



**BUCHAREST UNIVERSITY OF ECONOMIC
STUDIES
FINANCE DOCTORAL SCHOOL**



HABILITATION THESIS

**Considerations regarding the analysis of investment
decisions and corporate financing policy**

-SUMMARY-

**Author:
Assoc. prof. Curmei-Semenescu Ileana-Andreea,
Ph.D.**

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The purpose of the present thesis is to support my candidature for the habilitation degree. It presents my previous career path and the most important scientific research results in the field of finance since my Ph.D. dissertation. I also took the opportunity of presenting in its final part the major research themes that I plan to pursue in the future and also my view of how to organize my future Ph.D. coordination activity.

I graduated from the Finance and Banking Faculty of the Bucharest University of Economic Studies in 2003 and continued my education by obtaining my Master degree at the University of Orleans (France) - DESS Banques&Assurances. I then came back to Bucharest to follow my dream of becoming an educator in the field of Finance and occupied a university assistant position within the Department of Finance of the Bucharest University of Economic Studies. By the same year, I started my doctoral studies during which I had the opportunity to acquire invaluable experience in the research fields with the precious guidance of prof. Tatiana Moșteanu and prof. Victor Dragotă to whom I am very grateful. I defended my Ph.D. thesis entitled “Applying the methods for valuing the efficiency of public investment projects” in December 2008. The doctoral studies represented the beginning of an exciting research journey in the field of the analysis of investment projects that was thereafter extended towards the analysis of corporate strategic financial policies.

With a 20-year-long career in the educational and research activity within Bucharest University of Economic Studies, I had the opportunity to gain a valuable experience both in the educational and finance research fields. During my entire activity, I fulfilled my duties with passion, determination and enthusiasm, being in a permanent search for self-improvement and qualitative results. This strategy was very rewarding both in terms of personal satisfaction and visibility in the finance research community. I also had the opportunity of being part of research teams that proved a high degree of professionalism and later to create and coordinate research teams with successful results. I also dedicated an important part of my efforts in the last few years to expanding my research network within the university, but also nationally and internationally, because I think that this is a very important requirement in a successful coordination activity. In the same vein, I am very eager in improving my research skills and to this end I took several courses in specialized cutting-edge domains of finance, but also connected areas required in the scientific research activity.

The most important results of my research work were published in well-known scientific journals. Among them, I list the following:

1. Curmei Catalin-Valeriu, Curmei-Semenescu Andreea, *Corporate Social Responsibility in Banks in Turbulent Times and Particularities in Central and Eastern European Countries*, Eastern European Economics, 2022, vol. 60, issue 4, 285-304, doi: 10.1080/00128775.2022.2068606- WOS:000790751000001, <https://www.tandfonline.com/eprint/WRMIZIDQHUCEKZUHIMPI/full?target=10.1080/00128775.2022.2068606>
2. Andreea Curmei-Semenescu, Elena Valentina Tilica, Cătălin Valeriu Curmei - *Investors' Choices and Strategic Financial Decisions of the Companies. Evidence from an Analysis of the Capital budgeting Policy Implications on Shares Valuation*, Sustainability, vol.13, iss. 8, 2021, p. 4112, ISSN 2071-1050, DOI: 10.3390/su13084112 - WOS:000645332600001, <https://www.mdpi.com/2071-1050/13/8/4112/htm>
3. Dragotă I.M., Dragotă V., Curmei-Semenescu A., Pele D., *Capital structure and religion. Some international evidence*, Acta Oeconomica, vol 68 (3), 415-442, 2018, doi:10.1556/032.2018.68.3.5 - WOS:000450172200005
4. Semenescu Andreea, Cătălin Curmei, *Using CSR to Mitigate Information Asymmetry in the Banking Sector*, Management & Marketing, vol.10, no. 4, pp. 316-329, 2015, ISSN 2069-8887, http://econpapers.repec.org/article/vrsmanmar/v_3a10_3ay_3a2015_3ai_3a4_3ap_3a316-329_3an_3a4.htm
5. Andreea Semenescu, Cristina Badarau, *The Role of Public Authorities in Corporate Social responsibility*, Argumenta Oeconomica, no 2(33)2014, pp. 39-66, 2014, ISSN 1233-5835, <http://argumentaoeconomica.pl/dokumenty/33.2014/3.pdf>. WOS:000345199400003
6. Cristina Bădărău, Andreea Semenescu, *Fiscal policy and the cost of external finance to firms: Microeconomic and macroeconomic implications*, Emergent Markets Finance and Trade, vol. 46, supplement 1, pp. 36-50, mai-iunie 2010, ISSN 1540-496X, revistă cotate ISI , scor relativ de influență 0,300, <http://mesharpe.metapress.com/app/home/contribution.asp?referrer=parent&backto=issue,4,7;journal,22,66;linkingpublicationresults,1:111024,1>, WOS:000279462600004

My research activity in the recent years can be divided into two main directions. The first one refers to the capital budgeting policy of the companies and stakeholders' perceptions on the companies' implications into diverse investment projects. One aspect in this field gained particular attention in the recent years, namely the corporate responsibility initiatives. Some of

the articles published tackle this subject particularly in banks and focussing on the great financial crisis period. The second major direction focusses on the corporate financing policy.

The main conclusions of the articles mentioned above, which represent part of the thesis are presented below.

In the paper “*Investors' Choices and Strategic Financial Decisions of the Companies. Evidence from an Analysis of the Capital budgeting Policy Implications on Shares Valuation*” published in *Sustainability*, vol.13, iss. 8, 2021, p. 4112, ISSN 2071-1050, DOI: 10.3390/su13084112, WOS:000645332600001, <https://www.mdpi.com/2071-1050/13/8/4112/htm>, co-authored with Elena-Valentina Țilică and Cătălin-Valeriu Curmei, investors behaviour towards an active capital budgeting policy of the companies during turbulent economic periods is analysed. The article is based on statistical analysis on a big sample of companies (5402) listed in the main stock exchange indexes in 74 countries that is depend by employing the quantile regression methodology. It revealed a general tendency of the investors to value more companies with an active investment policy. This behaviour was also identified when classifying financial markets into developed and emerging markets, capital market or bank-based financial systems and OECD and non-OECD countries. There was also some evidence that the monitoring role of banks acted as a moderating factor on investor sentiment in the capital market during the turbulent period of the financial crisis at the end of the first decade of the 21st century, as well as some evidence of a greater caution regarding the very high appetite for corporate investment in emerging countries. Also, the consideration of the present and future performance of the issuer and its investment policy in explaining investor perceptions has highlighted the formation of investor perceptions on rational grounds in many cases, but also a high percentage of situations where fundamental analysis does not justify investor perceptions, a percentage that tends to deepen in years marked by major economic turbulence.

In the paper “*The Role of Public Authorities in Corporate Social responsibility*” co-authored with Cristina Badarau and published in *Argumenta Oeconomica*, no 2(33)2014, pp. 39-66, 2014, ISSN 1233-5835 <http://argumentaoeconomica.pl/dokumenty/33.2014/3.pdf>, WOS:000345199400003, we focused on a particular type of investment projects, namely those in corporate social responsibility. The paper focusses on private companies' incentives to involve in socially responsible initiatives in the framework of the relationships of the companies with their stakeholders. The paper particularly evidences how public authorities can influence the propensity of the companies towards corporate social responsibility. The article introduced a conceptual model for analysing how the behaviour of public authorities influences

the willingness of companies to engage in corporate social responsibility. The model explains from a theoretical point of view the importance of public policy design in influencing the level of acceptance of corporate social responsibility initiatives at company level in the early stages of corporate social responsibility development.

The use of corporate social responsibility in the framework of the company - stakeholders relationship in the financial sector represented the focus of other two articles published with Cătălin Valeriu Curmei. The choice of the banking sector was deliberate, given the direct association of the great financial crisis with the banking sector.

In the paper “ *Corporate Social Responsibility in Banks in Turbulent Times and Particularities in Central and Eastern European Countries*” published in *Eastern European Economics*, 2022, vol. 60 (4), 285-304. ISSN:1557-9298. doi: 10.1080/00128775.2022.2068606, WOS:000790751000001, <https://www.tandfonline.com/eprint/WRMIZIDQHUCEKZUHIMPI/full?target=10.1080/00128775.2022.2068606>, the research question was how corporate social responsibility influences the decisions of some bank stakeholders, namely shareholders, depositors and clients. The research is focused on explaining how corporate social responsibility can be integrated into the relationship marketing strategy of banking institutions, explaining the benefits and limitations of its use as a tool to improve the relationship of the banking institution with its investors, depositors and customers. Thus, the possibility of using corporate social responsibility actions for customer and depositor loyalty is highlighted, as well as the fact that engaging in corporate social responsibility actions has important limitations in terms of the relationship of banking institutions with their shareholders. The analysis was further extended by highlighting how the type of corporate social responsibility initiatives influence the bank's relationship with these stakeholder groups for the category of banking institutions with significant involvement in corporate social responsibility actions. Hence, customers and in a small measure, shareholders are sensitive to an active corporate social responsibility policy of the banking institution, with the crisis having a moderating effect, with the social actions being particularly motivating for stakeholders. The results are important because they provide valuable clues as to the optimal extent of social involvement of banking institutions according to the category of stakeholders targeted in their relationship marketing strategy, as well as on the directions in which these initiatives should be oriented in order to achieve the maximum image benefit for the respective banking institution.

The paper „*Using CSR to Mitigate Information Asymmetry in the Banking Sector*” published in *Management & Marketing*, vol.10,no. 4, pp. 316-329, was focussed on what

incentivizes banks to develop an active corporate social responsibility policy and if this may be an instrument for reducing informational asymmetry with stakeholders. The main goal was to understand how banks' involvement in corporate social responsibility actions is associated with the need to reduce the degree of information asymmetry in the relationship with investors. Thus, it is observed that the likelihood of active involvement in corporate social responsibility initiatives of banking institutions, as measured by their listing in the ESG module of the Refinitiv database, is positively associated with the size of the banking institution, the degree to which that institution relies on depositors in obtaining its financial resources, and the dividend payout percentage. This result is consistent with the fact that the involvement of banking institutions in corporate social responsibility actions is perceived by the bank as a tool to limit the information asymmetry between the banking institution and its stakeholders such as customers, depositors, employees. On the other hand, an active direct investment policy of banking institutions is negatively associated with an active involvement in corporate social responsibility activities, demonstrating the limitations of this instrument in the relationship with shareholders, which is also proved by the insignificant coefficients associated with the indicators used to describe the shareholder structure in the econometric modeling of the probability of active involvement of the banking institutions in corporate social responsibility initiatives.

Another part of my research activity was oriented towards factors that affect companies' financial decisions and the financing cost.

The paper „ *Capital structure and religion. Some international evidence* ” co-authored with Ingrid Dragotă, Victor Dragotă and Dan Traian Pele published in *Acta Oeconomica*, vol 68 (3), 415-442, 2018, ISSN 0001-6373 doi:10.1556/032.2018.68.3.5, WOS:000450172200005 dives into the cultural factors that may influence the corporate financing policy. Different religions and religious confessions are used as proxies for the cultural features of a society. Thus, less studied religions or denominations have been found to have particular influences on corporate debt ratios, such as the Orthodox and Catholic denominations associated with higher levels of indebtedness than the Protestant denomination, the Orthodox being correlated with a preference for short-term debt, or the Hindu religion, positively associated with long-term financial indebtedness. The Muslim religion was also identified as having a negative influence on financial indebtedness.

The financing cost is analysed in the paper “ *Fiscal policy and the cost of external finance to firms: Microeconomic and macroeconomic implications* ” co-authored with Cristina

Badarau and published in Emergent Markets Finance and Trade, vol. 46, supplement 1, pp. 36-50, mai-iunie 2010, ISSN 1540-496X, <http://mesharpe.metapress.com/app/home/contribution.asp?referrer=parent&backto=issue,4,7;journal,22,66;linkingpublicationresults,1:111024,1>, DOI10.2753/REE1540-496X4603S103, WOS:000279462600004. The article introduces a general equilibrium model with microeconomic foundations that focuses on the external financing premium of companies. The model focuses on the financial accelerator channel based on the firms' balance sheet and highlights two opposite effects of the taxation of profits on the firms' cost of financing. Thus, a direct effect is identified, generated through the mechanism of debt tax shield which negatively influences the cost of debt. On the other hand, an indirect effect is demonstrated theoretically and empirically, with implications in the increase in the cost of debt caused by the reduction of capital accumulation in the company as a result of the increase in profit taxation. It reflects in an increase of the credit risk associated with the debtor and on this basis to a bigger external finance premium.

In terms of perspective of future research, I have in mind or already in progress a few research projects in the same areas, but integrating elements that are particularly important in the present economic reality. Hence, in terms of corporate social responsibility, I intent to focus on how other stakeholders can incentivize companies to become more socially involved, focussing on institutional investors and the political factor, but also on how the general perception regarding corporate social responsibility influences brand value.

Another interesting type of investment in the last years is that in automation and artificial intelligence (AI). In this field, I am interested in verifying if this kind of investments have an influence on the corporate performance. Another direction is to understand how different classes of stakeholders embrace companies' orientation towards automation and AI. Last, but not least, the effect of the adoption of the digital investments may have macroeconomic effects and we plan to develop an open economy model to study it.

For the financing policy, I can mention two research themes. One is complementary to the paper published in 2010 and introduces the bank balance-sheet channel as a financial accelerator through a dynamic model.

The other is oriented towards a largely explored concept in the management literature, namely global value chains. I am interested to bring forward the financial perspective on this matter, by understanding if being part of a global value chain influences the financing decisions of a company.

Based on my previous activity and experience in the educational and research activity and on my constant desire for progress and self-improvement, and considering my previous managerial experience, I am confident that I can have a successful Ph.D. coordination activity.