

[April 22 und 13. 2016 in Bonn](#)

The following speakers were held and discussed in Bonn on April 22 and 23, 2016:

1. Procyclicality of US Bank Leverage

Christian Laux, WU Wien

In light of the current debate about the link between accounting and financial stability, we investigate the determinants of procyclical leverage for US commercial and savings banks. We find that leverage is strongly procyclical. Our evidence is not consistent with the notion that fair value accounting contributes to procyclical leverage or that historical cost accounting reduces procyclicality. Overall, banks' business model and the level of the regulatory capital and leverage ratio seem to be more important for procyclical leverage than accounting or regulatory risk weights.

2. Coordination Experience and Team Performance: Evidence from the Electronic Games Industry

Tobias Kretschmer, LMU München

In cross-functional teams, team performance depends on how skillfully function managers carry out the cross-function coordination of team members' complementary expertise and activities. We argue (i) that function managers' coordination skills develop in part through the coordination experience gained from interacting with managers from other functions, (ii) that coordination experience has general and firm-specific dimensions, and (iii) that coordination experience leads to better team performance. Using data on development teams in the electronic games industry, we show that coordination experience and its general and firm-specific components have a positive impact on the commercial success of electronic games, and that this effect is robust to tests for omitted variables and reverse causality. Our results have implications for the theory of learning and coordination in management teams and for the strategy and practice of team design in project-based organizations.

3. Incentives and the Delegation of Decision-Making Authority on Job Design - Complements or Substitutes?

Anna Rohlfing-Bastian, Universität Tübingen

We analyze the optimal interaction between decision-making authority and monetary incentives in a production process with two agents, each exerting non-observable effort on a specialized task. A further task needs to be performed, and one agent is privately informed about his costs for this task. The principal can either assign the task herself or delegate the decision-making authority to the informed agent. We find that, if the principal can employ a congruent performance measure to provide the agents with effort incentives, authority and incentives are complements. However, with an incongruent performance measure introducing the problem of effort misallocation across tasks, the relation between the two

instruments is not univocal. We thus contribute to explaining the mixed empirical evidence on the relation between incentives and decision rights.

4. Hybrid Mechanisms in Procurement

Achim Wambach, University of Cologne

We give an overview over the research unit „Design and Behavior“ and present a recent paper in the subproject „Auctions, negotiations and hybrid mechanisms in procurement“, titled „Exploiting uncertainty about the number of competitors in procurement auctions“. In procurement practice first-price auctions are used if the number of potential suppliers is small and second-price auctions if it is large. This observation cannot easily be explained by standard economic theory as suppliers should anticipate little competition whenever they participate in a first-price auction. We test this setup experimentally and find that suppliers on average interpret the buyer's selection of a first-price auction as a signal of low competition. However, most suppliers overestimate the degree of competition in first-price auctions. As a consequence, they bid too aggressive in first-price auctions, which rationalizes buyer's format choice.