needs.

In their investigations of the occurrence of trust, theorists have determined similar concepts (Mayer, Davis, & Schoorman, 1995). Although Hovland et al. (1953) examine benevolence from another perspective, their idea is widely consistent with the idea of benevolence. Instead of focusing on the trustee’s positive attitude towards the business partner, they defined a low motivation to lie as an important element in the assessment of trustworthiness (Hovland, Janis, & Kelley, 1953; Mayer, Davis, & Schoorman, 1995). Kharouf et al. (2014) see benevolence as the trustee’s willingness to develop a relationship with mutually interest in benefits for both parties without solely forcing on the maximization of own profits. They argue that benevolence becomes evident, when the trustee faces the choice of behaving opportunistically and decides not to do so.

It is generally agreed that benevolence is the inner orientation of the trustee and that it reveals his or her true intention and motivation (Mayer, Davis, & Schoorman, 1995). Benevolence supports the trustee’s decisions in affective situations and thus, shows his or her loyalty towards the trustor.
Integrity

Mayer et al. (1995) suggest that integrity is the expectation towards the trustee to comply with a set of principles, which the trustor is content to accept. This acceptance by the trustor ensures his or her impression of a personal integrity (Mayer, Davis, & Schoorman, 1995; McFall, 1987). Integrity is a complex construct, consisting of several elements, which form the expectations and thus, the acceptance of the trustor. The consistency of the previous behaviour helps the trustor to assume that the trustee will act accordingly even in future situations. Moreover, a transparent and credible communication and a consistent behaviour support the perception of the party’s sense of justice and promote the perception of its integrity.

Sitkin and Roth (1993) suggest a similar approach, even if more narrowly defined. They use the term value congruence, which describes the compatibility of the values and beliefs of the parties in a relationship. Differently from integrity, which judges the acceptance of the other’s values, this approach proposes the full accordance (Mayer, Davis, & Schoorman, 1995; Sitkin & Roth, 1993). Kharouf et al. (2014) promote both aspects and distinguish them in their model. Whereas they characterize integrity as a consistent pattern to interact with the partner, they define value alignment as the degree to which the principles of both parties correspond. Even named differently, the inclusion of integrity in the concept of trust is widely consented (Mayer, Davis, & Schoorman, 1995). Integrity helps the trustor to assess the trustee’s prospective behaviour based on his or her general attitude in past transactions.

Ability, benevolence and integrity are crucial factors of perceived trustworthiness and vary independently from each other (Mayer, Davis, & Schoorman, 1995). Although this implies that they can be evaluated separately, they are still related to one another. At first glance, it can be assumed that for being considered trustworthy, the three factors need to be perceived as high. However, Mayer et al. (1995) suggest seeing trustworthiness as a continuum. The three factors may vary to a certain extent depending on the situation and the attachment to the other party. Further, trustworthiness evolves in a process. Even before the first contact, the domain specific ability and integrity can be evaluated through observations and third-party sources. The impression can then be deepened with the first contacts at the beginning of the relationship. With the further development of the relationship, the trustor gains more and deeper insights into the trustee’s intention and, additionally, the interaction has a positive impact on benevolence. Thus, the relative significance of the factors of trustworthiness tends to alter with the proceeding relationship.

The considered attributes of the trustee are the prerequisite for a trusting relationship, but in the specific process to build up such a rapport they are highly dependent on the character of the trustor (Hardin, 2002; Mayer, Davis, & Schoorman, 1995). Commonly, some persons are more likely to trust, while others need more time to build up trust. Rotter (1967) defines the trust on an interpersonal level as the expectancy that the word of the counterpart can be relied upon. This
can be seen as the individual’s general likeliness to trust others and the personal trait that the individual presumably project to every situation (Mayer, Davis, & Schoorman, 1995). In their model of trust, Mayer et al. (1995) identify the trustor’s propensity as a stable factor within the party that influences trust based on the character, prior experiences and the cultural background. Propensity to trust explains variances in how trustworthy an individual is seen by different parties. Even though propensity to trust is indispensable to understand the term trust, it is insufficient by itself. Propensity functions as the interpretative base in the conversion from the trustee’s characteristics to the level of trust between the parties.

Caldwell and Clapham (2003) suggest a similar concept and argue, that the trust decision is based upon an individual’s subjective perception of the other’s trustworthiness. The factors of trustworthiness, ability, benevolence and integrity, are seen through a mediating lens, the product is the subjective perception of trustworthiness, which then again leads to the trustor’s trust attitude.

According to Mayer et al. (1995) risk taking is a crucial component in models of trust. Whereas the decision to trust and the inherent willingness to be vulnerable is not associated to any risk, the resulting actions are. There is no necessity to take a risk in order to trust, but there is a risk in trusting another party. This reveals the difference between trust, which is the general willingness to take risk, and trusting behaviour, which means the actual assuming of risk by the trustor.

The level of trust influences the trustor’s disposition for taking risk in a relationship (Mayer, Davis, & Schoorman, 1995). Assessing the risk requires the evaluation of the particular context and the likelihood of the possible outcomes (Bierman, Bonini, & Hausman, 1969; Coleman, 1990; Mayer, Davis, & Schoorman, 1995). This does not only involve a simple comparison of all probable outcomes but couples negative and positive results to interpret the aggregate risk, considering possible losses and potential gains. Other factors, which are identified to affect the perceived risk of the trustor are the familiarity with the situation, social influences and control systems (Mayer, Davis, & Schoorman, 1995; Sitkin & Pablo, 1992). In the proposed model of trust by Mayer et al. (1995) the perceived risk does not include the considerations the trustor has regarding the particular relationship with the trustee but concerns context specific problems.

Even assuming a constant level of trust, every behavioural decision resulting from trust is determined by situational factors (Mayer, Davis, & Schoorman, 1995). Ability, benevolence and integrity are assessed in the context and vary according to the expectations of the outcome, the balance of the relative strength of the parties, the perception of risk and the action alternatives to the trustor. Inversely, even the antecedents of trust are affected by the situation. For instance, as ability is domain specific, a high ability in one context does not imply high skills in another task. Moreover, with changing requirements even the individual’s perceived ability change. This especially becomes visible when the trustee is compared to others.
Generally, the trustor’s situational interpretation and perception of the context affect the required level of trust and the valuation of the trustee’s trustworthiness (Mayer, Davis, & Schoorman, 1995). A change of external factors can result in a revelation of trustworthiness. Strong organizational control systems can bias the perceived trustworthiness as well because a loyal behaviour may be interpreted as a response to the control system.
3. Research hypotheses

Collaborating and doing business together often involves mutual dependence (Mayer, Davis, & Schoorman, 1995). Reliance on the counterpart helps to achieve personal and business-related goals more efficiently. Especially in risky decisions, where the potential loss exceeds the probable gain, a high level of trust is required (Moro & Fink, 2013). As illustrated in the literature review, a strong relationship and a transparent communication base play an important role even in relationship lending. Bromiley and Harris (2006) state that the validity of relationship models is reduced when not including trust as a variable. The consideration of trust leads then to focusing on the interpersonal level of the bank-SME relationship. This chapter addresses the research questions concerning how trust in an interpersonal relationship is built, how trust affects the costs related to credit financing and what this means for the bank-SME relationship.

3.1. Factors for trust in the personal bank-SME relationship

Literature on SME financing distinguishes between soft and hard information (Uchida, Udell, & Yamori, 2012). While hard information is an essential element of transaction-based lending, soft information is mainly used in relationship lending. Including soft information in evaluating a firm’s credit worthiness may improve the efficiency in contract negotiations and decrease the firm’s risk of being credit constraint. Compared to methods for gathering hard information, soft information is more complicated and time consuming to obtain, given that it is difficult to quantify and often concerns sensitive data.

Mutual trust is found to be an essential driver for gathering soft information and additionally, helps to overcome residual uncertainties about the counterpart’s behavior (Berger & Udell, 2006; Moro & Fink, 2013). As trust arises on the inter-personal level of relationships, mostly the relationship between the firm’s owner or financial manager and the respective loan officer of the bank is investigated (Uchida, Udell, & Yamori, 2012). Uzzi (1999) claims that embeddedness of the parties involved increases with the duration of the relationship. Accordingly, time helps to learn about the business partner, foster the development of trust and leads individuals to share private information. A long-term relationship permits partners to make use of chances for reciprocity and leads to a strong attachment to the counterpart.

Previous research studies on trust in relationship lending has primarily focused on the bank’s loan officer’s perception of the SME (Moro & Fink, 2013; Uchida, Udell, & Yamori, 2012). They argue that the loan officer’s trust in the firm rises with the duration of the relationship. However, this research investigates the perception on the bank-SME relationship from the entrepreneur’s
perspective, which leads to the question whether his or her trust in the loan officer arises over time as well. Therefore, the following hypothesis is tested:

**H1a.** The duration of the personal bank-SME relationship is positively related to the entrepreneur’s trust in the loan officer.

Coherently, there have been conducted researches on how the loan manager’s trust is influenced by the closeness of the relationship, measured by the intensity of communication (Berger & Frame, 2007; Berger & Udell, 2006; Moro & Fink, 2013; Uchida, Udell, & Yamori, 2012). It has been argued that frequent contact supports the exchange of soft information and thus, can reduce information asymmetries. In fact, results show that with a higher contact intensity, trust in the entrepreneur increases. In order to test the inverse situation, the following hypothesis addresses the question if entrepreneurs’ trust in the bank officer rises with higher contact intensity as well:

**H1b.** The personal contact frequency between the bank and the SME is positively related to the entrepreneur’s trust in the loan officer.

### 3.2. Effects of trust on credit conditions

Relationship lending implies specific private information, which is exclusively available in the relationship between the financial institution and the SME (Hernández-Cánovas & Martínez-Solano, 2010). This privacy provides the parties with a security, which on the one hand may encourage the bank to invest in monitoring and controlling activities and on the other hand the firm to reveal more information. Consequently, relationship lending supports the bank’s understanding of projects of the SME and thus, reduces the risk when granting a loan. For the firm, this means a lower risk of being credit constraint. In fact, empirical evidence shows that strengthen the relationship to their bank, SMEs face less credit rationing and their chance to be granted a loan is higher (Behr & Güttler, 2007; Hernández-Cánovas & Martínez-Solano, 2010; Petersen & Rajan, 1994; Petersen & Rajan, 1995). Further, it is found that a closer bank-SME relationship causes reduced costs related to the lending process itself, for instance expressed by less pledging of collaterals.

Existing researches have primarily investigated which role the loan manager’s trust in the entrepreneur plays in his or her lending decisions (Moro & Fink, 2013; Moro, Fink, & Maresch, 2015). The results have shown that a high level of trust positively affect the credit conditions for the SME. However, this research tries to provide more insights about the effects of entrepreneur's trust in the loan officer. Suggesting that trust encourages the entrepreneur to
transmitting more information to the bank, which, in turn, should result in lower costs related to the lending process in terms of credit rationing and use of covenants, the following hypothesis is examined:

**H2a.** The entrepreneur’s level of trust in the loan officer is negatively related to the SME’s costs associated to the lending process.

Even though there is evidence that reducing information asymmetry decreases agency costs by diminishing the bank’s risk when granting loans, which might translate in lower transactions costs for SMEs, relationship lending might not only be beneficial for the SME (Hernández-Cánovas & Martínez-Solano, 2010). Strong and long-term relationships constrain its flexibility to switch to another bank because the exchange of information is too directed to its main banks and creating a similar rapport with another bank would be time and money consuming. This increases the bank’s power in credit negotiations, which puts it in a monopoly position and might lead to hold-up problems for the SME (Behr & Güttler, 2007). Hold-up problems might arise whenever an entity invests in a relationship or transaction and the counterparty, ex post, takes advantage of the situation. In relationship lending this results in higher interest rates for the SME.

Given that higher costs of credit are associated with stable relationships, it might be assumed that the higher entrepreneur’s trust in the bank’s loan officer, the more information is revealed and thus, the higher the reliance on the bank. Thus, the following hypothesis tries to investigate whether trust affects the interest rate on SME’s credit:

**H2b.** The entrepreneur’s level of trust in the loan officer is positively related to the interest rate on the credit.

### 3.3. Hold-up problem

Behr and Güttler (2007) notice that hold-up effects are more present in the European bank-based financial system. In order to address hold-up problems, SMEs can make efforts to establish multiple bank relationships. However, the SMEs’ asymmetric information evolution towards few banks makes it more difficult for new lenders to offer credit conditions equivalent to relationship lenders. Thus, they might respond with requesting more and more detailed information and pledging collaterals, which increase the SME’s costs related to credit.

The more the SME is dependent on credit financing by the bank, the higher the risk of being confronted with hold-up problems (Behr & Güttler, 2007). Further, the risk even rises when the number of relationships the SME maintains decreases. Thus, it might be advantageous to extend the sources of financing.
Nevertheless, continental European economies adhere to the bank-based system and rely on financing by house banks. This research tries to investigate which role trust plays in the SMEs’ tendency to entrust themselves to the care of the bank and enhancing their willingness to rely on one bank as a single source of credit financing by proposing the following hypothesis:

**H3.** The level of trust is related to the SME’s willingness to rely on one bank as a single source of credit financing.
4. Empirical study

In this section the research methodology used for the empirical analysis in order to assess how trust in relationship lending develops and which are the effects of trust for the SMEs is illustrated. A description of the data set outlines details about the focused research entities and justifies the concentration on them. Additionally, the survey and the data collection methods are explained. After that, it is described how the variables were operationalized in order to analyze them statistically.

4.1. Data set

Basis of the research is a quantitative questionnaire conducted with 63 Austrian SMEs, referred to the local business unit in case of an international firm and referred to the parent company, concerning an Austrian-wide group, which indicated to currently have a bank credit. For this investigation, SMEs were defined by having no more than 250 employees. Questions in terms of their bank credits were asked regarding their house banks, which were subdivided in the categories commercial banks or local cooperative banks. The interviews were conducted via telephone in the period from February 2016 to July 2017.

Dealing with relationship lending, SMEs were selected because of their comparative advantage they have confronted with large institutions (Berger & Udell, 2006). While large institutions may be advantaged in transmitting hard information thanks to a higher required quantity of data and thus, by making use of the so-called economies of scale, for SMEs it may be easier than for large institutions to process soft information. SMEs have less complex and shorter communication channels, which makes it simpler for financial institutions to understand their processes and financial situation.

In relationship lending, house banks are often used as a prime example because as the firm’s primary lender they might be considered to have better access to inside knowledge (Edwards & Fischer, 1994; Hernández-Cánovas & Martínez-Solano, 2010). Considering trust, SMEs might have the strongest relationship to their house bank compared to other banks and thus, they are the most interesting lending partners of SMEs in this research.

The Austrian business context is characterized by both a structural dominance of SMEs and particularly strong relationships to one main bank, the so-called house bank principle. Thus, this research tests the hypothesis against the background of the bank-based financial system, which is typical for continental European bank-based financial systems. Given the empirical evidence for a correlation between the principal source of external financing and the sector the firm operates in, main attention was on the construction sector, which is found to tend to rely on bank loans.
The data used for the analysis is primary data and has been collected via computer-assisted telephone interviewing (CATI). During the interview, data is inserted immediately in an online questionnaire. Generally, telephone interviews are considered to be relatively efficient in terms of time and costs and, which is especially beneficial when conducting quantitative data because it often requires a large sample size (Shuy, 2003). In comparison to face-to-face interviews, CATI is found to have reduced interviewer effects. This means, that the answers of the interviewee are less affected by the interviewer’s behavior and reactions and less biased his or her presence. Another advantage of CATI is the possibility of high standardization of the questions. The uniformity improves the quality of the data set by a better comparability, especially in case of the analysis quantitative data. Thereby, it is still ensured that the interviewer can assist the interviewee in case of any obscurities or questions. Moreover, thanks to the online tool, the risk of incompleteness decreases. The interviewer can control the progress of the interview and thus, can make sure that all questions are answered sufficiently. It is also possible to integrate follow-up questions depending on the response given, which simplifies the process of the interview. After overcoming the obstacle to reach the right person, the response rate to the interview is relatively high, even if it ranks behind that of face-to-face interviews. Once the data collection process is completed, the analysis of the data can start immediately because data has already been incorporated. Besides the time saving, the direct input of data prevents transmission errors such as alteration or omission.

The online survey was designed as a ten to fifteen minute structured interview and includes open and closed questions. First of all, it had to be checked whether the respondent comply with all the conditions for fitting the targeted group of interlocutors, so a owner, chief executive officer (CEO) or chief financial officer (CFO) of a SME, which currently has a credit. Thus, the initial questions were filter questions in order to ensure that the criteria are fulfilled. Also for those initial steps the CATI-system has proved to be useful. Thanks to the immediate insertion of the answers, the system reacted automatically by terminating the interview when the interlocutor does not fulfill the necessary requirements or passing on to the next questions. This again ensures time saving because no interviews are made redundantly.

After the initial questions concerning general information about the firm and the representative interviewee, questions on the credit situation were asked. First, the SME’s credit availability is determined. Further, it is focused on the relationship between the firm and its house bank and especially on the personal relationship between the SME’s manager and the bank’s loan officer. Here, questions with three up to six response options were asked. Core of the questionnaire and basis for the analysis of trust as a variable of relationship lending is a battery of rating questions concerning the CEO’s or CFO’s perception of the bank’s loan officer with an evaluation range on a 4-point Likert scale.
4.2. Analytical strategy and operationalization of variables

In order to test the research hypotheses a matrix of Pearson’s correlation coefficients with nine items was generated carried out using SPSS (Table 1). It measures the strength of linear correlations between two variables and is expressed by a value between -1 and +1, whereby -1 means a total negative and +1 a total positive linear correlation. The closer the coefficient is to 0, the lower the correlation between the variables. Pearson’s correlation coefficient requires variables at least measured on interval scale.

H1 investigates whether there is a correlation between the trust the SME’s representative has in the house bank’s loan manager and the duration of the relationship and the contact intensity, respectively. The next hypothesis tests the strength of the correlation between trust and the costs related to the lending process in H2a and between the trust and the interest rate on credit in H2b. H3 examines the correlation between trust and the SME’s willingness to rely on one bank as a single source of credit financing. In the following it is explained how the variables for testing the hypothesis are operationalized.

Trust

The questionnaire measures the level of trust of the SMEs’ owners or managers by means of a question battery of nine items. Three questions at a time measure one of the factors of trustworthiness according to the model of trust by Mayer et al (1995). The SME representative was asked to evaluate the ability, benevolence and integrity of the house bank’s loan manager on a 4-point Likert scale with the response options (1) very good, (2) quite good, (3) not good, (4) not at all (Figure 2).

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**Figure 2: 4-point Likert scale on trust**

*extract from the online questionnaire*
The three dimensions served as unweighted scores for trust as a variable. More precisely, ability refers to the first three questions of the battery (“The bank’s loan manager is competent in his or her job.”, “I am optimistic that the bank’s loan manager has all capabilities needed to take charge of the bank matters of our firm.”, “In my opinion the bank’s loan manager take charge of our bank matters competently.”), benevolence from the fourth to the sixth question (“I have never had to doubt whether the bank’s loan manager comply to his or her commitments.”, “The bank’s loan manager strives for treating our firm fairly.”, “The bank’s loan manager’s behavior when dealing with our firm was consistent at any time.”) and integrity to the last three questions (“The bank’s loan manager would not act consciously against the interests of our firm.”, “I do not think that the bank’s loan manager pursues the interest of the bank by all means.”, “I get the feeling that the bank’s loan manager and me pull together.”).

**Duration**

The duration of the relationship between the SME’s representative and the loan officer of the house bank is measured as a period of time. The answers are recorded in years, while the given response options are (1) less than one year, (2) 1-2 years, (3) 3-5 years, (4) 6-10 years, (5) more than 10 years, (6) do not know.

**Contact Intensity**

The question to measure the contact intensity between the CEO or CFO of the firm and the loan officer is about the quantity of contacts over the past year. Contacts are defined as personal contacts, via telephone or email. The respondent could answer with (1) never, (2) once, (3) 2-3 times, (4) 4-5 times, (5) more than 5 times, (6) do not know.

**Costs related to the lending process**

The costs related to the lending process are measured by two questions of the survey. First, the respondent was asked to state whether credits granted to the SME are assured with covenants (yes/no/do not know), which is interpreted to bear higher costs. In order to find out more about the firm’s credit access, the question about the outcome of the last loan application was analyzed. The SME representative had the following response options (1) the bank did not granted the loan, (2) we obtained the loan, though a significantly lower amount than applied for, (3) we obtained the loan, though a slightly lower amount, (4) we obtained the full amount we applied for, (5) do not know. The more the credit granted complies with the SME’s loan applications, the lower the interpreted costs related to the lending process, because in this case access to credit can be expected to be easier for the firm.
Interest rate on credit

The interest rate on credit as a variable is measured by the interest rate the SME agreed on for the last loan obtained. The response options, assessing the amount of interest the firm had to pay in comparison to the expected amount, were (1) higher than expected, (2) as high as expected, (3) lower than expected, (4) do not know.

Willingness to rely on one bank as a single source of credit financing

The willingness to rely on one bank as a single source of credit financing is measured by the percentage of the current credit financing by the SME’s house bank. The owner or manager of the firm could estimate whether the percentage was (1) 100%, (2) 75-99%, (3) 50-74%, (4) 25-49% or (5) less than 25%.

4.3. Results

Table 1 presents the Pearson’s correlations of the variables for testing the research hypotheses. H1a proposes that that the duration of the personal bank-SME relationship is positively related to the trust the SME’s representative has in the bank’s loan officer. The statistical analysis does not deliver a clear result. The figures for duration and ability and duration and benevolence indicate a weak and medium positive correlation respectively (r=,069 and r=,245), but they are not significant (p=,673 and p=,127). However, the correlation of duration and integrity has a medium strength (r=,370) and is significant (p=,019). According to these results, H1a can be partially supported.

The test for assessing the positive correlation between the contact intensity and trust as proposed in H1b shows the expected outcome. The contact intensity is highly correlated with ability, benevolence and integrity (r=,501, r=,575 and r=,530). All correlations are significant (p=,001, p=,000 and p=,000) and thus, the H1b can be supported by the empirical test.

H2a discloses more about the correlation between trust and the costs related to the lending process. The cost variable results from two questions, one linked to the usage of covenants, the other one to the result of the last credit application. The hypothesis proposes a negative correlation between the variables. This means that the imposition of covenants is expected to show a negative correlation with the factors of trust and the result of the last credit application is estimated to be positively correlated with trust because under this conditions costs related to the lending process are seen to remain low. However, the test results show a high positive correlation between the imposition of covenants and ability (r=,607), benevolence (r=,584) and integrity (r=,706). All correlations are significant (p=,000, p=,000 and p=,000). Moreover, the variables credit application and ability and benevolence show low positive correlations (r=,010 and r=,018), which are not significant (p=,953 and p=,911). The correlation between credit
application and integrity has a medium strength \((r=0.305)\) but neither is significant \((p=0.055)\). Thus, H2a cannot be empirically supported.

Conversely, H2b suggests a positive correlation between the interest rate on the last credit and the trust in the bank’s loan manager. Nevertheless, interest rate and ability are found to have a low negative correlation \((r=-0.027)\), even though this correlation is not significant \((p=0.883)\). The outcome of the test for benevolence and integrity shows the expected positive correlation to a low extent \((r=0.036\) and \(r=0.045\)) but the correlations are not significant \((p=0.842\) and \(p=0.803\)). All in all, the Pearson correlation coefficients do not provide support for the H2b.

H3 proposes a positive correlation between the SME’s willingness to rely on the house bank as a single source of external credit financing and trust. In fact, the variables ability and benevolence show a medium and high positive correlation with the percentage of the credits financed \((r=0.369\) and \(r=0.466\)). The correlation between integrity and the percentage of credit financing by the SME’s main bank is strong \((r=0.514)\). All correlations for H3 are significant \((p=0.016, p=0.002\) and \(p=0.000)\), which means that H3 can be supported.
### Table 1: Correlation matrix

<table>
<thead>
<tr>
<th>Wie lange kümmern sich dieselbe Person (Ansprechperson bei der Bank) bereits um Ihre Kredit?</th>
<th>Wie oft hatten Sie im vergangenen Jahr Kontakt mit dieser Person (persönlich, telefonisch oder via e-mail)?</th>
<th>Sind die Kredite an ergebnisbezogene Covarianz gekoppelt?</th>
<th>Was war das Ergebnis des Antrags?</th>
<th>War der Zinssatz, den Sie für Ihren letzten Kredit vereinbart haben,</th>
<th>Wie viel Prozent der derzeitigen Kreditfinanzierung Ihres Unternehmens werden durch Kredite bei Ihrer Hausbank abgedeckt?</th>
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<tbody>
<tr>
<td>Wie lange kümmert sich dieselbe Person (Ansprechperson bei der Bank) bereits um Ihre Kredit?</td>
<td>Wie oft hatten Sie im vergangenen Jahr Kontakt mit dieser Person (persönlich, telefonisch oder via e-mail)?</td>
<td>Sind die Kredite an ergebnisbezogene Covarianz gekoppelt?</td>
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<td>War der Zinssatz, den Sie für Ihren letzten Kredit vereinbart haben,</td>
<td>Wie viel Prozent der derzeitigen Kreditfinanzierung Ihres Unternehmens werden durch Kredite bei Ihrer Hausbank abgedeckt?</td>
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<td>Sig. (2-sselig)</td>
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* **Korrelation ist bei Niveau 0.01 signifikant (zweiseitig).**
  **Korrelation ist bei Niveau 0.05 signifikant (zweiseitig).**
5. Discussion

After the presentation of the results of the correlation analysis, the figures are interpreted and discussed in this chapter. An explanation of the hypotheses, which could be validated, is provided. In case the hypotheses were refuted, reasons are evaluated. Moreover, a closer look on the development of the Austrian banking sector gauges the role trust has in the bank-SME relationship nowadays.

The objective of this research is to contribute to the studies on the personal relationship between SMEs’ representatives and banks’ loan officers with strong focus on trust. Specifically, it attempts to clarify the significance of the duration of the relationship and the contact intensity for the entrepreneur’s trust in the loan officer. Moreover, it tries to identify the implications of trust on the firms’ credit conditions. Thus, it investigates the correlation between trust and costs related to credit, interest rates on credit and the reliance on one main bank. Trust is analysed through three factors of trustworthiness, suggested by Mayer et al. (1995) as ability, benevolence and integrity.

H1a. The duration of the personal bank-SME relationship is positively related to the entrepreneur’s trust in the loan officer.

In conflict with H1a, it could not be approved a clear correlation between the duration of the relationship and trust by the statistical test. However, the test reveals a medium positive correlation between duration and perceived integrity of the bank’s loan officer. This might reflect the accordance in literature that the antecedents of trust depend on the circumstances. Especially perceived ability, which is found to be domain specific, is a factor, which is vulnerable to the respective situation. Further, ability and benevolence might be seen more affected by the context and by external factors as integrity. Integrity is the factor, which is supposed to be most influenced by personal experiences of the trustor. Hence, the longer the duration of the relationship, the better the trustor can evaluate the consistency of the loan manager’s behaviour.

H1b. The personal contact frequency between the bank and the SME is positively related to the entrepreneur’s trust in the loan officer.

H1b is validated by a strong positive correlation between contact intensity and all three factors of perceived trustworthiness. According to trust literature, soft information is produced through frequent contacts. This leads to a reduction in information asymmetries and thus, to an increased level of trust.
H2a. The entrepreneur’s level of trust in the loan officer is negatively related to the SME’s costs associated to the lending process.

The correlation test for H2a was split up in two items. The first one is linked to the imposition of covenants, which are expected to decrease with a higher level of trust. Conversely, the results of the analysis show a strong positive correlation between the imposition of covenants and trust. A change in perspective might give an explanation for the opposite result. Instead of assuming that trust leads to a higher information transfer and thus, covenants become redundant, covenants could be understood as a secured method for the bank to grant a credit despite adverse circumstances. In relationship lending, the advantage in imposing covenants is that the bank already has enough information for determining the conditions appropriate for the firm. The result of the second item, which describes the correlation between trust and the result of the last credit application, is not significant although it indicates the expected outcome at a very low extent. This might be an evident that trust and soft information are not crucial factors for lending decisions.

H2b. The entrepreneur’s level of trust in the loan officer is positively related to the interest rate on the credit.

Similarly to the outcome of the correlation test between trust and the result of the last credit application, the numbers of the correlation between trust and interest rates of the last credit are not significant. Hence, trust in the loan officer seems to do not have a huge impact on credit conditions. A striking aspect is that the figure for the correlation between the perceived ability of the loan officer and the interest rate on the last credit is negative, even if only to a very low extent. Thus, in contrast to the hypotheses H2a and H2b, it might be assumed that trust is built on the lending decisions, which the loan manager makes.

H3. The level of trust is related to the SME’s willingness to rely on one bank as a single source of credit financing.

The correlation test fully validates H3. With a medium strength of correlation between the percentage of credit financing by the main bank and ability and a high strength of correlation between the percentage of credit financing by the main bank and benevolence and integrity, the outcome supports findings of literature. With a high level of trust, SMEs tend to entrust themselves to the care of one bank as single source of external credit financing.

All hypotheses are proposed based on literature on relationship lending and trust, which has been developed over years. While the assumptions associated to the correlation between trust and the relationship (especially H1b and H3) seem to be robust, the deviations of the expected results regarding the correlation between trust and credit conditions (H2a and H2b) indicate that theoretical assumptions in this particular aspect in academic studies are vulnerable to contextual
peculiarities. A closer look on the developments in the Austrian banking sector might reveal explanatory approaches for the contradictions.

One factor might be the financial crisis of 2007-2008, which has enhanced a stronger need for security in bank matters. Even though interest rates on credit are set to a low level by the Europeans Central Bank (ECB) because of the willingness to stimulate the European economy, the terms for granting loans have tightened⁶. Banks tend to apply more standardized procedures for decision making, which simplifies the internal monitoring at the same time and results in less flexible and customized lending processes for SMEs. This change is boosted by the interference of the ECB, which has strived to enhance uniform regulations for financial markets after the crisis and thus, brought the Single Supervisory Mechanism⁷ (SSM) into effect. The SSM empowers the ECB and the national competent authorities⁸ (NCA) to undertake supervision of all credit institutions of the EU members. The standardization obliges firms to concentrate on the evaluation of hard information rather than assess relationship internal knowledge.

Another factor for the deviation from the hypotheses may be the growing significance of FinTech⁹, the evolving technological environment for financial services, which may change the understanding of banking radically. The shift from face-to-face interactions in bank branches to a higher reliance on online services leads to a decrease of personal contacts in the bank-SME relationship, which, in turn, may reduce the importance of trust in lending decisions.

Moreover, the Austrian banking sector is - with a market share of more than 30% - characterized by a high presence of co-operative banks¹⁰. Co-operative banks are attached to societal responsibility, anchored in the regional economy and important actors in SME financing as they do not focus on profit maximization but promote the development of local communities. An explanation for the minor influence of trust on credit conditions might lie in the nature of co-operative banks. Their support of SMEs is one of their key values and does not base on the relationship.

The analysis of the hypotheses reveals that trust in bank-SME relationships in Austria does not totally apply to propositions in literature. It emerged, that the relevance of trust changes over time, influenced by global changes and local developments. The Austrian banking system is affected by the consequences of the financial crisis of 2007-2008, the trend of banking service technologies and accompanying, the restructuring of the business. Standardization and more stringent monitoring oust the importance of soft information in lending decision.

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⁶ More information is available at https://www.ecb.europa.eu.
⁷ The SSM has mainly three objectives: the assurance of the safety of the European banking system, the growth of financial integration and stability and the consistent supervision of all credit institutions in the participating nations. More information is available at https://www.bankingsupervision.europa.eu.
⁸ NCAs are banking supervisory authorities on a national level in EU member nations. More information is available at http://www.eba.europa.eu/.
⁹ More information is available at https://www.ecb.europa.eu.
¹⁰ More information is available at http://www.eacb.coop/.
From the investigation of the literature analyzed confronted with the findings of the empirical research, it can be deduced that a long relationship and frequent contact might lead the SME’s representative to trust the bank’s loan officer, but the strong attachment does not seem to bring real benefits. The research results cannot proof an advantageous impact of trust on lending conditions. However, it is approved that trust enhances the SMEs’ willingness to rely on one bank as a single source of credit financing.
6. Conclusion

This study contributes to the scientific examination of the role of trust in bank-SME relationships. In contrast to the strong research focus on the loan officer’s trust in the entrepreneur, this investigation concentrates on the inverse perspective with the aim to reveal to which extent a trusting relationship is beneficial for the SME and if there are drawbacks in trusting a bank. Thus, entrepreneur’s trust in the bank’s loan officer is analyzed concerning three concepts. Firstly, it investigates which variables do support personal trust between the two parties involved. Secondly, it assesses how trust influences credit conditions and lastly, it is tested if trust leads to less self-protection of the SME.

The first issue has been addressed through two variables suggested by literature, contact frequency and duration of the relationship. While the impact of frequent contact on trust is verified by the empirical study, a clear statement concerning the correlation between trust and duration cannot be made. In terms of credit conditions, the only significant outcome is the positive correlation between trust and the imposition of covenants. The correlations between trust and credit rationing, and trust and interest rates are not significant. Further, the research reveals that trust in relationship banking leads SMEs to rely on mainly one bank as a single source of external credit financing, which might be an indication for a lower self-protection.

However, the research has several limitations. First, the selected method for the data collection implies various biases. For example, responses might have been affected by external factors and the structure of the interview. Second, since the sample excludes SMEs, which currently do not have a credit, further research approaches might reconsider how to obtain data from the firms ignored. Third, the Pearson’s correlation test measures the direction and the strength of a linear correlation between two characteristics but does not distinguish between dependent and independent variables. Thus, it is not clear which variable affects the other. Fourth, it might be interesting to examine how trust develops during the course of the lending relationship, starting from the credit application, up to the total repayment of the loan. Finally, differences among nations regarding the role of trust in relationship lending might be considered in order to determine the effect of endemic factors on the outcome of this investigation.

Besides the empirical verification of the theoretical evidence that a high contact intensity leads to trust and that trust leads to a strong attachment of the SME to the bank, this research raises new questions, which claim for further investigations. Since the correlation between the trust of the SME’s representative and thus, the transfer of soft information, and credit conditions could not be proven, additional studies might provide explanations for this divergence. More specifically, the role of soft information and hard facts might be reassessed considering the most recent developments, for example the regulatory framework that the ECB has implemented as a
consequence of the financial crisis of 2007-2008. Moreover, it might be interesting to examine how FinTech influences banking services and what does the restructuring of the banking sector mean for the bank-SME relationship. Further, the comparison of various contexts and the structure of the banking sector among different nations, for instance the ratio between bank-based and market-based financing, and between co-operative and commercial banks respectively, might reveal implications on trust.

In conflict with theoretical assumptions, the outcomes of this research highlight that, in practice, the importance of hard facts for the banking sector has relatively grown compared to soft information. An explanation might be that lending processes became more standardized and monitored because of technological progresses and more stringent legal regulations by the ECB after the last financial crisis. The decreased significance of the relationship between the bank and the firm in lending decisions might result in a more difficult access to credit for SMEs. For them, it might be more challenging to meet the requirements but also banks are bound by the legal standards and thus, do not have the flexibility to decide based on their knowledge and experience. This shows that both parties might be restricted by these regulations in doing business, which, in turn, might affect whole national economies. Additionally, the zero-interest rate policy of the ECB might weaken SMEs. Due to the favourable conditions that renowned and large companies have in selling shares because low interest rates make it more profitable to invest in shares than in alternative investments, only smaller firms and entrepreneurs remain in the credit portfolio of the bank. In order not to augment the risk of the credit portfolio, banks might reject credit applications of SMEs. Therefore, one macroeconomic approach for diminishing SMEs' constraints in accessing credits might be to increase the interest rate. The European economy recovered to some extent from the last financial crisis and thus, it might not be necessary to keep the interest rate at such a low level. From a political point of view, national governments might foster investment projects of SMEs and entrepreneurs in alternative ways. On the one hand, they might support SMEs through offering incentive programs and providing guarantees, on the other hand, the legislative framework for alternative ways of investment, for instance crowd funding and hybrid instruments, might be simplified.
7. References


Appendix

- Appendix A: Survey questionnaire
- Appendix B: Tables with survey results
Appendix A: Survey questionnaire

Vertrauen in Bank-KMU Beziehungen

Die Umfrage:

Allgemeine Informationen

Folgende Frage ist auszufüllen ohne die Frage tatsächlich zu stellen.

P2. Geschlecht

0. männlich
1. weiblich

Folgende Frage ist vor Beginn der Umfrage zu stellen.

Filter 1. Position im Unternehmen

1. CEO / Geschäftsführer
2. CFO / Leiter Finanzen
3. Sonstige (BITTE SPEZIFIZIEREN)

Falls der Interviewpartner keine Managementposition innehat, bittet der Interviewer höflich zu einem Interviewpartner in einer Managementposition weiterverbunden zu werden.

Filter 2. Hat das Unternehmen derzeit einen Kredit bei einer Bank?

0. nein
1. ja

Gibt das Management an, dass das Unternehmen derzeit keinen Kredit bei einer Bank hat, dann: “Ihr Unternehmen liegt leider nicht im Fokus unserer Untersuchung. Vielen Dank und auf Wiederhören”.
Umfrage:

1. Zu welcher der folgenden Altersgruppen gehören Sie?

   1. unter 35 Jahren
   2. 35-44 Jahre
   3. 45-54 Jahre
   4. 55 Jahre oder älter

2. Welche der folgenden Unternehmensformen beschreibt Ihr Unternehmen am besten?

   1. Ein unabhängiges Unternehmen
   2. Tochtergesellschaft eines internationalen Unternehmens
   3. Ein Konzern mit Sitz in Österreich
   4. Ein Konzern mit Sitz im Ausland

Falls 2 zutrifft, geben Sie für das weitere Gespräch folgende Information:

Beantworten Sie die Fragen bitte aus der Sicht der lokalen Geschäftseinheit (nicht aus der Sicht des Gesamtkonzerns).

Falls 3 zutrifft, geben Sie für das weitere Gespräch folgende Information:

Beantworten Sie die Fragen bitte aus der Sicht des Mutterunternehmens (nicht aus der Sicht des Gesamtkonzerns).

Falls 4 zutrifft, geben Sie für das weitere Gespräch folgende Information:

Beantworten Sie die Fragen bitte aus der Sicht der lokalen Geschäftseinheit (nicht aus der Sicht des Gesamtkonzerns).

3. Wie viele MitarbeiterInnen sind in Ihrem Unternehmen derzeit beschäftigt?

   1. weniger als 20
   2. 20-49
   3. 50-249
   4. 250 oder mehr
Gibt das Management an, dass das Unternehmen derzeit keinen Kredit bei einer Bank hat, dann: "Ihr Unternehmen liegt leider nicht im Fokus unserer Untersuchung. Vielen Dank und auf Wiederhören".

4. In welchem Jahr wurde die Firma gegründet? Sollten Sie das genaue Jahr nicht kennen, schätzen Sie bitte das Gründungsjahr zum Beispiel auf 5 oder 10 Jahre gerundet. Eine fundierte Schätzung stellt eine nützliche Antwort für die Forscher dar. __________ (JAHR)

Informationen zu den Krediten

5a. Wie würden Sie die derzeitige Situation Ihres Unternehmens im Hinblick auf die Bankenfinanzierung beschreiben?

1. Wir bekommen alle benötigten Kredite.
2. Wir bekommen nicht genügend Kredit, kommen aber dennoch zurecht.
3. Wir bekommen nicht genügend Kredit und durch die fehlenden finanziellen Mittel entstehen einige Probleme.
4. Wir bekommen nicht genügend Kredit und durch die fehlenden finanziellen Mittel entstehen ernsthafte Probleme.
6. Weiß nicht.

Falls 5 zutrifft “Ihr Unternehmen liegt leider nicht im Fokus unserer Untersuchung. Vielen Dank und auf Wiederhören”.

Fragen Sie 5b, wenn Frage 5a mit 3 oder 4 beantwortet wird.

5b. In welchem Ausmaß entstehen für Sie folgende Probleme auf Grund eines Kreditengpasses?
(Antwortalternativen: gar nicht – in geringem Ausmaß – in großem Ausmaß – weiß nicht)

1. Unser Working Capital reicht derzeit nicht aus.
2. Wir müssen Investitionen verschieben, die notwendig wären, um das derzeitige Leistungsniveau aufrecht zu erhalten.
3. Wir müssen Investitionen verschieben, die für ein Unternehmenswachstum notwendig wären.
Die folgenden Fragen betreffen ihre Kundenbeziehungen mit Ihrer Hausbank (=wichtigsten Bank):

6a. Welche der folgenden Antworten beschreibt Ihre Hausbank am besten?

1. Kommerzbank (z.B. Oberbank, Bank Austria)
2. Eine lokale Genossenschaftsbank bzw. Sparkasse (e.g. Raiffeisen, Volksbank)
3. Keine Angabe

6b. Wie lange sind Sie bereits Kunde dieser Bank?

1. Weniger als 1 Jahr
2. 1-2 Jahre
3. 3-5 Jahre
4. 6-10 Jahre
5. Mehr als 10 Jahre
6. Weiß nicht

7. Wie gut beschreiben folgende Aussagen die Beziehung Ihres Unternehmens mit der Hausbank?
   (Antwortalternativen: sehr gut/ gut / nicht so gut / gar nicht / weiß nicht)

1. Die Bank hält die Versprechen, die sie uns gibt.
2. Die Bank ist nicht immer ehrlich bei Handlungen, die unser Unternehmen betreffen.
3. Wir vertrauen den Informationen, die wir von unserer Bank bekommen.
4. Die Bank ist am Erfolg unseres Unternehmens ernsthaft interessiert.
5. Bei wichtigen Entscheidungen berücksichtigt die Bank nicht nur ihre eigenen Interessen, sondern auch die des Unternehmens.
6. Es ist notwendig beim Umgang mit der Bank vorsichtig zu sein.
7. Wir vertrauen darauf, dass die Bank auch den Standpunkt unseres Unternehmens bei ihren Handlungen berücksichtigt.

Welche Rolle, glauben Sie, spielen solche informelle Informationen in der Beziehung Ihres Unternehmens mit der Bank?

1. Keine
2. Untergeordnete Rolle
3. Große Rolle
4. Weiß nicht

9. Wie lange kümmert sich dieselbe Person (Ansprechperson bei der Bank) bereits um Ihre Kredite?

1. Weniger als 1 Jahr
2. 1-2 Jahre
3. 3-5 Jahre
4. 6-10 Jahre
5. Mehr als 10 Jahre
6. Weiß nicht

10. Ist diese Person

a. männlich
   weiblich
   weiß nicht

b. älter als Sie
   etwa gleich alt
   jünger als Sie
   weiß nicht

11. Wie oft hatten Sie im vergangenen Jahr Kontakt mit dieser Person (persönlich, telefonisch oder via email)?

1. Nie
2. Einmal
3. 2-3 mal
4. 4-5 mal
5. Mehr als 5 mal
6. Weiß nicht
12. Wie gut beschreiben die folgenden Aussagen Ihre Beziehung mit der Person, die sich um Ihre Kredite kümmert?
(Antwortalternativen: sehr gut, ziemlich gut, nicht so gut, gar nicht)

a) Unsere Ansprechperson bei der Bank ist sehr fähig in ihrem Job.
b) Ich bin zuversichtlich, dass die Ansprechperson bei der Bank alle notwendigen Fähigkeiten besitzt, um sich optimal um die Bankangelegenheiten unseres Unternehmens zu kümmern.
c) Meiner Meinung nach kümmert sich die Ansprechperson bei der Bank kompetent um unsere Bankangelegenheiten.
d) Ich habe mich nie fragen müssen, ob die Ansprechperson bei der Bank zu ihrem Wort steht.
e) Die Ansprechperson bei der Bank ist bestrebt, unser Unternehmen fair zu behandeln.
f) Das Verhalten der Ansprechperson bei der Bank im Umgang mit unserer Firma war immer beständig.
g) Die Ansprechperson bei der Bank würde nicht wissentlich gegen die Interessen unseres Unternehmens agieren.
h) Ich glaube nicht, dass die Ansprechperson bei der Bank in unserer Geschäftsbeziehung die Interessen der Bank mit allen möglichen Mitteln verfolgt.
i) Ich habe das Gefühl, dass die Ansprechperson bei der Bank und ich auf derselben Seite stehen.

13. Wie viel Prozent der derzeitigen Kreditfinanzierung ihres Unternehmens werden durch Kredite bei Ihrer Hausbank abgedeckt?

1. 100%
2. 75-99%
3. 50-74%
4. 25-49%
5. weniger als 25%

14. Die folgenden Fragen betreffen die aktuellen Kredite Ihres Unternehmens bei Ihrer Hausbank.
(Antwortalternativen: Ja/Nein/Weiß nicht)

a) Sind die Kredite mit persönlichem Vermögen besichert?
b) Sind die Kredite mit Unternehmensvermögen besichert?
c) Sind die Kredite an ergebnisbezogene Covenants gekoppelt?

Geben Sie für das weitere Gespräch nun folgende Information:

Die folgenden Fragen betreffen den aktuellsten Kreditantrag bei Ihrer Hausbank.
15. Wann hat Ihr Unternehmen das letzte Mal einen Kredit bei Ihrer Hausbank beantragt?

1 – innerhalb des letzten Monats
2 – innerhalb der letzten 2-3 Monate
3 – innerhalb der letzten 4-6 Monate
4 – innerhalb der letzten 7-12 Monate
5 – innerhalb der letzten 1-2 Jahre
6 – vor mehr als 2 Jahren
7 – weiß nicht

16. Was war der Hauptgrund, wieso Sie den letzten Kredit bei dieser Bank beantragt haben?

1. Working Capital
2. Investitionen in Maschinen, Geräte oder andere Sachanlagen
3. Investitionen in Immobilien
4. Investitionen in F&E oder sonstiges immaterielles Anlagevermögen
5. Akquisition anderer Unternehmen, Fusionen und Übernahmen, Restrukturierung
6. Sonstige (BITTE SPEZIFIZIEREN)

17. Was war das Ergebnis des Antrags?

1. Die Bank hat uns den Kredit nicht gewährt.
2. Wir haben den Kredit erhalten, jedoch einen wesentlich geringeren Betrag als wir beantragt hatten.
3. Wir haben den Kredit erhalten, jedoch einen etwas geringeren Betrag als wir beantragt hatten.
4. Wir haben den Kredit in der Höhe, in der wir ihn beantragt hatten, erhalten.
5. Weiß nicht

18. In welchem Ausmaß haben die folgenden Faktoren Ihrer Meinung nach die Kreditentscheidung beeinflusst?
   (Antwortmöglichkeiten: Nicht relevant, geringer Einfluss, großer Einfluss, entscheidender Einfluss, weiß nicht)

   a) Jahresabschluss
   b) Businessplan
   c) Investitionsantrag, Cash Flow Berechnung
d) Reputation unseres Unternehmens
e) Sicherheiten
f) Beziehung unseres Unternehmens zur Bank
g) Beziehung von mir oder meinem Kollegen zur Person, die in der Bank für den Kredit verantwortlich ist

19. Betreffend die Informationen, die die Bank von Ihrem Unternehmen anfordert:

a) Wie häufig im Jahr fordert die Bank Zwischenberichte oder zusätzliche Informationen an?
   1 – nie
   2 – einmal
   3 – 2-3 mal
   4 – 4-5 mal
   5 – öfter als 5 mal
   6 – weiß nicht

b) Fragt die Bank Ihres Erachtens nach zu vielen Informationen über Ihr Unternehmen?
   1 – fragt nach zu vielen Informationen
   2 – fragt nach etwas zu vielen Informationen
   3 – fragt nach der richtigen Menge an Informationen
   4 – weiß nicht

c) Wie zeitintensiv ist es, die benötigten Informationen für die Bank aufzubereiten?
   1 – nicht sehr zeitintensiv
   2 – ziemlich zeitintensiv
   3 – sehr zeitintensiv
   4 – weiß nicht

20a. Wie realistisch war Ihrer Meinung nach das Bild, das die Bank von den zukünftigen Zielen und Entwicklungsaussichten Ihres Unternehmens hatte, als sie über Ihren letzten Kredit entschied?

   1. Sehr realistisch
   2. Einigermaßen realistisch
   3. Eigentlich nicht realistisch
   4. Überhaupt nicht realistisch
   5. Weiß nicht

_Fragen Sie Frage 20b NUR wenn Frage 17 nicht mit 1 beantwortet wird_
20b. War der Zinssatz, den Sie für Ihren letzten Kredit vereinbarten,

1. höher als erwartet
2. so hoch wie erwartet
3. niedriger als erwartet
4. Weiß nicht

21. Würden Sie im Hinblick auf das österreichische Wirtschaftsleben allgemein sagen, dass den meisten Menschen vertraut werden kann, oder sind Sie eher der Ansicht, dass man nicht zu vorsichtig im Umgang mit Menschen sein kann?

1 – Den meisten Menschen kann man vertrauen
2 – Man kann nicht zu vorsichtig sein
3 – Weiß nicht

22. Abschließend würden wir gerne wissen, wie Sie die Leistung Ihres Unternehmens während des letzten Jahres verglichen mit der Ihrer größten Mitbewerber einschätzen?
(Antwortalternativen: 1 – deutlich besser, 2 – etwas besser, 3 – etwas schlechter, 4 – deutlich schlechter)

Verglichen mit unseren größten Mitbewerbern…

a) …ist unser Umsatz …
b) …ist unser Gewinn …
c) …ist unsere Vermögensrendite …
d) …ist das Wachstum unseres Marktanteils…
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<td>00:00:00,21</td>
</tr>
</tbody>
</table>
### Deskriptive Statistiken

<table>
<thead>
<tr>
<th>Frage</th>
<th>Mittelwert</th>
<th>Standardabweichung</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wie lange kümmert sich diese/r Person (Ansprechperson bei der Bank) bereits um Ihre Kredite?</td>
<td>3,20</td>
<td>1,588</td>
<td>40</td>
</tr>
<tr>
<td>Wie oft hatten Sie im vergangenen Jahr Kontakt mit dieser Person (persönlich, telefonisch oder via e-mail)?</td>
<td>3,74</td>
<td>1,578</td>
<td>42</td>
</tr>
<tr>
<td>slack</td>
<td>1,5550</td>
<td>0,8159</td>
<td>42</td>
</tr>
<tr>
<td>benevolence</td>
<td>1,5231</td>
<td>0,80021</td>
<td>42</td>
</tr>
<tr>
<td>integrity</td>
<td>1,0528</td>
<td>0,77196</td>
<td>42</td>
</tr>
<tr>
<td>Sind die Kredite an ergebnisbezogene Covenants gekoppelt?</td>
<td>1,68</td>
<td>0,885</td>
<td>38</td>
</tr>
<tr>
<td>Was war das Ergebnis des Antrags?</td>
<td>3,20</td>
<td>1,377</td>
<td>40</td>
</tr>
<tr>
<td>War der Zinssatz, den Sie für Ihren letzten Kredit vereinbart</td>
<td>1,94</td>
<td>0,596</td>
<td>33</td>
</tr>
<tr>
<td>Wie viel Prozent der derzeitigen Kreditfinanzierung Ihres Unternehmens wurden durch Kredite bei Ihrer Hausbank abgedeckt?</td>
<td>2,98</td>
<td>1,801</td>
<td>42</td>
</tr>
</tbody>
</table>