![World Scientific - Connecting Great Minds]

Call for Papers
Handbook of Financial Services Performance:
Analytical and Empirical Perspectives

Editors

Bhagirath Prakash Baria, Ph.D.
Assistant Professor,
Department of Banking and Insurance,
Faculty of Commerce,
The Maharaja Sayajirao University of Baroda, India.

Ram Pratap Sinha, Ph.D.
Associate Professor,
Department of Economics,
Government College of Engineering and Leather Technology, India.

Firdous Ahmad Malik, Ph.D.
Assistant Professor of Economics,
Department of Management,
University of People, USA.

K. Shanmugan, Ph.D.
Associate Professor,
Department of Business Economics,
Faculty of Commerce,
The Maharaja Sayajirao University of Baroda, India.

Important Dates

Last date to submit Abstract	:	01-09-2024 (1st September, 2024)
Decision on Abstract	:	01-10-2024 (1st October, 2024)
Last date to submit the Full Paper	:	01-03-2025 (1st March, 2025)
Comments after blind peer review	:	01-04-2025 (1st April, 2025)
Last date to submit after revision	:	01-07-2025 (1st July, 2025)
Publication of the Book	:	01-12-2025 (1st December, 2025)*
		*Tentative and subject to *minor* changes

Call for Papers

Handbook of Financial Services Performance:

Analytical and Empirical Perspectives

Bhagirath Prakash Baria

Ram Pratap Sinha

Firdous Ahmad Malik

K. Shanmugan

Analytical Background

The theory of production in economics presents a coherent framework to understand the interlinkages between inputs, technology, and outputs for diverse products and services. The clean separation of these production elements is a hallmark of traditional production and firm theories (Spulber, 1999; Machaj, 2021). Over the last several decades, this approach has served fruitfully to study the behaviour of manufacturing and agricultural firms that are engaged in physically observable, and economically quantifiable inputs and outputs. Assessment of their performance in terms of efficiency, productivity, and profitability has been widely undertaken in the literature cutting across economics, managerial sciences, operational research, and other domains.

In economic history, 'goods' producing sectors were viewed as surplus-producing activities with connotations such as the 'productive sector' frequently employed in their analysis even by stalwarts such as Adam Smith (Curwen, 1976). Services, on the other hand, were historically associated with value destruction and not creation (Hunt and Lautzenheiser, 2015). However, a fundamental challenge emerged as the global economic structure began shifting towards the service sector where the intangibility of output, and a lack of clean separation between inputs, technology, and output presented a critical challenge for analysts and policymakers (Baria, 2023). While modifications in the traditional production and firm theories were attempted to analyse services as any other economic activity, the empirical results and theoretical implications from such an approach could not be sustained for long. Hence, the traditional approaches were transformed to account for the uniqueness of services in terms of their nature, composition, and manifestation in the larger economic picture. A voluminous body of literature has since emerged on the analysis of the service sector and the firms engaged in this sector. The challenges in analysing the service sector are further complicated by the emergence of firms that specialize in intermediation rather than direct services.

The financial services industry represents the rich and diverse set of firms engaged in intermediating between two or more entities to address problems such as transaction, search,

monitoring, and bargaining costs, along with their superior ability to handle problems such as adverse selection, moral hazard and the credible commitments problem in trade contracts (Spulber, 1999). Firms engaged in financial services provide heterogeneous services such as banking, insurance, investment, and others, that play a vital role in the smooth functioning of the real sector thereby enabling higher growth and better macro stability (Anwar and Iwasaki, 2023). The financial sector of an economy is largely dominated by the financial services industry, particularly the banking and insurance segments. Lineage of researchers have debated the role and pitfalls offered by the financial sector for the real sector. The behaviour of financial services has been at the forefront of this narrative. Central Banks are concerned with systemic risks that can emerge from contagion-like effects from the banking sector; Insurance regulators are concerned with maintaining healthy solvency of the insurance firms to ensure optimal risk management in the economy; capital market regulators are concerned with the stability of stock markets, mutual funds and capital market intermediaries to ensure a stable financial architecture, and the public at large is concerned with the behaviour of these firms due to their immense impact on the society at large.

It is evident that understanding how financial service firms behave is paramount for achieving a stable macroeconomic architecture and ensuring that the road to economic progress is sustainable in the long run. The fundamental metric to capture the behaviour of financial services is the performance of the firms engaged in this activity. This may be undertaken at the firm level or at the level of the industry and sector itself. Quantification of how firms, industries, markets and sectors perform lays the foundations for understanding their role in the larger economic order while also allowing the ground professionals to engage in scientific decision-making using the performance metrics. The theory of performance analysis attempts to provide an empirical rationale for the complex manifestations of how firms, industries and even sectors behave in market economies, and whether their behaviour is aligned with the desired macro-social order. While performance analysis is not a new issue in economics, management or other social sciences, its applications in the financial services segment have emerged as a thriving area of research globally. Quantification of the microeconomic and the macroeconomic behaviour of financial services firms is at the heart of sound macro-prudential regulation while also serving as a foundation for micro-level decision-making. The unique nature of these firms does not lend itself to straightforward performance analysis; rather, one has to delicately balance the desires of the theory with the realities of the data. There is indeed a large gap between what the theory demands, and the actual information available to ascertain the performance of financial services. Capturing the true extent of the performance of financial services remains a challenging enterprise.

Theoretically, performance measurement has been conceptualized as a comparison between the actual and the desired outcomes to quantify the gap between them. This gap then serves as a metric for how well or poorly the firm, industry, sector or economy is performing. Empirically, performance measurement for financial services has been undertaken from at least three perspectives. First, the issue of efficiency has been widely investigated where technical and allocative efficiencies have received a large volume of attention (see for example Chatterjee and Sinha, 2006; Sinha, 2015; Akdeniz et al., 2023; and Sinha, 2024). Second, productivity has been examined in this context where the residual total factor productivity (see for example Sufian and Habibullah, 2014) has received considerable attention, while the issue of partial factor productivity has been hardly investigated (see for example Baria, 2023). Third, profitability has also played a significant role in this arena with several studies focusing on the measurement and determinants of profitability of financial services in both advanced (see for example Athanasoglou et al., 2008; Mirzai et al., 2013) and emerging economies (see for example Athari et al., 2023). Performance measurement for financial services has expanded

over time to include a large variety of theoretical models, statistical and econometric methods, and diverse data sources in its quest to provide a holistic view of this matter. However, debates still rage on several areas where a coherent perspective is warranted.

Issues at the frontier of financial services performance measurement

While the extant literature has emerged with deep insights into the measurement, determinants and implications of the performance of financial services, several debates are still unresolved, indicating a pressing need to address these matters and move the disagreements towards possible resolution.

First, there is a need for systematization of knowledge on performance measurement. While a large volume of literature has focused on this matter, developing analytical narratives, classifying the methods and findings, tracing the evolution, and systematically summarizing the theories and findings in performance measurement for financial services is still an unfulfilled task. The present volume provides an opportunity for researchers to contribute in this direction.

Second, there are areas of debate that need settlement or at least a fresh look in that direction. One of the fundamental challenges in performance evaluation for financial services is the measurement of output (Akdeniz et al., 2023). While this area has been holistically approached by some recent works such as Baria (2023), an analytical comparison of the competing approaches such as the value-added, production, intermediation and national accounts approach is warranted. Another important area of debate at the frontier of this topic is how technologies are disrupting the performance analysis of financial services. Financial services is largely a technological-intensive industry. However, there have been disruptions from Big Data, Artificial Intelligence (AI), Machine Learning (ML), and others. How the theory of performance measurement needs to be adapted to incorporate these emerging technological upheavals is a fascinating topic. The present volume invites high-quality reviews, conceptual papers, and perspective articles on this theme. The foundations of the role of financial services in the real sector were formally laid in the finance-growth nexus debates wherein debates have raged on whether growth is led by finance or vice versa. The larger process through which the financial sector is expected to contribute to the real growth of an economy is a cornerstone of modern macroeconomics. Articles are invited that throw a fresh perspective on the finance-growth relationship by reviewing cross-country evidence while drawing globally useful insights. Lastly, there is a vital need to develop systematic reviews on the literature related to performance evaluation of financial services such as banking, insurance, and others such as mutual funds, and non-banking financial services such as microfinance, among others. Articles that rigorously analyse the literature on performance measurement of financial services with a primary focus on the banking and insurance industries are invited. Submissions can also focus on microfinance, mutual funds, payment services, and other related financial services.

Third, the empirical foundations of the performance analysis methods developed in the literature so far, are a major area of research. Literature has provided at least three key frameworks. First, the Data Envelopment Analysis (DEA) methods have received large attention in the literature on the efficiency of financial services. A large number of alternative DEA methods exist in the literature. These include the Radial DEA, Free Disposal Hull (FDH) approach, partial frontier approaches, Non-radial DEA, Hybrid DEA models, Directional distance function approach, and Fuzzy DEA approaches. Innovative use of these approaches on single-country or multi-country datasets is invited. Second, the estimation of total factor productivity using Malmquist, Luenberger, and other approaches is another area of active

research in this arena. Submissions are invited that focus on this theme using single-country or multi-country datasets. Third, some empirical applications are at the frontier of this subject. These include the construction of contemporaneous, sequential, and global frontiers; supply chain DEA models in the context of financial service enterprises; and dynamic and network DEA applications to the financial services industry. High-quality submissions on these themes are welcome. These papers may focus on one country or multiple countries. Perspective can be at the firm level or the industry level. Second, there is advertently lesser attention on the econometric approaches in this area. Applications of econometric methods such as the Stochastic Frontier Approach (SFA), structural econometric models, index numbers approach to efficiency and productivity measurement, and time-series models of financial services performance in terms of efficiency, productivity or profitability, are desirable. Submissions that focus on these issues while focusing on a single country or multiple countries are invited. Papers that focus on the banking and insurance industries are particularly desirable; though articles addressing these matters in other financial services will also be positively considered. Lastly, the applications of the Machine Learning (ML) approach to performance analysis of financial services are welcome. These studies could include applications of Support Vector Machines, Random Forest; and other Multi-Criteria Decision-Making techniques such as DEAGP, TOPSIS, AHP, and ANP, to the performance measurement for various financial services.

Fourth, submissions that focus on the performance of markets are also critical in this discourse. While the performance of financial services firms and industry is important, the knowledge of how financial markets perform is equally necessary for prudent regulation and stable macroeconomic growth. The complex interactions of financial services firms manifest themselves in the performance of financial markets. Well-behaved capital and money markets are necessary for macro stability and optimal risk management in the economy. Papers that look into issues such as the volatility of stock markets, efficiency of investment portfolios, efficiency of mutual funds, profitability of Non-Banking Financial Institutions (NBFIs), efficiency of new issues market, demand for insurance, behavioural finance and behavioural Economic frameworks in Financial Markets are welcome. Such papers can examine the performance of these markets at the aggregate level or by using firm-level or product-level data. Efficiency, productivity or profitability dimensions can be examined by such papers within well-defined theoretical and empirical models.

Submission Guidelines

It is in the spirit of the above-mentioned issues that the present volume extends a Call for Papers on the subject of performance analysis of financial services. High-quality submissions that engage in rigorous review of literature, analytical perspectives, and empirical papers that focus on either firm-level or industry-level datasets for a single country or in a multi-country framework using the latest available information, are hereby invited. The following guidelines are to be kindly observed while preparing the abstract and manuscript.

Guidelines for Abstract

1. The abstract should include the following:
   ✓ Clear title of the paper.
   ✓ Full Names and affiliations of the authors (both single-author and multi-author submissions are acceptable).
   ✓ Email addresses of all the authors.
   ✓ 4-6 Keywords.
   ✓ JEL Codes (can be found here: https://www.aeaweb.org/jel/guide/jel.php)

- ✓ Declaration statement stating that the article is ORIGINAL and has not been submitted or is being considered elsewhere.
- ✓ *The theme/section for which it is being submitted.* <u>This is critical</u> to classify and locate your work in the larger structure of the book.

2. The maximum word limit for the abstract is 500 words and the minimum limit is 200 words.

3. The abstract should focus on the following:

3.1. For Abstracts on Theme 1 and Theme 2 (review/analytical/perspective articles):
- ✓ The nature of the paper (review/conceptual/perspective/narrative)
- ✓ Type of review (systematic/narrative)
- ✓ Method of review (SPAR-4-SLR, PRISMA-based, Bibliometric approach, Meta-analytic, etc.)
- ✓ Number of studies covered in the article
- ✓ Key findings/issues/themes/debates

3.2. For Abstracts on Theme 3 of the book (empirical articles)
- ✓ Key issue being analysed (whether efficiency, productivity or profitability)
- ✓ Main objective of the study
- ✓ Method used (non-parametric, econometric, or others such as machine learning)
- ✓ Type of data used (cross-sectional, time-series, panel data)
- ✓ Scope (single country, international, global)
- ✓ Findings
- ✓ Limitations

Submission of the Abstract
The abstract which follows the above-mentioned guidelines can be submitted in two ways:
1. Through **Easy Chair submission system** on the link: https://easychair.org/cfp/HFSP-2024
2. Through **Email** on: handbookworldscientific2024@gmail.com

Guidelines for Paper Preparation and Submission

The detailed guidelines for the preparation of the full paper will be shared upon acceptance of the abstract.

Benefits for the authors/contributors

The primary motivation for potential authors to contribute their research work in this volume is to gain prominent recognition in the field with one of the most reputed publishers of high-quality technically sound scholarly works. World Scientific provides authors to gain not only recognition but also traction in the subject area through rapid diffusion of their work in the academic and policymaking circles. The authors whose papers will be published as full-scale chapters in this book will also receive active promotion of their work through the large international network of the Editors of this book. Having a chapter in a high-quality technically sound edited volume will permit the authors to get widespread communication of their work with the academic and policymaking circles. The contributors will gain access to a large wealth of networking resources which will provide them with a truly global platform to share their research. With contributors emerging from across the globe, the papers published in this book will cut across borders. With a successful publication in this volume, other contributors from across the globe will engage in high-quality scholarly interactions, thereby allowing the authors to share and gain mutually beneficial insights into their research work. With the backing of a

highly reputed publisher such as World Scientific, the contributors will be able to reach the larger academic community to share their insights and perspectives. Furthermore, the book and its chapters will be submitted to Scopus and Web-of-Science (WoS) for possible indexing. Given the methodological rigour of the book, the international diversity of its contributors, the originality of the content, and the technically sound nature of the book, it is strongly expected to be successfully indexed by these databases. The authors may positively note this.

Contact details

In case of any queries, concerns or for any discussion on this book, please contact Dr. Bhagirath Prakash Baria on his email researchbhagirath@gmail.com or his official email: bhagirath.baria-bi@msubaroda.ac.in. One can freely contact him on his mobile number +91-9316054394 (available on WhatsApp also).

Publication details

The "Handbook of Financial Services Performance: Analytical and Empirical Perspectives" will be published by World Scientific. Please find more about the publishers here: https://www.worldscientific.com/page/about/corporate-profile

References

Akdeniz, Ö. O., Abdou, H. A., Hayek, A. I., Nwachukwu, J. C., Elamer, A. A., & Pyke, C. (2023). Technical efficiency in banks: A review of methods, recent innovations and future research agenda. Review of Managerial Science. https://doi.org/10.1007/s11846-023-00707-z

Anwar, A., & Iwasaki, I. (2023). The Finance–Growth Nexus in Asia: A Meta-Analytic Approach. Asian Development Review, 40(01), 13–48. https://doi.org/10.1142/S0116110523500063

Athanasoglou, P. P., Brissimis, S. N., & Delis, M. D. (2008). Bank-specific, industry-specific and macroeconomic determinants of bank profitability. Journal of International Financial Markets, Institutions and Money, 18(2), 121–136. https://doi.org/10.1016/j.intfin.2006.07.001

Athari, S. A., Irani, F., & AlAl Hadood, A. (2023). Country risk factors and banking sector stability: Do countries' income and risk-level matter? Evidence from global study. Heliyon, 9(10), e20398. https://doi.org/10.1016/j.heliyon.2023.e20398

Baria, B. P. (2023). The Economics of Financial Services in Emerging Markets: Measuring the Output of the Banking and Insurance Industries. Routledge.

Chatterjee, B., & Sinha, R. P. (2006). Cost Efficiency and Commercial Bank Lending: Some Empirical Results. The Indian Economic Journal, 54(1), 145–163. https://doi.org/10.1177/0019466220060109

Curwen, P. J. (1976). The Theory of the Firm in Historical Retrospect. In P. J. Curwen (Ed.), The Theory of the Firm (pp. 3–7). Palgrave Macmillan UK. https://doi.org/10.1007/978-1-349-15645-0_1

Hunt, E. K., & Lautzenheiser, M. (2015). History of Economic Thought: A Critical Perspective. M.E. Sharpe.

Machaj, M. (2021). A Market Process Theory of the Firm: An Alternative to the Neoclassical Model. Routledge.

Mirzaei, A., Moore, T., & Liu, G. (2013). Does market structure matter on banks' profitability and stability? Emerging vs. advanced economies. Journal of Banking & Finance, 37(8), 2920–2937. https://doi.org/10.1016/j.jbankfin.2013.04.031

Sinha, R. P. (2015). A Dynamic DEA Model for Indian Life Insurance Companies. Global Business Review, 16(2), 258–269. https://doi.org/10.1177/0972150914564418

Sinha, R. (2024). General Insurer Efficiency and Managerial Ability: A Non-parametric Approach. In Handbook on Data Envelopment Analysis in Business, Finance, and Sustainability. World Scientific. https://www.booktopia.com.au/handbook-on-data-envelopment-analysis-in-business-finance-and-sustainability-sabri-boubaker/book/9781800615779.html

Spulber, D. F. (1999). Market Microstructure: Intermediaries and the Theory of the Firm.

Sufian, F., & Habibullah, M. S. (2014). Banks' Total Factor Productivity Growth in a Developing Economy: Does Globalisation Matter? Journal of International Development, 26(6), 821–852. https://doi.org/10.1002/jid.2897

Handbook of Financial Services Performance:
Analytical and Empirical Perspectives

Themes and sub-themes

Submissions are invited on the following themes *and this list is not exhaustive*. Submissions focusing on any aspect of the performance analysis in the financial services domain will be considered.

Theme 1: Theory of Performance Analysis for Financial Services
[Conceptual/Perspective/Review/Historical Perspective articles]

1. Performance measurement theory and its evolution

2. Systematic Review of literature on performance analysis of financial services
- SPAR-4-SLR-based reviews
- PRIMSA-based reviews
- Bibliometric approach
- Meta-analytic approaches

Theme 2: Analytical Perspectives
[Conceptual/Perspective/Review/Analytical/Descriptive articles]

3. Output measurement debates in financial services
- Alternative approaches and their merits and limitations
- National accounts approach and System of National Accounts
- Value-added approach
- Production approach
- Intermediation approach
- Performance evaluation under alternative output measures

4. Technology and performance analysis in the financial services domain
- Productivity, Efficiency and Profitability analyses
- Disruptions from AI and ML in performance metrics
- Big Data and Performance analysis: issues and perspectives
- Performance quantification under alternative technological environments

5. Finance-Growth nexus
- Detailed review of the empirical literature
- Causal mechanisms in the finance-growth nexus
- Financial performance of the State – Fiscal issues
- Financial development and economic development
- Financial deepening and economic growth

6. Review on 'Performance evaluation in the banking industry'
- Productivity, Efficiency and Profitability analyses
- Banking and economic growth
- Macro-level performance analysis
- Cross-country performance comparatives

- Advanced versus emerging economies
- Commercial banking sector performance in emerging economies
- Performance evaluation of niche banks such as payments and small finance banks

7. Review on 'Performance evaluation in insurance and reinsurance industries'
- Productivity, Efficiency and Profitability analyses
- Insurance and economic growth debate
- Macro-level approaches in performance analysis
- Cross-country performance comparatives
- Advanced versus emerging economies
- Life insurance versus non-life performance dynamics

8. Review on 'Performance evaluation of other financial services'
- Mutual Funds
- Stock Markets
- Venture Capitals
- Investment Management
- Non-Banking Financial Institutions (NBFIs)
- Micro Finance Institutions (MFIs)
- Any other

9. Performance of the Fintech firms: Frontiers and Challenges
- Fintech and performance measurement
- Emerging methodologies in measuring Fintech firm performance

Theme 3: Empirical Perspectives
[Empirical articles]

10. Performance of financial services using Data Envelopment Analysis (DEA) Approaches
- Radial data envelopment analysis and its extensions including Assurance Region, Hyperbolic Graph, undesirable output, and radial inverse DEA models
- The Free Disposal Hull approach of efficiency evaluation
- Efficiency evaluation using the partial frontier approach- order-m FDH, order alpha FDH, order-m DEA, and order-alpha DEA
- Non-radial data envelopment analysis including undesirable output and slacks-based inverse DEA models
- Hybrid DEA models –integration of radial and slacks-based approaches
- Directional distance function approach
- Russell's measure of efficiency
- Fuzzy DEA approaches
- Data envelopment analysis for supply chain management
- Allocation models in DEA
- Estimation of total factor productivity using Malmquist, Luenberger, and other approaches. Construction of contemporaneous, sequential, and global frontiers
- Supply Chain DEA models: applications in the context of financial service enterprises
- Dynamic and network DEA applications to the financial services industry

11. Performance of the financial services using the Econometric Approaches
- Stochastic Frontier Approach
- Structural Econometric Approach
- Solow's Growth Model framework
- Index Numbers and econometric methods
- Time-series econometric models
- Other parametric approaches

12. Financial Services Performance through Machine Learning Approaches
- The Machine Learning – DEA approach towards efficiency evaluation- application of Support Vector Machine, Random Forest, and others
- Application of other Multi-Criteria Decision-Making techniques - DEAGP, TOPSIS, AHP, ANP, and others

13. Performance of financial services markets
- Volatility of Stock Markets - including idiosyncratic volatility
- Efficiency of Investment Portfolios
- Efficiency of Mutual Funds -Fund Management
- Profitability of Non-Bank Financial Institutions
- Efficiency of New Issues Market - IPOs, FPOs
- Demand estimation for Insurance
- Behavioural Finance and Behavioural Economic approaches in Financial Markets Analysis
- Monetary Policy and performance of banks

****